

SENATE FILE NO. SF0088

Medicaid expansion-insurance pool.

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

A BILL

for

1 AN ACT relating to Medicaid; creating the Healthcare
2 Independence Act of 2014; authorizing a private insurance
3 option within the Medicaid program; authorizing payment or
4 subsidy of health insurance premiums for Medicaid clients
5 as specified; declaring legislative intent; providing
6 definitions; providing eligibility criteria for clients and
7 insurers; providing for a continuous appropriation;
8 providing a sunset date; and providing for an effective
9 date.

10

11 *Be It Enacted by the Legislature of the state of Wyoming:*

12

13 **Section 1.** W.S. 42-4-401 through 42-4-408 are created
14 to read:

15

16

ARTICLE 4

1 HEALTHCARE INDEPENDENCE ACT OF 2014

2

3 **42-4-401. Title.**

4

5 This article shall be known and may be cited as the
6 "Healthcare Independence Act of 2014."

7

8 **42-4-402. Purpose.**

9

10 (a) The department of health shall explore design
11 options that reform the Medicaid program utilizing this act
12 so that it is a fiscally sustainable, cost effective,
13 personally responsible and opportunity driven program
14 utilizing competitive and value based purchasing to:

15

16 (i) Maximize the available service options;

17

18 (ii) Promote accountability, personal
19 responsibility and transparency;

20

21 (iii) Encourage and reward healthy outcomes and
22 responsible choices; and

23

1 (iv) Promote efficiencies that will deliver
2 value to the taxpayers.

3

4 (b) The purpose of this act is to:

5

6 (i) Improve access to quality healthcare;

7

8 (ii) Attract insurance carriers and enhance
9 competition in the Wyoming insurance market;

10

11 (iii) Promote individually owned health
12 insurance;

13

14 (iv) Strengthen personal responsibility through
15 cost sharing;

16

17 (v) Improve continuity of coverage;

18

19 (vi) Reduce the size of the state administered
20 Medicaid program;

21

22 (vii) Encourage appropriate care, including
23 early intervention, prevention and wellness;

24

1 (viii) Increase quality and delivery system
2 efficiencies;

3

4 (ix) Facilitate Wyoming's continued payment
5 innovation, delivery system reform and market driven
6 improvements;

7

8 (x) Discourage overutilization; and

9

10 (xi) Reduce waste, fraud and abuse.

11

12 **42-4-403. Definitions.**

13

14 (a) As used in this act:

15

16 (i) "Carrier" means a private entity certified
17 by the department of insurance and offering plans through
18 the health insurance exchange;

19

20 (ii) "Cost sharing" means the portion of the
21 cost of a covered medical service that must be paid by or
22 on behalf of eligible individuals, consisting of copayments
23 or coinsurance but not deductibles;

24

1 (iii) "Eligible individuals" means individuals
2 who:

3

4 (A) Are adults between nineteen (19) years
5 of age and sixty-five (65) years of age with an income that
6 is equal to or less than one hundred thirty-eight percent
7 (138%) of the federal poverty level, including individuals
8 who would not be eligible for Medicaid under laws and rules
9 in effect on January 1, 2014;

10

11 (B) Have been authenticated to be a United
12 States citizen or documented qualified alien according to
13 the federal Personal Responsibility and Work Opportunity
14 Reconciliation Act of 1996, P.L. No. 104-193, as existing
15 on January 1, 2014; and

16

17 (C) Are not determined to be more
18 effectively covered through the standard Medicaid program,
19 such as an individual who is medically frail or other
20 individuals with exceptional medical needs for whom
21 coverage through the health insurance exchange is
22 determined to be impractical, overly complex or would
23 undermine continuity or effectiveness of care.

24

1 (iv) "Healthcare coverage" means healthcare
2 benefits as defined by certification or rules, or both,
3 promulgated by the Wyoming department of insurance for the
4 qualified health plans or available on the exchange;

5

6 (v) "Health insurance exchange" means the
7 vehicle created pursuant to P.L. 111-148 known in federal
8 regulations in effect on August 1, 2013 as the "health
9 insurance marketplace";

10

11 (vi) "Independence account" means individual
12 financing structures that operate similar to a health
13 savings account or a medical savings account;

14

15 (vii) "Premium" means a charge that must be paid
16 as a condition of enrolling in healthcare coverage;

17

18 (viii) "Program" means the healthcare
19 independent program established by this act;

20

21 (ix) "Qualified health plan" means a department
22 of insurance certified individual health insurance plan
23 offered by a carrier through the health insurance exchange
24 provided the carrier has agreed to manage the independence

1 account for any individuals enrolling as part of the
2 Medicaid program and to continue to manage the independence
3 account for at least two (2) years, if needed, after an
4 individual leaves the Medicaid program;

5

6 (x) "Wages" means any remuneration subject to
7 social security taxes;

8

9 (xi) "This act" means W.S. 42-4-401 through
10 42-4-408.

