

1999 DRAFTING REQUEST

Assembly Amendment (AA-AA(LRBb1309/1)-ASA1-AB133)

Received: 06/28/99

Received By: **champra**

Wanted: **Today**

Identical to LRB:

For: **Assembly Democratic Caucus**

By/Representing: **Cook**

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

Drafter: **champra**

May Contact:

Alt. Drafters: **kahlepj**

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

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Small employer health care coverage program

Instructions:

SB 1

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	champra 06/28/99	jgeller 06/28/99		_____			
/1			ismith 06/28/99	_____	lrb_docadmin 06/28/99	lrb_docadmin 06/29/99	

FE Sent For:

<END>

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/?	champra	1 6/28 jlg	IS 6/28	_____	_____	_____	_____

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<END>

1999

Date (time) needed

ADC

LRB b 1447 1 1

BUDGET AMENDMENT

RAC/PJK: jg:

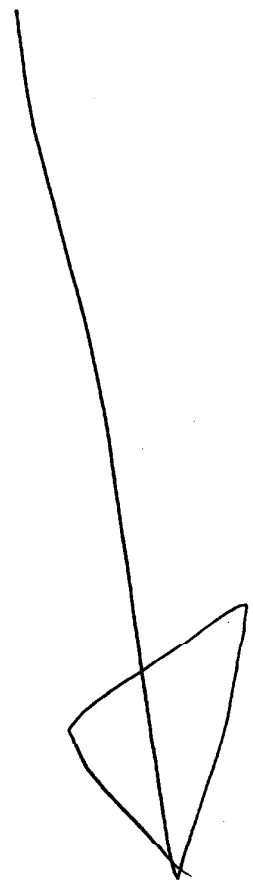
See form AMENDMENTS — COMPONENTS & ITEMS.

WFO-Fix request sheet

A AMENDMENT TO A AMENDMENT 2 (LRBb1309/1) TO ASSEMBLY SUBSTITUTE AMENDMENT 1 TO 1999 ASSEMBLY BILL 133

At the locations indicated, amend the amendment as follows: (fill ONLY if "engrossed ..." or "as shown by")

- #. Page , line :
#. Page , line :
#. Page , line :
#. Page , line :
#. Page , line :



~~ASSEMBLY AMENDMENT,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 133~~

*Fix
Component*

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

1. Page 19, line 12: after that line insert: *delete lines 1 to 4 and substitute*

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

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

SECTION 4m 13.94 (1) (p) of the statutes, as created by 1999 Wisconsin Act (this act), section 4m, is repealed.”.

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

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

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

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

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


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

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

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

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

23 **SECTION 28r.** 15.165 (5) of the statutes, as created by 1999 Wisconsin Act ...
24 (this act), section 28c, is repealed.”.



1 **4.** Page 105, line 8: after that line insert:

2 "(d) Business employes' skills train-
3 ing financial assistance GPR B 1,000,000 1,000,000".

4 **5.** Page 108, line 2: after that line insert:

5 "(Lm) Business employes' skills train-
6 ing financial assistance; repay-
7 ments PR C -0- -0-".

Fix Component 7

8 **6.** Page ~~248~~³⁸, line ~~10~~¹⁹: after that line insert:

9 (2) PRIVATE EMPLOYER HEALTH CARE COVERAGE
10 PROGRAM

delete the material beginning with that line and substitute ending with page 39, line 4, and substitute De

11 "(a) Private employer health care
12 coverage program; start-up costs GPR A -0- -0-

13 (g) Private employer health care
14 coverage plan PR C -0- -0-".

15 **7.** Page 286, line 13: after that line insert:

16 "SECTION 196m. 20.143 (1) (d) of the statutes is created to read:
17 20.143 (1) (d) *Business employes' skills training financial assistance.*
18 Biennially, the amounts in the schedule for financial assistance under s. 560.155."

19 **8.** Page 289, line 21: after that line insert:

20 "SECTION 210f. 20.143 (1) (Lm) of the statutes is created to read:
21 20.143 (1) (Lm) *Business employes' skills training financial assistance;*
22 *repayments.* All moneys received in repayment of loans under s. 560.155 for financial
23 assistance under s. 560.155."

