



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0723/2
RAC&PJK:cmh:kjf

r m is run + jlg

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

*SOON
(6-25)
D-note
(see p. 10, l. 19)*

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9 (this act), section 4m, is repealed."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4 (this act), section 14p, is repealed.”.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 employes eligible to receive health care coverage
16 under subch. X of ch. 40 and whose employer employs not more than 50 employes.
- 17 5. One member who represents insurers.
- 18 6. Two members who are, or who represent, employers that employ not more
19 than 50 employes 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 employee 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. Page 532, line 18: delete "(3), or" and substitute "(3), ~~or~~ and subch. x".

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 QASDHI
 19 purposes."

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

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SUBCHAPTER X

PRIVATE EMPLOYER HEALTH

CARE COVERAGE

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

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

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

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

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

1. The person is employed under a contract involving the furnishing of more 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 employees. "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 ^{→ or an employer}
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 EMPLOYEE TRUST FUNDS. The
15 authorized FTE positions for the department of employee 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

This redraft adds "or an
employers" to s. 40.98(2)(bm).
letter
ATK

#. Page 532, line 12: delete lines 12 to 20 and

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substitute:

Section # 40.02 (28) of the statutes is amended to read:

40.02 (28) "Employer" means the state, including each state agency, any county, city, village, town, school district, other governmental unit or instrumentality of 2 or more units of government now existing or hereafter created within the state and any federated public library system established under s. 43.19 whose territory lies within a single county with a population of 500,000 or more, except as provided under ss. 40.51 (7) and 40.61 (3); ~~or a local exposition district created under subch. II of ch. 229.~~ ^{and subch. X} Each employer shall be a separate legal jurisdiction for OASDHI purposes.

History: 1981 c. 96, 187, 250, 274, 386; 1983 a. 9, 27; 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 106, 140; 1983 a. 141 ss. 1 to 3, 20; 1983 a. 191 ss. 1, 6; 1983 a. 192 s. 304; 1983 a. 255 s. 6; 1983 a. 275, 290, 368; 1983 a. 435 s. 7; 1985 a. 29, 225; 1985 a. 332 ss. 52, 251 (1); 1987 a. 27, 62, 83, 107, 309, 340, 356, 363, 372, 399; 1987 a. 403 ss. 43 to 45, 256; 1989 a. 13, 14, 31; 1989 a. 56 s. 259; 1989 a. 166, 182, 189, 218, 230, 240, 323, 327, 336, 355, 357, 359; 1991 a. 32, 39, 113, 152, 229, 269, 315; 1993 a. 16, 263, 383, 490, 491; 1995 a. 27, ss. 1946 to 1953, 9130 (4); 1995 a. 81, 88, 89, 216, 240, 302, 381, 417; 1997 a. 3, 27, 39, 69, 110, 162, 237, 238.

, a local exposition district created under subch II. of ch. 229[✓] and a family care district created under s. 46.2895[✓]



INS 5-20 cont

, as amended by 1999 Wisconsin Act... (this act), section 931b,

931c

Section #/40.02 (28) of the statutes is amended to read:

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

History: 1981 c. 96, 187, 250, 274, 386; 1983 a. 9, 27; 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 106, 140; 1983 a. 141 ss. 1 to 3, 20; 1983 a. 191 ss. 1, 6; 1983 a. 192 s. 304; 1983 a. 255 s. 6; 1983 a. 275, 290, 368; 1983 a. 435 s. 7; 1985 a. 29, 225; 1985 a. 332 ss. 52, 251 (1); 1987 a. 27, 62, 83, 107, 309, 340, 356, 363, 372, 399; 1987 a. 403 ss. 43 to 45, 256; 1989 a. 13, 14, 31; 1989 a. 56 s. 259; 1989 a. 166, 182, 189, 218, 230, 240, 323, 327, 336, 355, 357, 359; 1991 a. 32, 39, 113, 152, 229, 269, 315; 1993 a. 16, 263, 383, 490, 491; 1995 a. 27, ss. 1946 to 1953, 9130 (4); 1995 a. 81, 88, 89, 216, 240, 302, 381, 417; 1997 a. 3, 27, 39, 69, 110, 162, 237, 238.

, a local exposition district created under subch. II of ch. 229 and a family care district created under s. 46.2895

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

LRBb0723/2dn
PJK:cmh&jlg:ijs

June 25, 1999

This redraft adds "or an employer" to s. 40.98 (2) (bm).

