



1997 SENATE BILL 66

February 12, 1997 - Introduced by Senators ADELMAN, RISSER, WIRCH, CLAUSING, JAUCH and DECKER, cosponsored by Representatives ROBSON, BALDWIN, BOCK, BOYLE, PLOUFF, MEYER, MUSSER, LINTON, R. POTTER, REYNOLDS, BAUMGART, LA FAVE, MORRIS-TATUM, R. YOUNG, L. YOUNG, SPRINGER and NOTESTEIN. Referred to Committee on Health, Human Services, Aging, Corrections, Veterans and Military Affairs.

1 **AN ACT to amend** 40.02 (26) (intro.), 40.02 (28), 40.03 (6) (a) 1., 628.36 (4) (b) 1.,
2 628.36 (4) (b) 2. and 628.36 (4) (b) 3.; and **to create** 20.515 (1) (g), 40.03 (6) (a)
3 3. and subchapter X of chapter 40 [precedes 40.98] of the statutes; **relating to:**
4 the purchase of health care coverage by private employers through the group
5 insurance board, granting rule-making authority and making an
6 appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the group insurance board (board), attached to the department of employe trust funds, is required to contract on behalf of the state for the purpose of providing health care coverage to state employes. Many other public employers may also participate in programs offered by the board to provide health care coverage for their employes.

This bill authorizes the board to enter into contracts on behalf of private employers for the purpose of providing health care coverage to their employes through a program offered by the board. In order to participate in this program, a private employer must provide health care coverage under the program to all of its employes who have a normal work week of 20 or more hours.

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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.** 20.515 (1) (g) of the statutes is created to read:

2 20.515 (1) (g) *Benefit and coverage payments; private employers.* All moneys
3 received from employers, as defined in s. 40.98 (1) (b), and their employes, as defined
4 in s. 40.98 (1) (a), who elect to be included in health care coverage plans through a
5 program offered by the group insurance board, for the payment of benefits and the
6 costs of administering benefits under subch. X of ch. 40.

7 **SECTION 2.** 40.02 (26) (intro.) of the statutes is amended to read:

8 40.02 (26) (intro.) “Employe” means any person who receives earnings as
9 payment for personal services rendered for the benefit of any employer including
10 officers of the employer, except as provided in subch. X. An employe is deemed to
11 have separated from the service of an employer at the end of the day on which the
12 employe last performed services for the employer, or, if later, the day on which the
13 employe-employer relationship is terminated because of the expiration or
14 termination of leave without pay, sick leave, vacation or other leave of absence. A
15 person shall not be considered an employe if a person:

16 **SECTION 3.** 40.02 (28) of the statutes is amended to read:

17 40.02 (28) “Employer” means the state, including each state agency, any
18 county, city, village, town, school district, other governmental unit or
19 instrumentality of 2 or more units of government now existing or hereafter created
20 within the state and any federated public library system established under s. 43.19
21 whose territory lies within a single county with a population of 500,000 or more,

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1 except as provided under ss. 40.51 (7) and 40.61 (3) and subch. X, or a local exposition
2 district created under subch. II of ch. 229. Each employer shall be a separate legal
3 jurisdiction for OASDHI purposes.

4 **SECTION 4.** 40.03 (6) (a) 1. of the statutes is amended to read:

5 40.03 (6) (a) 1. Shall, on behalf of the state, enter into a contract or contracts
6 with one or more insurers authorized to transact insurance business in this state for
7 the purpose of providing the group insurance plans provided for by this chapter; or,

8 **SECTION 5.** 40.03 (6) (a) 3. of the statutes is created to read:

9 40.03 (6) (a) 3. May, on behalf of any employer specified under subch. X, enter
10 into a contract or contracts with one or more insurers authorized to transact
11 insurance business in this state for the purpose of providing the health care coverage
12 plans provided under subch. X.

13 **SECTION 6.** Subchapter X of chapter 40 [precedes 40.98] of the statutes is
14 created to read:

CHAPTER 40**SUBCHAPTER X****PRIVATE EMPLOYER HEALTH****CARE COVERAGE**

19 **40.98 Health care coverage. (1)** In this subchapter:

20 (a) "Employee" means any person who receives earnings as payment for
21 personal services rendered for the benefit of any employer including officers of the
22 employer. An employee is deemed to have separated from the service of an employer
23 at the end of the day on which the employee last performed services for the employer,
24 or, if later, the day on which the employe-employer relationship is terminated

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1 because of the expiration or termination of leave without pay, sick leave, vacation or
2 other leave of absence. A person shall not be considered an employe if a person:

3 1. Is employed under a contract involving the furnishing of more than personal
4 services.

5 2. Is customarily engaged in an independently established trade, business or
6 profession providing the same type of services to more than one employer and whose
7 services to an employer are not compensated for on a payroll of that employer.

8 3. Is a patient or inmate of a hospital, home or institution and performs services
9 in the hospital, home or institution.

10 (b) "Employer" means any person doing business or operating an organization
11 in this state other than the state, including each state agency, and any county, city,
12 village, town, school district, other governmental unit or instrumentality of 2 or more
13 units of government.

14 (2) (a) Subject to par. (b), any employer may offer to all of its employes a health
15 care coverage plan through a program offered by the group insurance board. The
16 department may, by rule, establish eligibility standards or contribution
17 requirements for such employes and employers and may, by rule, limit the category
18 of employers allowed to be included in any program available under this subchapter.

19 (b) An employer who participates in a program offered by the group insurance
20 board under par. (a) shall provide health care coverage under that program to all of
21 its employes who have a normal work week of 20 or more hours.

22 **SECTION 7.** 628.36 (4) (b) 1. of the statutes is amended to read:

23 628.36 (4) (b) 1. Assisting the department of employe trust funds in the
24 development of health care plans under s. 40.51 (7) and subch. X of ch. 40.

25 **SECTION 8.** 628.36 (4) (b) 2. of the statutes is amended to read:

