

**ASSEMBLY AMENDMENT 19,
TO ASSEMBLY AMENDMENT 2,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 133**

June 29, 1999 – Offered by Representatives BALOW and LA FAVE.

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

2 **1.** Page 7, line 1: delete lines 1 to 4 and substitute:

3 “13.94 **(1)** (p) No later than January 1, 2005, prepare a program evaluation
4 audit of the private employer health care coverage program established under subch.
5 X of ch. 40. The legislative audit bureau shall file a copy of the audit report under
6 this paragraph with the distributees specified in par. (b).”.

7 **2.** Page 38, line 19: delete the material beginning with that line and ending
8 with page 39, line 4, and substitute:

1 “(a) Private employer health care
2 coverage program; start-up costs GPR A –0– –0–
3 (g) Private employer health care
4 coverage plan PR C –0– –0–”.”.

5 **3.** Page 59, line 8: delete lines 8 to 10 and substitute:

6 “20.515 **(2)** (a) *Private employer health care coverage program; start-up costs.*
7 Biennially, the amounts in the schedule for the start-up costs for designing,
8 establishing and administering the private employer health care coverage program
9 under subch. X of ch. 40.”.

10 **4.** Page 59, line 13: delete lines 13 to 17.

11 **5.** Page 128, line 19: delete the material beginning with that line and ending
12 with page 136, line 25, and substitute:

13 “**40.98 Health care coverage. (1)** In this subchapter:

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

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

19 (c) “Employe” means any person who receives earnings as payment for personal
20 services rendered for the benefit of any employer including officers of the employer.
21 An employe is considered to have separated from the service of an employer at the
22 end of the day on which the employe last performed services for the employer, or, if
23 later, the day on which the employe–employer relationship is terminated because of
24 the expiration or termination of leave without pay, sick leave, vacation or other leave

1 of absence. A person shall not be considered an employe if any of the following
2 applies:

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

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

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

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

14 (e) "Health care coverage plan" means the health care coverage plan
15 established under sub. (2) (a).

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

17 **(2) (a)** The department shall design, establish and administer an actuarially
18 sound health care coverage plan for employers that provides coverage beginning not
19 later than January 1, 2002. In designing the health care coverage plan, the
20 department shall consult with the departments of commerce and health and family
21 services and the office of the commissioner of insurance. In establishing the health
22 care coverage plan, the department shall solicit and accept bids and enter into
23 contracts with insurers who are to provide health care coverage under the health
24 care coverage plan. The health care coverage plan is subject to the provisions of chs.
25 600 to 646 that apply to group health benefit plans, as defined in s. 632.745 (9), to

1 the same extent as any other group health benefit plan, as defined in s. 632.745 (9).
2 Before the health care coverage plan may be implemented, the board must approve
3 the plan.

4 (am) The health care coverage plan established under par. (a) may not be
5 combined with any health care coverage plan under subch. IV.

6 (b) The health care coverage plan shall require that all insurance rates under
7 the plan be published annually in a single publication that is made available to
8 employers and employes. The rates shall be listed by county and by any other factor
9 that the department considers appropriate.

10 (c) The health care coverage plan shall have an enrollment period that is
11 established by the board.

12 (d) The department shall charge employers who participate in the health care
13 coverage plan a fee to cover the department's cost in designing, establishing and
14 administering the health care coverage plan. All moneys received under this
15 paragraph shall be credited to the appropriation account under s. 20.515 (2) (g).

16 (e) The department may not sell any health care coverage plan to an employer
17 or enroll any employe in the health care coverage plan, but the department may
18 publicize the availability of the health care coverage plan for employers.

19 (f) The department may enter into a contract with any person to provide
20 services relating to the administration of the health care coverage plan.

21 **(3)** Any employer who participates in the health care coverage plan shall do all
22 of the following:

23 (a) Offer health care coverage under the plan to all of its permanent employes
24 who have a normal work week of 30 or more hours and may offer health care coverage
25 under the plan to any of its other employes.

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

6 (c) Pay for each employee at least 50% but not more than 100% of the lowest
7 premium rate that would be available to the employer for that employee's coverage
8 under the health care coverage plan.

9 (d) Make premium payments for the health care coverage of its employees in the
10 manner specified by the board.

11 **(4)** Any employer that provides health care coverage for its employees under the
12 plan and that voluntarily terminates coverage under the plan is not eligible to
13 participate in the plan for at least 3 years from the date that coverage is terminated.

14 **(5)** Any insurer that offers the health care coverage plan shall provide coverage
15 under the plan to any employer that applies for coverage, and to all of the employer's
16 employees who elect coverage under the health care coverage plan, without regard to
17 the health condition or claims experience of any individual who would be covered
18 under the health care coverage plan if all of the following apply:

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

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

24 **(6)** (a) The health care coverage plan may only be sold by insurance agents
25 licensed under ch. 628.

1 (b) An insurance agent may not sell any health care coverage under the health
2 care coverage plan on behalf of an insurer unless he or she is employed by the insurer
3 or has a contract with the insurer to sell the health care coverage on behalf of the
4 insurer.

5 (c) The board shall set, and may adjust as often as semiannually, the
6 commission rate for the sale of a policy under the health care coverage plan. The rate
7 shall be based on the average commission rate that insurance agents are paid in the
8 state for the sale of comparable health insurance policies at the time that the rate
9 is set or adjusted.

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

12 **(7)** (a) Annually, on or before December 31, the board shall submit a report to
13 the appropriate standing committees under s. 13.172 (3) and to the governor on the
14 operation of the health care coverage plan. The report shall specify the number of
15 employers participating in the health care coverage plan, calculate the costs of the
16 health care coverage plan to employers and their employees and include
17 recommendations for improving the health care coverage plan.

18 (b) No later than January 1, 2005, the board shall submit a report to the
19 appropriate standing committees under s. 13.172 (3) and to the governor that offers
20 recommendations as to whether the department should continue to administer the
21 health care coverage plan, whether a different state agency should administer the
22 health care coverage plan or whether the health care coverage plan should be
23 administered by a private nonprofit organization. If the board recommends that a
24 different state agency administer the health care coverage plan or that the health
25 care coverage plan be administered by a private nonprofit organization, the board

1 shall submit proposed legislation to the appropriate standing committees under s.
2 13.172 (3) at the time that the board submits its report.”.

3 **6.** Page 604, line 7: delete “, (b)”.

4 **7.** Page 604, line 10: delete “2010” and substitute “2007”.

5 (END)