

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/18/99**

Received By: **champra**

Wanted: **Soon**

Identical to LRB:

For: **Assembly Republican Caucus**

By/Representing: **Sande**

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

Drafter: **champra**

May Contact:

Alt. Drafters: **kahlepj**

Subject: **Employ Pub - miscellaneous
Insurance - health**

Extra Copies:

Pre Topic:

ARC:.....Sande - Am #77,

Topic:

Small Business Health Insurance Program

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>
/?	champra 06/22/99 kahlepj 06/22/99	chanaman 06/23/99		_____			
/P1	champra 06/23/99	chanaman 06/23/99	jfrantze 06/23/99	_____			
/1			kfollet 06/23/99	_____	lrb_docadmin 06/23/99		
/2	kahlepj	jgeller	ismith	_____	lrb_docadmin		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typist</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	06/25/99	06/25/99	06/25/99	_____	06/26/99		
/3	champra 06/26/99	ygeller 06/26/99	hhagen 06/26/99	_____ _____	lrb_docadmin 06/26/99		

FE Sent For:

<END>

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/P1	champra 06/23/99	chanaman 06/23/99	jfrantze 06/23/99	_____			
/1		1/2 6/25 jlg 1/3 6/26 jlg	kfollet 06/23/99 IS 6/25	_____	lrb_docadmin 06/23/99		

Please e-mail
a copy to Matt Sande
at ARC

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1/?	champra	omn 6/23 /1	Kjf 6/23	86/22 6/23			
FE Sent For:		omn 6/23 /1	Kjf 6/23	<END> Kjf/kme 6/23			

Budget Amendments 1999- 2000

Statement of Intent Small Business Health Insurance Program

Legislator Vrakas, Seratti, Musser

Amendment# 77

Staff contact Tim

Status

Agency

Tax Cut

Summary See attached

Fiscal Impact

ARC Analyst Matt Sande

Request# 3671

SMALL BUSINESS HEALTH INSURANCE PROGRAM
(Rep. Vrakas, Rep. Seratti, Rep. Musser)

Current Law:

No provision.

Governor:

The Governor's general fund condition statement assumes that **\$338.6 million in tobacco settlement funds** will be deposited to the general fund as follows: (a) \$49.7 million in 1998-99; (b) \$136.8 million in 1999-00; and (c) \$152.1 million in 2000-01. However, it now appears that the state will not receive a payment in 1998-99 and that \$185.0 million will be paid in 1999-00 and \$149.0 million will be received in 2000-01. In total, these amounts equal \$334.0 million or \$4.6 million less than is projected under the budget bill.

The Governor's budget provided \$2,700,000 GPR in 1999-00 and \$2,500,000 GPR in 2000-01 to fund several tobacco and health-related programs, one of which is a small employer health care purchasing plan program. Specifically, **the Governor's budget provided \$200,000 GPR in 1999-00 to the Office of the Commissioner of Insurance (OCI) to fund a one-time grant to a private organization that would help establish health insurance purchasing pools for private small employers** (employers with two to 50 employees) if the organization: (a) submits a plan to OCI detailing the proposed use of the award and the Commissioner approves the plan; (b) enters into a written agreement with OCI that specifies the conditions for use of the grant proceeds, including reporting and auditing requirements; and (c) agrees in writing to submit to OCI a report, within six months after spending the full amount of the grant, detailing how the grant funds were used. The Governor's bill would have created a GPR appropriation for OCI for the purpose of funding the grant, repeal the appropriation as of July 1, 2000, and prohibit OCI from paying grant proceeds after June 30, 2000. Although the program would be supported by GPR, **the Executive Budget Book indicates that the program would be supported with tobacco settlement funds.**

The Office of the Commissioner of Insurance would provide this funding to a private entity that would create a business plan for the establishment of a small employer health insurance purchasing pool. The business plan would determine how many small employers in the state would participate in the pool, the premium rates for participants and how to market the pool to the small employers. The private entity would be responsible for marketing the pool to small employers. **Once the \$200,00 GPR is expended, the small employers that joined the pool would be expected to sustain the pool's existence.**

The objective of the pool would be to allow small employers to band together to create a large enough group to purchase insurance at more affordable rates. OCI officials indicate that the pool would establish rate stability for small employers.

JFC Action:

The Committee **eliminated** several tobacco-related provisions contained in the Governor's budget including the \$200,000 GPR in 1999-00 provided to the Office of the Commissioner of Insurance to fund a one-time grant to a private organization that would help establish health insurance purchasing pools for private small employers.

Motion:

Under the motion, **the Department of Employee Trust Funds (DETF) shall design a "Small Business Health Insurance Program"** that includes two or more small employer health insurance plans. The program will create a health insurance purchasing pool available to small businesses statewide.

Under the program, a **Private Employer Health Care Coverage Board (Board)** will be created. The eleven-member board, appointed by the Governor, will include a variety of members representing different groups affected by the program. The Board shall approve: 1) DETF's design for the individual insurance plans to be offered under the program and the overall design of the program; 2) the contract with a private sector business for administration of the program; and 3) the contract with a private sector business for marketing of the program.

The Board may approve one or more of the plans offered under the program to be exempt from one or more state insurance mandates. Small business insurance group providers outside the pool may also provide plans that are exempt from one or more state insurance mandates. The mandate exemptions for the small business health care program and small business groups outside the program will sunset on January 1, 2010. **State involvement in the program would end January 1, 2010.** The plans developed under the program may not include coverage of non-therapeutic abortion, except by a rider requested and paid for by an employee.

Once the program is approved by the Board, the DETF shall solicit bids from the private sector to administer the program and bids to market the program (The contract to administer the program and the contract to market the program may be with separate entities). **The actual insurance policies will be purchased by employers from licensed insurance agents. No government money will be used to purchase insurance policies.** A toll-free 800 phone line will be installed in DETF for small businesses seeking information on the program.

Fiscal Effect:

The motion increases GPR expenditures by \$400,000 over the biennium. \$75,000 GPR is provided to DETF for designing a small employer health care coverage program, providing administrative support services for the 11 member board, and soliciting bids from the private sector for: 1) administration of the program 2) marketing of the program. A one-time appropriation of \$125,000 GPR is provided for contracting with a private sector business for the marketing and promotion of the program. A one-time appropriation of \$200,000 GPR is provided for contracting with a private sector business for the administration of the program.

Talking Points:

THE PROBLEM

- From **1996 to 1998**, in the midst of the best economy in thirty years, **the percentage of small businesses offering health insurance to their workforce declined.** (NFIB, Wisconsin)
- **One quarter** of Wisconsin's small businesses who purchased group health insurance **experienced a hike of more than 20% in 1998.** (NFIB, Wisconsin)
- **During the past year the average deductible** for a single employee of a small business **increased 75%** and the average deductible for a family supported by small business **increased 61%.** (Wisconsin Independent Business, Inc.)

THE SOLUTION

- The **small business purchasing alliance created under the program** will give small businesses real buying and **negotiating power** when purchasing health insurance.
- **Purchasing alliances** allow small employers to achieve the **economies of scale** from which large employers currently benefit.
- According to a 1998 study by CONSAD Research Institute, over **50,000** currently **uninsured Wisconsin employees could gain group health insurance coverage** if small businesses were allowed to obtain lower cost coverage by **pooling their purchasing resources.**
- Participation in this pool is **strictly voluntary**, and **plans can only be sold by licensed insurance agents.**

Insurance Mandates

- Whatever the public purpose of **insurance mandates**, whether they intend to reduce premium rates or require coverage of certain diseases or procedures, they **inevitably lead to less health care coverage rather than more.**
- The **federal ERISA law exempts large, self-insured corporations** from state insurance regulation including **all state insurance mandates.**
- It is estimated by the **Office of the Commissioner of Insurance** that **over 50%** of insured persons in Wisconsin are already under plans exempt from the insurance mandates.
- The **Small Business Health Insurance Program** would allow one or more of the offered plans to be **exempt** from one or more state insurance mandates. Furthermore, under the proposal, small business insurance group providers **outside the pool** may also provide plans that are exempt from one or more state insurance mandates.
- **Forty-three other states have already enacted legislation that allows mandate waiver plans to be sold.**

OTHER STATES

- Wisconsin would not be the first state to establish a small business health insurance program. **California** established a **similar program** (Health Insurance Plan of California or HIPC) which **resulted in significant savings for small businesses and increased premium stability.**
- The **California program is controlled by a private sector board** just as this program would be.

