

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

SENATE FILE NO. _____

Health care reform demonstration project.

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

A BILL

for

1 AN ACT relating to health insurance; creating a health care
2 reform demonstration project using the board and
3 administrative structure of the Wyoming health insurance
4 pool as specified; providing for a benefit design
5 committee; authorizing payment of committee members'
6 expenses as specified; providing for the design of the
7 benefits package and plan of operation of the project;
8 providing for eligibility; providing definitions; providing
9 for evaluation of the project; providing for a repeal date;
10 requiring reports; providing appropriations; and providing
11 for an effective date.

12

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

1

2 **Section 1.** W.S. 26-43-201 through 26-43-207 are

3 created to read:

4

5

ARTICLE 2

6

HEALTH CARE REFORM DEMONSTRATION PROJECT

7

8 **26-43-201. Health care reform demonstration project**

9 **created.**

10

11 The health care reform demonstration project is hereby

12 created. The health care programs and services offered to

13 people participating in the demonstration project shall be

14 referred to as healthy frontiers.

15

16 **26-43-202. Definitions.**

17

18 (a) The definitions provided in W.S. 26-43-101 shall

19 apply to this article except to the extent they are

20 specifically inconsistent with subsection (b) of this

21 section.

22

23 (b) As used in this article:

1

2 (i) "Administrator" means as defined in W.S.
3 26-43-101 unless a different individual or entity is
4 selected pursuant to W.S. 26-43-203(d);

5

6 (ii) "Benefit design" means the schedule of
7 health care benefits and other related services available
8 to participants under this article. The benefit design may
9 also include other features authorized for inclusion in the
10 benefit design by this article;

11

12 (iii) "Clinical prevention services" means
13 personal health support services provided by health care
14 providers and other individuals including advanced practice
15 nurses and clinical pharmacists or members of similar
16 health care organizations as set forth in the benefit
17 design and approved by the board. The clinical prevention
18 services shall be designed to provide information,
19 education and decision support for individuals who have
20 specified diseases, or who are at risk for serious disease
21 conditions or complications, and who meet other criteria
22 which indicate a need for clinical management or prevention
23 support;

1

2 (iv) "Contributions" means the amounts permitted
3 or required to be paid into a personal health account by
4 participants, the state or both;

5

6 (v) "Demonstration project" or "the project"
7 means the health care reform project created pursuant to
8 this article;

9

10 (vi) "Medical home" means a service provided by
11 a physician, advanced practice registered nurse or
12 physician assistant serving as the principal provider of
13 primary care and the initial point of contact with the
14 medical system for the patient. The medical home shall
15 seek to strengthen the provider-patient relationship by
16 replacing episodic care based on illnesses and patient
17 complaints with a broad array of prevention, screening
18 exams, advice on avoiding illness and, as needed, urgent
19 care with referral to specialists as indicated. When
20 appropriate, the medical home shall involve a plan of care
21 for each individual and include teaching the individual to
22 assist in the management of his health. Reimbursement for

1 medical home services shall include reimbursement to the
2 health care professional for patient care management;

3

4 (vii) "Participant" means an eligible individual
5 enrolled in the project. No person shall be a participant
6 who does not elect to be a participant;

7

8 (viii) "Personal health account" means an
9 account provided in the benefit design and the plan of
10 operations designed to pay qualified health expenses
11 including deductibles and copayments as directed by the
12 participant. The account may or may not be a health savings
13 account or other federally tax advantaged account. The
14 account may be portable to the individual;

15

16 (ix) "Plan of operation" means a plan governing
17 the demonstration project to implement this article,
18 including articles, bylaws and operating policies adopted
19 pursuant to this article. The plan of operation includes
20 the benefit design;

21

22 (x) "Premiums and copayments" means the amounts
23 charged to participants including the portion of the

1 premium to be paid by the participant and the portion to be
2 paid by the state;

3

4 (xi) "Preventive services" means the schedule of
5 services to prevent or detect illness available to
6 participants and any other related benefit provisions
7 specified in the benefit design to achieve the objective of
8 this article;

9

10 (xii) "Primary care" means care provided by a
11 family practice physician, pediatrician, internist,
12 obstetrician or an advanced practice registered nurse or
13 physician's assistant in a similar practice. Surgical and
14 radiological procedures are not primary care. The benefit
15 design may include similar services of a primarily
16 consultative and advisory nature provided by other
17 specialists or providers as primary care. Particular
18 preventive services and invasive diagnostic procedures
19 shall be considered primary care to the extent authorized
20 in the benefit design;

21

22 (xiii) "Specialty care" means care not included
23 in primary care. Specialty care is generally provided by

1 specialists with training and expertise in a given system,
2 organ or disease and is often related to a special
3 technical skill.