59 8
9. Page 389, line 24: after that line insert:

delete lines 8 to 10
and substitute:

1 "SECTION 591gb. 20.515 (2) (title) of the statutes is created to read:

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

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

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

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 SECTION 591go. 20.515 (2) (a) of the statutes, as created by 1999 Wisconsin Act

11 ... (this act), section 591gm, is repealed.

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

13 20.515 (2) (g) *Private employer health care coverage plan.* All moneys received
14 under subch. X of ch. 40 from employers who elect to participate in the private
15 employer health care coverage program under subch. X of ch. 40, for the costs of
16 designing, marketing and contracting for or providing administrative services for
17 the program.

18 SECTION 591gy. 20.515 (2) (g) of the statutes, as created by 1999 Wisconsin Act
19 (this act), 591gx, is repealed."

20 10. Page 532, line 11: after that line insert:

21 "SECTION 930wb. 40.02 (26) (intro.) of the statutes is amended to read:

22 40.02 (26) (intro.) "Employee" means any person who receives earnings as
23 payment for personal services rendered for the benefit of any employer including
24

Insert A

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

9 40.02 (26) (intro.) "Employe" means any person who receives earnings as
10 payment for personal services rendered for the benefit of any employer including
11 officers of the employer, ~~except as provided in subch. X.~~ An employe is deemed to
12 have separated from the service of an employer at the end of the day on which the
13 employe last performed services for the employer, or, if later, the day on which the
14 employe-employer relationship is terminated because of the expiration or
15 termination of leave without pay, sick leave, vacation or other leave of absence. A
16 person shall not be considered an employe if a person:".

17 **11.** Page 532, line 12: delete lines 12 to 20 and substitute:

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

19 40.02 (28) "Employer" means the state, including each state agency, any
20 county, city, village, town, school district, other governmental unit or
21 instrumentality of 2 or more units of government now existing or hereafter created
22 within the state and any federated public library system established under s. 43.19
23 whose territory lies within a single county with a population of 500,000 or more, a
24 local exposition district created under subch. II. of ch. 229 and a family care district

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

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

6 ~~40.02 (28) "Employer" means the state, including each state agency, any~~
7 ~~county, city, village, town, school district, other governmental unit or~~
8 ~~instrumentality of 2 or more units of government now existing or hereafter created~~
9 ~~within the state and any federated public library system established under s. 43.19~~
10 ~~whose territory lies within a single county with a population of 500,000 or more, a~~
11 ~~local exposition district created under subch. II of ch. 229 and a family care district~~
12 ~~created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3) and~~
13 ~~subch. X. Each employer shall be a separate legal jurisdiction for OASDHI~~
14 ~~purposes."~~

Fix component

128 19
12. Page 536, line 13: before that line insert: *delete the material beginning with that line and ending with page 136, line 25 and substitute:*

16 "SECTION 944ym. Subchapter X of chapter 40 [precedes 40.98] of the statutes
17 is created to read:
18 **CHAPTER 40**
19 **SUBCHAPTER X**
20 **PRIVATE EMPLOYER HEALTH**
21 **CARE COVERAGE**

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

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



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

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

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

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

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

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

24 (e) “Health care coverage plan” means the health care coverage plan
25 established under sub. (2) (a).



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

2 (2) (a) The department shall design, establish and administer an actuarially
3 sound health care coverage plan for employers that provides coverage beginning not
4 later than January 1, 2002. In designing the health care coverage plan, the
5 department shall consult with the departments of commerce and health and family
6 services and the office of the commissioner of insurance. In establishing the health
7 care coverage plan, the department shall solicit and accept bids and enter into
8 contracts with insurers who are to provide health care coverage under the health
9 care coverage plan. The health care coverage plan is subject to the provisions of chs.
10 600 to 646 that apply to group health benefit plans, as defined in s. 632.745 (9), to
11 the same extent as any other group health benefit plan, as defined in s. 632.745 (9).
12 Before the health care coverage plan may be implemented, the board must approve
13 the plan.