11

12 **42-4-404. Administration of the healthcare**
13 **independence program.**

14

15 (a) The department of health shall:

16

17 (i) Create and administer the healthcare
18 independence program;

19

20 (ii) Submit and apply for any:

21

22 (A) Federal waivers necessary to implement
23 the program in a manner consistent with this act, including

1 approval for a comprehensive waiver under Section 1115 of
2 the Social Security Act, 42 U.S.C. § 1315; and

3

4 (B) Medicaid state plan amendments
5 necessary to implement the program in a manner consistent
6 with this act.

7

8 (b) The department of health shall submit only those
9 Medicaid state plan amendments under this section that are
10 optional and therefore may be revoked by the state at its
11 discretion.

12

13 (c) As part of its actions under subparagraph
14 (a)(ii)(A) of this section, the department of health shall
15 confirm that employers shall not be subject to the
16 penalties, including an assessable payment, under Section
17 1513 of P.L. No. 111-148, as existing on January 1, 2014,
18 concerning shared responsibility, for employees who are
19 eligible individuals if the employees:

20

21 (i) Are enrolled in the program; and

22

23 (ii) Enroll in a qualified health plan through
24 the health insurance exchange.

1

2 (d) If the department of health is unable to confirm
3 provisions under subsections (b) and (c) of this section,
4 the program shall not be implemented. If the center for
5 Medicare and Medicaid services does not approve the use of
6 the independence account, a premium paid by individuals and
7 the work requirement as set forth in this act, the program
8 shall not be implemented.

9

10 (e) Implementation of the program is conditioned upon
11 the receipt of necessary federal approvals. If the
12 department of health does not receive the necessary federal
13 approvals, the program shall not be implemented.

14

15 (f) The program shall include premium assistance for
16 eligible individuals to enable their enrollment in a
17 qualified health plan through the health insurance
18 exchange.

19

20 (g) The department of health is specifically
21 authorized to use Medicaid funds to pay premiums and
22 contributions to independence accounts and supplemental
23 contributions to independence accounts directly to the
24 qualified health plans for enrolled eligible individuals.

1 The amount of the contributions to independence accounts
2 shall be determined by a formula set forth in rule and
3 regulation, in the state plan or in the section 1115
4 waiver. The amount plus expected incentive contributions
5 authorized by this act shall be enough to enable an
6 ordinary individual to make required cost sharing payments.
7 The intent of the payments under this subsection is to
8 increase participation and competition in the health
9 insurance market, intensify price pressures and reduce
10 costs for both publicly and privately funded healthcare.

11

12 (h) If an individual's independence account has
13 insufficient funds to make a needed copayment, the
14 department shall make a supplemental contribution to the
15 independence account to enable the enrolled individual to
16 pay required copayments. To the extent there are unrepaid
17 supplemental payments, the individual's required premium
18 contribution shall be increased by fifty percent (50%) and
19 shall be entirely used to repay supplemental contributions.
20 The repayment shall be on a first in, first out basis
21 except that after a supplemental contribution has been
22 outstanding for one (1) year, it's unpaid balance shall be
23 forgiven. If the individual leaves the Medicaid program,
24 any positive balance in that individual's independence

1 account shall be retained for use in paying the
2 individual's further health insurance premiums and
3 copayments and, if there are outstanding unrepaid
4 supplemental contributions, the individual's required
5 premium contribution shall be continued until the
6 supplemental contributions are repaid or forgiven as
7 provided by this subsection. If provided in the state plan
8 or section 1115 waiver, the department shall continue to
9 make supplemental contributions through the Medicaid
10 program for up to one (1) year or until the individual's
11 income exceeds the percentage of poverty level stated in
12 the state plan or section 1115 waiver.

