

SENATE FILE NO. SF0085

Health care reform-pilot project.

Sponsored by: Senator(s) Scott, Fecht, Hastert and Landen and Representative(s) Hallinan, Harvey, Tekel, Landon and Millin

A BILL

for

1 AN ACT relating to health insurance; providing for an
2 experimental health care insurance reform pool; providing
3 for a plan design commission; providing for design of a
4 benefits package under the reform pool; providing for
5 eligibility; providing definitions; providing for a report;
6 providing for a repeal date; providing an appropriation;
7 and providing for an effective date.

8

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

10

11 **Section 1.** W.S. 26-43-201 through 26-43-206 are
12 created to read:

13

14

ARTICLE 2

15

HEALTH CARE REFORM EXPERIMENTAL POOL

16

1 **26-43-201. Health care reform experimental pool**
2 **created.**

3

4 The health care reform experimental pool is hereby created
5 and shall be referred to as the reform pool. The product
6 offered to people participating in the reform pool shall be
7 referred to as the health assist plan.

8

9 **26-43-202. Definitions.**

10

11 (a) The definitions provided in W.S. 26-43-101 shall
12 apply to this act except to the extent they are
13 specifically inconsistent with subsection (b) of this
14 section.

15

16 (b) As used in this act:

17

18 (i) "Administrator" means as defined in W.S.
19 26-43-101 unless a different individual or entity is
20 selected pursuant to W.S. 26-43-203(f);

21

22 (ii) "Benefit design" means the schedule of
23 health coverage benefits available to enrolled individuals
24 under this act. "Benefit design" includes:

1

2 (A) The premiums and copayments to be
3 charged;

4

5 (B) The contributions required from both
6 the enrolled individuals and the state to the personal
7 health account and the uses to which that account may be
8 put;

9

10 (C) The clinical prevention services
11 available to enrolled individuals;

12

13 (D) The preventative services available to
14 enrolled individuals; and

15

16 (E) Any other benefit related provisions
17 the benefit design committee includes.

18

19 (iii) "Clinical prevention services" means
20 personal health information services provided by an
21 advanced practice nurse and clinical pharmacist team
22 designed to provide information, education and decision
23 support for individuals who have specified diseases, are
24 under the care of one (1) or more than one (1) specialist,

1 often in different locations, and who generally are taking
2 several medications;

3

4 (iv) "Personal health account" means an account
5 designed as provided in the benefit design and the plan of
6 operations designed to pay individual or family health
7 expenses including deductibles and copayments. The account
8 may or may not be a health savings account or other
9 federally tax advantaged account as determined in the
10 benefit design;

11

12 (v) "Plan of operation" means a plan to achieve
13 implementation of the benefit design including articles,
14 by-laws and management policies useful to the functioning
15 of the reform pool under this act;

16

17 (vi) "Primary care" means first access locally
18 available health services provided by health professional
19 generalists who provide a broad array of prevention,
20 screening exams and urgent care with specialty referral
21 when needed. Primary care is person, family and community
22 centered, communications intensive, preventative and often
23 involves office visit service procedure billing codes.
24 Prenatal obstetric care is included in primary care;

1

2 (vii) "Specialty care" means all care not
3 included in primary care. Specialty care is generally
4 provided by specialists who have training and expertise in
5 a given system, organ or disease and is often related to a
6 special technical skill;

7

8 (viii) "This act" means W.S. 26-43-201 through
9 26-43-206.

10

11 **26-43-203. Benefit design and operations.**

12

13 (a) There is created a benefit design committee of at
14 least three (3) and no more than seven (7) persons
15 appointed by the governor.

16

17 (b) The benefit design committee shall design the
18 specifics of a benefit design which shall include the
19 following characteristics:

20

21 (i) A personal health account funded by
22 contributions from the insured with a matching state
23 contribution. The relative shares of state and individual
24 contributions may be determined on a sliding scale based on

1 income. The state share may be withheld for failure to
2 comply with specific preventative requirements. The benefit
3 design for the personal health account:

4

5 (A) Shall provide that the individual may
6 retain the balance in the account upon leaving the reform
7 pool for use as specified in the benefit design;

8

9 (B) May allow the use of the account for
10 health care related needs once the balance in the account
11 exceeds an amount set by the committee or a length of time
12 set by the committee;

13

14 (C) May provide that the state retains
15 ownership of the account and that any balances in the
16 account revert to the state upon the death of the
17 individual, after a reasonable period to pay any eligible
18 outstanding health expenses of the individual or after a
19 length of time after the individual leaves the reform pool,
20 not to exceed ten (10) years;

21

22 (D) Shall seek to give the insured a sense
23 of ownership in the account so that he treats the money as
24 his own when making decisions to spend it for health care.

