

## HOUSE BILL NO. HB0085

State health reinsurance program.

Sponsored by: Joint Labor, Health & Social Services Interim  
Committee

A BILL

for

1 AN ACT relating to insurance; creating the state health  
2 reinsurance program for the reduction of health insurance  
3 costs as specified; levying a premium assessment on insurers;  
4 creating an account; providing standards for a state  
5 innovation waiver application to the federal government;  
6 requiring the adoption of rules; repealing provisions  
7 relating to the state health reinsurance program; and  
8 providing for an effective date.

9

10 *Be It Enacted by the Legislature of the State of Wyoming:*

11

12 **Section 1.** W.S. 26-43-301 through 26-43-303 are created  
13 to read:

14

15

ARTICLE 3

1 STATE HEALTH REINSURANCE PROGRAM

2

3 **26-43-301. Definitions; repeal.**

4

5 (a) As used in this section:

6

7 (i) "Health and disability insurance" shall  
8 include carriers providing disability insurance as defined in  
9 W.S. 26-5-103, and also includes accident only insurance,  
10 accidental death or dismemberment insurance, specified  
11 disease insurance, hospital confinement indemnity insurance,  
12 limited benefit insurance, short-term limited duration plans,  
13 and association health plans or multiple employer welfare  
14 arrangements under the jurisdiction of the department;

15

16 (ii) "State innovation waiver" means an agreement  
17 between the state of Wyoming and the United States department  
18 of health and human services and the department of the  
19 treasury, as applicable, pursuant to 42 U.S.C. § 18052,  
20 relating to the variance of certain federal laws which is  
21 necessary to establish a reinsurance program in this state  
22 and to receive certain funds authorized by federal law for  
23 reinsurance purposes.

1

2 (b) This article is repealed effective June 30, 2025.

3

4 **26-43-302. State health reinsurance program.**

5

6 (a) There is hereby created a program to be known as  
7 the state health reinsurance program.

8

9 (b) The purpose of the program is to:

10

11 (i) Provide funding for the operation and  
12 administration of the state health reinsurance program in  
13 carrying out the purposes of the program under this article;

14

15 (ii) Provide funding for the establishment,  
16 administration and operation of the state health reinsurance  
17 program authorized under this article;

18

19 (iii) Provide for the operation and administration  
20 of the state health reinsurance program, including functions  
21 delegated by the commissioner to a third party administrator  
22 under law or by contract.

23

1           (c) Beginning on July 1, 2019 and annually thereafter,  
2 each licensed health and disability insurance carrier doing  
3 business in this state shall file with the commissioner a  
4 disclosure containing the carrier's gross disability  
5 insurance premiums delivered in the state in the previous  
6 calendar year.

7

8           (d) All licensed health and disability insurance  
9 carriers doing business in the state shall be annually  
10 assessed up to one percent (1%) of their gross annual premiums  
11 to fund the state health reinsurance program.

12

13           (e) Assessments collected pursuant to subsection (d) of  
14 this section shall be paid to the state treasurer and credited  
15 to the state health reinsurance program account created by  
16 subsection (f) of this section.

17

18           (f) There is created the state health reinsurance  
19 program account into which all money received or collected to  
20 support the state health reinsurance program shall be  
21 deposited. Funds in the account are continuously appropriated  
22 to the department for the purposes of this article. All  
23 claims, insurer reimbursements, administrative expenses and

1 other necessary expenses incurred pursuant to this article  
2 shall be paid from the account. All money in the account not  
3 immediately necessary for the purposes of this article, as  
4 certified by the commissioner to the state treasurer, shall  
5 be invested pursuant to W.S. 9-4-714 through 9-4-721. All  
6 interest and earnings shall be credited to the account. Funds  
7 deposited into the account shall consist of:

8

9 (i) Assessments collected by the department;

10

11 (ii) Any federal funds received from an approved  
12 state innovation waiver under 42 U.S.C. § 18052 and authorized  
13 for expenditure under W.S. 9-2-1005(g) and 9-4-206(b) or  
14 appropriated by the legislature;

15

16 (iii) Any funds made available by the federal  
17 government to provide reinsurance to licensed health and  
18 disability insurance carriers doing business in this state  
19 and authorized for expenditure under W.S. 9-2-1005(g) and  
20 9-4-206(b) or appropriated by the legislature;

21

1           (iv) Any funds appropriated by the state to  
2 provide reinsurance to licensed health and disability  
3 insurance carriers.

4

5           (g) Funds in the account shall be used only for:

6

7           (i) Establishment of the state health reinsurance  
8 program authorized under this article;

9

10           (ii) Operation and administration of the state  
11 health reinsurance program in carrying out the purposes  
12 authorized under this article.

13

14           (h) Expenditures from the account for the purposes  
15 authorized by subsection (g) of this section shall be made in  
16 accordance with the approved state innovation waiver  
17 requirements, and if operating expenses of the program may be  
18 charged to either state or nonstate fund sources, the nonstate  
19 funds shall be charged before state funds are charged.

20

21           **26-43-303. Operation of the state health reinsurance**  
22 **program.**

23

1           (a) As soon as practicable, but not later than July 1,  
2 2019, the commissioner may submit a state innovation waiver  
3 application.