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
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State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0723/2 3
RAC&PJK:cmh&jlg:ijs

Tolan D-note RM has been
run

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

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 employes eligible to receive health care coverage
16 under subch. X of ch. 40 and whose employer employs not more than 50 employes.
- 17 5. One member who represents insurers.
- 18 6. Two members who are, or who represent, employers that employ not more
19 than 50 employes 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 28r. 15.165 (5) of the statutes, as created by 1999 Wisconsin Act
2 (this act), section 28c, is repealed.”.

3 4. Page 248, line 10: after that line insert:

4 “(2) PRIVATE EMPLOYER HEALTH CARE COVERAGE
5 PROGRAM

6 (a) Private employer health care
7 coverage program; operating

8 costs GPR B 200,000 -0-

9 (b) Grant for program administra-
10 tor’s costs GPR B 200,000 -0-

11 5. Page 389, line 24: after that line insert:

12 “SECTION 591gb. 20.515 (2) (title) of the statutes is created to read:
13 20.515 (2) (title) PRIVATE EMPLOYER HEALTH CARE COVERAGE PROGRAM.

14 SECTION 591gd. 20.515 (2) (title) of the statutes, as created by 1999 Wisconsin
15 Act (this act), section 591gb, is repealed.

16 SECTION 591gm. 20.515 (2) (a) of the statutes is created to read:

17 20.515 (2) (a) *Private employer health care coverage program; operating costs.*
18 Biennially, the amounts in the schedule for the operating costs relating to the private
19 employer health care coverage program under subch. X of ch. 40.

20 SECTION 591go. 20.515 (2) (a) of the statutes, as created by 1999 Wisconsin Act
21 (this act), section 591gm, is repealed.

22 SECTION 591gt. 20.515 (2) (b) of the statutes is created to read:

23 20.515 (2) (b) *Grant for program administrator’s costs.* Biennially, the amounts
24 in the schedule for the grant under 1999 Wisconsin Act (this act), section 22 (3).

Insert
3-11
✓
→

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 12: delete lines 12 to 20 and substitute:

8 **SECTION 931b.** 40.02 (28) of the statutes is amended to read:

9 40.02 (28) “Employer” means the state, including each state agency, any
10 county, city, village, town, school district, other governmental unit or
11 instrumentality of 2 or more units of government now existing or hereafter created
12 within the state and any federated public library system established under s. 43.19
13 whose territory lies within a single county with a population of 500,000 or more, a
14 local exposition district created under subch. II of ch. 229 and a family care district
15 created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3), or a
16 local exposition district created under subch. II of ch. 229 and subch. X. Each
17 employer shall be a separate legal jurisdiction for OASDHI purposes.

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

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

1 local exposition district created under subch. II of ch. 229 and a family care district
2 created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3) and
3 subch. X. Each employer shall be a separate legal jurisdiction for OASDHI
4 purposes.”.

5 **8.** Page 536, line 13: before that line insert:

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

8 **CHAPTER 40**

9 **SUBCHAPTER X**

10 **PRIVATE EMPLOYER HEALTH**

11 **CARE COVERAGE**

12 **40.98 Health care coverage. (1)** In this subchapter:

13 (ag) “Abortion” means the use of an instrument, medicine, drug or other
14 substance or device with intent to terminate the pregnancy of a woman known to be
15 pregnant or for whom there is reason to believe that she may be pregnant and with
16 intent other than to increase the probability of a live birth, to preserve the life or
17 health of the infant after live birth or to remove a dead fetus.

18 (ar) “Board” means the private employer health care coverage board.

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

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

1 An employe is considered to have separated from the service of an employer at the
2 end of the day on which the employe last performed services for the employer, or, if
3 later, the day on which the employe-employer relationship is terminated because of
4 the expiration or termination of leave without pay, sick leave, vacation or other leave
5 of absence. A person shall not be considered an employe if any of the following
6 applies:

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

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

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

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

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

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

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

23 (2) (a) 1. The department shall design an actuarially sound health care
24 coverage program for employers that includes more than one group health care
25 coverage plan and that provides coverage beginning not later than June 30, 2002.

1 The health care coverage program shall be known as the "Private Employer Health
2 Care Purchasing Alliance". In designing the health care coverage program, the
3 department shall consult with the office of the commissioner of insurance. The
4 health care coverage program may not be implemented until it is approved by the
5 board.