4

5 **26-43-203. Benefit design and operations.**

6

7 (a) There is created a benefit design committee of at
8 least three (3) and no more than seven (7) persons
9 appointed by the governor. Members of the committee other
10 than state employees shall receive per diem and mileage
11 allowance as allowed to state employees, when actually
12 engaged in committee activities.

13

14 (b) The benefit design committee shall create and
15 modify as necessary the benefit design which shall include
16 the following elements:

17

18 (i) Preventive services funded by the state with
19 no or nominal cost to the participant to promote better
20 health and identify chronic disease at the earliest
21 possible stage. Preventive services shall include cost
22 effective, evidence based and clinically proven screening
23 tests, age appropriate wellness exams and maintenance

1 prescriptions as specified in the benefit design. The
2 benefit design may provide that a participant meeting
3 specified criteria shall be required to participate in
4 specific preventive services as a condition of eligibility
5 for all or part of the state contributions to the
6 participant's personal health account;

7

8 (ii) The use of a medical home to the extent
9 practical. Routine primary care and preventive services
10 identified pursuant to paragraph (i) of this subsection
11 shall normally be provided by the participant's medical
12 home. To the extent practical, other care shall be
13 provided through the medical home. As needed to obtain
14 adequate services, reimbursement for advice and
15 consultative services shall be at a higher level than
16 customarily provided through similar health care
17 reimbursement schedules. Requirements of, and reimbursement
18 for, the medical home provider shall be established in
19 advance as part of the plan of operation;

20

21 (iii) Clinical prevention services. The design
22 shall provide access to clinical prevention services to
23 assist certain participants with chronic disease or

1 complicated health conditions and to provide information
2 and resources to the participant, the medical home provider
3 and other relevant providers to better manage the
4 participant's illness and to improve the participant's
5 quality of life. The services shall be made available at
6 little or no cost to the participant. In priority order,
7 clinical prevention services shall be provided first to
8 assist the participant in getting the care he needs,
9 provided second to help the participant avoid care that may
10 do more harm than good or is unlikely to be helpful and
11 provided third to minimize the cost of the care;

12

13 (iv) A personal health account funded by
14 contributions from the participant with a matching state
15 contribution. Participant contributions may be determined
16 on a sliding scale based on income and may be modified
17 pursuant to paragraph (i) of this subsection. The benefit
18 design for the personal health account:

19

20 (A) Shall provide that the individual may
21 retain the balance in the account upon leaving the project
22 for use as specified in the benefit design;

23

1 (B) May allow the use of the account for
2 health care related needs when the account balance exceeds
3 an amount set in the benefit design, when the account
4 balance remains after a length of time set in the benefit
5 design, or both. The account may be used under this
6 subparagraph for medical copayments, deductibles or
7 premiums for specified family members not otherwise
8 enrolled in the demonstration project;

9

10 (C) May provide that the state retains an
11 interest in the account as necessary to ensure that any
12 state-funded balance in an account reverts to the state:

13

14 (I) Upon the death of the participant,
15 to pay any outstanding health care expenses of the
16 participant or any enrolled member of the participant's
17 household; and

18

19 (II) Following the expiration of a time
20 specified in the benefit design, not to exceed ten (10)
21 years, after a participant leaves the project.

22

1 (D) May provide that the participant may,
2 under conditions specified in the benefit design, roll the
3 balance in the account into a health savings account or
4 similar federally tax advantaged account after leaving the
5 project;

6

7 (E) May include any provisions needed to
8 avoid or minimize any adverse federal tax consequences for
9 the participant.

