

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA1-AB133)**

Received: **06/22/99**

Received By: **champra**

Wanted: **Soon**

Identical to LRB:

For: **Senate Democratic Caucus**

By/Representing: **Walter**

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

Drafter: **champra**

May Contact:

Alt. Drafters: **kahlepj**

Subject: **Employ Pub - employe benefits  
Insurance - health**

Extra Copies:

**Pre Topic:**

SDC:.....Walter - Caucus #4205,

**Topic:**

Private employer health care coverage program

**Instructions:**

See Attached.

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	champra 06/27/99	wjackson 06/27/99		_____			
/1			jfrantze 06/27/99	_____	lrb_docadmin 06/28/99		
/2	isagerro 06/28/99	wjackson 06/28/99	jfrantze 06/29/99	_____	lrb_docadmin 06/29/99		

FE Sent For:

<END>

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/?	champra 06/27/99	wjackson 06/27/99		_____			
/1		/2 6/28 Wlj	jfrantze 06/27/99	_____	lrb_docadmin 06/28/99		

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*206/29*

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/?	champra	/1 WLj 6/27	Jb 6/27	Jb / Sk 6/27			

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<END>

SOC

yes

caucus number 4010

duplicate flag:  
duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Use value assessment modification (developer penalties) as recommended by The Wisconsin Assoc. of Assessing Officers. These modifications are also supported by the League of Municipalities and the Alliance of cities.

other notes

drafting instructions: See above.

more instructions:

caucus number 4205

duplicate flag:  
duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Health Insurance Reform for Small Businesses. Include SB 1, minus Senate amendment 1. Specify that the program include more than one group health care coverage plan, and that farmers with one employe may be eligible for the program

other notes

drafting instructions: SB 1, minus Senate Amendment 1. See above

more instructions:

caucus number 4206

duplicate flag:  
duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Regulation of cable television by municipalities. Add the following to Section 66.082: A municipality which operate a cable communications system shall do so on a competitively neutral and nondiscriminatory basis.

other notes

drafting instructions: See above.

more instructions:

Agency: Miscellaneous Appropriations

Number of Amendments: 15

+

**Health Insurance Reform  
For Small Businesses**  
Proposed Budget Amendment

CN 4205

**Motion:** Include the provisions of Senate Bill 1, minus Senate Amendment 1, to Assembly Substitute Amendment 1 to Assembly Bill 133. Specify that the program include more than one group health care coverage plan, and that farmers with one employee may be eligible for the program.

**1999**

Date (time) needed

**SDC**

LRB b 0944, 1

*D-note*

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

*RAC & PJK : WLj :*

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

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

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

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

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

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

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

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

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

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



**ASSEMBLY 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, 2005, 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:

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

12 15.07 (1) (b) 22. Private employer health care coverage board.

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-”

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

9 “(2) PRIVATE EMPLOYER HEALTH CARE COVERAGE  
10 PROGRAM

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 program* 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.”.*

1           **9.** Page 389, line 24: after that line insert:

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

3           20.515 (2) (title) PRIVATE EMPLOYER HEALTH CARE COVERAGE PROGRAM.

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

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

7           20.515 (2) (a) *Private employer health care coverage program; start-up costs.*

8 Biennially, the amounts in the schedule for the start-up costs for designing,  
9 establishing and administering the private employer health care coverage program  
10 under subch. X of ch. 40.

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

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

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

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

21           **10.** Page 532, line 11: after that line insert:

22           “**SECTION 930wb.** 40.02 (26) (intro.) of the statutes 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 **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."

15 **12.** Page 536, line 13: before that line insert:

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 **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).

*program*  
*program*  
*except that for a person operating a farm business the person must employ at least one employe*

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 <sup>program</sup> for employers that provides <sup>at least 2 group health care</sup> coverage <sup>plans</sup> beginning not  
4 later than January 1, 2002. In designing the health care coverage <sup>program</sup>, 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 <sup>program</sup>, 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 <sup>program</sup>. <sup>Health</sup> The health care coverage <sup>plans offered under the health care coverage</sup> 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 <sup>program</sup>  
11 the same extent as any other group health benefit plan, as defined in s. 632.745 (9).  
12 Before the health care coverage <sup>program</sup> may be implemented, the board must approve  
13 the plan.

14 (am) The health care coverage <sup>program</sup> established under par. (a) may not be <sup>or any health care coverage plan included in the program,</sup>  
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~~ <sup>All</sup> ~~the plan~~ <sup>program shall</sup> be published annually in a single publication that is made available to <sup>for health care coverage</sup>  
17 employers and employees. The rates shall be listed by county and by any other factor  
18 that the department considers appropriate. All plans under the

19 (c) ~~the~~ health care coverage <sup>program</sup> shall have an enrollment period that is  
20 established by the board.

