

State of Wyoming



Department of Health

State Planning Grant Final Report Addendum

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**State of Wyoming
Department of Health**

**State Planning Grant Project
Final Report Addendum**

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Executive Summary

Wyoming received a HRSA State Planning Grant in July 2002 and a supplemental grant in 2003. The State received a Limited Continuation Grant in 2004 to fund additional analysis of the coverage options recommended by the State Planning Grant Task Force in December 2003. A final report on the Wyoming SPG Project was filed with the Secretary in September 2004. This Addendum highlights the major activities undertaken from September 2004 through August 2005. Wyoming has been granted an extension through August 2006 to complete ongoing projects.

While the 2002 Wyoming Health Insurance Research Project was extremely helpful in confirming the estimates of the uninsured in the State and raising the level of awareness of the problems involved in providing coverage to the uninsured, the cost of conducting this type of survey in Wyoming on an annual basis would be prohibitive. Therefore, the SPG Project concentrated the past year on accessing available national surveys and refining the data as needed to establish trends.

The partnership between the Wyoming Healthcare Commission and the Department of Employment continued to be a valuable asset in raising awareness of the issues related to employer based compensation and insurance.

The major option still under consideration to expand health care insurance coverage to the uninsured is the WyoCare option, which is still under development. The Wyoming Healthcare Commission is concentrating their efforts on developing a WyoCare strategy and product lines while continuing research efforts.

WyoCare conceptually is a state-supported purchasing pool that uses the leverage of the state and WyoCare members to offer more affordable medical care coverage to small groups and working individuals without access to health insurance. WyoCare is unique in its envisioned ability to accept multiple sources of funding to help an individual acquire employer-provided or individual coverage, and the incorporation of Total Health Management services to help WyoCare members remain healthy throughout their lives.

Section One: Uninsured Individuals and Families in Wyoming

This section was addressed in the State Planning Grant Final Report filed in September 2004.

New Activities or Developments:

The 2002 Wyoming Health Insurance Research Project was extremely helpful in confirming the estimates of the uninsured in the State and raising the level of awareness of the problems involved in providing coverage to the uninsured. However, because the cost of conducting this type of survey in Wyoming is prohibitive, the SPG Project concentrated this year on accessing available national surveys and refining the data as needed to establish trends.