6 2. The department shall solicit and accept bids and make every reasonable
7 effort to enter into a contract for the administration of the health care coverage plans
8 under the program, based on criteria established by the board. If the department has
9 not entered into a contract for the administration of the health care coverage plans
10 under the program for coverage to begin before June 30, 2002, the department shall
11 submit a report to the cochairpersons of the joint committee on finance specifying the
12 department's reasons for not entering into a contract. After submitting the report
13 to the cochairpersons of the joint committee on finance and after receiving the
14 approval of the board, the department shall provide all administrative services
15 necessary for the provision of the health care coverage plans under the program.
16 During the period that the department is providing the administrative services, the
17 department shall continue to make every reasonable effort to contract for the
18 administration of the health care coverage plans under the program.

19 3. The administrator selected under subd. 2., or the department if no
20 administrator has been selected under subd. 2., shall enter into contracts with
21 insurers who are to provide health care coverage under the health care coverage
22 program.

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

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

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

7 2. Notwithstanding ss. 632.85, 632.87 (2), (3), (4) and (5), 632.89 and 632.895
8 (2), (3), (4), (5), (5m), (6), (7), (8), (9), (10), (11), (12) and (13), and subject to subd. 3.,
9 the department may include in the health care coverage program one or more health
10 care coverage plans that do not include one or more of the following coverages:

11 a. Coverage related to treatment of an emergency medical condition, as
12 required under s. 632.85.

13 b. Coverage of vision care provided by an optometrist, as required under s.
14 632.87 (2).

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

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

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

20 f. Coverage of the treatment of alcoholism and nervous and mental disorders,
21 as required under s. 632.89.

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

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

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

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

- 1 k. Coverage for a child of a covered child, as required under s. 632.895 (5m).
- 2 L. Coverage of diabetes treatment, as required under s. 632.895 (6).
- 3 m. Maternity coverage, as required under s. 632.895 (7).
- 4 n. Coverage of mammograms, as required under s. 632.895 (8).
- 5 o. Coverage of prescription medication for the treatment of human
6 immunodeficiency virus infection, as required under s. 632.895 (9).
- 7 p. Coverage of blood lead tests for children, as required under s. 632.895 (10).
- 8 q. Coverage of treatment for the correction of temporomandibular disorders,
9 as required under s. 632.895 (11).
- 10 r. Coverage related to hospital or ambulatory surgery center charges and
11 anesthetics associated with dental care, as required under s. 632.895 (12).
- 12 s. Coverage of breast reconstruction incident to a mastectomy, as required
13 under s. 632.895 (13).
- 14 3. The department shall ensure that at least one health care coverage plan
15 includes all of the coverages specified in subd. 2.
- 16 (bm) No health care coverage plan under the health care coverage program may
17 provide coverage of a nontherapeutic abortion except by an optional rider or
18 supplemental coverage provision that is offered and provided on an individual basis
19 and for which an additional, separate premium or charge is paid by the individual
20 to be covered under the rider or supplemental coverage provision. Only funds
21 attributable to premiums or charges paid for coverage under the rider or
22 supplemental coverage provision may be used for the payment of any claim, and
23 related administrative expenses, that relates to a nontherapeutic abortion. Such
24 funds may not be used for the payment of any claim or administrative expenses that
25 relate to any other type of coverage provided by the insurer under the health care

1 coverage plan. Nothing in this paragraph requires an insurer or an employer to offer
2 or provide coverage of an abortion under a health care coverage plan under the health
3 care coverage program.

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

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

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

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

21 2. If the department has not selected an administrator under par. (a) 2., the
22 department shall charge employers who participate in the health care coverage
23 program a fee to cover the costs incurred by the department in designing, marketing
24 and providing administrative services for the health care coverage program. All

1 moneys received by the department under this subdivision shall be credited to the
2 appropriation account under s. 20.515 (2) (g).

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

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

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

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

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

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

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

1 (5) Any insurer that offers a health care coverage plan under the health care
2 coverage program shall provide coverage under the plan to any employer that applies
3 for coverage, and to all of the employer's employees who elect coverage under the
4 health care coverage plan, without regard to the health condition or claims
5 experience of any individual who would be covered under the health care coverage
6 plan if all of the following apply:

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

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

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

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

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

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

1 (7) (a) Annually, on or before December 31, the board shall submit a report to
2 the appropriate standing committees under s. 13.172 (3) and to the governor on the
3 operation of the health care coverage program. The report shall specify the number
4 of employers and employees participating in the health care coverage program,
5 calculate the costs of the health care coverage program to employers and their
6 employees and include recommendations for improving the health care coverage
7 program.