ISSUES OF CONCERN

Is this socialized medicine?

- **NO!** While the Senate version of this bill would create more bureaucracy by allowing the Department of Employee Trust Funds (DETF) to administer this program for an extended period, **this proposal keeps insurance where it should be – in the private sector.**
- Under this proposal, the DETF serves only to **facilitate** small businesses in purchasing **affordable health care coverage from private insurance agents.**

Eligibility

- **Any employer with at least two employees** is eligible to participate in the health care coverage program.
- While not all Wisconsin **farmers** would initially be eligible for coverage under the program, many would be (any formally incorporated farm may count the farmer and his wife as the two necessary employees), and it is believed the vast majority of farmers would eventually be eligible.
- **The program will sunset in 2010 and be entirely spun off to the private sector.**

SUPPORT

- Thirty-three members of the Assembly and eleven members of the Senate voiced their support for this concept by signing on to 1999 Assembly Bill 63.
- The Assembly Committee on Small Business and Economic Development unanimously passed an amended version of Assembly Bill 63 almost identical to this proposal.
- The proposal as it now stands has support from **the National Federation of Independent Business (NFIB), the Wisconsin Restaurant Association, the Wisconsin Farm Bureau, the Wisconsin Health and Hospital Association, the Rural Wisconsin Health Cooperative, and the Association of Wisconsin HMO's.**

Staff Contacts: Matt Sande, ARC
 Tim Fiocchi, Rep. Seratti

1999

Date (time) needed

SON (6-22-99)

LRB b 0723, P1

CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]

TODAY

RACIPSK: CMM:

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 :

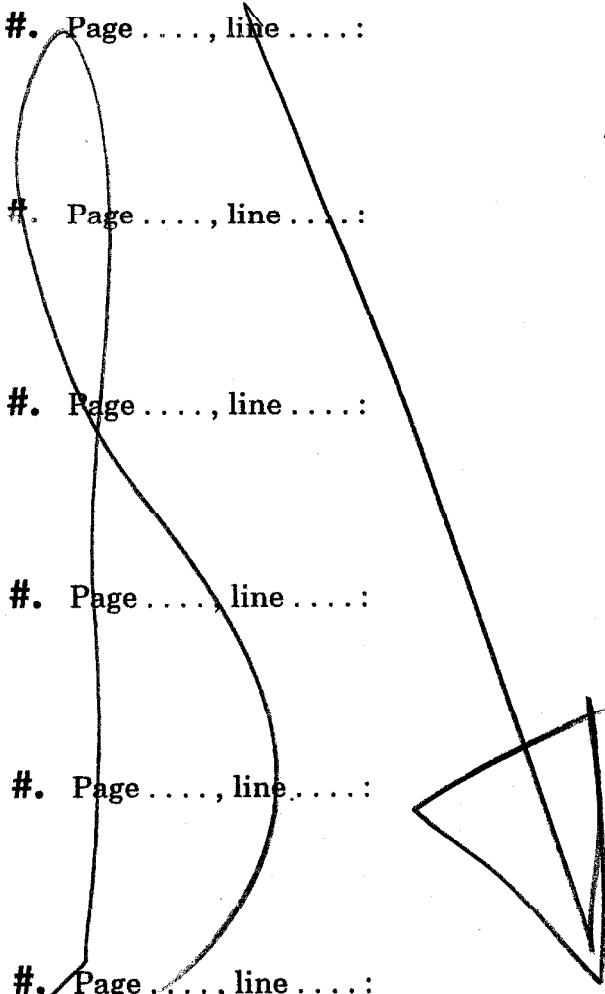
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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 63**

May 4, 1999 - Offered by COMMITTEE ON SMALL BUSINESS AND ECONOMIC
DEVELOPMENT.

1 **AN ACT to repeal** 13.94 (1) (p), 15.07 (1) (b) 21., 15.165 (5), 20.515 (2) (title),
2 20.515 (2) (a), 20.515 (2) (b), 20.515 (2) (g) and subchapter X of chapter 40
3 [precedes 40.98]; **to amend** 40.02 (26) (intro.), 40.02 (26) (intro.), 40.02 (28) and
4 40.02 (28); and **to create** 13.94 (1) (p), 15.07 (1) (b) 21., 15.165 (5), 20.515 (2)
5 (title), 20.515 (2) (a), 20.515 (2) (b), 20.515 (2) (g) and subchapter X of chapter
6 40 [precedes 40.98] of the statutes; **relating to:** requiring the department of
7 employe trust funds to establish a health care coverage program for employers
8 in the private sector, creating a private employer health care coverage board,
9 providing a grant to the administrator of the health care coverage program and
10 making an appropriation.

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

→ # Page 19, line 12: after third line insert:

11 (c) SECTION 13.94 (1) (p) of the statutes is created to read:

4M
b

1 13.94 (1) (p) No later than January 1, 2008, prepare a program evaluation audit
2 of the private employer health care coverage program established under subch. X of
3 ch. 40. The legislative audit bureau shall file a copy of the audit report under this
4 paragraph with the distributees specified in par. (b).

section 4M1

4r3(B)

5 SECTION 13.94 (1) (p) of the statutes, as created by 1999 Wisconsin Act ...

(this act) is repealed.

#. Page 22, line 18: after that line insert:

6 SECTION 15.07 (1) (b) of the statutes is created to read:

7 15.07 (1) (b) Private employer health care coverage board.

8 SECTION 15.07 (1) (b) of the statutes, as created by 1999 Wisconsin Act

(section 4B)

.... (this act) is repealed.

#. Page 24, line 9: after that line insert:

9 SECTION 15.165 (5) PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD. (a) There is created

10 in the department of employe trust funds a private employer health care coverage
11 board consisting of the secretary of employe trust funds or his or her designee, the
12 secretary of health and family services or his or her designee and the following
13 members appointed for 3-year terms:

- 14 1. One member who represents health maintenance organizations.
- 15 2. One member who represents hospitals.
- 16 3. One member who represents insurance agents, as defined in s. 628.02 (4).
- 17 4. Two members who are employes eligible to receive health care coverage
- 18 under subch. X of ch. 40 and whose employer employs not more than 50 employes.
- 19 5. One member who represents insurers.
- 20 6. Two members who are, or who represent, employers that employ not more
- 21 than 50 employes and who are eligible to offer health care coverage under subch. X
- 22 of ch. 40.

INSERT
3-2

1 7. One member who is a physician, as defined in s. 448.01 (5).

2 (b) The secretary of employe trust funds or his or her designee and the secretary
3 of health and family services or his or her designee shall be nonvoting members.

4 SECTION 15.165 (5) of the statutes, as created by 1999 Wisconsin Act ... (this
5 act), is repealed.

6 SECTION 7. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
7 the following amounts for the purposes indicated:

	1999-00	2000-01
20.515		

9 20.515 Employe trust funds, department of

→ # Page 248, line 10: after that line insert:

SCHED

10 " (2) PRIVATE EMPLOYER HEALTH CARE COVERAGE

11 PROGRAM

12 (a) Private employer health care

13 coverage program; ~~start-up~~ costs GPR B 200,000 -0-

14 (b) Grant for program administra-

15 tor's costs GPR B 200,000 -0-

→ # Page 389, line 24: after that line insert:

16 SECTION 20.515 (2) (title) of the statutes is created to read:

17 20.515 (2) (title) PRIVATE EMPLOYER HEALTH CARE COVERAGE PROGRAM.

18 SECTION 20.515 (2) (title) of the statutes, as created by 1999 Wisconsin Act
19 ... (this act), is repealed.

20 SECTION 20.515 (2) (a) of the statutes is created to read:

21 20.515 (2) (a) Private employer health care coverage program; ~~start-up~~ costs.

22 Biennially, the amounts in the schedule for the ~~start-up~~ costs for designing and
relating to

23 contracting for administrative services for the private employer health care coverage

24 program under subch. X of ch. 40.