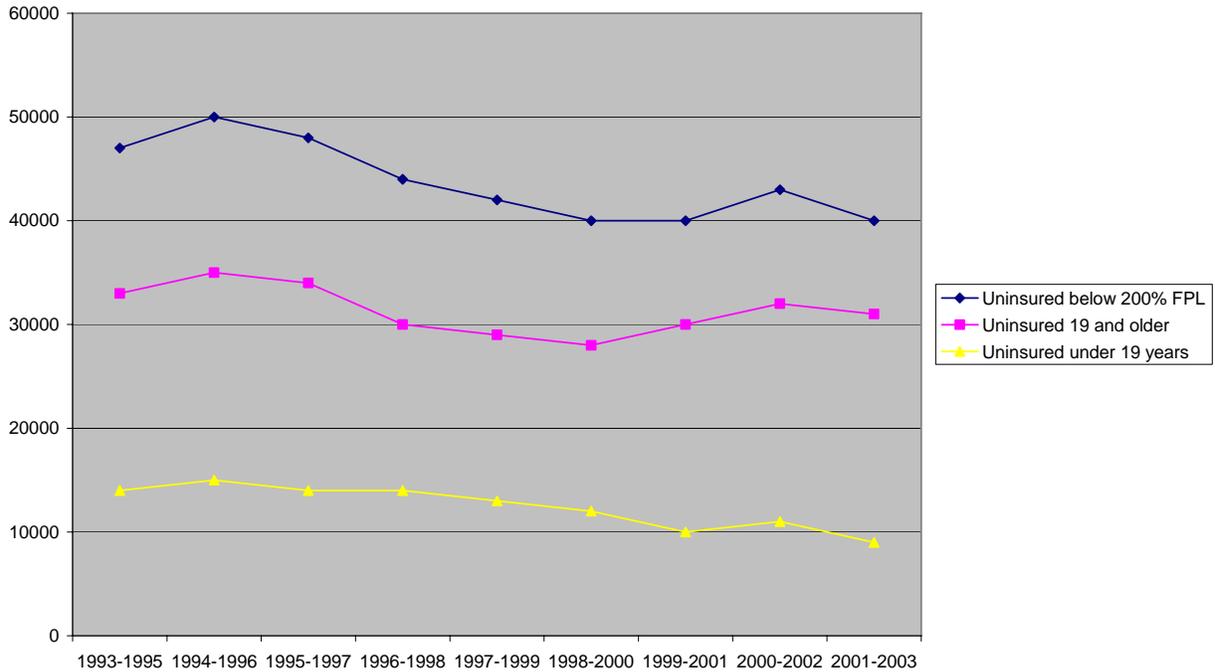
SPG Project Data Report

In response to numerous requests for data concerning the uninsured in Wyoming, a report was prepared and distributed by the SPG Project that compares data from several annual surveys used to estimate the demographics of the uninsured. The report summarizes data from the U.S. Census Bureau and SHADAC relevant to Wyoming. This report has been distributed to various private and public agencies. The report concludes that Wyoming's uninsured rates have remained fairly constant over the past ten years, with some decrease in the number of uninsured under age 19. For the years 2000-2002. The U.S. Census Bureau ranked Wyoming as the highest among the states in percent of people without health insurance at 16.4%.

U.S. Census Bureau Current Population Survey (CPS) Special Tabulation

In order to crosswalk the number of uninsured by age and income level, a special tabulation was produced by the U.S. Census Bureau for Wyoming. Based on a three year average from 2002-2003, 80,000 Wyoming residents were uninsured and 40,000 of the uninsured were in households with income less than 200% of the federal poverty level. Of the 80,000 uninsured, 64,000 were in the 10 to 64 age group. The SPG Project expanded the request to the U.S. Census Bureau to have them produce ten sets of historical data using three year averages to be used in establishing ten year trends. As displayed in the table below, the trend indicates that the number of uninsured between the ages of 19 and 64 who are under 200% of the federal poverty level has remained constant over the past ten years while the number of uninsured under age 19 has steadily decreased.

Total Uninsured Wyoming Population by Age below 200% FPL



U.S. Census Bureau, Current Population Survey,
SPG Tabulation based on 3 Year Averages

Wyoming Behavioral Risk Factor Surveillance System (BRFSS)

The Wyoming Behavioral Risk Factor Surveillance System (BRFSS) continues to be a respected source of adult uninsured data in the state. In 2003, the BRFSS questionnaire included three measures related to access to health care: health insurance coverage, having one or more personal doctors, and if there was a time in the past year when they needed to see a doctor but couldn't because of the cost. An additional measure was created for "underinsurance", defined as persons without health insurance, or having insurance but doing without needed care in the past year because of the cost. The 2003 report discusses these four measures of health care access, population subgroups with specific health care access issues, and the effect of health care access on utilization of preventive health services.

The Wyoming Department of Health's BRFSS website provides interactive access to the 2003 survey results; trends for 20 BRFSS indicators; and provides estimates by county and race/ethnicity for 25 BRFSS indicators using combined data representing the 1999 – 2003 time frames. In addition, special topic reports are available on the BRFSS website.

Section Two: Employer-Based Coverage

This section was addressed in the State Planning Grant Final Report filed in September 2004.

New Activities or Developments:

The partnership between the Wyoming Healthcare Commission and the Department of Employment continued to be a valuable asset in raising awareness of the issues related to employer based compensation and insurance.