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

16 (b) The health care coverage plan shall require that all insurance rates under
17 the plan be published annually in a single publication that is made available to
18 employers and employees. The rates shall be listed by county and by any other factor
19 that the department considers appropriate.

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

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



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

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

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

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

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

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

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

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

24 (5) Any insurer that offers the health care coverage plan shall provide coverage
25 under the plan to any employer that applies for coverage, and to all of the employer's

1 employees who elect coverage under the health care coverage plan, without regard to
2 the health condition or claims experience of any individual who would be covered
3 under the health care coverage plan if all of the following apply:

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

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

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

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

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

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

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



1 health care coverage plan to employers and their employees and include
2 recommendations for improving the health care coverage plan.

3 (b) No later than January 1, 2005, the board shall submit a report to the
4 appropriate standing committees under s. 13.172 (3) and to the governor that offers
5 recommendations as to whether the department should continue to administer the
6 health care coverage plan, whether a different state agency should administer the
7 health care coverage plan or whether the health care coverage plan should be
8 administered by a private nonprofit organization. If the board recommends that a
9 different state agency administer the health care coverage plan or that the health
10 care coverage plan be administered by a private nonprofit organization, the board
11 shall submit proposed legislation to the appropriate standing committees under s.
12 13.172 (3) at the time that the board submits its report.)) ✓

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

15 ~~13. Page 1384, line 23: after that line insert:~~

16 ~~“SECTION 2955c. 560.155 of the statutes is created to read:~~

17 ~~560.155 Business employes’ skills training financial assistance
18 program. (1) From the appropriations under s. 20.143 (1) (d) and (Lm), the
19 department may award financial assistance as provided in sub. (2) (a) to a business
20 if all of the following apply:~~

21 ~~(a) The business is located in this state and satisfies any of the following
22 criteria:~~

23 ~~1. The business has no more than 35 full-time employes.~~



1 2. The business had no more than \$2,500,000 in gross annual income in the
2 year preceding the year in which the business receives the financial assistance.

3 (b) The business uses the financial assistance to provide skills training or other
4 education related to the needs of the business to current or prospective employes of
5 the business.

6 (c) The business submits a plan to the department detailing the proposed use
7 of the financial assistance and the secretary approves the plan.

8 (d) The business enters into a written agreement with the department that
9 specifies the conditions for the use of the financial assistance, including reporting,
10 auditing and repayment requirements.


11 (e) The business agrees in writing that, before providing training or other
12 education to a current or prospective employe with the financial assistance, it will
13 enter into a contract with the employe under which the business agrees to retain the
14 employe, and the employe agrees to work for the business, for at least one year after
15 the employe's training or education is completed.

16 (f) The business agrees in writing to submit to the department the report
17 required under sub. (3) by the time required under sub. (3).

18 (2) (a) The department may not award a business more than \$10,000 in
19 financial assistance under this section. One-half of the amount awarded to a
20 business shall be a grant and one-half shall be a loan.

21 (b) In awarding financial assistance under this section, the department shall
22 give preference to businesses in industries with especially severe labor shortages.

23 The department shall consult with the department of workforce development to
24 determine which industries are experiencing severe labor shortages.



1 (3) A business that receives financial assistance under this section shall submit
2 to the department, within 6 months after spending the full amount of the proceeds,
3 a report detailing how the proceeds were used.”

4 **14.** Page 1511, line 17: after that line insert:

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

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


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

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

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

22 **15.** Page 1608, line 15: after that line insert:

23 “(1n) PRIVATE EMPLOYER HEALTH CARE COVERAGE. The repeal of sections 13.94 (1)
24 (p), 15.07 (1) (b) 22., 15.165 (5) and 20.515 (2) (title), (a), (b) and (g) and subchapter



1 X of chapter 40 of the statutes and the amendment of section 40.02 (26) (intro.) (by
2 SECTION 930wm) and (28) (by SECTION 931c) of the statutes take effect on January 1,
3 2007.".

4

(END)

Insert PB

(A) → #. Page 59, line ¹³13: delete lines [✓]13 to 17.
(end ins A)

Page 604, line 7: delete ", (b)".[✓]

(B) #. Page 604, line 10: delete "2010" and
substitute "2007".[✓]