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

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

19 **9.** Page 1406, line 3: after that line insert:

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

21 **635.20 Coverage of health insurance mandates.** (1) Notwithstanding ss.
22 632.85, 632.87 (2), (3), (4) and (5), 632.89 and 632.895 (2), (3), (4), (5), (5m), (6), (7),
23 (8), (9), (10), (11), (12) and (13), and subject to sub. (2), a small employer insurer may

1 offer a small employer one or more group health benefit plans that do not include one
2 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 (2) A small employer insurer shall offer to a small employer at least one group
8 health benefit plan that includes all of the coverages specified in sub. (1).

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

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

12 “(1g) PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD. Notwithstanding the
13 length of terms specified for the members of the private employer health care
14 coverage board under section 15.165 (5) of the statutes, as created by this act, the
15 initial members shall be appointed for the following terms:

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

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

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

22 (2) POSITION AUTHORIZATIONS FOR THE DEPARTMENT OF EMPLOYEE TRUST FUNDS. The
23 authorized FTE positions for the department of employee trust funds are increased
24 by 3.5 GPR positions on the effective date of this subsection, to be funded from the

1 appropriation under section 20.515 (2) (a) of the statutes, as created by this act, for
2 the purpose of designing and contracting for administrative services for the private
3 employer health care coverage program under subchapter X of chapter 40 of the
4 statutes, as created by this act.

5 (3) GRANT FOR ADMINISTRATION OF PROGRAM.

6 (a) In this subsection:

7 1. "Administrator" means the administrator selected by the department under
8 section 40.98 (2) (a) 2. of the statutes, as created by this act.

9 2. "Department" means the department of employe trust funds.

10 3. "Secretary" means the secretary of employe trust funds.

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

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

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

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

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

3-11

§ 8601

(g)

Private employer health
care coverage plan

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(end ins 3-11)

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

LRBb0723/2dm 3 dm
AW:cmh&jlg:ijs
RAC

June 25, 1999 3 new date

a ch. 20 ✓ schedule
entry for s. 20.515(2)(5);
otherwise, no changes

This redraft adds for an employer to s. 40.98 (2) (b)

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RAC

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

LRBb0723/3dn
RAC&PJK:cmh&jlg:ijs

June 26, 1999

This redraft adds a ch. 20 schedule entry for s. 20.515 (2) (g); otherwise, no changes.

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State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0723/3
RAC&PJK:cmh&jlg:ijs

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

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 employes eligible to receive health care coverage
16 under subch. X of ch. 40 and whose employer employs not more than 50 employes.

17 5. One member who represents insurers.

18 6. Two members who are, or who represent, employers that employ not more
19 than 50 employes 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 20.515 (2) (b) *Grant for program administrator's costs.* Biennially, the amounts
2 in the schedule for the grant under 1999 Wisconsin Act (this act), section 22 (3).

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

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

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

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

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

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

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

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

1 40.02 (26) (intro.) “Employe” means any person who receives earnings as
2 payment for personal services rendered for the benefit of any employer including
3 officers of the employer, ~~except as provided in subch. X.~~ An employe is deemed to
4 have separated from the service of an employer at the end of the day on which the
5 employe last performed services for the employer, or, if later, the day on which the
6 employe-employer relationship is terminated because of the expiration or
7 termination of leave without pay, sick leave, vacation or other leave of absence. A
8 person shall not be considered an employe if a person:”.

9 **7.** Page 532, line 12: delete lines 12 to 20 and substitute:

10 **“SECTION 931b.** 40.02 (28) of the statutes 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, a
16 local exposition district created under subch. II of ch. 229 and a family care district
17 created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3), ~~or a~~
18 ~~local exposition district created under subch. II of ch. 229 and subch. X.~~ Each
19 employer shall be a separate legal jurisdiction for OASDHI purposes.

20 **SECTION 931c.** 40.02 (28) of the statutes, as affected by 1999 Wisconsin Act

21 (this act), section 931b, is amended to read:

22 40.02 (28) “Employer” means the state, including each state agency, any
23 county, city, village, town, school district, other governmental unit or
24 instrumentality of 2 or more units of government now existing or hereafter created

1 within the state and any federated public library system established under s. 43.19
2 whose territory lies within a single county with a population of 500,000 or more, a
3 local exposition district created under subch. II of ch. 229 and a family care district
4 created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3) and
5 subch. X. Each employer shall be a separate legal jurisdiction for OASDHI
6 purposes.”.