Department of Employment Research Study

The “Private Sector Employee Access to Health Care” report was finalized by the Wyoming Department of Employment’s Research and Planning Department in February 2005. The report presents an analysis of the structure of Wyoming’s labor market and contributes to a determination of whether or not the WyoCare proposal is viewed by private sector employers as a viable proposal. The report includes a narrative and graphic presentation of employer-employee compensation relationships for the state as whole and selected industries. It also presents the background and findings for six employer focus group sessions. The appendices include estimates of the availability of employer-provided health insurance by firm type and full and part-time employees and also include the demographic and earning of all persons who worked in the private sector at any time in Wyoming during 2002 and related statistical information. A random stratified mail survey was conducted to verify the findings and themes of the group sessions. The report and accompanying fact sheet were presented to the Wyoming Legislature and were published on the Wyoming Health Care Commission website and the Wyoming Department of Employment website.

To further the discussion and raise awareness concerning the issue of the uninsured in Wyoming, an article entitled “Joining Forces to Secure Health Insurance Coverage in Wyoming”, was published in the February 2005 Edition of Wyoming Labor Force Trends, Vol. 42 No. 2.

A third phase of this research effort was postponed in order to give the Wyoming Healthcare Commission more time to work on the design of WyoCare.

Academy Health’s State Health Research and Policy Interest Group

At the June 25th, 2005 meeting, of the Academy Health’s State Health Research and Policy Interest Group Meeting in Boston, Tom Gallagher of the Wyoming Department of Employment presented the finalized “Private Sector Employee Access to Health Insurance” report. The presentation can be accessed through the Academy Health website.

Section Three: Wyoming's Health Care Marketplace

This section was addressed in the State Planning Grant Final Report filed in September 2004.

New Activities or Developments:

Wyoming's healthcare marketplace saw two new Community Health Centers established in Wyoming. A Community Health Center was opened on the south side of Cheyenne and a satellite Community Health Center was opened in Dubois. Discussions are under way with the Eastern Shoshone and Northern Arapaho Indian Tribes on the Wind River Reservation to establish a Tribal Community Health Center on the reservation.

Section Four: Options for Expanding Coverage

This section was addressed in the State Planning Grant Final Report filed in September 2004.

New Activities or Developments:

Project Management

The Wyoming Department of Health continued as the lead agency for the project. The Department contracted with the Wyoming Healthcare Commission to fund additional analysis of the feasibility of WyoCare and other options recommended by the State Planning Grant Task Force. The Wyoming SPG Project Director met regularly with the Commission members and staff to consult with them on the project. A consultant was brought on board by the Wyoming Healthcare Commission in May 2004 to focus additional attention on the planning, coordination and completion of SPG research and studies. The consultant scheduled and facilitated Wyoming Healthcare Commission committee meetings and contractor and “stakeholders” meetings related to SPG research and reviewed various options under study to determine gaps in research.

Between February and April 2004, several conference calls and meetings were hosted by the Department to provide working committees of the Wyoming Healthcare Commission an opportunity to refine plans for research and promotion of WyoCare. At a workshop facilitated by the Department in April 2004, WyoCare Goals were identified and projects were assigned to all stakeholders attending the meeting. The assignments included: understanding the dynamics of the small group market; identifying the legal issues of implementing WyoCare; estimating costs of WyoCare; identifying tax incentives; and recommending changes; building public support; and identifying mechanisms for benefit packages. As a result of this meeting, additional meetings with stakeholders were scheduled to continue to explore WyoCare.

Options for Expanding Coverage

The major option still under consideration to expand health care insurance coverage to the uninsured is the WyoCare option, which is still under development. The Wyoming Healthcare Commission is concentrating their efforts on developing a WyoCare strategy and product lines while continuing research efforts.