59190 letter "b"

1 SECTION ~~14~~ 20.515 (2) (a) of the statutes, as created by 1999 Wisconsin Act ...

2 (this act), ^{section 5919m,} is repealed.

3 SECTION ~~14~~ 20.515 (2) (b) of the statutes is created to read:

4 20.515 (2) (b) *Grant for program administrator's costs.* Biennially, the amounts
5 in the schedule for the grant under 1999 Wisconsin Act ... (this act), section 22 (3).

6 SECTION ~~14~~ 20.515 (2) (b) of the statutes, as created by 1999 Wisconsin Act ...

7 (this act), ^{section 5919t,} is repealed.

8 SECTION ~~14~~ 20.515 (2) (g) of the statutes is created to read:

9 20.515 (2) (g) *Private employer health care coverage plan.* All moneys received
10 under subch. X of ch. 40 from employers who elect to participate in the private
11 employer health care coverage program under subch. X of ch. 40, for the costs of
12 designing, marketing and contracting ^{or providing} for administrative services for the program.

13 SECTION ~~14~~ 20.515 (2) (g) of the statutes, as created by 1999 Wisconsin Act ...

14 (this act), ^{section 5919x,} is repealed.

→ #. Page 532, line 11: after that line insert?
" SECTION ~~14~~ 40.02 (26) (intro.) of the statutes is amended to read:

16 40.02 (26) (intro.) "Employee" means any person who receives earnings as
17 payment for personal services rendered for the benefit of any employer including
18 officers of the employer, except as provided in subch. X. An employe is deemed to
19 have separated from the service of an employer at the end of the day on which the
20 employe last performed services for the employer, or, if later, the day on which the
21 employe-employer relationship is terminated because of the expiration or
22 termination of leave without pay, sick leave, vacation or other leave of absence. A
23 person shall not be considered an employe if a person:

24 SECTION ~~14~~ 40.02 (26) (intro.) of the statutes, as affected by 1999 Wisconsin

25 Act ... (this act), is amended to read:

section 930wb,

plaintext
↓

*or a family care district
created under s. 46.2895.
← delete comma*

1 a local exposition district created under subch. II of ch. 229, ~~except as provided under~~
2 ~~ss. 40.51(4) and 40.61(3) and subch. VII.~~ Each employer shall be a separate legal
3 jurisdiction for OASDHI purposes.)

→ 3) #. Page 536, line 13: before that line insert:
4 "SECTION 20. Subchapter X of chapter 40 [precedes 40.98] of the statutes is

5 created to read: (944ym) (B)

6 CHAPTER 40

7 SUBCHAPTER X

8 PRIVATE EMPLOYER HEALTH

9 CARE COVERAGE

Insert 6-10

10 40.98 Health care coverage. (1) In this subchapter:

11 (ar) "Board" means the private employer health care coverage board.

12 (b) "Dependent" means a spouse, an unmarried child under the age of 19 years,
13 an unmarried child who is a full-time student under the age of 21 years and who is
14 financially dependent upon the parent, or an unmarried child of any age who is
15 medically certified as disabled and who is dependent upon the parent.

16 (c) "Employee" means any person who receives earnings as payment for personal
17 services rendered for the benefit of any employer including officers of the employer.
18 An employe is considered to have separated from the service of an employer at the
19 end of the day on which the employe last performed services for the employer, or, if
20 later, the day on which the employe-employer relationship is terminated because of
21 the expiration or termination of leave without pay, sick leave, vacation or other leave
22 of absence. A person shall not be considered an employe if any of the following
23 applies:

24 1. The person is employed under a contract involving the furnishing of more
25 than personal services.

1 2. The person is customarily engaged in an independently established trade,
2 business or profession providing the same type of services to more than one employer
3 and the person's services to an employer are not compensated for on a payroll of that
4 employer.

5 3. The person is a patient or inmate of a hospital, home or institution and
6 performs services in the hospital, home or institution.

7 (d) "Employer" means any person doing business or operating an organization
8 in this state and employing at least 2 employes. "Employer" does not include an
9 employer as defined in s. 40.02 (28).

10 (e) "Health care coverage program" means the health care coverage program
11 established under sub. (2) (a).

12 (f) "Insurer" has the meaning given in s. 600.03 (27).

13 (2) (a) 1. The department shall design an actuarially sound health care
14 coverage program for employers that includes more than one group health care
15 coverage plan and that provides coverage beginning not later than ~~January 1~~^{June 30} 2002.
16 The health care coverage program shall be known as the "Private Employer Health
17 Care Purchasing Alliance". In designing the health care coverage program, the
18 department shall consult with the office of the commissioner of insurance. The
19 health care coverage program may not be implemented until it is approved by the
20 board.

21 2. The department shall solicit and accept bids and enter into a contract for the
22 administration of the health care coverage plans under the program, based on
23 criteria established by the board.

Insert 7-12

make every reasonable effort to

Insert 7-23

*or the department
if no administrator
has been selected
under subd. 2.*

Insert 8-3

1 3. The administrator selected under subd. 2, shall enter into contracts with
2 insurers who are to provide health care coverage under the health care coverage
3 program.

4 (b) ~~Every~~ *1. Except as provided in subd. 2., every* health care coverage plan under the health care coverage program
5 is subject to the provisions of chs. 600 to 646 that apply to group health benefit plans,
6 as defined in s. 632.745 (9), to the same extent as any other group health benefit plan,
7 as defined in s. 632.745 (9).

Insert 8-7a

8 (c) The health care coverage program established under par. (a), or any health
9 care coverage plan included in the program, may not be combined with any health
10 care coverage plan under subch. IV.

Insert 8-7b

11 (d) All insurance rates for health care coverage under the program shall be
12 published annually in a single publication that is made available to employers and
13 employes. The rates may be listed by county or by any other regional factor that the
14 board considers appropriate.

15 (e) All plans under the health care coverage program shall have an enrollment
16 period that is established by the board.

17 (f) ~~The~~ *1. If the department has selected an administrator under par. (a) 2., the* administrator shall charge employers who participate in the health care
18 coverage program a fee to cover the cost of administrative services for the health care
19 coverage program. The administrator shall reimburse the department for the
20 expenses incurred by the department in designing, marketing and contracting for
21 administrative services for the program. All moneys received by the department
22 under this ~~paragraph~~ ^{subdivision} shall be credited to the appropriation account under s. 20.515

23 (2) (g).

24 (g) The department may not sell any health care coverage under the health care
25 coverage program to an employer or enroll any employe in the health care coverage

Insert 8-24

1 program, but the department shall make information about the program available
2 to employers on a statewide basis.

3 (3) Any employer who participates in the health care coverage program shall
4 do all of the following:

5 (a) Offer health care coverage under one or more plans to all of its permanent
6 employes who have a normal work week of 30 or more hours and may offer health
7 care coverage under one or more plans to any of its other employes.

8 (b) Provide health care coverage under one or more plans to at least 50% of its
9 permanent employes who have a normal work week of 30 or more hours and who do
10 not otherwise receive health care coverage as a dependent under any other plan that
11 is not offered by the employer or a percentage of such employes specified by the board,
12 whichever percentage is greater.

13 (c) Pay for each employe at least 50% but not more than 100% of the lowest
14 premium rate that would be available to the employer for that employe's coverage
15 under the health care coverage program.

16 (d) Make premium payments for the health care coverage of its employes in the
17 manner specified by the board.

18 (4) Any employer that provides health care coverage for its employes under the
19 program and that voluntarily terminates coverage under the program is not eligible
20 to participate in the program for at least 3 years from the date that coverage is
21 terminated.

22 (5) Any insurer that offers a health care coverage plan under the health care
23 coverage program shall provide coverage under the plan to any employer that applies
24 for coverage, and to all of the employer's employes who elect coverage under the
25 health care coverage plan, without regard to the health condition or claims

1 experience of any individual who would be covered under the health care coverage
2 plan if all of the following apply:

3 (a) The employer agrees to pay the premium required for coverage under the
4 health care coverage plan.

5 (b) The employer agrees to comply with all provisions of the health care
6 coverage plan that apply generally to a policyholder or an insured without regard to
7 health condition or claims experience.

8 **(6)** (a) Health care coverage under the health care coverage program may only
9 be sold by insurance agents licensed under ch. 628.

