



1997 ASSEMBLY BILL 490

August 28, 1997 - Introduced by Representatives UNDERHEIM, BRANDEMUEHL, OTT, R. YOUNG, SYKORA, MUSSER and ROBSON, cosponsored by Senators ROESSLER and CLAUSING. Referred to Committee on Mandates.

1 **AN ACT to amend** 40.51 (8), 40.51 (8m), 60.23 (25), 66.184, 120.13 (2) (g), 185.981
2 (4t) and 185.983 (1) (intro.); and **to create** 111.91 (2) (n), 609.76 and 632.885
3 of the statutes; **relating to:** insurance coverage of dependents who cease to be
4 full-time students.

Analysis by the Legislative Reference Bureau

Under this bill, if a health care plan provides dependent coverage of a person who is 18 years old or older because the person is a full-time student, the health care plan must continue to provide coverage of the person if he or she ceases to be a full-time student for medical reasons. The coverage must continue until the person becomes employed full time, marries and is eligible for coverage under his or her spouse's health care plan, obtains coverage under another health care plan, advises the insurer that he or she no longer intends to return to school full time or becomes 24 years of age, whichever occurs first. If none of these events occurs within one year after the time that the person's medical condition no longer prevented the person from attending school full time but the person has not returned to school full time, the insurer may terminate the person's coverage. The coverage requirement applies to both individual and group health insurance policies and plans, including health maintenance organizations, limited service health organizations, preferred provider plans and cooperative sickness care associations; to health plans offered by the state to its employes, including a self-insured plan; and to self-insured health plans of counties, cities, towns, villages and school districts.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 40.51 (8) of the statutes, as affected by 1995 Wisconsin Act 289, is
2 amended to read:

3 40.51 (8) Every health care coverage plan offered by the state under sub. (6)
4 shall comply with ss. 631.89, 631.90, 631.93 (2), 632.72 (2), 632.745 (1) to (3) and (5),
5 632.747, 632.87 (3) to (5), 632.885, 632.895 (5m) and (8) to (10) and 632.896.

6 **SECTION 2.** 40.51 (8m) of the statutes, as created by 1995 Wisconsin Act 289,
7 is amended to read:

8 40.51 (8m) Every health care coverage plan offered by the group insurance
9 board under sub. (7) shall comply with ss. 632.745 (1) to (3) and (5) ~~and~~, 632.747 and
10 632.885.

11 **SECTION 3.** 60.23 (25) of the statutes, as affected by 1995 Wisconsin Act 289,
12 is amended to read:

13 60.23 (25) SELF-INSURED HEALTH PLANS. Provide health care benefits to its
14 officers and employes on a self-insured basis if the self-insured plan complies with
15 ss. 631.89, 631.90, 631.93 (2), 632.745 (2), (3) and (5) (a) 2. and (b) 2., 632.747 (3),
16 632.87 (4) and (5), 632.885, 632.895 (9) and 632.896.

17 **SECTION 4.** 66.184 of the statutes, as affected by 1995 Wisconsin Act 289, is
18 amended to read:

19 **66.184 Self-insured health plans.** If a city, including a 1st class city, or a
20 village provides health care benefits under its home rule power, or if a town provides
21 health care benefits, to its officers and employes on a self-insured basis, the

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1 self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),
2 632.745 (2), (3) and (5) (a) 2. and (b) 2., 632.747 (3), 632.87 (4) and (5), 632.885,
3 632.895 (9) and (10), 632.896, 767.25 (4m) (d) and 767.51 (3m) (d).

4 **SECTION 5.** 111.91 (2) (n) of the statutes is created to read:

5 111.91 (2) (n) Compliance with the health insurance dependent coverage
6 requirement under s. 632.885.