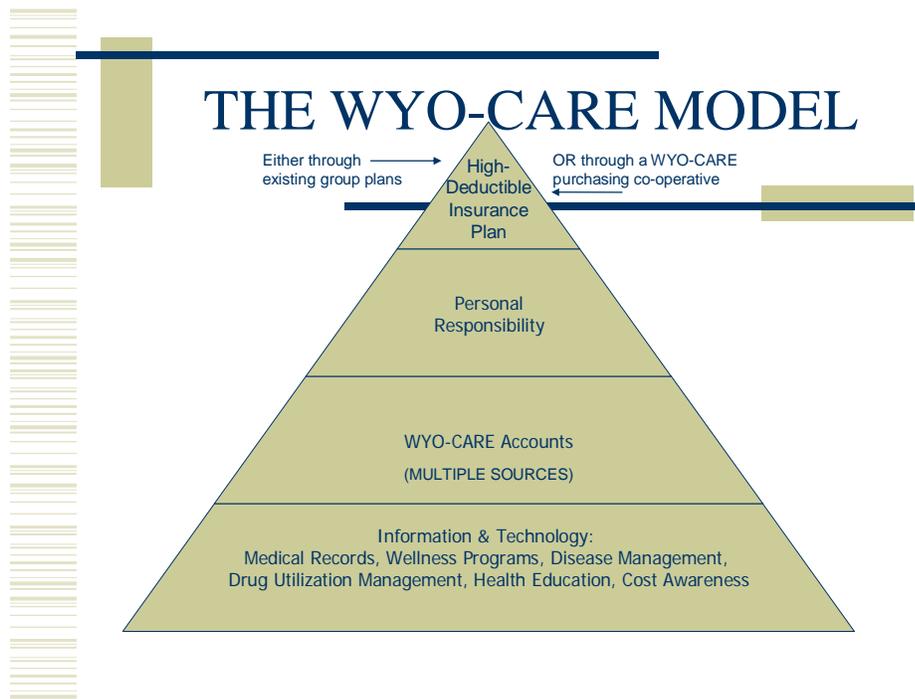
WyoCare conceptually is a state-supported purchasing pool that uses the leverage of the state and WyoCare members to offer more affordable medical care coverage to small groups and working individuals without access to health insurance. WyoCare is unique in its envisioned ability to accept multiple sources of funding to help an individual acquire employer-provided or individual coverage, and the incorporation of Total Health Management services to help WyoCare members remain healthy throughout their lives.

Partnering for a Solution Reinsurance Workgroup

In September 2004, the Wyoming Health Care Commission convened an initial meeting of the Partnering for a Solution Reinsurance Workgroup. Participants included members and staff of the Wyoming Health Care Commission, the SPG Project, the Governor’s office, the Insurance Department, the Department of Employment, Blue Cross and Blue Shield of Wyoming and other stakeholders. At this meeting, findings from the State Planning Grant research study were reviewed along with the goals of the Commission related to accessibility, affordability and responsibility. Presentations were made by George Bryce, WHCC Commissioner and Steve Manley, PRES Associates. Mr. Manley had conducted a study for the Commission entitled “Evaluating Strategies for the Effective Development of the “WyoCare” Health Plan”. The report was published on August 30, 2004 and can be accessed at the Wyoming Health Care Commission website.

The report had two interrelated objectives: First, to identify and evaluate innovative strategies currently being implemented in both the private sector (e.g. consumer driven health plans) and public sector (e.g. state sponsored premium assistance programs) to address accessibility and affordability issues; Second, to identify and evaluate emerging programs, products and technologies that can enable the successful implementation of these emerging strategies

The report reflected a qualitative analysis of the options available and how such options may best be implemented on a statewide basis. By learning about and better understanding the variety of design features of innovative new health plans in the private sector and some experiences of other state and local governments, this qualitative analysis was designed to assist the commission in finding a workable strategy for the WyoCare Plan.



In sum, the report provided an overview of:

- 1) the factors crucial to large-scale implementation of the WyoCare Plan;
- 2) an overview of different possibilities for plan design from both public and private sectors; and
- 3) a discussion of existing products and services available within the state and in the private sector that may have a positive impact on the objectives outlined by WHCC.

A second Partnering for a Solution Reinsurance Workgroup meeting was held in Cheyenne in April, 2005. The Insurance Department presented an analysis of prospective and retrospective reinsurance models. A decision was made to further investigate reinsurance models.

