

SENATE FILE NO. SF0061

Health insurance reform-2.

Sponsored by: Senator(s) Scott, Hastert, Hunnicutt, Landen
and Schiffer and Representative(s) Brown,
Bonner, Landon, Millin and Throne

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 comparing project health
10 costs to Medicaid costs if participants had been enrolled
11 in Medicaid; providing for a repeal date; requiring
12 reports; providing appropriations; and providing for an
13 effective date.

14

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

16

1 **Section 1.** W.S. 26-43-201 through 26-43-207 are
2 created to read:

3

4

ARTICLE 2

5

HEALTH CARE REFORM DEMONSTRATION PROJECT

6

7 **26-43-201. Health care reform demonstration project**
8 **created.**

9

10 The health care reform demonstration project is hereby
11 created. The health care programs and services offered to
12 people participating in the demonstration project shall be
13 referred to as healthy frontiers.

14

15 **26-43-202. Definitions.**

16

17 (a) The definitions provided in W.S. 26-43-101 shall
18 apply to this article except to the extent they are
19 specifically inconsistent with subsection (b) of this
20 section.

21

22 (b) As used in this article:

23

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

4
5 (ii) "Demonstration project" or "the project"
6 means the health care reform project created pursuant to
7 this article;

8
9 (iii) "Participant" means an eligible individual
10 enrolled in the project. No person shall be a participant
11 who does not elect to be a participant;

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

20
21 (v) "Plan of operation" means a plan governing
22 the demonstration project to implement this article,
23 including articles, bylaws and operating policies adopted

1 pursuant to this article. The plan of operation includes
2 the benefit design;

3

4 (vi) "Primary care" means care provided by a
5 family practice physician, pediatrician, internist,
6 obstetrician or an advanced practice registered nurse or
7 physician's assistant in a similar practice except for
8 technical procedures specified in the benefit design.
9 Surgical and radiological procedures are not primary care.
10 The benefit design may include similar services of a
11 primarily consultative and advisory nature provided by
12 other specialists or providers as primary care. Particular
13 preventive services and invasive diagnostic procedures
14 shall be considered primary care to the extent authorized
15 in the benefit design;

16

17 (vii) "Specialty care" means care not included
18 in primary care.

19

20 **26-43-203. Benefit design and operations.**

21

22 (a) There is created a benefit design committee of at
23 least three (3) and no more than seven (7) persons
24 appointed by the governor. Members of the committee other

1 than state employees shall receive per diem and mileage
2 allowance as allowed to state employees, when actually
3 engaged in committee activities.

4

5 (b) The benefit design committee shall create and
6 modify as necessary the schedule of health care benefits
7 and other related services available to participants under
8 this article. The benefit design shall include the
9 following elements:

10

11 (i) Preventive services. Preventive services
12 shall be paid by the project with no or nominal cost to the
13 participant to promote better health and identify chronic
14 disease at the earliest possible stage. Preventive
15 services shall include cost effective, evidence based and
16 clinically proven screening tests, age appropriate wellness
17 exams and maintenance prescriptions as specified in the
18 benefit design. The benefit design may provide incentives
19 to encourage participants to actually obtain appropriate
20 preventive services;

21

22 (ii) Clinical prevention services. Clinical
23 prevention services shall assist certain participants with
24 chronic disease or complicated health conditions and

1 provide information and resources to the participant, the
2 primary care provider and other relevant providers to
3 better manage the participant's illness and improve the
4 participant's quality of life. The services shall be made
5 available at little or no cost to the participant and may
6 include personal health support services provided by health
7 care providers or other individuals, including advanced
8 practice nurses and clinical pharmacists or members of
9 similar health care organizations. In priority order,
10 clinical prevention services shall be provided first to
11 assist the participant in getting the care he needs,
12 provided second to help the participant take steps to
13 improve his health and avoid the need for expensive health
14 care, provided third to help the participant avoid care
15 that may do more harm than good or is unlikely to be
16 helpful and provided fourth to minimize the cost of the
17 care;

18

19 (iii) A personal health account funded by
20 contributions from the participant and a state
21 contribution. Participant contributions may be determined
22 on a sliding scale based on income and may be modified
23 pursuant to paragraph (i) of this subsection. The benefit
24 design for the personal health account:

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

(A) Shall provide that the primary purpose of the account is to pay for health care used by the participant, including deductibles and copayments;

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

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

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

(I) Upon the death of the participant, after paying any outstanding health care expenses of the

1 participant or any enrolled member of the participant's
2 household; and

3

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

7

8 (E) May provide that the participant may,
9 under conditions specified in the benefit design, roll the
10 balance in the account into a health savings account or
11 similar federally tax advantaged account after leaving the
12 project;

13

14 (F) May include any provisions needed to
15 avoid or minimize any adverse federal tax consequences for
16 the participant;

17

18 (G) May allow the state to advance money to
19 an individual personal health account to enable the
20 participant to meet deductibles and copayments for needed
21 health care if the funds in the participant's account are
22 insufficient for that purpose. Any advance shall be repaid
23 over time, as practical and as specified in the benefit
24 design. The benefit design may provide that the

1 individual's contribution to the health account shall be
2 increased until the advance is repaid.

3

4 (iv) An insurance plan, the coverage package of
5 which qualifies as creditable coverage under the federal
6 Health Insurance Portability and Accountability Act, 42
7 U.S.C. 1320d et seq., or subsequent similar federal
8 enactment, or a similar qualification specified in the
9 benefit design if the federal provision is repealed. The
10 insurance plan shall provide for premium cost sharing
11 between the participant and the state based on income as
12 determined in the benefit design committee. The
13 participant may pay premiums directly from the
14 participant's personal health account. Deductibles and
15 copayments may be paid from the personal health account at
16 the discretion of the participant. For health care
17 services not included in the prevention package, a system
18 of copayments shall be required and shall be lower for
19 primary care and higher for specialty care. The benefit
20 design committee in devising the sliding scale shall seek
21 to create an incentive to join the project and leave
22 Medicaid or other government programs. The benefit design
23 shall seek to create an incentive to obtain a job that
24 includes eligibility for employer provided health coverage.

1 The insurance plan shall be limited in coverage and
2 designed to work in conjunction with the design provisions
3 identified in this section. The insurance plan may be
4 provided directly by the project, may be purchased from the
5 private sector or may be provided through the pool which is
6 hereby authorized to provide this plan;

7

8 (v) To the extent the benefit design committee
9 deems appropriate, provide financial or other incentives to
10 participants or providers to encourage them to participate
11 in appropriate features of the program, including
12 preventive services.

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

23 (d) The administrator shall serve as the
24 administrator of the project provided that financial

1 arrangements satisfactory to the board and the commissioner
2 can be agreed to with the administrator. If the financial
3 arrangements cannot be made, the commissioner, with the
4 advice and consent of the board, shall contract with a
5 different administrator to administer this act.

6

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

16

17 (f) The administrator, with the approval of the
18 board, may purchase insurance or reinsurance for expenses
19 in excess of an amount determined by the administrator with
20 the advice and consent of the board or in the plan of
21 operations. The insurance or reinsurance may be purchased
22 from commercial sources or may be purchased from the pool
23 which is hereby authorized to sell insurance or reinsurance
24 to the demonstration project.

1

2 (g) The plan of operation for the demonstration
3 project shall:

4

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

7

8 (ii) Contain provisions useful in implementing
9 the benefit design;

10

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

15

16 (iv) Provide as necessary for audits of the
17 project and the administration of the project;

18

19 (v) Include the benefit design approved by both
20 the benefit design committee and the board;

21

22 (vi) Provide procedures for enrolling
23 participants and their families consistent with the
24 eligibility requirements of this article. Insurance agents

1 licensed to sell insurance in Wyoming may be allowed to
2 enroll participants in the project and be paid a commission
3 or fee for their related services.

4

5 **26-43-204. Eligibility.**

6

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

13

14 (b) Priority in enrollment of participants shall be
15 given to the following:

16

17 (i) Individuals who have completed a vocational
18 readiness or work preparation program through the
19 department of workforce services, any other Wyoming state
20 agency or a Wyoming community college;

21

22 (ii) Individuals who have been participants in
23 the Medicaid program or other state assistance program and
24 who have become ineligible for that program due to

1 increased earnings or whose income is less than or equal to
2 one hundred fifty percent (150%) of the federal poverty
3 level;

4

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

7

8 (c) Participants enrolled pursuant to this section
9 may elect family coverage, provided all individuals are
10 eligible, except that a spouse of an eligible participant
11 shall not be required to work pursuant to subsection (a) of
12 this section. Children of participants shall be referred
13 to the state children's health insurance program or
14 Medicaid and shall not be enrolled in the demonstration
15 project if eligible for one of those programs.