10 (b) An insurance agent may not sell any health care coverage under the health
11 care coverage program on behalf of an insurer unless he or she is employed by the
12 insurer or has a contract with the insurer to sell the health care coverage on behalf
13 of the insurer.

14 (c) The board shall set, and may adjust as often as semiannually, the
15 commission rate for the sale of a policy under the health care coverage program. The
16 rate shall be based on the average commission rate that insurance agents are paid
17 in the state for the sale of comparable health insurance policies at the time that the
18 rate is set or adjusted.

19 (d) An insurer shall specify on the first page of any policy sold under the health
20 care coverage program the amount of the commission paid to the insurance agent.

21 **(7)** (a) Annually, on or before December 31, the board shall submit a report to
22 the appropriate standing committees under s. 13.172 (3) and to the governor on the
23 operation of the health care coverage program. The report shall specify the number
24 of employers and employes participating in the health care coverage program,
25 calculate the costs of the health care coverage program to employers and their

1 employees and include recommendations for improving the health care coverage
2 program.

3 (b) No later than January 1, 2008, the board shall submit a report to the
4 appropriate standing committees under s. 13.172 (3) and to the governor that offers
5 recommendations as to whether the department should continue to be involved in
6 the design, marketing and contracting for administrative services for the health care
7 coverage program. If the board recommends that the department not be involved in
8 the performance of these functions, the board shall submit proposed legislation
9 eliminating the department's involvement in the performance of these functions to
10 the appropriate standing committees under s. 13.172 (3) at the time that the board
11 submits its report.

12 SECTION 21/6 Subchapter X of chapter 40 [precedes 40.98] of the statutes, as
13 created by 1999 Wisconsin Act (this act), is repealed.

14 SECTION 22. Nonstatutory provisions.

15 (1) PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD. Notwithstanding the
16 length of terms specified for the members of the private employer health care
17 coverage board under section 15.165 (5) of the statutes, as created by this act, the
18 initial members shall be appointed for the following terms:

19 (a) The members specified under section 15.165 (5) (a) 1., 3. and 7. of the
20 statutes, as created by this act, for terms expiring on May 1, 2002. 2., 5. and 8.

21 (b) The members specified under section 15.165 (5) (a) ~~2. and 5.~~ of the statutes,
22 as created by this act, for terms expiring on May 1, 2003.

23 (c) The members specified under section 15.165 (5) (a) 4. and 6. of the statutes,
24 as created by this act, for terms expiring on May 1, 2004.

Insert 11-13
remains

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24

944 yr } (b)
section 944 yr }
Page 151b line 17: after that line insert:
g ← letter "g"

1 (2) POSITION AUTHORIZATIONS FOR THE DEPARTMENT OF EMPLOYE TRUST FUNDS. The
2 authorized FTE positions for the department of employe trust funds are increased
3 by 3.5 GPR positions on the effective date of this subsection, to be funded from the
4 appropriation under section 20.515 (2) (a) of the statutes, as created by this act, for
5 the purpose of designing and contracting for administrative services for the private
6 employer health care coverage program under subchapter X of chapter 40 of the
7 statutes, as created by this act.

8 (3) GRANT FOR ADMINISTRATION OF PROGRAM.

9 (a) In this subsection:

10 1. “Administrator” means the administrator selected by the department under
11 section 40.98 (2) (a) 2. of the statutes, as created by this act.

12 2. “Department” means the department of employe trust funds.

13 3. “Secretary” means the secretary of employe trust funds.

14 (b) The department shall make a grant of \$200,000 from the appropriation
15 under section 20.515 (2) (b) of the statutes, as created by this act, to the administrator
16 for costs associated with administering the health care coverage plans under the
17 program under subchapter X of chapter 40 of the statutes, as created by this act, if
18 all of the following apply:

19 1. The administrator submits a plan to the department detailing the proposed
20 use of the grant and the secretary approves the plan.

21 2. The administrator enters into a written agreement with the department that
22 specifies the conditions for use of the grant proceeds, including reporting and
23 auditing requirements.

24 3. The administrator agrees in writing to submit to the department the report
25 required under paragraph (c) by the time required under paragraph (c).

H. Prop 1608, Incls 1-5: after that amendment:

Inset 13-3

1 (c) If the administrator receives a grant under this subsection, the
2 administrator shall submit to the department, within 6 months after spending the
3 full amount of the grant, a report detailing how the grant proceeds were used.))

4 SECTION 23: Effective dates. This act takes effect on the day after publication,

5 except as follows: CS

Effective Dates

6 (1) ^{g PRIVATE EMPLOYER HEALTH CARE COVERAGE} The amendment of section 40.02 (26) (intro.) (by SECTION 11) and (28) (by
7 SECTION 11) of the statutes ~~takes effect on January 1, 2010.~~

8 ^{930WM} The repeal of sections 13.94 (1) (p), 15.07 (1) (b) ² 20.15 (5) and 20.515
9 (2) (title), (a) and (g) and subchapter X of chapter 40 of the statutes takes effect on

10 January 1, 2010.)) and the

11 (3) The repeal of section 20.515 (2) (b) of the statutes takes effect on June 30,
12 2002.

(END)

635.20

D-note

**ASSEMBLY AMENDMENT 4,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 63**

May 4, 1999 - Offered by COMMITTEE ON SMALL BUSINESS AND ECONOMIC
DEVELOPMENT.

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

2 **1.** Page 3, line 1: after that line insert:

3 **8.** Two members who represent the public interest.

3-2

4 **2.** Page 11, line 21: delete "2. and 5." and substitute "2, 5, and 8."

5

(END
OF INSERT)



**ASSEMBLY AMENDMENT 1,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 63**

May 4, 1999 - Offered by COMMITTEE ON SMALL BUSINESS AND ECONOMIC DEVELOPMENT.

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

2 1. Page 1, line 8: before "creating" insert "coverage of nontherapeutic
3 abortions,".

4 2. Page 6, line 11: before that line insert:

5 (ag) "Abortion" means the use of an instrument, medicine, drug or other
6 substance or device with intent to terminate the pregnancy of a woman known to be
7 pregnant or for whom there is reason to believe that she may be pregnant and with
8 intent other than to increase the probability of a live birth, to preserve the life or
9 health of the infant after live birth or to remove a dead fetus."

10 3. Page 7, line 12: after that line insert:

11 (g) "Nontherapeutic abortion" means an abortion that is not directly and
12 medically necessary to prevent the death of the woman."

(END OF INSERT)

Insert 6-10

Insert 7-12

**ASSEMBLY AMENDMENT 3,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 63**

May 4, 1999 - Offered by COMMITTEE ON SMALL BUSINESS AND ECONOMIC DEVELOPMENT.

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

2 ✓ 1. Page 3, line 22: delete the material beginning with "for designing" and
3 ending with "services for" on line 23 and substitute "relating to".

4 ✓ 2. Page 4, line 12: after "contracting for" insert "or providing".

5 ✓ 3. Page 7, line 15: delete "January 1," and substitute "June 30,".

6 ✓ 4. Page 7, line 21: after "bids and" insert "make every reasonable effort to".

7 ✓ 5. Page 7, line 23: after "board." insert "If the department has not entered into

8 a contract for the administration of the health care coverage plans under the

9 program for coverage to begin before June 30, 2002, the department shall submit a

10 report to the cochairpersons of the joint committee on finance specifying the

11 department's reasons for not entering into a contract. After submitting the report

12 to the cochairpersons of the joint committee on finance and after receiving the

7-23



1 approval of the board, the department shall provide all administrative services
 2 necessary for the provision of the health care coverage plans under the program.
 3 During the period that the department is providing the administrative services, the
 4 department shall continue to make every reasonable effort to contract for the
 5 administration of the health care coverage plans under the program.

6 **6.** Page 8, line 1: after "subd. 2." insert ", or the department if no administrator
 7 has been selected under subd. 2.,".

8 **7.** Page 8, line 17: delete "The administrator" and substitute "1. If the
 9 department has selected an administrator under par. (a) 2., the administrator".

10 **8.** Page 8, line 22: delete "paragraph" and substitute "subdivision".