Colorado Health Strategy Management Forum and Meeting with David M. Lawrence MD, MPH

Wyoming Health Care Commission members and staff attended the Colorado Health Strategy Management Forum in Denver in April 2005. At the Denver meeting Dr. Lawrence made a presentation entitled: "Healthcare: Trouble Ahead". In addition to the presentation the Commission met with Dr. Lawrence to discuss how to refine the uninsured discussion by identifying the type of access to be provided, how it will be delivered and how it will be financed.

Reinsurance Study

During the past year, several meetings were held with stakeholder groups to discuss the WyoCare concept. As a result of these meetings, a decision was made to further investigate reinsurance options and an RFP was issued by the Wyoming Healthcare Commission in June 2005 to seek ways to expand access to small group health insurance in Wyoming by modifying the Wyoming Small Employer Health Reinsurance Program (WSEHRP) from a prospective to a retrospective model; by redesigning the WSEHRP to reduce the number of uninsured in Wyoming and by increasing the predictability in rates for carriers and insurance purchasers; by determining the impact on the State budget of various retrospective reinsurance alternative and by providing quantitative data concerning the impact of modifications to Wyoming's reinsurance pool(s) for the Governor and Legislature; and by using actual Wyoming premium and claims data to model the impact of reinsurance programs on Wyoming carriers.

The contract was awarded to Leif and Associates and the study will be completed in October 2005.

Other Options for Coverage

Public Program Waiver Opportunities

In response to Wyoming-specific concerns regarding the personal and financial cost of being uninsured, the Department of Health engaged Navigant Consulting, Inc. in July 2004 to conduct

a study of Wyoming's ability to expand health insurance coverage using Medicaid or State Children's Health Insurance Program waivers.

This study had its origins in Wyoming's original State Planning Grant Task Force recommendations. The Task Force recommended that the State pursue public program expansions; however, the Legislature requested more detailed information on the potential costs of these types of expansions.

The study provided an overview of different public health care coverage programs funded by the federal and state governments. It also described Wyoming's implementation of the programs, the different strategies states use to expand coverage under Medicaid and SCHIP, as well as selected state-only funded initiatives. The study summarized different premium assistance strategies that can be implemented as a component of different expansion strategies and described an expansion approach that Wyoming may want to consider given state-specific goals and characteristics, and provided related budget impact analyses. This expansion approach included three different coverage models for Wyoming's consideration.

The study focused on expanding coverage to parents of children in the State's Children's Health Insurance Program (Kid Care CHIP) and to low-income adults. The State Planning Grant identified both of these populations for coverage expansions in its final recommendations.

The study revealed that being uninsured results in poor health outcomes and increased financial stress on individuals, families, and health care providers, specifically:

The uninsured, when compared to persons with health insurance receive less preventive care, are diagnosed at more advanced disease states, and tend to receive less therapeutic care and have higher mortality rates once diagnosed.

Over one-third of the uninsured have a serious problem paying medical bills.

In 2004, the majority of the estimated \$40.7 billion in costs of uncompensated care for the uninsured was incurred by hospitals, followed by office-based physicians and direct care programs or clients. While historically approximately 85 percent of the costs of this care is covered by government funding (i.e., additional payments made by Medicare and Medicaid to hospitals that serve a disproportionate number of Medicaid or low-income patients), the remaining costs of providing care to the uninsured are not paid by any entitlement or insurance programs. In Wyoming, hospitals provided \$66.3 million in bad debt and charity care charges in State Fiscal Year 2003.

The Waiver Study was presented to the Wyoming Health Care Commission and the Legislature in January 2005. This study continues to serve as a tool to assist Commission members, Legislators, Stakeholders and Citizens to learn about policy options and potential costs of programs and opportunity costs.

