

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

State health reinsurance program.

Sponsored by: Representative(s) Wilson

A BILL

for

1 AN ACT relating to insurance; creating the state individual
2 health reinsurance program for the reduction of health
3 insurance costs; 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; providing for sunset of
7 the program; and providing for an effective date.

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

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

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ARTICLE 3

STATE INDIVIDUAL HEALTH REINSURANCE PROGRAM

26-43-301. Definitions; repeal.

(a) As used in this article:

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

(ii) "State innovation waiver" means an agreement between the state of Wyoming and the United States department of health and human services and the department of the treasury, as applicable, pursuant to 42 U.S.C. § 18052, relating to the variance of certain federal

1 laws that is necessary to establish a reinsurance program
2 in this state and to receive certain funds authorized by
3 federal law for reinsurance purposes.

4

5 (b) This article is repealed effective June 30, 2027.

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7 **26-43-302. State individual health reinsurance**
8 **program.**

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10 (a) There is created the state individual health
11 reinsurance program, which shall be operated and
12 administered by the department.

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

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20 (c) Beginning on July 1, 2021 and annually
21 thereafter, each licensed health and disability insurance
22 carrier doing business in this state shall file with the
23 commissioner a disclosure containing the carrier's gross

1 health and disability insurance premiums delivered in the
2 state in the previous calendar year.

3

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

9

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

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15 (f) There is created the state individual health
16 reinsurance program account into which all funds received
17 or collected to support the state individual health
18 reinsurance program shall be deposited. Funds in the
19 account are continuously appropriated to the department for
20 the purposes of this article. All claims, insurer
21 reimbursements, administrative expenses and other necessary
22 expenses incurred pursuant to this article shall be paid
23 from the account. The state treasurer may invest funds in

1 the account in accordance with W.S. 9-4-714 through
2 9-4-721. All interest and earnings shall be credited to the
3 account. Funds deposited into the account shall consist of:

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5 (i) Assessments collected by the department;

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7 (ii) Any federal funds received from an approved
8 state innovation waiver under 42 U.S.C. § 18052 and
9 authorized for expenditure under W.S. 9-2-1005(g) and
10 9-4-206(b) or appropriated by the legislature;

11

12 (iii) Any funds made available by the federal
13 government to provide reinsurance to licensed health and
14 disability insurance carriers doing business in this state
15 and authorized for expenditure under W.S. 9-2-1005(g) and
16 9-4-206(b) or appropriated by the legislature;

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18 (iv) Any funds appropriated by the state to
19 provide reinsurance to licensed health and disability
20 insurance carriers;

21

22 (v) Any other funds designated for the purposes
23 of this article.

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2 (g) Expenditures from the account authorized by this
3 article shall be made in accordance with the approved state
4 innovation waiver requirements, and if the expenses of the
5 program may be charged to either state or federal fund
6 sources, the federal funds shall be charged before state
7 funds are charged.

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9 **26-43-303. Operation of the state individual health**
10 **reinsurance program.**

11

12 (a) As soon as practicable, but not later than
13 July 1, 2021, the commissioner may submit a state
14 innovation waiver application.

15

16 (b) The commissioner may establish and implement a
17 state individual health reinsurance program:

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

21

22 (ii) That meets the requirements of an approved
23 state innovation waiver; and

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2 (iii) That is consistent with state and federal
3 law.

4

5 (c) The state individual health reinsurance program
6 shall be designed to mitigate the impact of high risk
7 individuals in the individual insurance market inside and
8 outside the federal health benefits exchange created by the
9 Patient Protection and Affordable Care Act, P.L. 111-148,
10 as amended, or successor law.

11

12 (d) The commissioner shall establish reinsurance
13 payment parameters for calendar year 2022 and each
14 subsequent calendar year for the duration of the approved
15 state innovation waiver. The parameters shall include:

16

17 (i) An attachment point, which means the amount
18 that a licensed health and disability insurance carrier
19 shall pay for a risk;

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21 (ii) A coinsurance rate, which means the amount
22 an insured must pay against a claim after the deductible is
23 satisfied; and

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2 (iii) A coinsurance cap, which means the maximum
3 amount an insured must pay for covered services after the
4 deductible is satisfied.

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6 (e) The commissioner, if approved by the appropriate
7 federal agencies, may alter the parameters established in
8 accordance with subsection (d) to secure a state innovation
9 waiver.

10

11 (f) Implementation of the state individual health
12 reinsurance program shall be contingent on federal approval
13 of a state innovation waiver and the written approval of
14 the governor.

15

16 (g) The department shall adopt rules to implement
17 this article.

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19 (h) The commissioner shall:

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21 (i) Establish the powers and duties of the
22 program;

23

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

3

4 (iii) Establish procedures for collecting
5 assessments from licensed health and disability carriers to
6 provide funds for claims reinsured by the program and for
7 administrative expenses incurred or estimated to be
8 incurred during the period for which the assessment is
9 made;

10

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

14

15 (j) A third party administrator selected to
16 administer the program shall:

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18 (i) Establish written procedures, approved by
19 the commissioner, for handling and accounting for program
20 assets and monies and submit an annual audited fiscal
21 report to the commissioner;

22

1 (ii) Retain appropriate legal, actuarial and
2 other functions as necessary to provide technical
3 assistance in the operation of the program and other
4 contract design and any other functions necessary to
5 implement the program;

6

7 (iii) Provide for additional matters at the
8 discretion of the commissioner, as necessary for the
9 effective operation of the program.

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11 (k) The state individual health reinsurance program
12 may reinsure as provided for in an approved state
13 innovation waiver.

14

15 **Section 2.**

16

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

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21 (i) No waiver shall be applied for without the
22 written approval of the governor. No federally approved

1 waiver shall be accepted or implemented without the written
2 approval of the governor;

3

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

8

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

14

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

19

20 (v) The state of Wyoming shall not be restricted
21 from termination of the program, upon reasonable notice, in
22 the future.

23

1 (b) This section is repealed effective June 30, 2027.

2

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

7 resurrect

8

(END)