10

11 (v) A high deductible insurance plan, the
12 coverage package of which qualifies as creditable coverage
13 under the federal Health Insurance Portability and
14 Accountability Act, 42 U.S.C. 1320d et seq., or subsequent
15 similar federal enactment. The high deductible insurance
16 plan shall provide for premium cost share based on income
17 as determined in the benefit design. The participant may
18 pay premiums directly from the participant's personal
19 health account. Deductibles and copayments may be paid
20 from the personal health account at the discretion of the
21 participant. For health care services not included in the
22 prevention package, a system of copayments shall be
23 required and shall be lower for primary care and high for

1 specialty care. The benefit design committee in devising
2 the sliding scale shall seek to create an incentive to join
3 the project and leave Medicaid or other government
4 programs. The benefit design shall seek to create an
5 incentive to obtain a job that includes eligibility for
6 employer provided health coverage. The high deductible
7 insurance plan shall be limited in coverage and designed to
8 work in conjunction with the design provisions identified
9 in this section. The insurance plan may be provided
10 directly by the project, may be purchased from the private
11 sector or may be provided through the pool which is hereby
12 authorized to provide this plan.

13

14 (c) The benefit design shall be recommended by the
15 benefit design committee to the board. Upon approval by
16 the board, the benefit design shall be forwarded to the
17 governor as part of the plan of operation for the
18 governor's final approval. Amendments to the benefit
19 design shall be approved in the same manner except that the
20 governor may delegate his final approval authority, in
21 whole or in part, to the board.

22

1 (d) The administrator shall serve as the
2 administrator of the project provided that financial
3 arrangements satisfactory to the board and the commissioner
4 can be agreed to with the administrator. If the financial
5 arrangements cannot be made, the commissioner, with the
6 advice and consent of the board, shall contract with a
7 different administrator to administer this act.

8

9 (e) It shall be the duty of the board to manage the
10 project so that the expenses of the project do not exceed
11 the available appropriations plus premiums received. The
12 board shall have the power to limit enrollment in the
13 project to avoid overspending the appropriation. Except as
14 provided in subsections (b) and (f) of this section and
15 except for shared administrative expenses, the resources of
16 the Wyoming health insurance pool created by W.S. 26-43-102
17 shall not be used for the expenses of the project.

18

19 (f) The administrator, with the approval of the
20 board, may purchase insurance or reinsurance for expenses
21 in excess of an amount determined by the administrator with
22 the advice and consent of the board or in the plan of
23 operations. The insurance or reinsurance may be purchased

1 from commercial sources or may be purchased from the pool
2 which is hereby authorized to sell insurance or reinsurance
3 to the demonstration project.

4

5 (g) The plan of operation for the demonstration
6 project shall:

7

8 (i) Establish procedures for handling, investing
9 and accounting of assets and monies of the project;

10

11 (ii) Contain provisions useful in implementing
12 the benefit design;

13

14 (iii) Develop and implement a program to
15 publicize and to maintain public awareness of the existence
16 of the project, the eligibility requirements and procedures
17 for enrollment;

18

19 (iv) Provide as necessary for audits of the
20 project and the administration of the project;

21

22 (v) Include the benefit design approved by both
23 the benefit design committee and the board;

1

2 (vi) Provide procedures for enrolling
3 participants and their families consistent with the
4 eligibility requirements of this article. Insurance agents
5 licensed to sell insurance in Wyoming may be allowed to
6 enroll participants in the project and be paid a commission
7 or fee for their related services.

8

9 **26-43-204. Eligibility.**

10

11 (a) Participants at the time of enrollment shall have
12 family income not exceeding two hundred percent (200%) of
13 the federal poverty level and shall be working at least
14 twenty (20) hours per week or the equivalent. Participants
15 may lose eligibility for failure to continue to work as
16 specified in the benefit design.

17

18 (b) Priority in enrollment of participants shall be
19 given to the following:

20

21 (i) Individuals who have completed a vocational
22 readiness or work preparation program through the

1 department of workforce services, any other Wyoming state
2 agency or a Wyoming community college;

3

4 (ii) Individuals who have been participants in
5 the Medicaid program or other state assistance program and
6 who have become ineligible for that program due to
7 increased earnings;

8

9 (iii) Individuals whose children are enrolled in
10 Medicaid or the state children's health insurance program.

11

12 (c) Participants enrolled pursuant to this section
13 may elect family coverage, provided all individuals are
14 eligible. Children of participants shall be referred to
15 the state children's health insurance program or Medicaid
16 and shall not be enrolled in the demonstration project if
17 eligible for one of those programs.