Next Steps

A draft work plan and timeline for WyoCare built around a “straw man” concept implementation framework was presented at the August 2005 Commission meeting. The WyoCare draft work plan and timeline outlines a set of decision steps that need to be analyzed to allow the Commission and Governor by June 2006 to have enough information to draw conclusions and to determine a course of action for reaching the working uninsured/small group population. Additional data on reinsurance is being gathered for the Legislature to allow modeling of different scenarios and expected attached costs. The economic impact of sliding fee scale premium assistance is going to be analyzed to determine how to bolster the likelihood of insurance purchase by employees now electing to go without coverage due to its costs. Additional actuarial studies will be conducted when population targets are more clearly defined to determine the shape of the program that is to be made available to the target population.

Formal WyoCare structuring and financing will depend some on the regulations of state and federal government attached to Health Savings Account (HSA’S). A law firm is working with the Commission on understanding the potential for HSA’s. The Commission will be conducting extensive public information dissemination about WyoCare and will be expanding opportunities for public feedback.

Section Five: Consensus Building Strategy

This section was addressed in the State Planning Grant Final Report filed in September 2004.

Section Six: Lessons and Recommendations

This section was addressed in the State Planning Grant Final Report filed in September 2004.

Section Seven: Recommendations to the Federal Government

This section was addressed in the State Planning Grant Final Report filed in September 2004.

APPENDIX I: BASELINE INFORMATION

POPULATION:

2001 494,423 (Source: US Census Bureau Quick Facts)

2000-2001 484,290 (Source: Kaiser Family Foundation State Health Facts Online based on pooled Current Population Survey estimates)

NUMBER AND PERCENTAGE OF UNINSURED (CURRENT AND TREND):

2000 70,000 14.4% (Source: CPS Annual Demographic Supplement, March 2000)

2001 78,000 15.9% (Source: CPS Annual Demographic Supplement, March 2001)

Comparative Source:

77,030 16% (Source: Kaiser Family Foundation State Health Facts Online based on pooled Current Population Survey estimates 2000-2001)

AVERAGE AGE OF POPULATION:

35.9 year old (entire population)

PERCENT OF POPULATION LIVING IN POVERTY (<100% FPL):

Under 100% FPL: 13% or 62,180

100-199% FPL: 20% or 98,060

Total <200% FPL: 33% or 160,250

(Source: Kaiser Family Foundation State Health Facts Online based on pooled Current Population Survey estimates 2000-2001)

PRIMARY INDUSTRIES:

Retail Trade, Educational Services, Mining, Construction

(Source: Wyoming Department of Employment, Labor Market Information, Research and Planning, Employee Benefit Survey in Wyoming: 2001, <http://doe.state.wy.us/LMI>)

NUMBER AND PERCENT OF EMPLOYERS OFFERING COVERAGE:

63.2% provide health insurance to full-time employees

10.5 % provide health insurance to part-time employees

(Source: Wyoming Department of Employment, Labor Market Information, Research and Planning, Employee Benefit Survey in Wyoming: 2001)

NUMBER AND PERCENT OF SELF INSURED FIRMS:

40% of Wyoming's insurance market comes from self-funded arrangements.

(Source: Wyoming Department of Insurance)

PAYER MIX:

58% Employer; 11% Medicare; 9% Medicaid; 7% Individual

(Source: CPS 1999-2000)

PROVIDER COMPETITION:

Limited managed care: 2 HMO's in 7 counties, 4% market penetration

INSURANCE MARKET REFORMS:

Small group reform enacted in Wyoming in 1992:

1) Guaranteed availability to groups between 2 to 25 employees; changed to 2 to 50 employees with the Health Insurance Portability and Accountability Act (HIPAA) of 1996, enacted July 1997; 2) Guaranteed issue (past and present physical condition of applicant are not considered) – Initially applied to state developed Basic and Standard plans only in 1992; expanded to all plans for which the employer qualifies under HIPAA in 1997; 3) Premium rate restrictions imposed upon health insurers (W.S.26-19-304).

ELIGIBILITY FOR EXISTING COVERAGE PROGRAMS:**Wyoming Medicaid:**

Coverage is available for the following categorically needy mandatory eligibility groups:

1. Children 6-18 up to 100% of the Federal Poverty Level (FPL)
2. Low-income families with children who qualify for Temporary Assistance for Needy Families (TANF).
3. Pregnant women, newborns, and children under age 6 up to 133% of the FPL
4. Aged, blind and disabled individuals up to Supplemental Security Income (SSI) level
5. Certain aliens, foster care children and qualified Medicare beneficiaries

A small number of persons are also covered under optional eligibility groups.

