

HOUSE BILL NO. HB0085

State health reinsurance program.

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

A BILL

for

1 AN ACT relating to insurance; creating the state health
2 reinsurance program for the reduction of health insurance
3 costs as specified; levying a premium assessment on insurers;
4 creating an account; providing standards for a state
5 innovation waiver application to the federal government;
6 requiring the adoption of rules; repealing provisions
7 relating to the state health reinsurance program; and
8 providing for an effective date.

9

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

11

12 **Section 1.** W.S. 26-43-301 through 26-43-303 are created
13 to read:

14

15

ARTICLE 3

1 STATE HEALTH REINSURANCE PROGRAM

2

3 **26-43-301. Definitions; repeal.**

4

5 (a) As used in this section:

6

7 (i) "Health and disability insurance" shall
8 include carriers providing disability insurance as defined in
9 W.S. 26-5-103, and also includes accident only insurance,
10 accidental death or dismemberment insurance, specified
11 disease insurance, hospital confinement indemnity insurance,
12 limited benefit insurance, short-term limited duration plans,
13 and multiple employer welfare arrangements, including
14 association health plans authorized by federal law, under the
15 jurisdiction of the department;

16

17 (ii) "State innovation waiver" means an agreement
18 between the state of Wyoming and the United States department
19 of health and human services and the department of the
20 treasury, as applicable, pursuant to 42 U.S.C. § 18052,
21 relating to the variance of certain federal laws which is
22 necessary to establish a reinsurance program in this state

1 and to receive certain funds authorized by federal law for
2 reinsurance purposes.

3

4 (b) This article is repealed effective June 30, 2025.

5

6 **26-43-302. State health reinsurance program.**

7

8 (a) There is hereby created a program to be known as
9 the state health reinsurance program.

10

11 (b) The purpose of the program is to provide for the
12 establishment, funding, operation and administration of the
13 state health reinsurance program, including functions
14 delegated by the commissioner to a third party administrator
15 under law or by contract.

16

17 (c) Beginning on July 1, 2019 and annually thereafter,
18 each licensed health and disability insurance carrier doing
19 business in this state shall file with the commissioner a
20 disclosure containing the carrier's gross disability
21 insurance premiums delivered in the state in the previous
22 calendar year.

23

1 (d) All licensed health and disability insurance
2 carriers doing business in the state shall be annually
3 assessed up to one percent (1%) of their net premiums and net
4 considerations, as determined by the commissioner, to fund
5 the state health reinsurance program.

6

7 (e) Assessments collected pursuant to subsection (d) of
8 this section shall be paid to the state treasurer and credited
9 to the state health reinsurance program account created by
10 subsection (f) of this section.

11

12 (f) There is created the state health reinsurance
13 program account into which all money received or collected to
14 support the state health reinsurance program shall be
15 deposited. Funds in the account are continuously appropriated
16 to the department for the purposes of this article. All
17 claims, insurer reimbursements, administrative expenses and
18 other necessary expenses incurred pursuant to this article
19 shall be paid from the account. The state treasurer may invest
20 funds in the account pursuant to W.S. 9-4-714 through 9-4-721.
21 All interest and earnings shall be credited to the account.
22 Funds deposited into the account shall consist of:

23

1 (i) Assessments collected by the department;

2

3 (ii) Any federal funds received from an approved
4 state innovation waiver under 42 U.S.C. § 18052 and authorized
5 for expenditure under W.S. 9-2-1005(g) and 9-4-206(b) or
6 appropriated by the legislature;

7

8 (iii) Any funds made available by the federal
9 government to provide reinsurance to licensed health and
10 disability insurance carriers doing business in this state
11 and authorized for expenditure under W.S. 9-2-1005(g) and
12 9-4-206(b) or appropriated by the legislature;

13

14 (iv) Any funds appropriated by the state to
15 provide reinsurance to licensed health and disability
16 insurance carriers.

17

18 (g) Expenditures from the account authorized by this
19 article shall be made in accordance with the approved state
20 innovation waiver requirements, and if the expenses of the
21 program may be charged to either state or federal fund
22 sources, the federal funds shall be charged before state funds
23 are charged.