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

*under the health care coverage program*

1

(e) The department may not sell any health care coverage ~~plan~~ <sup>program</sup> to an employer

2

or enroll any employe in the health care coverage ~~plan~~ <sup>program</sup>, but the department may

3

publicize the availability of the health care coverage ~~plan~~ <sup>program</sup> 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~~ <sup>program</sup>.

6

(3) Any employer who participates in the health care coverage ~~plan~~ <sup>program</sup> shall do all

7

of the following:

8

(a) Offer health care coverage under ~~the plan~~ <sup>one or more</sup> 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~~ <sup>one or more plans</sup> to any of its other employes.

11

(b) Provide health care coverage under ~~the plan~~ <sup>one or more plans</sup> 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~~ <sup>program</sup>.

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~~ <sup>program</sup> and that voluntarily terminates coverage under the ~~plan~~ <sup>program</sup> is not eligible to

23

participate in the ~~plan~~ <sup>program</sup> for at least 3 years from the date that coverage is terminated.

24

(5) Any insurer that offers the health care coverage ~~plan~~ <sup>program</sup> shall provide coverage

25

under the plan to any employer that applies for coverage, and to all of the employer's

*a health care coverage plan under*

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.

*Health care coverage under the*

9 (6) (a) ~~The~~ health care coverage ~~plan~~ *program* 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~~ *program* 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~~ *program*. 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~~ *program* 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~~ *program*. The report shall specify the number of  
25 employers participating in the health care coverage ~~plan~~ *program*, calculate the costs of the

*program*



1 health care coverage ~~plan~~ <sup>program</sup> to employers and their employes and include  
2 recommendations for improving the health care coverage ~~plan~~ <sup>program</sup>

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~~ <sup>program</sup>, whether a different state agency should administer the

7 health care coverage ~~plan~~ <sup>program</sup> or whether the health care coverage ~~plan~~ <sup>program</sup> 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~~ <sup>program</sup> or that the health

10 care coverage ~~plan~~ <sup>program</sup> 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.

~~(5) A business that receives financial assistance under this section shall submit to the department, within 6 months after spending the full amount of the proceeds, a report detailing how the proceeds were used.”~~

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

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

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

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

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

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

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

“(1n) PRIVATE EMPLOYER HEALTH CARE COVERAGE. The repeal of sections 13.94 (1) (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)

D-Note

¶ We will need to know what dollar amounts, if any, need to be inserted in the ch. 20 schedule for the private employer health care coverage plan.

RAC

---

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

LRBb0944/1dn  
RAC:wlj:jf

June 27, 1999

We will need to know what dollar amounts, if any, need to be inserted in the ch. 20 schedule for the private employers health care coverage plan.

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*D-Note*  
State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0944/1-2  
RAC&PJK:wlj:jf  
*RM has been  
run*

SDC:.....Walter - Caucus #4205, Private employer health care coverage 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, 2005, 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; start-up costs GPR A

8 (g) Private employer health care

9 coverage program PR C -0- -0-"

166,700 ✓  
Aa Aa  
203,900 ✓

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

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

12 20.515 (2) (title) PRIVATE EMPLOYER HEALTH CARE COVERAGE PROGRAM.

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

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

16 20.515 (2) (a) *Private employer health care coverage program; start-up costs.*  
17 Biennially, the amounts in the schedule for the start-up costs for designing,  
18 establishing and administering the private employer health care coverage program  
19 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 591gx. 20.515 (2) (g) of the statutes is created to read:

23 20.515 (2) (g) *Private employer health care coverage program.* All moneys  
24 received under subch. X of ch. 40 from employers who elect to participate in the

1 private employer health care coverage program under subch. X of ch. 40, for the costs  
2 of designing, marketing and contracting for or providing administrative services for  
3 the program.

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

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

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

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

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

18 40.02 (26) (intro.) “Employee” means any person who receives earnings as  
19 payment for personal services rendered for the benefit of any employer including  
20 officers of the employer, ~~except as provided in subch. X.~~ An employe is deemed to  
21 have separated from the service of an employer at the end of the day on which the  
22 employe last performed services for the employer, or, if later, the day on which the  
23 employe-employer relationship is terminated because of the expiration or

1 termination of leave without pay, sick leave, vacation or other leave of absence. A  
2 person shall not be considered an employe if a person.”.

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

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

5 40.02 (28) “Employer” means the state, including each state agency, any  
6 county, city, village, town, school district, other governmental unit or  
7 instrumentality of 2 or more units of government now existing or hereafter created  
8 within the state and any federated public library system established under s. 43.19  
9 whose territory lies within a single county with a population of 500,000 or more, a  
10 local exposition district created under subch. II. of ch. 229 and a family care district  
11 created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3), or a  
12 local exposition district created under subch. II of ch. 229 and subch. X. Each  
13 employer shall be a separate legal jurisdiction for OASDHI purposes.

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

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



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

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

7           (d) "Employer" means any person doing business or operating an organization  
8 in this state and employing at least 2 employes, except that for a person operating  
9 a farm business the person must employ at least one employe. "Employer" does not  
10 include an employer as defined in s. 40.02 (28).