7 **8.** Page 536, line 13: before that line insert:

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

10 **CHAPTER 40**

11 **SUBCHAPTER X**

12 **PRIVATE EMPLOYER HEALTH**

13 **CARE COVERAGE**

14 **40.98 Health care coverage.** (1) In this subchapter:

15 (ag) “Abortion” means the use of an instrument, medicine, drug or other
16 substance or device with intent to terminate the pregnancy of a woman known to be
17 pregnant or for whom there is reason to believe that she may be pregnant and with
18 intent other than to increase the probability of a live birth, to preserve the life or
19 health of the infant after live birth or to remove a dead fetus.

20 (ar) “Board” means the private employer health care coverage board.

21 (b) “Dependent” means a spouse, an unmarried child under the age of 19 years,
22 an unmarried child who is a full-time student under the age of 21 years and who is
23 financially dependent upon the parent, or an unmarried child of any age who is
24 medically certified as disabled and who is dependent upon the parent.

1 (c) “Employe” means any person who receives earnings as payment for personal
2 services rendered for the benefit of any employer including officers of the employer.
3 An employe is considered to have separated from the service of an employer at the
4 end of the day on which the employe last performed services for the employer, or, if
5 later, the day on which the employe–employer relationship is terminated because of
6 the expiration or termination of leave without pay, sick leave, vacation or other leave
7 of absence. A person shall not be considered an employe if any of the following
8 applies:

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

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

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

17 (d) “Employer” means any person doing business or operating an organization
18 in this state and employing at least 2 employes. “Employer” does not include an
19 employer as defined in s. 40.02 (28).

20 (e) “Health care coverage program” means the health care coverage program
21 established under sub. (2) (a).

22 (f) “Insurer” has the meaning given in s. 600.03 (27).

23 (g) “Nontherapeutic abortion” means an abortion that is not directly and
24 medically necessary to prevent the death of the woman.

1 (2) (a) 1. The department shall design an actuarially sound health care
2 coverage program for employers that includes more than one group health care
3 coverage plan and that provides coverage beginning not later than June 30, 2002.
4 The health care coverage program shall be known as the “Private Employer Health
5 Care Purchasing Alliance”. In designing the health care coverage program, the
6 department shall consult with the office of the commissioner of insurance. The
7 health care coverage program may not be implemented until it is approved by the
8 board.

9 2. The department shall solicit and accept bids and make every reasonable
10 effort to enter into a contract for the administration of the health care coverage plans
11 under the program, based on criteria established by the board. If the department has
12 not entered into a contract for the administration of the health care coverage plans
13 under the program for coverage to begin before June 30, 2002, the department shall
14 submit a report to the cochairpersons of the joint committee on finance specifying the
15 department’s reasons for not entering into a contract. After submitting the report
16 to the cochairpersons of the joint committee on finance and after receiving the
17 approval of the board, the department shall provide all administrative services
18 necessary for the provision of the health care coverage plans under the program.
19 During the period that the department is providing the administrative services, the
20 department shall continue to make every reasonable effort to contract for the
21 administration of the health care coverage plans under the program.

22 3. The administrator selected under subd. 2., or the department if no
23 administrator has been selected under subd. 2., shall enter into contracts with
24 insurers who are to provide health care coverage under the health care coverage
25 program.

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

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

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

9 2. Notwithstanding ss. 632.85, 632.87 (2), (3), (4) and (5), 632.89 and 632.895
10 (2), (3), (4), (5), (5m), (6), (7), (8), (9), (10), (11), (12) and (13), and subject to subd. 3.,
11 the department may include in the health care coverage program one or more health
12 care coverage plans that do not include one or more of the following coverages:

13 a. Coverage related to treatment of an emergency medical condition, as
14 required under s. 632.85.

15 b. Coverage of vision care provided by an optometrist, as required under s.
16 632.87 (2).

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

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

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

22 f. Coverage of the treatment of alcoholism and nervous and mental disorders,
23 as required under s. 632.89.

