

Be It Enacted by the Legislature of the State of [State name]

Public employee group health insurance plan; analysis.

No later than six months from the date of enactment of this act the [insert name of the state employee health plan/agency] shall conduct an analysis of the cost effectiveness of implementing a reference-based pricing and savings incentive program for current enrollees and retirees of public employee group health insurance plans. Any savings incentive program should directly reward patients who choose to receive care at more cost effective locations or from more cost effective providers. Savings incentives may include, but not be limited to, cash rewards, gift cards, health savings account contribution, credits or reductions of premiums, copayments, cost-sharing or deductibles.

The [agency] may issue a request for information from independent entities as part of the analysis. Such analysis should also give consideration to possible plan design changes when implementing a reference-based pricing program, and decision support options to help employees best navigate their care choices. If a reference-based pricing program is found to be cost effective, it shall be implemented as part of the next open enrollment. A report shall be issued within six months of the date of enactment of this act and shared with relevant legislative committees in writing explaining the decision and analysis of the agency.

Improving State Employee Health While Savings Taxpayer Dollars Act

Section 1.

Title

This Bill shall be entitled the “Improving State Employee Health and Saving Taxpayer Dollars Act.”

Section [specific code], [state name] statutes is amended to read:

Definitions.

(code) “Reference price” shall mean a flat payment paid by the Department in compensation for specific procedures or services performed by a healthcare provider.

Section 2. Section [specific code], [state name] statutes is amended to read:

(i) The [insert name of the state employee health plan/agency] shall solicit proposals to establish a reference pricing system and savings incentive program that directly rewards patients for choosing to receive care at more cost-effective locations to be incorporated into the employee health benefit plan(s) to be received within six months after the passage of this Act.

(ii) The [insert name of the state employee health plan/agency] shall evaluate and select from among the proposals a reference pricing system and shared savings program to start no later than the next open enrollment. The reference pricing system and shared savings program shall have as its goals to:

- (a) Provide clear information for health benefit plan members;
- (b) Permit sufficient choice of healthcare providers for health benefit plan members;
- (c) Focus on shoppable services; and
- (c) Maximize cost savings for health benefit plan members and the health benefit plan