11 **9.** Page 8, line 23: after that line insert:

12 "2. If the department has not selected an administrator under par. (a) 2., the
 13 department shall charge employers who participate in the health care coverage
 14 program a fee to cover the costs incurred by the department in designing, marketing
 15 and providing administrative services for the health care coverage program. All
 16 moneys received by the department under this subdivision shall be credited to the
 17 appropriation account under s. 20.515 (2) (g)".

18 **10.** Page 13, line 9: after "(a)" insert ", (b)".

19 **11.** Page 13, line 11: delete lines 11 and 12.

20 (END)

8-3

4. The department shall solicit and accept bids and shall enter into a contract for marketing the health care coverage program.

5. The department shall maintain a toll-free telephone number to provide information on the health care coverage program.

(end)
Insert



Insert
8-7a

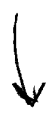
Page
693

**ASSEMBLY AMENDMENT 2,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 63**

May 4, 1999 - Offered by COMMITTEE ON SMALL BUSINESS AND ECONOMIC DEVELOPMENT.

1 At the locations indicated, amend the substitute amendment as follows:
2 **1.** Page 8, line 4: delete "Every" and substitute "1. Except as provided in subd.
3 2., every"
4 **2.** Page 8, line 7: after that line insert:

- 5 **2.** Notwithstanding ss. 632.85, 632.87 (2), (3), (4) and (5), 632.89 and 632.895
- 6 (2), (3), (4), (5), (5m), (6), (7), (8), (9), (10), (11), (12) and (13), and subject to subd. 3.,
- 7 the department may include in the health care coverage program one or more health
- 8 care coverage plans that do not include one or more of the following coverages:
- 9 a. Coverage related to treatment of an emergency medical condition, as
- 10 required under s. 632.85.
- 11 b. Coverage of vision care provided by an optometrist, as required under s.
- 12 632.87 (2).



Ins. 8-7a contd

283

- 1 c. Coverage of chiropractic services, as required under s. 632.87 (3).
- 2 d. Coverage of the diagnosis and treatment of a condition by a dentist, as
- 3 required under s. 632.87 (4).
- 4 e. Coverage of Papanicolaou tests performed by a nurse practitioner, as
- 5 required under s. 632.87 (5).
- 6 f. Coverage of the treatment of alcoholism and nervous and mental disorders,
- 7 as required under s. 632.89.
- 8 g. Coverage of home care, as required under s. 632.895 (2).
- 9 h. Coverage of skilled nursing care, as required under s. 632.895 (3).
- 10 i. Coverage of kidney disease treatment, as required under s. 632.895 (4).
- 11 j. Coverage for a newly born child, as required under s. 632.895 (5).
- 12 k. Coverage for a child of a covered child, as required under s. 632.895 (5m).
- 13 L. Coverage of diabetes treatment, as required under s. 632.895 (6).
- 14 m. Maternity coverage, as required under s. 632.895 (7).
- 15 n. Coverage of mammograms, as required under s. 632.895 (8).
- 16 o. Coverage of prescription medication for the treatment of human
- 17 immunodeficiency virus infection, as required under s. 632.895 (9).
- 18 p. Coverage of blood lead tests for children, as required under s. 632.895 (10).
- 19 q. Coverage of treatment for the correction of temporomandibular disorders,
- 20 as required under s. 632.895 (11).
- 21 r. Coverage related to hospital or ambulatory surgery center charges and
- 22 anesthetics associated with dental care, as required under s. 632.895 (12).
- 23 s. Coverage of breast reconstruction incident to a mastectomy, as required
- 24 under s. 632.895 (13).



Inset 8-7a contd

3 of 3

- 1 3. The department shall ensure that at least one health care coverage plan
- 2 includes all of the coverages specified in subd. 2.²*e*

3

(END of ins 8-7a)

Insert 8-7b

1 ~~4. Page 8, line 7: after that line insert.~~

2 (bm) No health care coverage plan under the health care coverage program
3 may provide coverage of a nontherapeutic abortion except by an optional rider or
4 supplemental coverage provision that is offered and provided on an individual basis
5 and for which an additional, separate premium or charge is paid by the individual
6 to be covered under the rider or supplemental coverage provision. Only funds
7 attributable to premiums or charges paid for coverage under the rider or
8 supplemental coverage provision may be used for the payment of any claim, and
9 related administrative expenses, that relates to a nontherapeutic abortion. Such
10 funds may not be used for the payment of any claim or administrative expenses that
11 relate to any other type of coverage provided by the insurer under the health care
12 coverage plan. Nothing in this paragraph requires an insurer to offer or provide
13 coverage of an abortion under a health care coverage plan under the health care
14 coverage program." *re*

(END of ins. 8-7b)

15

Insert 11-13

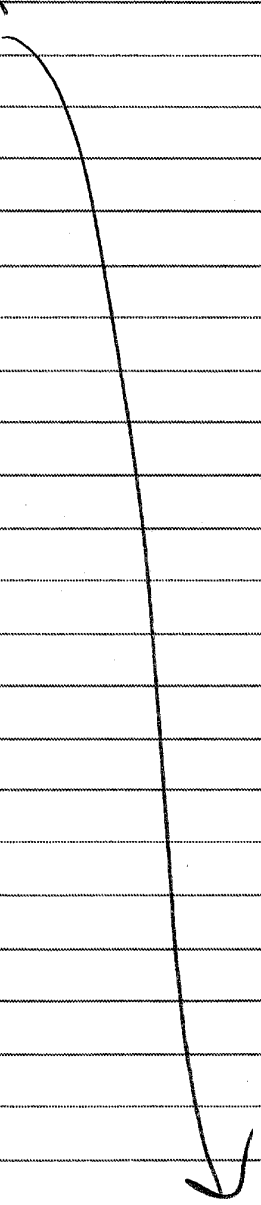
1084

#. Page 1406, line 3: after that line insert: ✓

^{B.}
"SECTION 3044r. CR; 635.20

^{B.}
635.20 Coverage of health insurance

^{B.}
mandates. (1)





State of Wisconsin
1999 - 2000 LEGISLATURE

LRBa0366/1
PJK:wj:km

Insert 11-13 cont'd 284

ASSEMBLY AMENDMENT 2,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 63

May 4, 1999 - Offered by COMMITTEE ON SMALL BUSINESS AND ECONOMIC DEVELOPMENT

1 At the locations indicated, amend the substitute amendment as follows:
2 1. Page 8, line 4: delete "Every" and substitute "1. Except as provided in subd.
3 2., every".

4 2. Page 8, line 7: after that line insert:

5 (2) Notwithstanding ss. 632.85, 632.87 (2), (3), (4) and (5), 632.89 and 632.895
6 (2), (3), (4), (5), (5m), (6), (7), (8), (9), (10), (11), (12) and (13), and subject to ^{sub. (2)} ~~subd. (2)~~

7 a small employer insurer may offer a small employer
the department may include in the health care coverage program one or more ~~plans~~

8 ~~health care coverage~~ plans that do not include one or more of the following coverages:

9 (a) Coverage related to treatment of an emergency medical condition, as
10 required under s. 632.85.

11 (b) Coverage of vision care provided by an optometrist, as required under s.
12 632.87 (2).

group health benefit



Insert 11-13 cont'd 300 4

- 1 (c) Coverage of chiropractic services, as required under s. 632.87 (3).
- 2 (d) Coverage of the diagnosis and treatment of a condition by a dentist, as
3 required under s. 632.87 (4).
- 4 (e) Coverage of Papanicolaou tests performed by a nurse practitioner, as
5 required under s. 632.87 (5).
- 6 (f) Coverage of the treatment of alcoholism and nervous and mental disorders,
7 as required under s. 632.89.
- 8 (g) Coverage of home care, as required under s. 632.895 (2).
- 9 (h) Coverage of skilled nursing care, as required under s. 632.895 (3).
- 10 (i) Coverage of kidney disease treatment, as required under s. 632.895 (4).
- 11 (j) Coverage for a newly born child, as required under s. 632.895 (5).
- 12 (k) Coverage for a child of a covered child, as required under s. 632.895 (5m).
- 13 (l) Coverage of diabetes treatment, as required under s. 632.895 (6).
- 14 (m) Maternity coverage, as required under s. 632.895 (7).
- 15 (n) Coverage of mammograms, as required under s. 632.895 (8).
- 16 (o) Coverage of prescription medication for the treatment of human
17 immunodeficiency virus infection, as required under s. 632.895 (9).
- 18 (p) Coverage of blood lead tests for children, as required under s. 632.895 (10).
- 19 (q) Coverage of treatment for the correction of temporomandibular disorders,
20 as required under s. 632.895 (11).
- 21 (r) Coverage related to hospital or ambulatory surgery center charges and
22 anesthetics associated with dental care, as required under s. 632.895 (12).
- 23 (s) Coverage of breast reconstruction incident to a mastectomy, as required
24 under s. 632.895 (13).