1

2 (ii) A prevention services package. The
3 prevention services shall be provided without a cost share
4 or with a nominal cost share from the enrolled individual.
5 The prevention services may be generally available or
6 tailored to specific individuals or both. The prevention
7 services package shall include specified primary care
8 services;

9

10 (iii) A system of copayments for health care
11 services not included in the prevention package. The
12 copayments shall be lower for primary care services and
13 higher for specialist services;

14

15 (iv) A sliding scale, based on the enrolled
16 individual's income, of premiums and contributions to the
17 personal health account to be paid to the enrolled
18 individual or his employer or both. The benefit design
19 committee in devising the sliding scale shall seek to avoid
20 creating an incentive not to leave Medicaid or other
21 government programs and to avoid creating an incentive to
22 avoid obtaining a job that includes eligibility for
23 employer provided health coverage or pays more than the
24 eligibility limits of this program;

1

2 (v) A program of clinical prevention services
3 for individuals enrolled in the reform pool who have or are
4 at risk of exceeding their out of pocket maximum and
5 therefore no longer have a financial risk in health service
6 utilization. The administrator may decline to offer or may
7 limit these services to those who in his judgment will not
8 benefit from them. In priority order, the first duty in
9 the program of clinical prevention services shall be to
10 assist the enrolled individuals in getting the care they
11 need. The second duty shall be to help the enrolled
12 individuals avoid care that may do more harm than good or
13 is unlikely to be helpful. The third duty shall be to
14 minimize the cost of the care;

15

16 (vi) A coverage package which qualifies as
17 creditable coverage under the federal Health Insurance
18 Portability and Accountability Act, 42 U.S.C. 1320d et seq.
19 or subsequent similar federal enactment.

20

21 (c) Provided it does not materially interfere with
22 the program under this act, the administrator may utilize
23 the program of clinical prevention services for individuals

1 enrolled in the pool under W.S. 26-43-101 through 26-43-114
2 provided that pool pays for the services its enrollees use.

3

4 (d) The benefit design shall be recommended by the
5 administrator and the benefit design committee to the board
6 and the governor. The board shall make recommendations to
7 the governor on the approval, rejection or modification of
8 the benefit design. The governor may delegate the power to
9 approve subsequent modifications of the benefit design to
10 any state official serving at his pleasure or to the board.

11

12 (e) The plan of operations shall be recommended by
13 the administrator to the board and shall go into effect
14 upon approval of the plan by the board and approval of the
15 benefit design by the governor.

16

17 (f) The administrator shall serve as the
18 administrator of the reform pool provided that financial
19 arrangements satisfactory to the board and the commissioner
20 can be agreed to with the administrator. If the financial
21 arrangements cannot be made, the commissioner, with the
22 advice and consent of the board, shall contract with a
23 different administrator to administer this act.

24

1 (g) It shall be the duty of the administrator to
2 manage the program so that the expenses of the program do
3 not exceed the available appropriations plus premiums
4 received. The administrator shall have power to limit
5 enrollment and, if necessary, to disenroll individuals to
6 avoid overspending the appropriation. Except as provided
7 in subsection (h) of this section and except for shared
8 administrative expenses, the resources of the Wyoming
9 health insurance pool created by W.S. 26-43-102 shall not
10 be used for the expenses of the reform pool.

11

12 (h) The administrator, with the approval of the
13 board, may purchase insurance or reinsurance for expenses
14 over a figure determined by the administrator with the
15 advice and consent of the board or in the plan of
16 operations. The insurance or reinsurance may be purchased
17 from commercial sources or may be purchased from the
18 Wyoming health insurance pool created by W.S. 26-43-102
19 which is hereby authorized to sell such insurance or
20 reinsurance to the reform pool.

21

22 **26-43-204. Eligibility.**

23

1 (a) At the time of enrollment individuals shall have
2 income not to exceed two hundred percent (200%) of the
3 federal poverty level and shall be working at least twenty
4 (20) hours per week or the equivalent. Individuals may
5 lose eligibility for failure to continue to work as
6 specified in the benefit design.