7 **SECTION 6.** 120.13 (2) (g) of the statutes, as affected by 1995 Wisconsin Act 289,
8 is amended to read:

9 120.13 (2) (g) Every self-insured plan under par. (b) shall comply with ss.
10 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.745 (2), (3) and (5) (a) 2. and (b) 2.,
11 632.747 (3), 632.87 (4) and (5), 632.885, 632.895 (9) and (10), 632.896, 767.25 (4m)
12 (d) and 767.51 (3m) (d).

13 **SECTION 7.** 185.981 (4t) of the statutes, as affected by 1995 Wisconsin Act 289,
14 is amended to read:

15 185.981 (4t) A sickness care plan operated by a cooperative association is
16 subject to ss. 252.14, 631.89, 632.72 (2), 632.745, 632.747, 632.749, 632.87 (2m), (3),
17 (4) and (5), 632.885, 632.895 (10) and 632.897 (10) and ch. 155.

18 **SECTION 8.** 185.983 (1) (intro.) of the statutes, as affected by 1995 Wisconsin
19 Act 289, is amended to read:

20 185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be
21 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,
22 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.89, 631.93, 632.72
23 (2), 632.745, 632.747, 632.749, 632.775, 632.79, 632.795, 632.87 (2m), (3), (4) and (5),
24 632.885, 632.895 (5), (9) and (10), 632.896 and 632.897 (10), subch. II of ch. 619 and
25 chs. 609, 630, 635, 645 and 646, but the sponsoring association shall:

ASSEMBLY BILL 490**SECTION 9**

1 **SECTION 9.** 609.76 of the statutes is created to read:

2 **609.76 Coverage of certain dependents who cease to be full-time**
3 **students.** Health maintenance organizations, limited service health organizations
4 and preferred provider plans are subject to s. 632.885.

5 **SECTION 10.** 632.885 of the statutes is created to read:

6 **632.885 Coverage of certain dependents who cease to be full-time**
7 **students.** (1) In this section:

8 (a) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

9 (b) "Self-insured health plan" means a self-insured health plan of the state or
10 a county, city, village, town or school district.

11 (2) If a person 18 years old or older who has coverage as a dependent under a
12 disability insurance policy or a self-insured health plan because he or she is a
13 full-time student ceases to be a full-time student due to a medical or physical
14 condition, the disability insurance policy or self-insured health plan shall continue
15 to provide dependent coverage for the person until the earliest of the following:

16 (a) The person advises the insurer that he or she does not intend to return to
17 school full time.

18 (b) The person becomes employed full time.

19 (c) The person obtains other health care coverage.

20 (d) The person marries and is eligible for coverage under his or her spouse's
21 health care coverage.

22 (e) The person reaches the age of 24 years.

23 (f) Coverage of the insured through whom the person has dependent coverage
24 under the policy or self-insured health plan is discontinued or not renewed.

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1 (g) Although one year has elapsed since the person's medical or physical
2 condition has prevented the person from attending school full time, the person has
3 not returned to school full time.

SECTION 11. Initial applicability.

4 (1) This act first applies to all of the following:

5 (a) Except as provided in paragraphs (b) and (c), disability insurance policies
6 that are issued or renewed, and self-insured health plans that are established,
7 extended, modified or renewed, on the effective date of this paragraph.

8 (b) Disability insurance policies covering employees who are affected by a
9 collective bargaining agreement containing provisions inconsistent with this act
10 that are issued or renewed on the earlier of the following:

11 1. The day on which the collective bargaining agreement expires.

12 2. The day on which the collective bargaining agreement is extended, modified
13 or renewed.

14 (c) Self-insured health plans covering employees who are affected by a collective
15 bargaining agreement containing provisions inconsistent with this act that are
16 established, extended, modified or renewed on the earlier of the following:

17 1. The day on which the collective bargaining agreement expires.

18 2. The day on which the collective bargaining agreement is extended, modified
19 or renewed.

SECTION 12. Effective date.

20 (1) This act takes effect on the first day of the 5th month beginning after
21 publication.

22 (END)