The state does not have a medically needy program.

State Children Health Insurance Program:

Wyoming currently only covers children ages 6 to 18 whose family income falls between 100% and 133% of the FPL. An expansion to the program was mandated in March 2003 by the Wyoming Legislature, which recreates the current Medicaid Look Alike program as a private insurance program and will expand coverage to children in families with income to 185% of the FPL. This expansion will increase to 200% of the FPL in July 2005.

USE OF FEDERAL WAIVERS: No federal waivers have been applied for to expand health insurance coverage in Wyoming at this time.

APPENDIX II: LINKS TO RESEARCH FINDINGS AND METHODOLOGY

The following reports are available on the Wyoming Department of Health SPG Project web site: <http://wyominguninsured.state.wy.us/>:

- “SPG Task Force Strategic Plan” December 2003
- “UW Research Report” October 2003
- “Waiver Expansion Study” January 2005

The following reports are available on the Wyoming Healthcare Commission web site: <http://www.wyominghealthcarecommission.org/index.html>

- “Private Sector Employee Access to Health Insurance and the Potential WyoCare Market” February 2005
- “Evaluating Strategies for the Effective Development of the “WyoCare” Health Plan” April 2005

The following report is available on the Wyoming State Economic Division website: http://eativ.state.wy.us/wsdw/WY_Uninsured_Stats_Pac.pdf:

- SPG Project Uninsured Statistics

The following report is available on the Wyoming Department of Health website: <http://wdh.state.wy.us/SAD/DataReports.asp>:

- Special topic report on Wyoming Behavioral Risk Factor Surveillance System (BRFSS)

The following article is available on the Wyoming Department of Employment website: <http://doe.state.wy.us/lmi/0205/a2.htm>:

- “Joining Forces to Secure Health Insurance Coverage in Wyoming” February 2005

The following presentation is available on the Academy Health website: <http://www.academyhealth.org/interestgroups/shrp/posters.pdf>:

- “Private Sector Employee Access to Health Insurance” June 2005

Additional documents available upon request:

Wyoming Household Survey

- Telephone and Mail Survey
- Survey Comments
- Group Quarters Survey Method
- Survey Methodology

Wyoming Focus Groups

- Locations and Dates
- Target Groups
- Uninsured Demographic sheet
- Uninsured Script and Questions
- Health Care Provider Demographic Sheet
- Health Care Provider Questions

Wyoming Key Informant Interviews

- Interview Questions

Wyoming Department of Employment Survey(s)

- DOE Standard Survey
- DOE Expanded Survey
- DOE Expanded Survey Instructions
- DOE Employer Survey Matrix
- Focus Group Demographic Sheet
- Focus Group Questions

Wyoming Options Research

- Options Literature Review
- Presentation Task Force Meeting
- Options Listing
- Options and Individual Matrix, Employer Options Matrix
- Public Options Matrix
- Multi-sector Options Matrix

APPENDIX III: SPG SUMMARY OF POLICY OPTIONS

Option Considered	Target Population	Estimated Number of People Served	Status of approval (for example waivers submitted or legislation proposed). Please provide month and year when waiver or legislation was proposed and if approved, month and year of approval.	Status of implementation (please include month and year program or initiative began)	If implemented, most recent estimate within the federal fiscal year (Oct. 1 – Sept. 30) of number people served. Please provide the point in times estimate provided.
1. Fully Funded Kid Care CHIP	Children birth to 18 134% to 200% FPL Children 6-18 101% to 200% FPL	4,600 children as of October 1, 2005	Last legislation on program 3/2005	Program fully implemented as of July 1, 2005	4,600
2.					
3.					

(Please list each item in separate rows of chart. Additional rows may be added to the chart.)