18

19 (d) After the expanded enrollment pursuant to W.S.
20 26-43-205 has been occurring for at least three (3) months,
21 the board may determine that the maximum enrollment
22 authorized by W.S. 26-43-205 is not likely using the
23 priority categories set forth in subsection (b) of this

1 section and may authorize the enrollment of a limited
2 number of individuals who are eligible under subsection (a)
3 of this section but who are not in a priority category.
4

5 **26-43-205. Structure and enrollment limits.**
6

7 (a) The project shall be structured as follows:
8

9 (i) There shall be an initial enrollment of no
10 more than five hundred (500) participants and their family
11 members, as appropriate to test the feasibility of
12 implementing the initial benefit design. Enrollment shall
13 begin after approval of the plan of operation by the board
14 and the governor and shall not begin before July 1, 2009;
15

16 (ii) After April 1, 2010 and approval by the
17 board and the governor of a revised benefit plan and plan
18 of operations based on experience with the initial
19 enrollment, the project may enroll an additional two
20 thousand five hundred (2,500) participants and their family
21 members and such additional participants to maintain stable
22 project enrollment of three thousand (3,000) participants
23 until July 1, 2013. The board in accepting participants

1 for the project shall seek to have at least five hundred
2 (500) participants who use the federally designated
3 community health centers as their medical home and at least
4 five hundred (500) participants who use primary health care
5 providers in private practice as their medical home. The
6 board shall seek to have enrollees representing sufficient
7 communities within the state to demonstrate the statewide
8 feasibility of the project.

9

10 **26-43-206. Evaluation.**

11

12 (a) The department of health shall have the primary
13 responsibility for the evaluation of the demonstration
14 project and shall report its evaluation publicly to the
15 governor and the joint labor, health and social services
16 interim committee annually beginning October 1, 2009. The
17 board shall also provide the governor and the joint labor,
18 health and social services interim committee with its
19 evaluation as appropriate.

20

21 (b) The department of health in its evaluation of the
22 project shall consider:

23

1 (i) Whether the project provides participants
2 with adequate health care;

3

4 (ii) The extent to which participant turnover
5 interferes with management and evaluation of the project
6 and obtaining the expected benefits of the project;

7

8 (iii) Whether the project provides health
9 coverage at a cost which is less than could be provided by
10 other means, both public and private. When comparing with
11 other public programs, the cost of those public programs
12 shall be adjusted to assume reimbursement rates comparable
13 to private reimbursement rates;

14

15 (iv) The extent to which the project reduces the
16 rate of increase in medical costs;

17

18 (v) The extent to which the health of
19 participants and their enrolled family members is improved
20 due to participation in the project.

21

22 (c) No later than July 1, 2009, the department of
23 health, after consultation with the administrator, shall

1 provide the commissioner a list of those data elements
2 which the department determines necessary to evaluate the
3 project as required by this section. Upon approval of the
4 list by the commissioner and after consultation with the
5 board, the department of health may award one (1) or more
6 contracts to collect any listed data not routinely
7 collected by the board or other state agencies and to
8 integrate that data as appropriate with related data
9 collected by the board and other state agencies.

10

11 (d) To assist in the evaluation of the demonstration
12 project, the administrator shall make a projection of the
13 project's itemized expenses and shall revise the projection
14 after enrollment of an adequate proportion of the expected
15 total enrollment. The projection shall assume all costs
16 associated with the provisions of W.S. 26-43-203. At
17 appropriate intervals, the project shall be compared to
18 actual experience. Itemized expenses shall include:

19

20 (i) The cost of services and care for
21 participants using as their medical homes federally
22 designated community health centers;

23

1 (ii) The cost of services and care for
2 participants using as their medical homes providers
3 practicing in the traditional fee for service environment;

4

5 (iii) The costs of services and care for
6 participants using other medical homes, including managed
7 care, if any, and those without medical homes;

8

9 (iv) Any other categories necessary to
10 effectively manage the demonstration project;

11

12 (v) Any other categories identified by the board
13 or department of health as necessary to evaluate the
14 demonstration project.

15

16 (e) In collecting, evaluating and using the data
17 collected pursuant to subsection (d) of this section and
18 any other management data, the administrator may use the
19 services of outside consultants. In comparing project
20 expectations and results, the administrator shall identify
21 and consider any limitations on statistical significance of
22 data due to small numbers of participants in any category.

23

1 (f) The department of health, in consultation with
2 the board, shall consider the feasibility and ethics of
3 using a control group to facilitate the evaluation of the
4 program. The board and the department of health are
5 authorized to construct and utilize a control group.