16

17 (d) After the expanded enrollment pursuant to W.S.
18 26-43-205 has been occurring for at least three (3) months,
19 the board may determine that the maximum enrollment
20 authorized by W.S. 26-43-205 is not likely using the
21 priority categories set forth in subsection (b) of this
22 section and may authorize the enrollment of a limited
23 number of individuals who are eligible under subsection (a)
24 of this section but who are not in a priority category.

1

2 (e) Participants' eligibility shall be reviewed at
3 least once per year. If a participant's family income
4 exceeds two hundred fifty percent (250%) of the federal
5 poverty level, the participant shall be disenrolled from
6 the program after ninety (90) days. If the participant has
7 not worked at least twenty (20) hours per week on average
8 for the preceding eight (8) weeks, the participant may be
9 disenrolled from the program after ninety (90) days unless
10 the participant becomes employed for at least twenty (20)
11 hours per week before the expiration of the ninety (90) day
12 time period. The administrator may waive the work
13 requirement of this subsection if there is a shortage of
14 jobs, to enhance enrollment stability to facilitate
15 evaluation of the program or due to extenuating
16 circumstances.

17

18 **26-43-205. Structure and enrollment limits.**

19

20 (a) The project shall be structured as follows:

21

22 (i) There shall be an initial enrollment of no
23 more than five hundred (500) persons counting both the
24 participants and their enrolled family members, as

1 appropriate to test the feasibility of implementing the
2 initial benefit design. Enrollment shall begin after
3 approval of the plan of operation by the board and the
4 governor. Enrollment may begin after July 1, 2010;

5
6 (ii) After July 1, 2011 and approval by the
7 board and the governor of a revised benefit plan and plan
8 of operations based on experience with the initial
9 enrollment, the project may enroll an additional two
10 thousand five hundred (2,500) persons counting both the
11 participants and their enrolled family members and such
12 additional participants to maintain stable project
13 enrollment of three thousand (3,000) persons until July 1,
14 2014. The board in accepting participants for the project
15 shall seek to have at least five hundred (500) participants
16 who use the federally designated community health centers
17 for their primary care and at least five hundred (500)
18 participants who use primary health care providers in
19 private practice for their primary care. The board shall
20 seek to have enrollees representing sufficient communities
21 within the state to demonstrate the statewide feasibility
22 of the project.

23
24 **26-43-206. Evaluation.**

1

2 (a) The department of health shall have the primary
3 responsibility for the evaluation of the demonstration
4 project and shall report its evaluation publicly to the
5 governor and the joint corporations, elections and
6 political subdivisions interim committee annually beginning
7 October 1, 2010. The board shall also provide the governor
8 and the joint corporations, elections and political
9 subdivisions interim committee with its evaluation as
10 appropriate.

11

12 (b) The department of health in its evaluation of the
13 project shall consider:

14

15 (i) Whether the project provides participants
16 with adequate health care;

17

18 (ii) The extent to which participant turnover
19 interferes with management and evaluation of the project
20 and obtaining the expected benefits of the project;

21

22 (iii) Whether the project provides health
23 coverage at a cost which is less than could be provided by
24 other means, both public and private, including the

1 Medicaid program. When comparing with other public
2 programs, the comparison shall both:

3

4 (A) Assume reimbursement at the public
5 program rates; and

6

7 (B) Assume reimbursement at rates
8 comparable to private reimbursement rates.

9

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

12

13 (v) The extent to which the health of
14 participants and their enrolled family members is improved
15 due to participation in the project.

16

17 (c) No later than July 1, 2010, the department of
18 health, after consultation with the administrator, shall
19 provide the commissioner a list of those data elements
20 which the department determines necessary to evaluate the
21 project as required by this section. Upon approval of the
22 list by the commissioner and after consultation with the
23 board, the department of health may award one (1) or more
24 contracts to collect any listed data not routinely

1 collected by the board or other state agencies and to
2 integrate that data as appropriate with related data
3 collected by the board and other state agencies.