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

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

- 1 i. Coverage of kidney disease treatment, as required under s. 632.895 (4).
- 2 j. Coverage for a newly born child, as required under s. 632.895 (5).
- 3 k. Coverage for a child of a covered child, as required under s. 632.895 (5m).
- 4 L. Coverage of diabetes treatment, as required under s. 632.895 (6).
- 5 m. Maternity coverage, as required under s. 632.895 (7).
- 6 n. Coverage of mammograms, as required under s. 632.895 (8).
- 7 o. Coverage of prescription medication for the treatment of human
8 immunodeficiency virus infection, as required under s. 632.895 (9).
- 9 p. Coverage of blood lead tests for children, as required under s. 632.895 (10).
- 10 q. Coverage of treatment for the correction of temporomandibular disorders,
11 as required under s. 632.895 (11).
- 12 r. Coverage related to hospital or ambulatory surgery center charges and
13 anesthetics associated with dental care, as required under s. 632.895 (12).
- 14 s. Coverage of breast reconstruction incident to a mastectomy, as required
15 under s. 632.895 (13).
- 16 3. The department shall ensure that at least one health care coverage plan
17 includes all of the coverages specified in subd. 2.
- 18 (bm) No health care coverage plan under the health care coverage program may
19 provide coverage of a nontherapeutic abortion except by an optional rider or
20 supplemental coverage provision that is offered and provided on an individual basis
21 and for which an additional, separate premium or charge is paid by the individual
22 to be covered under the rider or supplemental coverage provision. Only funds
23 attributable to premiums or charges paid for coverage under the rider or
24 supplemental coverage provision may be used for the payment of any claim, and
25 related administrative expenses, that relates to a nontherapeutic abortion. Such

1 funds may not be used for the payment of any claim or administrative expenses that
2 relate to any other type of coverage provided by the insurer under the health care
3 coverage plan. Nothing in this paragraph requires an insurer or an employer to offer
4 or provide coverage of an abortion under a health care coverage plan under the health
5 care coverage program.

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

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

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

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

23 2. If the department has not selected an administrator under par. (a) 2., the
24 department shall charge employers who participate in the health care coverage
25 program a fee to cover the costs incurred by the department in designing, marketing

1 and providing administrative services for the health care coverage program. All
2 moneys received by the department under this subdivision shall be credited to the
3 appropriation account under s. 20.515 (2) (g).

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

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

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

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

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

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

23 (4) Any employer that provides health care coverage for its employes under the
24 program and that voluntarily terminates coverage under the program is not eligible

1 to participate in the program for at least 3 years from the date that coverage is
2 terminated.

3 (5) Any insurer that offers a health care coverage plan under the health care
4 coverage program shall provide coverage under the plan to any employer that applies
5 for coverage, and to all of the employer's employees who elect coverage under the
6 health care coverage plan, without regard to the health condition or claims
7 experience of any individual who would be covered under the health care coverage
8 plan if all of the following apply:

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

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

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

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

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

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

3 (7) (a) Annually, on or before December 31, the board shall submit a report to
4 the appropriate standing committees under s. 13.172 (3) and to the governor on the
5 operation of the health care coverage program. The report shall specify the number
6 of employers and employees participating in the health care coverage program,
7 calculate the costs of the health care coverage program to employers and their
8 employees and include recommendations for improving the health care coverage
9 program.

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

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

21 **9.** Page 1406, line 3: after that line insert:

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

23 **635.20 Coverage of health insurance mandates.** (1) Notwithstanding ss.
24 632.85, 632.87 (2), (3), (4) and (5), 632.89 and 632.895 (2), (3), (4), (5), (5m), (6), (7),

1 (8), (9), (10), (11), (12) and (13), and subject to sub. (2), a small employer insurer may
2 offer a small employer one or more group health benefit plans that do not include one
3 or more of the following coverages:

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

6 (b) Coverage of vision care provided by an optometrist, as required under s.
7 632.87 (2).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 “(1g) PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD. Notwithstanding the
13 length of terms specified for the members of the private employer health care
14 coverage board under section 15.165 (5) of the statutes, as created by this act, the
15 initial members shall be appointed for the following terms:

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

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

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

22 (2) POSITION AUTHORIZATIONS FOR THE DEPARTMENT OF EMPLOYEE TRUST FUNDS. The
23 authorized FTE positions for the department of employee trust funds are increased
24 by 3.5 GPR positions on the effective date of this subsection, to be funded from the

1 appropriation under section 20.515 (2) (a) of the statutes, as created by this act, for
2 the purpose of designing and contracting for administrative services for the private
3 employer health care coverage program under subchapter X of chapter 40 of the
4 statutes, as created by this act.

5 (3) GRANT FOR ADMINISTRATION OF PROGRAM.

6 (a) In this subsection:

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

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

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

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

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

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

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

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