1

2 **26-43-303. Operation of the state health reinsurance**
3 **program.**

4

5 (a) As soon as practicable, but not later than July 1,
6 2019, the commissioner may submit a state innovation waiver
7 application.

8

9 (b) The commissioner may establish and implement a
10 state health reinsurance program:

11

12 (i) To provide reinsurance to licensed health and
13 disability insurance carriers in the state;

14

15 (ii) That meets the requirements of an approved
16 state innovation waiver; and

17

18 (iii) That is consistent with state and federal
19 law.

20

21 (c) The state health reinsurance program shall be
22 designed to mitigate the impact of high risk individuals in
23 the individual insurance market inside and outside the

1 federal health benefits exchange created by the Patient
2 Protection and Affordable Care Act, P.L. 111-148, as amended.

3

4 (d) The commissioner shall establish reinsurance
5 payment parameters for calendar year 2020 and each subsequent
6 calendar year for the duration of the approved state
7 innovation waiver. The parameters shall include:

8

9 (i) An attachment point;

10

11 (ii) A coinsurance rate; and

12

13 (iii) A coinsurance cap.

14

15 (e) The commissioner, if approved by the appropriate
16 federal agencies, may alter the parameters established in
17 accordance with subsection (d) to secure a state innovation
18 waiver.

19

20 (f) Implementation of the state health reinsurance
21 program shall be contingent on the approval of a state
22 innovation waiver.

23

1 (g) The department shall adopt rules necessary to
2 implement the provisions of this article.

3

4 (h) The commissioner shall:

5

6 (i) Establish the powers and duties of the
7 program;

8

9 (ii) Establish procedures for reinsuring risks in
10 accordance with the approved state innovation waiver;

11

12 (iii) Establish procedures for collecting
13 assessments from licensed health and disability carriers to
14 provide funds for claims reinsured by the program and for
15 administrative expenses incurred or estimated to be incurred
16 during the period for which the assessment is made;

17

18 (iv) Select a third party administrator for
19 operation of the program in accordance with state contract
20 and procurement requirements, as needed.

21

22 (j) A third party administrator selected to administer
23 the program shall:

1

2 (i) Establish written procedures, approved by the
3 commissioner, for handling and accounting for program assets
4 and monies and submit an annual audited fiscal report to the
5 commissioner;

6

7 (ii) Retain appropriate legal, actuarial and other
8 functions as necessary to provide technical assistance in the
9 operation of the program and other contract design and any
10 other functions necessary to implement the program;

11

12 (iii) Provide for additional matters at the
13 discretion of the commissioner, as necessary for the
14 effective operation of the program.

15

16 (k) The state health reinsurance program may reinsure
17 as provided for in an approved state innovation waiver.

18

19 **Section 2.**

20

21 (a) The insurance commissioner may apply for a state
22 innovation waiver under 42 U.S.C. § 18052 to implement section
23 1 of this act, subject to the following:

1

2 (i) No waiver shall be applied for without the
3 written approval of the governor. No federally approved
4 waiver shall be accepted or implemented without the written
5 approval of the governor;

6

7 (ii) Any federal funds received in connection with
8 the waiver shall be received in the manner specified by W.S.
9 9-2-1005(g) and 9-4-206(b) or appropriated by the
10 legislature;

11

12 (iii) Except as authorized by W.S. 26-43-301
13 through 26-43-303, as created by this act, the waiver shall
14 not require the state to expend any funds not already
15 appropriated, and implementation of, or continuation of, the
16 waiver shall be contingent upon future assessments;

17

18 (iv) If the state health reinsurance program
19 authorized by the waiver is discontinued or limited by the
20 state through lack of funds, the state shall not be subject
21 to recapture of previously expended federal funds;

22

1 (v) The state of Wyoming shall not be restricted
2 from termination of the program, upon reasonable notice, in
3 the future.

4

5 (b) This section is repealed effective June 30, 2025.

6

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

10

11

(END)