

State of Wisconsin



2003 Senate Bill 204

Date of enactment: **December 11, 2003**
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2003 WISCONSIN ACT 101

AN ACT to create 185.99 of the statutes; relating to: authorizing a health benefit purchasing cooperative pilot project.

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

SECTION 1. 185.99 of the statutes is created to read:
185.99 Health benefit purchasing cooperatives.

(1) DEFINITIONS. In this section:

(a) "Commissioner" means the commissioner of insurance.

(b) "Eligible employee" has the meaning given in s. 632.745 (5) (a).

(c) "Person" means any corporation, limited liability company, partnership, cooperative, association, trade or labor organization, city, village, town, county, or self-employed individual.

(2) ORGANIZATION AND PURPOSE. (a) Notwithstanding s. 185.02, one health benefit purchasing cooperative may be organized under this chapter before the first day of the 49th month beginning after the effective date of this subsection [revisor inserts date], in each of the 5 geographic areas designated under sub. (6). Notwithstanding s. 185.043, each health benefit purchasing cooperative may be formed by one or more persons.

(b) The purpose of a health benefit purchasing cooperative is to provide health care benefits for the individuals specified in sub. (4) (a) 1. to 3., through a contract with an insurer authorized to do business in this state in one or more lines of insurance that includes health insurance.

(c) A health benefit purchasing cooperative shall be designed so that all of the following are accomplished:

1. The members become better informed about health care trends and cost increases.

2. All members purchase their health care benefits from the same insurer.

3. The members are actively engaged in designing health care benefit options that are offered by the insurer and that meet the needs of their community.

4. The health insurance risk of all of the members is pooled.

5. The members actively participate in health improvement decisions for their community.

(2m) TEMPORARY BOARD OF DIRECTORS. Notwithstanding s. 185.05 (1) (m), the articles of a health benefit purchasing cooperative shall set forth the name and address of at least one incorporator who will act as the temporary board.

(3) COOPERATIVE MEMBERSHIP. (a) Notwithstanding s. 185.11 (1), each health benefit purchasing cooperative shall be organized on a membership basis with no capital stock.

(b) Subject to par. (c), any person that does business in, is located in, has a principal office in, or resides in the geographic area in which a health benefit purchasing cooperative is organized, that meets the membership criteria established by the health benefit purchasing cooper-

* Section 991.11, WISCONSIN STATUTES 2001-02 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

ative in its bylaws, and that pays the membership fee may be a member of the health benefit purchasing cooperative.

(c) A health benefit cooperative may limit membership of self-employed individuals through its membership criteria, but such criteria must be applied in the same manner to all self-employed individuals.

(d) Each health benefit purchasing cooperative shall file its membership criteria, as well as any amendments to the criteria, with the commissioner.

(4) HEALTH CARE BENEFITS. (a) The health care benefits offered by a health benefit purchasing cooperative shall be negotiated between the health benefit purchasing cooperative and the insurer. The insurer must offer coverage to all of the following:

1. An individual who is a member, officer, or eligible employee of a member of the health benefit purchasing cooperative.

2. A self-employed individual who is a member of the health benefit purchasing cooperative.

3. A dependent of an individual under subd. 1. or 2. who receives coverage.

(b) The contract between the members of a health benefit purchasing cooperative and an insurer shall be for a term of 3 years. Upon enrollment in the insurer's health benefit plan, each member shall pay to the health benefit purchasing cooperative an amount determined by the health benefit purchasing cooperative that is not less than the member's applicable premium for the 36th month of coverage under the contract. If a member withdraws from the health benefit purchasing cooperative before the end of the contract term, the health benefit purchasing cooperative may retain, as a penalty, an amount specified by the health benefit purchasing cooperative that is not less than the premium that the member paid for the 36th month of coverage.

(5) ADDITIONAL REQUIRED REPORTS. Each health benefit purchasing cooperative shall submit to the legislature under s. 13.172 (2) and to the commissioner all of the following:

(a) Annually, no later than September 30, a report on the progress of the health benefit purchasing arrangement described in this section and, to the extent possible, any significant findings in the criteria under par. (b) 1. to 3.

(b) Within one year after the end of the term of the contract under sub. (4) (b), a final report that details significant findings from the project and that includes, at a minimum, to the extent available, information on all of the following:

1. The extent to which the health benefit purchasing arrangement had an impact on the number of uninsured in the geographic area in which it operated.

2. The effect on health care coverage premiums for groups in the geographic area in which the health benefit purchasing arrangement operated, including groups other than the health benefit purchasing cooperative.

3. The degree to which health care consumers were involved in the development and implementation of the health benefit purchasing arrangement.

(6) DESIGNATION OF GEOGRAPHIC AREAS. After consultation with the Wisconsin Federation of Cooperatives, the commissioner shall designate, by order, the 5 geographic areas of the state in which health benefit purchasing cooperatives may be organized. A geographic area may overlap with one or more other geographic areas.

SECTION 2. Nonstatutory provisions.

(1) Any state agency may seek federal or private funding that may be used to support the activities of the project under section 185.99 of the statutes, as created by this act.