

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/18/99**

Received By: **kahlepj**

Wanted: **Soon**

Identical to LRB:

For: **Assembly Republican Caucus**

By/Representing: **Anderson**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Insurance - health**

Extra Copies:

Pre Topic:

ARC:.....Anderson - Am #4,

Topic:

Cost sharing under AODA coverage

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 06/21/99	wjackson 06/21/99		_____			
/1			martykr 06/21/99	_____	lrb_docadmin 06/21/99		

FE Sent For:

<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/18/99

Received By: kahlepj

Wanted: Soon

Identical to LRB:

For: Assembly Republican Caucus

By/Representing: Anderson

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Alt. Drafters:

Subject: Insurance - health

Extra Copies:

Pre Topic:

ARC:.....Anderson - Am #4,

Topic:

Cost sharing under AODA coverage

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1?	kahlepj	1 Wlj 6/21	xm6 21	JL 6 xm6 21			

FE Sent For:

<END>

Budget Amendments 1999- 2000

Statement of Intent DHFS. Provide a certain level of AODA coverage under group insurance policies to treat nervous and mental disorders, alcoholism and other drug abuse problems.

Legislator Montgomery

Amendment# 4

Staff contact John

Status Pass

Agency DHFS

Tax Cut

Summary Current law requires group insurance policies to provide a certain level of AODA coverage, which is coverage of treatment for "nervous and mental disorders, alcoholism and other drug abuse problems."

This amendment does not change the types or amounts of coverage that are required under current law; but modifies the amount of cost sharing that may be imposed.

This amendment does the following:

- (a) Allows all health plans to provide benefits equivalent to \$7,000 per year in services rendered. [Current law allows HMOs to provide equivalent benefits. This allows all health plans to comply with the Federal Mental Health Parity Act which prohibits the use of set dollar thresholds]
- (b) Allows health plans to apply copayments to the mandated benefit. [This is to acknowledge that not all health plans use deductibles as provided for under current law]
- (c) Changes the coverage requirement for inpatient hospital services from \$7,000 minus a copy of up to 10% to \$7,000 minus whatever type and amount of cost sharing is applicable under the policy. Applicable cost sharing under the policy will also be applied to coverage limits set by current law for outpatient services and transitional treatment.
- (d) Provides that health plans, that do not use cost sharing, will not have to provide more than \$6,300 in equivalent benefits measured in services rendered. [This figure reflects the amount HMOs provide under current law; \$7,000 minus 10%].

The amendment applies the above changes to policies issued or renewed on the effective date of the budget, so that a policy is not changed in the middle of its term.

Fiscal Impact None.

60207

ARC Analyst Nicole Anderson

Budget Amendment – Mental Health Cost Sharing

Drafting Instructions:

Add modification:

632.89(2)(a)2.

2. Except as provided in pars. (b) to (e), coverage of conditions under subd. 1. by a policy may be subject to exclusions or limitations, including deductibles and copayments, that are generally applicable to other conditions covered under the policy.

- Inserting copayments with current language allowing application of deductible.

632.89(2)(b)

(b) Minimum coverage of inpatient hospital, outpatient and transitional treatment arrangements.

632.89(2)(b)1.

1. Except as provided in subd. 2., if a group or blanket disability insurance policy issued by an insurer provides coverage of inpatient hospital treatment or outpatient treatment or both, the policy shall provide coverage in every policy year as provided in pars. (c) to (dm), as appropriate, except that the total coverage under the policy for a policy year need not exceed \$7,000 or, ~~if the coverage is provided by a health maintenance organization, as defined in s. 609.01 (2),~~ the equivalent benefits measured in services rendered.

- Same as original draft

632.89(2)(c)2.b.

b. Seven thousand dollars minus ~~a copayment of up to 10%~~ any applicable cost sharing at the level charged under the policy for inpatient hospital services or, ~~if the coverage is provided by a health maintenance organization, as defined in s. 609.01 (2),~~ \$6,300 or the equivalent benefits measured in services rendered. A group or blanket disability insurance policy that does not use cost sharing shall provide \$6,300 in equivalent benefits measured in services rendered.

- Modify language to use cost sharing level used by the plan and maintain current substitution equivalent for plans not using cost sharing.

632.89(2)(d)2.

2. Except as provided in par. (b), a policy under subd. 1. shall provide coverage in every policy year for not less than \$2,000 minus ~~a copayment of up to 10% or~~

any applicable cost sharing at the level charged under the policy for outpatient services or, if the coverage is provided by a health maintenance organization, as defined in s. 609.01 (2), \$1,800 or the equivalent benefits measured in services rendered. A group or blanket disability insurance policy that does not use cost sharing shall provide \$1,800 in equivalent benefits measured in services rendered.

- Modify language to use cost sharing level used by the plan and maintain current substitution equivalent for plans not using cost sharing.

632.89(2)(dm)2.

2. Except as provided in par. (b), a policy under subd. 1. shall provide coverage in every policy year for not less than \$3,000 minus a copayment of up to 10% any applicable cost sharing at the level charged under the policy for transitional treatment arrangements or, if the coverage is provided by a health maintenance organization, as defined in s. 609.01 (2), \$2,700 or the equivalent benefits measured in services rendered. A group or blanket disability insurance policy that does not use cost sharing shall provide \$2,700 in equivalent benefits measured in services rendered.

- Modify language to use cost sharing level used by the plan and maintain current substitution equivalent for plans not using cost sharing.

1999

Date (time) needed SOON

LRB b 0704/1

**CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]**

PK : Wlj :

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**CAUCUS AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 1999 ASSEMBLY BILL 133**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

At the locations indicated, amend the substitute amendment as follows:

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :



**SENATE AMENDMENT
TO 1999 SENATE BILL 45**

1 At the locations indicated, amend the bill as follows:

2 1. Page ~~1295~~, line 24: after that line insert:

3 "SECTION 3044b. 632.89 (2) (a) 2. of the statutes is amended to read:

4 632.89 (2) (a) 2. Except as provided in pars. (b) to (e), coverage of conditions
5 under subd. 1. by a policy may be subject to exclusions or limitations, including
6 deductibles and copayments, that are generally applicable to other conditions
7 covered under the policy.

8 SECTION 3044c. 632.89 (2) (b) 1. of the statutes is amended to read:

9 632.89 (2) (b) 1. Except as provided in subd. 2., if a group or blanket disability
10 insurance policy issued by an insurer provides coverage of inpatient hospital
11 treatment or outpatient treatment or both, the policy shall provide coverage in every
12 policy year as provided in pars. (c) to (dm), as appropriate, except that the total
13 coverage under the policy for a policy year need not exceed \$7,000 or, if the coverage

1405

1 is provided by a health maintenance organization, as defined in s. 609.01 (2), the
2 equivalent benefits measured in services rendered.

3 **SECTION 3044e.** 632.89 (2) (c) 2. b. [✓] of the statutes is amended to read:

4 632.89 (2) (c) 2. b. Seven thousand dollars minus a copayment of up to 10% any
5 applicable cost sharing at the level charged under the policy for inpatient hospital
6 services ~~or, if the coverage is provided by a health maintenance organization, as~~
7 ~~defined in s. 609.01 (2), \$6,300~~ or the equivalent benefits measured in services
8 rendered or, if the policy does not use cost sharing, \$6,300 in equivalent benefits
9 measured in services rendered.

10 **SECTION 3044^{n r 0}.** 632.89 (2) (d) 2. [✓] of the statutes is amended to read:

11 632.89 (2) (d) 2. Except as provided in par. (b), a policy under subd. 1. shall
12 provide coverage in every policy year for not less than \$2,000 minus a copayment of
13 up to 10% any applicable cost sharing at the level charged under the policy for
14 outpatient services ~~or, if the coverage is provided by a health maintenance~~
15 ~~organization, as defined in s. 609.01 (2), \$1,800~~ or the equivalent benefits measured
16 in services rendered or, if the policy does not use cost sharing, \$1,800 in equivalent
17 benefits measured in services rendered.

18 **SECTION 3044i.** 632.89 (2) (dm) 2. [✓] of the statutes is amended to read:

19 632.89 (2) (dm) 2. Except as provided in par. (b), a policy under subd. 1. shall
20 provide coverage in every policy year for not less than \$3,000 minus a copayment of
21 up to 10% any applicable cost sharing at the level charged under the policy for
22 transitional treatment arrangements ~~or, if the coverage is provided by a health~~
23 ~~maintenance organization, as defined in s. 609.01 (2), \$2,700~~ or the equivalent
24 benefits measured in services rendered or, if the policy does not use cost sharing,
25 \$2,700 in equivalent benefits measured in services rendered."

1592
23

- 1
- 2
- 3
- 4
- 5

2. Page ~~1414~~, line 6: after that line insert:

ⁿ
~~(2)~~ COPAYS FOR COVERAGE OF ALCOHOLISM AND OTHER DISEASES. The treatment
of section 632.89 (2) (a) 2., (b) 1., (c) 2. b., (d) 2. and (dm) 2. of the statutes first applies
to policies issued or renewed on the effective date of this subsection.”

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0704/1
PJK:wj:km

ARC:.....Anderson - Am #4, Cost sharing under AODA coverage

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1405, line 24: after that line insert:

3 “**SECTION 3044b.** 632.89 (2) (a) 2. of the statutes is amended to read:

4 632.89 (2) (a) 2. Except as provided in pars. (b) to (e), coverage of conditions
5 under subd. 1. by a policy may be subject to exclusions or limitations, including
6 deductibles and copayments, that are generally applicable to other conditions
7 covered under the policy.

8 **SECTION 3044c.** 632.89 (2) (b) 1. of the statutes is amended to read:

9 632.89 (2) (b) 1. Except as provided in subd. 2., if a group or blanket disability
10 insurance policy issued by an insurer provides coverage of inpatient hospital

1 treatment or outpatient treatment or both, the policy shall provide coverage in every
2 policy year as provided in pars. (c) to (dm), as appropriate, except that the total
3 coverage under the policy for a policy year need not exceed \$7,000 or, if the coverage
4 is provided by a health maintenance organization, as defined in s. 609.01 (2), the
5 equivalent benefits measured in services rendered.

6 **SECTION 3044e.** 632.89 (2) (c) 2. b. of the statutes is amended to read:

7 632.89 (2) (c) 2. b. Seven thousand dollars minus a copayment of up to 10% any
8 applicable cost sharing at the level charged under the policy for inpatient hospital
9 services or, if the coverage is provided by a health maintenance organization, as
10 defined in s. 609.01 (2), \$6,300 or the equivalent benefits measured in services
11 rendered or, if the policy does not use cost sharing, \$6,300 in equivalent benefits
12 measured in services rendered.

13 **SECTION 3044ht.** 632.89 (2) (d) 2. of the statutes is amended to read:

14 632.89 (2) (d) 2. Except as provided in par. (b), a policy under subd. 1. shall
15 provide coverage in every policy year for not less than \$2,000 minus a copayment of
16 up to 10% any applicable cost sharing at the level charged under the policy for
17 outpatient services or, if the coverage is provided by a health maintenance
18 organization, as defined in s. 609.01 (2), \$1,800 or the equivalent benefits measured
19 in services rendered or, if the policy does not use cost sharing, \$1,800 in equivalent
20 benefits measured in services rendered.

21 **SECTION 3044i.** 632.89 (2) (dm) 2. of the statutes is amended to read:

22 632.89 (2) (dm) 2. Except as provided in par. (b), a policy under subd. 1. shall
23 provide coverage in every policy year for not less than \$3,000 minus a copayment of
24 up to 10% any applicable cost sharing at the level charged under the policy for
25 transitional treatment arrangements or, if the coverage is provided by a health

1 ~~maintenance organization, as defined in s. 609.01 (2), \$2,700 or the equivalent~~
2 ~~benefits measured in services rendered or, if the policy does not use cost sharing,~~
3 ~~\$2,700 in equivalent benefits measured in services rendered.~~”

4 **2.** Page 1592, line 23: after that line insert:

5 “(2n) COPAYS FOR COVERAGE OF ALCOHOLISM AND OTHER DISEASES. The treatment
6 of section 632.89 (2) (a) 2., (b) 1., (c) 2. b., (d) 2. and (dm) 2. of the statutes first applies
7 to policies issued or renewed on the effective date of this subsection.”

8 (END)