6
7 (g) The department of health shall provide to the
8 joint labor, health and social services interim committee
9 and the governor an interim evaluation report by October 1,
10 2011 and a final evaluation report by December 31, 2013.
11 To improve the statistical validity of the report, no new
12 enrollment in the project shall be permitted after July 1,
13 2013. The report shall include any recommendations on
14 whether the demonstration project should be discontinued,
15 expanded to a larger population, expanded to obtain more
16 statistically valid results or continued for a longer time
17 with a stable enrollment to obtain more valid results.
18 Unless the report recommends abandonment of the project, it
19 shall include any recommendations on program alterations
20 needed to achieve the objectives of the demonstration
21 project as expressed in the evaluation criteria of
22 subsection (b) of this section.

23

1 **26-43-207. Sunset.**

2

3 W.S. 26-43-201 through 26-43-206 are repealed effective
4 December 31, 2014 and all participants shall be disenrolled
5 effective July 1, 2014. The board shall use the period
6 from April 1, 2014 to December 31, 2014 to fully discharge
7 the affairs of the demonstration project.

8

9 **Section 2.** W.S. 26-43-102(d) by creating a new
10 paragraph (vii) and (f) by creating a new paragraph (v) is
11 amended to read:

12

13 **26-43-102. Operation of the pool; board membership;**
14 **board powers and duties.**

15

16 (d) The board shall:

17

18 (vii) Manage the demonstration project pursuant
19 to article 2 of this chapter.

20

21 (f) The board may:

22

1 (v) Provide a high deductible insurance plan or
2 reinsurance to the demonstration project authorized by
3 article 2 of this chapter.

4
5 **Section 3.**

6
7 (a) There is appropriated fifty thousand dollars
8 (\$50,000.00) from the general fund to the department of
9 health. This appropriation shall be for the period
10 beginning with the effective date of this act and ending
11 June 30, 2010. This appropriation shall only be expended
12 for the purpose of collecting and evaluating data related
13 to the health care reform demonstration project.
14 Notwithstanding any other provision of law, this
15 appropriation shall not be transferred or expended for any
16 other purpose and any unexpended, unobligated funds
17 remaining from this appropriation shall revert as provided
18 by law on June 30, 2010. This appropriation shall not be
19 included in the department's 2011-2012 standard biennial
20 budget request.

21
22 (b) There is appropriated five million one hundred
23 thousand dollars (\$5,100,000.00) from the general fund to

1 the insurance department. This appropriation shall be for
2 the period beginning with the effective date of this act
3 and ending June 30, 2010. This appropriation shall only be
4 expended for the purpose of contracting with the board of
5 directors of the Wyoming health insurance pool to implement
6 the health care reform demonstration project.
7 Notwithstanding any other provision of law, this
8 appropriation shall not be transferred or expended for any
9 other purpose and any unexpended, unobligated funds
10 remaining from this appropriation shall revert as provided
11 by law on June 30, 2010. This appropriation shall not be
12 included in the department's 2011-2012 standard biennial
13 budget request.

14

15 (c) There is appropriated thirty million six hundred
16 thousand dollars (\$30,600,000.00) from the general fund to
17 the insurance department. This appropriation shall be for
18 the period beginning July 1, 2010 and ending June 30, 2012.
19 This appropriation shall only be expended for the purpose
20 of contracting with the board of directors of the Wyoming
21 health insurance pool to implement the health care reform
22 demonstration project. Notwithstanding any other provision
23 of law, this appropriation shall not be transferred or

1 expended for any other purpose and any unexpended,
2 unobligated funds remaining from this appropriation shall
3 revert as provided by law on June 30, 2012. This
4 appropriation shall not be included in the department's
5 2013-2014 standard biennial budget request.

6

7 (d) There is appropriated one hundred thousand
8 dollars (\$100,000.00) from the general fund to the
9 department of health. This appropriation shall be for the
10 period beginning July 1, 2010 and ending June 30, 2012.
11 This appropriation shall only be expended for the purpose
12 of collecting and evaluating data related to the health
13 care reform demonstration project and providing the interim
14 evaluation report required by W.S. 26-43-205(g).
15 Notwithstanding any other provision of law, this
16 appropriation shall not be transferred or expended for any
17 other purpose and any unexpended, unobligated funds
18 remaining from this appropriation shall revert as provided
19 by law on June 30, 2012. This appropriation shall not be
20 included in the department's 2013-2014 standard biennial
21 budget request.

22

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

5

6

(END)