4

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

13

14 (i) The cost of services and care for
15 participants using federally designated community health
16 centers for their primary care;

17

18 (ii) The cost of services and care for
19 participants using for their primary care providers
20 practicing in the traditional fee for service environment;

21

22 (iii) The costs of services and care for
23 participants using for their primary care other providers,

1 including managed care, if any, and those without regular
2 primary care providers;

3

4 (iv) Any other categories necessary to
5 effectively manage the demonstration project;

6

7 (v) Any other categories identified by the board
8 or department of health as necessary to evaluate the
9 demonstration project.

10

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

18

19 (f) The department of health, in consultation with
20 the board, shall consider the feasibility and ethics of
21 using a control group to facilitate the evaluation of the
22 program. The board and the department of health are
23 authorized to construct and utilize a control group.

24

1 (g) The department of health shall provide to the
2 joint corporations, elections and political subdivisions
3 interim committee and the governor an interim evaluation
4 report by October 1, 2012 and a final evaluation report by
5 December 31, 2014. To improve the statistical validity of
6 the report, no new enrollment in the project shall be
7 permitted after July 1, 2014. The report shall include any
8 recommendations on whether the demonstration project should
9 be discontinued, expanded to a larger population, expanded
10 to obtain more statistically valid results or continued for
11 a longer time with a stable enrollment to obtain more valid
12 results. Unless the report recommends abandonment of the
13 project, it shall include any recommendations on program
14 alterations needed to achieve the objectives of the
15 demonstration project as expressed in the evaluation
16 criteria of subsection (b) of this section.

17

18 **26-43-207. Sunset.**

19

20 W.S. 26-43-201 through 26-43-206 are repealed effective
21 December 31, 2015 and all participants shall be disenrolled
22 effective July 1, 2015. The board shall use the period
23 from April 1, 2015 to December 31, 2015 to fully discharge
24 the affairs of the demonstration project.

1

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

5

6 **26-43-102. Operation of the pool; board membership;**
7 **board powers and duties.**

8

9 (d) The board shall:

10

11 (vii) Manage the demonstration project pursuant
12 to article 2 of this chapter.

13

14 (f) The board may:

15

16 (v) Provide an insurance plan or reinsurance to
17 the demonstration project authorized by article 2 of this
18 chapter.

19

20 **Section 3.**

21

22 (a) There is appropriated twenty-five thousand
23 dollars (\$25,000.00) from the tobacco settlement trust
24 income account to the department of health. This

1 appropriation shall be for the period beginning with the
2 effective date of this act and ending June 30, 2011. This
3 appropriation shall only be expended for the purpose of
4 collecting and evaluating data related to the health care
5 reform demonstration project. Notwithstanding any other
6 provision of law, this appropriation shall not be
7 transferred or expended for any other purpose and any
8 unexpended, unobligated funds remaining from this
9 appropriation shall revert as provided by law on June 30,
10 2012. This appropriation shall not be included in the
11 department's 2013-2014 standard biennial budget request.

12

13 (b) There is appropriated seven hundred fifty
14 thousand dollars (\$750,000.00) from the tobacco settlement
15 trust income account to the insurance department. This
16 appropriation shall be for the period beginning with the
17 effective date of this act and ending June 30, 2011. This
18 appropriation shall only be expended for the purpose of
19 contracting with the board of directors of the Wyoming
20 health insurance pool to implement the health care reform
21 demonstration project. Notwithstanding any other provision
22 of law, this appropriation shall not be transferred or
23 expended for any other purpose and any unexpended,
24 unobligated funds remaining from this appropriation shall

1 revert as provided by law on June 30, 2012. This
2 appropriation shall not be included in the department's
3 2013-2014 standard biennial budget request.

4

5 (c) The project may, with the consent of the
6 governor, accept federal funds or private funds for the
7 purposes of this act provided the conditions on receipt of
8 the federal funds or private funds are not inconsistent
9 with this act and do not impair the integrity of the pilot
10 project under this act.

11

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

16

17 (END)