13

14 (j) An individual who leaves the Medicaid program may
15 retain the independence account for up to two (2) years and
16 may, at any time during that period, transfer the balance
17 of the independence account into a private health savings
18 account or similar account. If an individual switches to a
19 different carrier participating in the program, the
20 individual may transfer the independence account to that
21 carrier.

22

23 (k) Individuals participating in the program
24 established by this act shall pay a premium to the carrier

1 based on the individual's earnings. The carrier shall
2 deposit the premium in the individual's independence
3 account unless it is needed to repay a supplemental
4 contribution, in which case the company shall forward the
5 premium to the Medicaid program. The premium shall be set
6 in accordance with department rules and regulations and
7 shall be on a sliding scale according to income as
8 authorized in the state plan or section 1115 waiver. The
9 department shall not implement the program authorized by
10 this act without further legislative authorization if the
11 center for Medicare and Medicaid services does not approve
12 a section 1115 waiver with a minimum premium of at least
13 one-half of one percent (.5%) of income and an enhanced
14 premium to repay supplemental contribution of at least
15 fifty percent (50%) of the original premium, or demands a
16 maximum premium, including base premium and enhanced
17 premium, of more than five percent (5%) of income. The
18 department may by rule and regulation require employers to
19 deduct premium amounts from participating individuals'
20 wages and forward the premium to the appropriate carrier.

21

22 (m) Individuals participating in the program shall be
23 required to work at least twenty (20) hours per week,
24 averaged over a period to be specified in the state plan or

1 the section 1115 waiver. This requirement may be waived
2 for good cause as provided in the state plan or section
3 1115 waiver.

4

5 (n) To the extent allowable by law:

6

7 (i) The department of health shall pursue
8 strategies that promote insurance coverage of children in
9 their parents' or caregivers' plan, including children
10 eligible for the child health insurance program pursuant to
11 title 35, chapter 25, article 1; and

12

13 (ii) Upon the receipt of necessary federal
14 approval, during calendar year 2015 the department of
15 health shall include and transition to the health insurance
16 exchange:

17

18 (A) Children eligible for the child health
19 insurance program; and

20

21 (B) Populations under Medicaid from zero
22 percent (0%) of the federal poverty level to seventeen
23 percent (17%) of the federal poverty level.

24

1 (iii) The department of health shall develop and
2 implement a strategy to inform Medicaid recipient
3 populations whose needs would be reduced or better served
4 through participation in the health insurance exchange.

5

6 (o) The program shall include allowable cost sharing
7 for eligible individuals that is comparable to that for
8 individuals in the same income range in the private
9 insurance market and is structured to enhance eligible
10 individuals' investment in their healthcare purchasing
11 decisions.

12

13 (p) The department of insurance and department of
14 health shall administer and promulgate rules to administer
15 the program authorized under this act on or before October
16 1, 2014.

17

18 (q) The program authorized under this act shall
19 terminate within one hundred twenty (120) days after a
20 reduction in any of the following federal medical
21 assistance percentages:

22

23 (i) One hundred percent (100%) in 2014, 2015 or
24 2016;

1

2

(ii) Ninety-five percent (95%) in 2017;

3

4

(iii) Ninety-four percent (94%) in 2018;

5

6

(iv) Ninety-three percent (93%) in 2019; and

7

8

(v) Ninety percent (90%) in 2020 or any year

9

after 2020.

10

11

(r) An eligible individual enrolled in the program

12

shall affirmatively acknowledge that:

13

14

(i) The program is not a perpetual federal or

15

state right or a guaranteed entitlement;

16

17

(ii) The program is subject to cancellation upon

18

appropriate notice; and

19

20

(iii) The program is not an entitlement program.

21

22

(s) The department of health shall develop a model

23

and seek from the center for Medicare and Medicaid services

24

all necessary waivers and approvals to allow nonaged,

1 nondisabled program eligible participants to enroll in a
2 program that will create and utilize independence accounts
3 that operate similar to a health savings account or medical
4 savings account during the calendar year 2015. The
5 independence accounts shall:

6

7 (i) Allow a participant to purchase cost
8 effective high deductible health insurance; and

9

10 (ii) Promote independence and self sufficiency.

11

12 (t) The department of health shall implement cost
13 sharing and copays and, as a condition of participation,
14 earnings shall exceed fifty percent (50%) of the federal
15 poverty level. Participants may receive rewards based on
16 healthy living and self sufficiency. At the end of each
17 fiscal year, if there are funds remaining in the account, a
18 majority of the state's contribution will remain in the
19 participant's control as a positive incentive for the
20 responsible use of the healthcare system and personal
21 responsibility of health maintenance. Uses of the funds
22 may include rolling the funds into a private sector health
23 savings account for the participant according to rules
24 promulgated by the department of health.

1

2 (u) State obligations for uncompensated care shall be
3 projected, tracked and reported to identify potential
4 incremental future decreases. The department of health
5 shall recommend appropriate adjustments to the legislature.

6

7 (w) On a quarterly basis, the department of health
8 shall report to the joint labor, health and social services
9 interim committee information regarding:

10

11 (i) Program enrollment;

12

13 (ii) Patient experience;

14

15 (iii) Economic impact including enrollment
16 distribution;

17

18 (iv) Carrier competition; and

19

20 (v) Avoided uncompensated care.

21

22 **42-4-405. Standards of healthcare coverage through**
23 **the health insurance exchange.**

24

1 (a) Healthcare coverage shall be achieved through a
2 qualified health plan at the silver level as provided in 42
3 U.S.C. §§ 18022 and 18071, as existing on January 1, 2014,
4 that restricts cost sharing to amounts that do not exceed
5 Medicaid cost sharing limitations.

6

7 (b) All participating carriers in the health
8 insurance exchange shall offer healthcare coverage
9 conforming to the requirements of this act.

10

11 (c) A participating carrier in the health insurance
12 exchange shall maintain a medical loss ratio of at least
13 eighty percent (80%) for an individual and small group
14 market policy and at least eighty-five percent (85%) for a
15 large group market policy as required under P.L. No. 111-
16 148, as existing on January 1, 2014.

17

18 (d) To assure price competitive choice among
19 healthcare coverage options, the department of insurance
20 shall assure that at least two (2) qualified health plans
21 are offered in each county in the state.

22

23 (e) Health insurance carriers offering healthcare
24 coverage for program eligible individuals shall participate

1 in and shall be reimbursed by Medicaid for payment
2 improvement initiatives including:

3

4 (i) Assignment of primary care clinician;

5

6 (ii) Support for patient centered medical home;

7

8 (iii) Access of clinical performance data for
9 providers; and

10

11 (iv) Additional payments to an individual's
12 independence account for an initial visit with a primary
13 care clinician which establishes the individual's patient
14 centered medical home and for carrying out additional
15 wellness activities recommended by the primary care
16 clinician. The department shall specify in rules and
17 regulations, the state plan or the section 1115 waiver the
18 additional wellness activities that may be recommended and
19 provided without cost to the individual by Medicaid.

20

21 (f) The department may contract with participating
22 carriers for the following third party administrative
23 services:

24

1 (i) A clinical team to assist individuals who
2 have, or are likely to have, expensive medical problems in
3 obtaining appropriate care or taking useful preventive
4 measures; and

5

6 (ii) Provision of health counselors or coaches
7 to assist individuals in adapting to the requirements and
8 opportunities of this program.

9

10 **42-4-406. Enrollment.**

11

12 The department of insurance shall assure that a mechanism
13 within the health insurance exchange is established and
14 operated to facilitate enrollment of eligible individuals
15 under this act. The enrollment mechanism shall include an
16 automatic verification system to guard against waste, fraud
17 and abuse in the program.

18

19 **42-4-407. Healthcare independent program account.**

20

21 (a) The healthcare independence program trust account
22 is created. The account shall consist of monies saved and
23 accrued to the state under this act including:

24

1 (i) Increases in premium tax collections;

2

3 (ii) Reductions in uncompensated care;

4

5 (iii) Other spending reductions resulting from
6 the Healthcare Independence Act of 2014; and

7

8 (iv) Other funds credited to the account as
9 provided by law.

10

11 (b) Funds in the healthcare independence program
12 trust account are continuously appropriated to the
13 department of health to be used only for purposes of this
14 act. The fund may be used by the department of health to
15 pay for future obligations under the healthcare
16 independence program created by this act.

17

18 **42-4-408. Sunset.**

19

20 W.S. 42-4-401 through 42-4-408 are repealed effective June
21 30, 2017.

22

1 **Section 2.** 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)