7

8 (b) Priority in enrollment shall be given to the
9 following:

10

11 (i) Individuals who participate in the job
12 assist program through the department of workforce services
13 shall be given first priority;

14

15 (ii) Individuals who have completed a vocational
16 rehabilitation or work readiness program provided through a
17 Wyoming state agency or a Wyoming community college;

18

19 (iii) Individuals who have been eligible for
20 Medicaid or other state assistance and are losing that
21 coverage due to increased earnings and individuals whose
22 children are losing Medicaid or state children's health
23 insurance program eligibility due to increased parental
24 earnings;

1

2 (iv) Individuals whose children are enrolled in
3 Medicaid or the state children's health insurance program;

4

5 (v) Children of eligible parents enrolled
6 pursuant to subsection (a) of this section who are not
7 themselves eligible for Medicaid or the state children's
8 health insurance program. These children shall be given a
9 priority equal to the additional adults under paragraph (i)
10 of this subsection; and

11

12 (vi) Spouses of individuals eligible under
13 subsection (a) of this section provided that the total
14 family income does not exceed the federal poverty level
15 requirements of this section and provided the spouse does
16 not have other health coverage. These spouses shall be
17 given a priority equal to additional adults under paragraph
18 (i) of this subsection.

19

20 (b) Enrollment eligibility for individuals enrolled
21 in the program shall be reviewed at least once per year.
22 If the individual's or family's income exceeds two hundred
23 fifty percent (250%) of the federal poverty level, they

1 shall be disenrolled from the program after ninety (90)
2 days.

3

4 (c) Enrollment in the reform pool under this act
5 shall not exceed five hundred (500) individuals prior to
6 April 1, 2009.

7

8 **26-43-205. Evaluation.**

9

10 (a) To assist in the evaluation of the reform pool,
11 the administrator shall make a projection of the expenses,
12 broken down by category, of the pool and shall revise the
13 projection once an adequate proportion of the expected
14 enrollment has been achieved. The projection shall assume
15 a conventional insurance product with the deductibles and
16 copayments used in the benefit design for the reform pool
17 and with conventional insurance cost controls, but
18 excluding the special cost control provisions tested in
19 this act. At appropriate intervals the projection shall
20 be compared to actual experience. The categories shall be
21 determined based on what information will be useful in
22 evaluating the cost control techniques applied in this
23 experiment and based on the data that is likely to be
24 available at a reasonable cost. In making any evaluation

1 based on the actual versus projection comparison, the
2 administrator shall identify any limitations on the
3 statistical significance of the comparison due to small
4 numbers of individuals enrolled. The administrator may use
5 the services of an actuary as appropriate.

6

7 (b) The administrator and the board shall report to
8 the joint labor, health and social services interim
9 committee, the Wyoming health care commission and the
10 governor on the strengths and weaknesses of this approach
11 by September 1, 2011 with an interim report due September
12 1, 2009. The report shall include a recommendation on
13 whether or not this approach should be used as the basis
14 for a health care coverage reform aimed at expanding
15 coverage for the working poor in Wyoming. The interim
16 report may contain a recommendation to expand enrollment in
17 the reform pool to obtain more statistically valid results.

18

19 **26-43-206. Sunset.**

20

21 This act is repealed effective July 1, 2012. The reform
22 pool shall not enroll any new individuals after July 1,
23 2011 and shall use the period March 1 to July 1, 2012 to
24 wind up the affairs of the reform pool.

1

2 **Section 2.** Notwithstanding W.S. 9-2-1008, 9-2-1012(e)
3 and 9-4-207(a) one million two hundred ninety-six thousand
4 nine hundred forty-six dollars (\$1,296,946.00) appropriated
5 from the general fund to the department of health pursuant
6 to 2006 Wyoming Session Laws, Chapter 66, Section 2 for
7 case services shall not revert on June 30, 2008 and is
8 hereby reappropriated to the insurance department. This
9 appropriation shall be for the period beginning with the
10 effective date of this act and ending June 30, 2010. This
11 appropriation shall only be expended for the purpose of
12 this act. Notwithstanding any other provision of law, this
13 appropriation shall not be transferred or expended for any
14 other purpose and any unexpended, unobligated funds
15 remaining from this appropriation shall revert as provided
16 by law on June 30, 2010.

17

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

22

23

(END)