Ens. 11-13 cont'd 4 of 4

(2) A small employer insurer shall offer to a small employer
~~The department shall ensure that~~ at least one health ~~care coverage~~ plan
 includes all of the coverages specified in ~~subpart~~ ^{group} ~~benefit~~ ^{benefit} ~~employee~~

(END) Sub. (1)

①
 ②
 3
 that

B
 SECTION 3044s. 635.20 of the statutes, as created
 by 1999 Wisconsin Act (this act), is
 repealed. "

(end of ins 11-13)

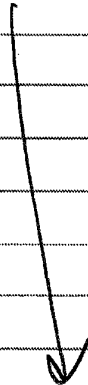
Insert 13-3

1 of 2

Initial
Applicability

#. Page 1589, line 4: after that line insert:
③ Mandates ^{under} private employer health care coverage plan.

"(1g) ^{if} a policy issued under
the program under subchapter X of
chapter 40 of the statutes is in effect
on January 1, 2010, the repeal of
section 40.98(2)(b)2. of the statutes
first applies to that policy upon
renewal."



Insert 13-3 cont'd 2882

#. Page 1592, line 23: after that line insert:

(CS)

Insertal App.

" (1g) Insurance mandates coverage.

Letter "g"

(a) The creation of section 635.20

of the statutes first applies to group health benefit plans issued or renewed on the effective date of this paragraph.

(CS)

for small employers

(b) The repeal of section 635.20 of the statutes first applies to group health benefit plans issued or renewed on January 1, 2010."

(end of ins. 13-3)

DN

RAC/cm

MATT SANDE:

For the purpose of drafting this
motion, we have used Assembly Substitute Amendment 1
to 1999 Assembly Bill 63 and have incorporated the
amendments adopted by the committee on small business
and economic development. Is this your intent?

RAC



ARC:.....Sande - Am #77, Small Business Health Insurance Program

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

Now
D-vote
(no changes)

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

2 1. Page 19, line 12: after that line insert:

3 "SECTION 4m. 13.94 (1) (p) of the statutes is created to read:

4 13.94 (1) (p) No later than January 1, 2008, prepare a program evaluation audit
5 of the private employer health care coverage program established under subch. X of
6 ch. 40. The legislative audit bureau shall file a copy of the audit report under this
7 paragraph with the distributees specified in par. (b).

8 SECTION 4r. 13.94 (1) (p) of the statutes, as created by 1999 Wisconsin Act
9 (this act), section 4m, is repealed."

10 2. Page 22, line 18: after that line insert:

1 **SECTION 14p.** 15.07 (1) (b) 22. of the statutes is created to read:

2 15.07 (1) (b) 22. Private employer health care coverage board.

3 **SECTION 14r.** 15.07 (1) (b) 22. of the statutes, as created by 1999 Wisconsin Act
4 (this act), section 14p, is repealed.”

5 **3.** Page 24, line 9: after that line insert:

6 **SECTION 28c.** 15.165 (5) of the statutes is created to read:

7 15.165 (5) PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD. (a) There is created
8 in the department of employe trust funds a private employer health care coverage
9 board consisting of the secretary of employe trust funds or his or her designee, the
10 secretary of health and family services or his or her designee and the following
11 members appointed for 3-year terms:

- 12 1. One member who represents health maintenance organizations.
- 13 2. One member who represents hospitals.
- 14 3. One member who represents insurance agents, as defined in s. 628.02 (4).
- 15 4. Two members who are employees eligible to receive health care coverage
16 under subch. X of ch. 40 and whose employer employs not more than 50 employees.
- 17 5. One member who represents insurers.
- 18 6. Two members who are, or who represent, employers that employ not more
19 than 50 employees and who are eligible to offer health care coverage under subch. X
20 of ch. 40.
- 21 7. One member who is a physician, as defined in s. 448.01 (5).
- 22 8. Two members who represent the public interest.

23 (b) The secretary of employe trust funds or his or her designee and the secretary
24 of health and family services or his or her designee shall be nonvoting members.

1 **SECTION 591gv.** 20.515 (2) (b) of the statutes, as created by 1999 Wisconsin Act
2 (this act), section 591gt, is repealed.

3 **SECTION 591gx.** 20.515 (2) (g) of the statutes is created to read:

4 20.515 (2) (g) *Private employer health care coverage plan.* All moneys received
5 under subch. X of ch. 40 from employers who elect to participate in the private
6 employer health care coverage program under subch. X of ch. 40, for the costs of
7 designing, marketing and contracting for or providing administrative services for
8 the program.

9 **SECTION 591gy.** 20.515 (2) (g) of the statutes, as created by 1999 Wisconsin Act
10 (this act), 591gx, is repealed.”.

11 **6.** Page 532, line 11: after that line insert:

12 “**SECTION 930wb.** 40.02 (26) (intro.) of the statutes is amended to read:

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

21 **SECTION 930wm.** 40.02 (26) (intro.) of the statutes, as affected by 1999
22 Wisconsin Act (this act), section 930wb, is amended to read:

23 40.02 (26) (intro.) “Employee” means any person who receives earnings as
24 payment for personal services rendered for the benefit of any employer including

1 officers of the employer, ~~except as provided in subch. X.~~ An employe is deemed to
2 have separated from the service of an employer at the end of the day on which the
3 employe last performed services for the employer, or, if later, the day on which the
4 employe-employer relationship is terminated because of the expiration or
5 termination of leave without pay, sick leave, vacation or other leave of absence. A
6 person shall not be considered an employe if a person:”

7 **7.** Page 532, line 18: delete “(3), or” and substitute “(3), or and subch. x”.

8 **8.** Page 532, line 20: after that line insert:

9 **“SECTION 931c.** 40.02 (28) of the statutes, as affected by 1999 Wisconsin Act
10 (this act), section 931, is amended to read:

11 40.02 (28) “Employer” means the state, including each state agency, any
12 county, city, village, town, school district, other governmental unit or
13 instrumentality of 2 or more units of government now existing or hereafter created
14 within the state and any federated public library system established under s. 43.19
15 whose territory lies within a single county with a population of 500,000 or more,
16 except as provided under ss. 40.51 (7) and 40.61 (3) ~~and subch. x~~ a local exposition
17 district created under subch. II of ch. 229 or a family case district created under s.
18 46.2895. Each employer shall be a separate legal jurisdiction for OASDHI
19 purposes.”.

20 **9.** Page 536, line 13: before that line insert:

21 **“SECTION 944ym.** Subchapter X of chapter 40 [precedes 40.98] of the statutes
22 is created to read:

23

CHAPTER 40

1 2. The person is customarily engaged in an independently established trade,
2 business or profession providing the same type of services to more than one employer
3 and the person's services to an employer are not compensated for on a payroll of that
4 employer.

5 3. The person is a patient or inmate of a hospital, home or institution and
6 performs services in the hospital, home or institution.

7 (d) "Employer" means any person doing business or operating an organization
8 in this state and employing at least 2 employes. "Employer" does not include an
9 employer as defined in s. 40.02 (28).

10 (e) "Health care coverage program" means the health care coverage program
11 established under sub. (2) (a).

12 (f) "Insurer" has the meaning given in s. 600.03 (27).

13 (g) "Nontherapeutic abortion" means an abortion that is not directly and
14 medically necessary to prevent the death of the woman.

15 (2) (a) 1. The department shall design an actuarially sound health care
16 coverage program for employers that includes more than one group health care
17 coverage plan and that provides coverage beginning not later than June 30, 2002.
18 The health care coverage program shall be known as the "Private Employer Health
19 Care Purchasing Alliance". In designing the health care coverage program, the
20 department shall consult with the office of the commissioner of insurance. The
21 health care coverage program may not be implemented until it is approved by the
22 board.

