



2005 SENATE BILL 420

November 3, 2005 - Introduced by Senators KANAVAS, DARLING, LEIBHAM, LAZICH and ROESSLER, cosponsored by Representatives GIELOW, HAHN, HINES, HUNDERTMARK, JENSEN, JESKEWITZ, KRAWCZYK, F. LASEE, MCCORMICK, MURSAU, MUSSER, NISCHKE, OTT, SHILLING, TOWNS, TOWNSEND and VOS. Referred to Committee on Health, Children, Families, Aging and Long Term Care.

- 1 **AN ACT to amend** 632.745 (9), 635.01 and 635.02 (8) of the statutes; **relating to:**
2 the definition of a group health benefit plan.

Analysis by the Legislative Reference Bureau

Current law contains various requirements that apply to group health benefit plans or the insurers that issue group health benefit plans. For example, consistent with the federal Health Insurance Portability and Accountability Act, insurers that sell group health benefit plans to employers must comply with requirements related to preexisting conditions, enrollment periods, and contract renewals. Insurers that sell group health benefit plans to small employers (those with between 2 and 50 employees) are subject to certain marketing standards and to certain restrictions on premium rates that may be charged for those policies.

Current law generally defines a group health benefit plan as a health benefit plan that is sold to or through an employer on behalf of a group that consists of at least two employees or individual health benefit plans covering eligible employees when three or more are sold to or through an employer. This bill changes the definition of a group health benefit plan by increasing, from three to nine, the number of individual health benefit plans that constitute a group health benefit plan when sold to or through an employer covering eligible employees of the employer. This change applies regardless of the number of employees the employer has.

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

SENATE BILL 420**SECTION 1**

1 **SECTION 1.** 632.745 (9) of the statutes is amended to read:

2 632.745 (9) “Group health benefit plan” means a health benefit plan that is
3 issued by an insurer to or through an employer on behalf of a group consisting of at
4 least 2 employees or a group including at least 2 eligible employees. The term
5 includes individual health benefit plans covering eligible employees when 3 9 or
6 more are sold to or through an employer.

7 **SECTION 2.** 635.01 of the statutes is amended to read:

8 **635.01 Scope.** This chapter applies to all group health insurance plans,
9 policies or certificates, written on risks or operations in this state, providing coverage
10 for employees of a small employer, or employees of a small employer and the
11 employer, and to individual health insurance policies, written on risks or operations
12 in this state, providing coverage for employees of a small employer, or employees of
13 a small employer and the employer when 3 9 or more are sold to or through a small
14 employer.

15 **SECTION 3.** 635.02 (8) of the statutes is amended to read:

16 635.02 (8) “Small employer insurer” means an insurer that is authorized to do
17 business in this state, in one or more lines of insurance that includes health
18 insurance, and that offers group health benefit plans covering eligible employees of
19 one or more small employers in this state, or that sells 3 9 or more individual health
20 benefit plans to a small employer, covering eligible employees of the small employer.
21 The term includes a health maintenance organization, as defined in s. 609.01 (2), a
22 preferred provider plan, as defined in s. 609.01 (4), and an insurer operating as a
23 cooperative association organized under ss. 185.981 to 185.985, but does not include
24 a limited service health organization, as defined in s. 609.01 (3).

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(END)