

SENATE FILE NO. SF0026

Employee insurance participation-feasibility study.

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

A BILL

for

1 AN ACT relating to health insurance; authorizing a
2 feasibility study to determine ways to improve employee
3 participation and involvement in health care and health
4 insurance decision-making; providing an appropriation;
5 requiring a report; and providing for an effective date.

6

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

8

9 **Section 1.**

10

11 (a) There is appropriated fifty thousand dollars
12 (\$50,000.00) from the general fund to the legislative
13 service office to procure professional services as
14 necessary to conduct a study on the feasibility of
15 establishing health insurance programs wherein:

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1 (i) The employer contributes a specified amount
2 each month to an account controlled by the employee. The
3 proceeds of this account may be spent only for the health
4 care costs of the employee and, in cases where the employee
5 elects family coverage, the employee's family;

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7 (ii) Conventional high deductible insurance is
8 purchased or provided on a self-insurance basis for large
9 medical expenditures. This insurance shall include a modest
10 co-payment up to a high total, possibly ten percent (10%)
11 of the first one hundred thousand dollars (\$100,000.00) in
12 expenses;

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14 (iii) The account provided in paragraph (i) of
15 this subsection shall be used to meet the deductible and
16 any copayments provided pursuant to paragraph (ii) of this
17 section. Where the funds in the account are insufficient,
18 the employer or the insurance company shall cover any
19 overdrafts on the account and shall recover this amount, to
20 the extent possible, from the employee's future payroll
21 deductions for the account provided in paragraph (i) of
22 this section. There shall be a percentage limitation on the
23 size of the deductions withheld to keep the financial
24 burdens on the employee reasonable and there shall be a

1 limit on the length of time expenditures may be carried
2 forward so the employee does not lose the financial
3 incentive to keep health care expenditures reasonable;

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5 (iv) The insurance provided pursuant to
6 paragraph (ii) of this section shall be paid for by the
7 employer or some combination of the employer and the
8 employee.

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10 (b) The study shall:

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12 (i) Consider how to minimize the income tax
13 consequences for the employee and, where applicable, the
14 employer;

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16 (ii) Consider what incentives for behavior the
17 proposed system is giving the employee;

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19 (iii) Consider what, if any, expenditures for
20 preventive items should be paid for through the insurance
21 rather than the employee's account;

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1 (iv) Identify any legislative changes that are
2 necessary so that private employers may voluntarily use
3 such system; and

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5 (v) Evaluate the feasibility of using such
6 system for the state employees' and officials' group
7 insurance plan. The evaluation shall identify:

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9 (A) The relative payments by the state and
10 by the employees so that the average division of the
11 financial burdens remains consistent with the division of
12 the burdens as they existed on July 1, 2003;

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14 (B) A structure that would allow the
15 legislature to readily amend the division of the financial
16 burdens from time to time; and

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18 (C) A structure that, to the extent
19 possible, is attractive both as single employee coverage
20 and as family coverage.

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22 (vi) Evaluate the feasibility of adding other
23 governmental entities and private groups to the state
24 employees' and officials' group insurance plan.

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2 (c) The study shall be assigned to a joint
3 subcommittee of the joint appropriations interim committee
4 and the joint labor, health and social services interim
5 committee. The subcommittee conducting the study shall
6 report to the joint appropriations interim committee and
7 the joint labor, health and social services interim
8 committee no later than October 1, 2003, with
9 recommendations how the state employees' and officials'
10 group insurance or other group health insurance plans may
11 be structured to best accomplish the goals specified in
12 subsections (a) and (b) of this section and any proposed
13 revisions to Wyoming law that may be necessary to
14 accomplish those goals.

15

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

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21

(END)