23 2. The department shall solicit and accept bids and make every reasonable
24 effort to enter into a contract for the administration of the health care coverage plans
25 under the program, based on criteria established by the board. If the department has

1 not entered into a contract for the administration of the health care coverage plans
2 under the program for coverage to begin before June 30, 2002, the department shall
3 submit a report to the cochairpersons of the joint committee on finance specifying the
4 department's reasons for not entering into a contract. After submitting the report
5 to the cochairpersons of the joint committee on finance and after receiving the
6 approval of the board, the department shall provide all administrative services
7 necessary for the provision of the health care coverage plans under the program.
8 During the period that the department is providing the administrative services, the
9 department shall continue to make every reasonable effort to contract for the
10 administration of the health care coverage plans under the program.

11 3. The administrator selected under subd. 2., or the department if no
12 administrator has been selected under subd. 2., shall enter into contracts with
13 insurers who are to provide health care coverage under the health care coverage
14 program.

15 4. The department shall solicit and accept bids and shall enter into a contract
16 for marketing the health care coverage program.

17 5. The department shall maintain a toll-free telephone number to provide
18 information on the health care coverage program.

19 (b) 1. Except as provided in subd. 2., every health care coverage plan under the
20 health care coverage program is subject to the provisions of chs. 600 to 646 that apply
21 to group health benefit plans, as defined in s. 632.745 (9), to the same extent as any
22 other group health benefit plan, as defined in s. 632.745 (9).

23 2. Notwithstanding ss. 632.85, 632.87 (2), (3), (4) and (5), 632.89 and 632.895
24 (2), (3), (4), (5), (5m), (6), (7), (8), (9), (10), (11), (12) and (13), and subject to subd. 3.,

- 1 the department may include in the health care coverage program one or more health
2 care coverage plans that do not include one or more of the following coverages:
- 3 a. Coverage related to treatment of an emergency medical condition, as
4 required under s. 632.85.
 - 5 b. Coverage of vision care provided by an optometrist, as required under s.
6 632.87 (2).
 - 7 c. Coverage of chiropractic services, as required under s. 632.87 (3).
 - 8 d. Coverage of the diagnosis and treatment of a condition by a dentist, as
9 required under s. 632.87 (4).
 - 10 e. Coverage of Papanicolaou tests performed by a nurse practitioner, as
11 required under s. 632.87 (5).
 - 12 f. Coverage of the treatment of alcoholism and nervous and mental disorders,
13 as required under s. 632.89.
 - 14 g. Coverage of home care, as required under s. 632.895 (2).
 - 15 h. Coverage of skilled nursing care, as required under s. 632.895 (3).
 - 16 i. Coverage of kidney disease treatment, as required under s. 632.895 (4).
 - 17 j. Coverage for a newly born child, as required under s. 632.895 (5).
 - 18 k. Coverage for a child of a covered child, as required under s. 632.895 (5m).
 - 19 L. Coverage of diabetes treatment, as required under s. 632.895 (6).
 - 20 m. Maternity coverage, as required under s. 632.895 (7).
 - 21 n. Coverage of mammograms, as required under s. 632.895 (8).
 - 22 o. Coverage of prescription medication for the treatment of human
23 immunodeficiency virus infection, as required under s. 632.895 (9).
 - 24 p. Coverage of blood lead tests for children, as required under s. 632.895 (10).

1 q. Coverage of treatment for the correction of temporomandibular disorders,
2 as required under s. 632.895 (11).

3 r. Coverage related to hospital or ambulatory surgery center charges and
4 anesthetics associated with dental care, as required under s. 632.895 (12).

5 s. Coverage of breast reconstruction incident to a mastectomy, as required
6 under s. 632.895 (13).

7 3. The department shall ensure that at least one health care coverage plan
8 includes all of the coverages specified in subd. 2.

9 (bm) No health care coverage plan under the health care coverage program may
10 provide coverage of a nontherapeutic abortion except by an optional rider or
11 supplemental coverage provision that is offered and provided on an individual basis
12 and for which an additional, separate premium or charge is paid by the individual
13 to be covered under the rider or supplemental coverage provision. Only funds
14 attributable to premiums or charges paid for coverage under the rider or
15 supplemental coverage provision may be used for the payment of any claim, and
16 related administrative expenses, that relates to a nontherapeutic abortion. Such
17 funds may not be used for the payment of any claim or administrative expenses that
18 relate to any other type of coverage provided by the insurer under the health care
19 coverage plan. Nothing in this paragraph requires an insurer to offer or provide
20 coverage of an abortion under a health care coverage plan under the health care
21 coverage program.

22 (c) The health care coverage program established under par. (a), or any health
23 care coverage plan included in the program, may not be combined with any health
24 care coverage plan under subch. IV.

1 (d) All insurance rates for health care coverage under the program shall be
2 published annually in a single publication that is made available to employers and
3 employes. The rates may be listed by county or by any other regional factor that the
4 board considers appropriate.

5 (e) All plans under the health care coverage program shall have an enrollment
6 period that is established by the board.

7 (f) 1. If the department has selected an administrator under par. (a) 2., the
8 administrator shall charge employers who participate in the health care coverage
9 program a fee to cover the cost of administrative services for the health care coverage
10 program. The administrator shall reimburse the department for the expenses
11 incurred by the department in designing, marketing and contracting for
12 administrative services for the program. All moneys received by the department
13 under this subdivision shall be credited to the appropriation account under s. 20.515
14 (2) (g).

15 2. If the department has not selected an administrator under par. (a) 2., the
16 department shall charge employers who participate in the health care coverage
17 program a fee to cover the costs incurred by the department in designing, marketing
18 and providing administrative services for the health care coverage program. All
19 moneys received by the department under this subdivision shall be credited to the
20 appropriation account under s. 20.515 (2) (g).

21 (g) The department may not sell any health care coverage under the health care
22 coverage program to an employer or enroll any employe in the health care coverage
23 program, but the department shall make information about the program available
24 to employers on a statewide basis.

1 (3) Any employer who participates in the health care coverage program shall
2 do all of the following:

3 (a) Offer health care coverage under one or more plans to all of its permanent
4 employees who have a normal work week of 30 or more hours and may offer health
5 care coverage under one or more plans to any of its other employees.

6 (b) Provide health care coverage under one or more plans to at least 50% of its
7 permanent employees who have a normal work week of 30 or more hours and who do
8 not otherwise receive health care coverage as a dependent under any other plan that
9 is not offered by the employer or a percentage of such employees specified by the board,
10 whichever percentage is greater.

11 (c) Pay for each employe at least 50% but not more than 100% of the lowest
12 premium rate that would be available to the employer for that employe's coverage
13 under the health care coverage program.

14 (d) Make premium payments for the health care coverage of its employes in the
15 manner specified by the board.

16 (4) Any employer that provides health care coverage for its employes under the
17 program and that voluntarily terminates coverage under the program is not eligible
18 to participate in the program for at least 3 years from the date that coverage is
19 terminated.

20 (5) Any insurer that offers a health care coverage plan under the health care
21 coverage program shall provide coverage under the plan to any employer that applies
22 for coverage, and to all of the employer's employes who elect coverage under the
23 health care coverage plan, without regard to the health condition or claims
24 experience of any individual who would be covered under the health care coverage
25 plan if all of the following apply:

1 (a) The employer agrees to pay the premium required for coverage under the
2 health care coverage plan.

3 (b) The employer agrees to comply with all provisions of the health care
4 coverage plan that apply generally to a policyholder or an insured without regard to
5 health condition or claims experience.

6 **(6)** (a) Health care coverage under the health care coverage program may only
7 be sold by insurance agents licensed under ch. 628.

8 (b) An insurance agent may not sell any health care coverage under the health
9 care coverage program on behalf of an insurer unless he or she is employed by the
10 insurer or has a contract with the insurer to sell the health care coverage on behalf
11 of the insurer.

12 (c) The board shall set, and may adjust as often as semiannually, the
13 commission rate for the sale of a policy under the health care coverage program. The
14 rate shall be based on the average commission rate that insurance agents are paid
15 in the state for the sale of comparable health insurance policies at the time that the
16 rate is set or adjusted.