4  
5           (b) The commissioner may establish and implement a  
6 state health reinsurance program:

7  
8               (i) To provide reinsurance to licensed health and  
9 disability insurance carriers in the state;

10  
11               (ii) That meets the requirements of an approved  
12 state innovation waiver; and

13  
14               (iii) That is consistent with state and federal  
15 law.

16  
17           (c) The state health reinsurance program shall be  
18 designed to mitigate the impact of high risk individuals in  
19 the individual insurance market inside and outside the  
20 federal health benefits exchange created by the Patient  
21 Protection and Affordable Care Act, P.L. 111-148, as amended.

22

1           (d) The commissioner shall establish reinsurance  
2 payment parameters for calendar year 2020 and each subsequent  
3 calendar year for the duration of the approved state  
4 innovation waiver. The parameters shall include:

5

6           (i) An attachment point;

7

8           (ii) A coinsurance rate; and

9

10          (iii) A coinsurance cap.

11

12          (e) The commissioner, if approved by the appropriate  
13 federal agencies, may alter the parameters established in  
14 accordance with subsection (d) to secure a state innovation  
15 waiver.

16

17          (f) Funding for the state health reinsurance program  
18 may be made by using:

19

20           (i) Available federal funding, including funds  
21 received under a state innovation waiver, which is authorized  
22 for expenditure under W.S. 9-2-1005(g) and 9-4-206(b) or  
23 appropriated by the legislature;



1

2           (ii) Any funds designated by the federal  
3 government to provide reinsurance to licensed carriers that  
4 offer health and disability insurance plans in the state;

5

6           (iii) Any funds appropriated by the state to  
7 provide reinsurance to licensed health and disability  
8 insurance carriers;

9

10           (iv) Any assessment funds generated from the state  
11 health reinsurance program as set forth in this article.

12

13           (g) Implementation of the state health reinsurance  
14 program shall be contingent on the approval of a state  
15 innovation waiver.

16

17           (h) The department shall adopt rules necessary to  
18 implement the provisions of this article.

19

20           (j) The commissioner shall:

21

22           (i) Establish the powers and duties of the  
23 program;

1

2 (ii) Establish procedures for reinsuring risks in  
3 accordance with the approved state innovation waiver;

4

5 (iii) Establish procedures for collecting  
6 assessments from licensed health and disability carriers to  
7 provide funds for claims reinsured by the program and for  
8 administrative expenses incurred or estimated to be incurred  
9 during the period for which the assessment is made;

10

11 (iv) Select a third party administrator for  
12 operation of the program in accordance with state contract  
13 and procurement requirements, as needed.

14

15 (k) A third party administrator selected to administer  
16 the program shall:

17

18 (i) Establish written procedures, approved by the  
19 commissioner, for handling and accounting for program assets  
20 and monies and submit an annual audited fiscal report to the  
21 commissioner;

22

1           (ii) Retain appropriate legal, actuarial and other  
2 functions as necessary to provide technical assistance in the  
3 operation of the program and other contract design and any  
4 other functions necessary to implement the program;

5

6           (iii) Provide for additional matters at the  
7 discretion of the commissioner, as necessary for the  
8 effective operation of the program.

9

10          (m) The state health reinsurance program may reinsure  
11 as provided for in an approved state innovation waiver.

12

13          (n) Neither the annual assessment nor the establishment  
14 of procedures required by this article shall be the basis of  
15 any legal action, criminal or civil liability, or penalty  
16 against the reinsurance program or any participating carriers  
17 either jointly or separately.

18

19           **Section 2.**

20

21          (a) The insurance commissioner, with the assistance of  
22 the department of insurance, shall study the feasibility of  
23 a state innovation waiver under 42 U.S.C. § 18052. The waiver

1 shall seek to reduce health insurance premiums for Wyoming  
2 residents. The insurance commissioner shall report the  
3 results of the study to the joint labor, health and social  
4 services interim committee. If the investigation shows  
5 adequate benefits from the waiver, the insurance commissioner  
6 may apply for and, if federal approval is received, may  
7 implement the waiver. The investigation, application and  
8 implementation shall be subject to the following:

9

10 (i) No waiver shall be applied for without the  
11 written approval of the governor. No federally approved  
12 waiver shall be accepted or implemented without the written  
13 approval of the governor;

14

15 (ii) Any federal funds received in connection with  
16 the waiver shall be received in the manner specified by W.S.  
17 9-2-1005(g) and 9-4-206(b) or appropriated by the  
18 legislature;

19

20 (iii) Except as authorized by W.S. 26-43-301  
21 through 26-43-303, as created by this act, the waiver shall  
22 not require the state to expend any funds not already

1 appropriated, and implementation of, or continuation of, the  
2 waiver shall be contingent upon future assessments;

3

4 (iv) If the state health reinsurance program  
5 authorized by the waiver is discontinued or limited by the  
6 state through lack of funds, the state shall not be subject  
7 to recapture of previously expended federal funds;

8

9 (v) The state of Wyoming shall not be restricted  
10 from termination of the program, upon reasonable notice, in  
11 the future.

12

13 (b) This section is repealed effective June 30, 2025.

14

15 **Section 3.** This act is effective immediately upon  
16 completion of all acts necessary for a bill to become law as  
17 provided by Article 4, Section 8 of the Wyoming Constitution.

18

19 (END)