17 (d) An insurer shall specify on the first page of any policy sold under the health
18 care coverage program the amount of the commission paid to the insurance agent.

19 **(7)** (a) Annually, on or before December 31, the board shall submit a report to
20 the appropriate standing committees under s. 13.172 (3) and to the governor on the
21 operation of the health care coverage program. The report shall specify the number
22 of employers and employees participating in the health care coverage program,
23 calculate the costs of the health care coverage program to employers and their
24 employees and include recommendations for improving the health care coverage
25 program.

1 (b) No later than January 1, 2008, the board shall submit a report to the
2 appropriate standing committees under s. 13.172 (3) and to the governor that offers
3 recommendations as to whether the department should continue to be involved in
4 the design, marketing and contracting for administrative services for the health care
5 coverage program. If the board recommends that the department not be involved in
6 the performance of these functions, the board shall submit proposed legislation
7 eliminating the department's involvement in the performance of these functions to
8 the appropriate standing committees under s. 13.172 (3) at the time that the board
9 submits its report.

10 **SECTION 944yr.** Subchapter X of chapter 40 [precedes 40.98] of the statutes, as
11 created by 1999 Wisconsin Act (this act), section 944ym, is repealed.”

12 **10.** Page 1406, line 3: after that line insert:

13 “**SECTION 3044r.** 635.20 of the statutes is created to read:

14 **635.20 Coverage of health insurance mandates.** (1) Notwithstanding ss.
15 632.85, 632.87 (2), (3), (4) and (5), 632.89 and 632.895 (2), (3), (4), (5), (5m), (6), (7),
16 (8), (9), (10), (11), (12) and (13), and subject to sub. (2), a small employer insurer may
17 offer a small employer one or more group health benefit plans that do not include one
18 or more of the following coverages:

19 (a). Coverage related to treatment of an emergency medical condition, as
20 required under s. 632.85.

21 (b) Coverage of vision care provided by an optometrist, as required under s.
22 632.87 (2).

23 (c) Coverage of chiropractic services, as required under s. 632.87 (3).

1 (d) Coverage of the diagnosis and treatment of a condition by a dentist, as
2 required under s. 632.87 (4).

3 (e) Coverage of Papanicolaou tests performed by a nurse practitioner, as
4 required under s. 632.87 (5).

5 (f) Coverage of the treatment of alcoholism and nervous and mental disorders,
6 as required under s. 632.89.

7 (g) Coverage of home care, as required under s. 632.895 (2).

8 (h) Coverage of skilled nursing care, as required under s. 632.895 (3).

9 (i) Coverage of kidney disease treatment, as required under s. 632.895 (4).

10 (j) Coverage for a newly born child, as required under s. 632.895 (5).

11 (k) Coverage for a child of a covered child, as required under s. 632.895 (5m).

12 (L) Coverage of diabetes treatment, as required under s. 632.895 (6).

13 (m) Maternity coverage, as required under s. 632.895 (7).

14 (n) Coverage of mammograms, as required under s. 632.895 (8).

15 (o) Coverage of prescription medication for the treatment of human
16 immunodeficiency virus infection, as required under s. 632.895 (9).

17 (p) Coverage of blood lead tests for children, as required under s. 632.895 (10).

18 (q) Coverage of treatment for the correction of temporomandibular disorders,
19 as required under s. 632.895 (11).

20 (r) Coverage related to hospital or ambulatory surgery center charges and
21 anesthetics associated with dental care, as required under s. 632.895 (12).

22 (s) Coverage of breast reconstruction incident to a mastectomy, as required
23 under s. 632.895 (13).

24 (2) A small employer insurer shall offer to a small employer at least one group
25 health benefit plan that includes all of the coverages specified in sub. (1).

1 **SECTION 3044s.** 635.20 of the statutes, as created by 1999 Wisconsin Act
2 (this act), is repealed.”.

3 **11.** Page 1511, line 17: after that line insert:

4 “(1g) PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD. Notwithstanding the
5 length of terms specified for the members of the private employer health care
6 coverage board under section 15.165 (5) of the statutes, as created by this act, the
7 initial members shall be appointed for the following terms:

8 (a) The members specified under section 15.165 (5) (a) 1., 3. and 7. of the
9 statutes, as created by this act, for terms expiring on May 1, 2002.

10 (b) The members specified under section 15.165 (5) (a) 2., 5. and 8. of the
11 statutes, as created by this act, for terms expiring on May 1, 2003.

12 (c) The members specified under section 15.165 (5) (a) 4. and 6. of the statutes,
13 as created by this act, for terms expiring on May 1, 2004.

14 (2) POSITION AUTHORIZATIONS FOR THE DEPARTMENT OF EMPLOYE TRUST FUNDS. The
15 authorized FTE positions for the department of employe trust funds are increased
16 by 3.5 GPR positions on the effective date of this subsection, to be funded from the
17 appropriation under section 20.515 (2) (a) of the statutes, as created by this act, for
18 the purpose of designing and contracting for administrative services for the private
19 employer health care coverage program under subchapter X of chapter 40 of the
20 statutes, as created by this act.

21 (3) GRANT FOR ADMINISTRATION OF PROGRAM.

22 (a) In this subsection:

23 1. “Administrator” means the administrator selected by the department under
24 section 40.98 (2) (a) 2. of the statutes, as created by this act.

1 2. “Department” means the department of employe trust funds.

2 3. “Secretary” means the secretary of employe trust funds.

3 (b) The department shall make a grant of \$200,000 from the appropriation
4 under section 20.515 (2)(b) of the statutes, as created by this act, to the administrator
5 for costs associated with administering the health care coverage plans under the
6 program under subchapter X of chapter 40 of the statutes, as created by this act, if
7 all of the following apply:

8 1. The administrator submits a plan to the department detailing the proposed
9 use of the grant and the secretary approves the plan.

10 2. The administrator enters into a written agreement with the department that
11 specifies the conditions for use of the grant proceeds, including reporting and
12 auditing requirements.

13 3. The administrator agrees in writing to submit to the department the report
14 required under paragraph (c) by the time required under paragraph (c).

15 (c) If the administrator receives a grant under this subsection, the
16 administrator shall submit to the department, within 6 months after spending the
17 full amount of the grant, a report detailing how the grant proceeds were used.”.

18 **12.** Page 1589, line 4: after that line insert:

19 “(1g) MANDATES UNDER PRIVATE EMPLOYER HEALTH CARE COVERAGE PLAN. If a policy
20 issued under the program under subchapter X of chapter 40 of the statutes is in effect
21 on January 1, 2010, the repeal of section 40.98 (2) (b) 2. of the statutes first applies
22 to that policy upon renewal.”.

23 **13.** Page 1592, line 23: after that line insert:

24 “(1g) INSURANCE MANDATES COVERAGE FOR SMALL EMPLOYERS.

1 (a) The creation of section 635.20 of the statutes first applies to group health
2 benefit plans issued or renewed on the effective date of this paragraph.

3 (b) The repeal of section 635.20 of the statutes first applies to group health
4 benefit plans issued or renewed on January 1, 2010.”.

5 **14.** Page 1608, line 15: after that line insert:

6 “(1g) PRIVATE EMPLOYER HEALTH CARE COVERAGE. The repeal of sections 13.94 (1)
7 (p), 15.07 (1) (b) 22., 15.165 (5) and 20.515 (2) (title), (a), (b) and (g) and subchapter
8 X of chapter 40 of the statutes and the amendment of section 40.02 (26) (intro.) (by
9 SECTION 930wm) and (28) (by SECTION 931c) of the statutes take effect on January 1,
10 2010.”.

11 (END)

D-note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0723/R1dr
RAC:cmh:jf

June 23, 1999

Let us know what
changes you want us
to make.

Matt Sande:

For the purpose of drafting this motion, we have wed Assembly Substitute Amendment 1 to 1999 Assembly Bill 63 and have incorporated the amendments adopted by the committee on small business and economic development. ~~Is this your intent?~~

Richard A. Champagne
Legislative Attorney
Phone: (608) 266-9930
E-mail: Rick.Champagne@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0723/1dn
RAC:cmh:kjf

June 23, 1999

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Legislative Attorney
Phone: (608) 266-9930
E-mail: Rick.Champagne@legis.state.wi.us