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

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

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

1 in s. 632.745 (9). Before the health care coverage program may be implemented, the  
2 board must approve the plan.

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

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

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

12 (d) The department shall charge employers who participate in the health care  
13 coverage program a fee to cover the department's cost in designing, establishing and  
14 administering the health care coverage program. 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 under the health care  
17 coverage program to an employer or enroll any employe in the health care coverage  
18 program, but the department may publicize the availability of the health care  
19 coverage program for employers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (b) No later than January 1, 2005, the board shall submit a report to the  
24 appropriate standing committees under s. 13.172 (3) and to the governor that offers  
25 recommendations as to whether the department should continue to administer the



1 health care coverage program, whether a different state agency should administer  
2 the health care coverage program or whether the health care coverage program  
3 should be administered by a private nonprofit organization. If the board  
4 recommends that a different state agency administer the health care coverage  
5 program or that the health care coverage program be administered by a private  
6 nonprofit organization, the board shall submit proposed legislation to the  
7 appropriate standing committees under s. 13.172 (3) at the time that the board  
8 submits its report.

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

11 9. Page 1511, line 17: after that line insert:

12 “(1m) 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 (2m) POSITION AUTHORIZATIONS FOR THE DEPARTMENT OF EMPLOYEE TRUST FUNDS.  
23 The authorized FTE positions for the department of employee trust funds are  
24 increased by 3.5 GPR positions on the effective date of this subsection, to be funded

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

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

6 “(1n) 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 2007.”

11

(END)

DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBb0944/1dm  
RAC:wlijjf

2dm

June 27, 1999

We will need to know what dollar amounts, if any, need to be inserted in the ch. 20 schedule for the private employers health care coverage plan.

Richard A. Champagne  
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This <sup>inserts</sup> ~~inserts~~ dollar amounts provided  
by the LFB



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0944/2  
RAC&PJK:wlj:jf

SDC:.....Walter - Caucus #4205, Private employer health care coverage  
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, 2005, 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; start-up costs   GPR     A           166,700     203,900

8           (g) Private employer health care  
9 coverage program                           PR     C           -0-           -0-”.

10          **5.** Page 389, line 24: after that line insert:

11          “**SECTION 591gb.** 20.515 (2) (title) of the statutes is created to read:

12          20.515 (2) (title) PRIVATE EMPLOYER HEALTH CARE COVERAGE PROGRAM.

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

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

16          20.515 (2) (a) *Private employer health care coverage program; start-up costs.*  
17 Biennially, the amounts in the schedule for the start-up costs for designing,  
18 establishing and administering the private employer health care coverage program  
19 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 591gx.** 20.515 (2) (g) of the statutes is created to read:

23          20.515 (2) (g) *Private employer health care coverage program.* All moneys  
24 received under subch. X of ch. 40 from employers who elect to participate in the

1 private employer health care coverage program under subch. X of ch. 40, for the costs  
2 of designing, marketing and contracting for or providing administrative services for  
3 the program.

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

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

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

8 40.02 (26) (intro.) “Employee” means any person who receives earnings as  
9 payment for personal services rendered for the benefit of any employer including  
10 officers of the employer, except as provided in subch. X. An employe is deemed to  
11 have separated from the service of an employer at the end of the day on which the  
12 employe last performed services for the employer, or, if later, the day on which the  
13 employe–employer relationship is terminated because of the expiration or  
14 termination of leave without pay, sick leave, vacation or other leave of absence. A  
15 person shall not be considered an employe if a person:

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

18 40.02 (26) (intro.) “Employee” means any person who receives earnings as  
19 payment for personal services rendered for the benefit of any employer including  
20 officers of the employer, ~~except as provided in subch. X.~~ An employe is deemed to  
21 have separated from the service of an employer at the end of the day on which the  
22 employe last performed services for the employer, or, if later, the day on which the  
23 employe–employer relationship is terminated because of the expiration or

1 termination of leave without pay, sick leave, vacation or other leave of absence. A  
2 person shall not be considered an employe if a person.”.

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

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

5 40.02 (28) “Employer” means the state, including each state agency, any  
6 county, city, village, town, school district, other governmental unit or  
7 instrumentality of 2 or more units of government now existing or hereafter created  
8 within the state and any federated public library system established under s. 43.19  
9 whose territory lies within a single county with a population of 500,000 or more, a  
10 local exposition district created under subch. II. of ch. 229 and a family care district  
11 created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3), or a  
12 local exposition district created under subch. II of ch. 229 and subch. X. Each  
13 employer shall be a separate legal jurisdiction for OASDHI purposes.

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

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



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

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

4                               **CHAPTER 40**

5                               **SUBCHAPTER X**

6                               **PRIVATE EMPLOYER HEALTH**

7                               **CARE COVERAGE**

8           **40.98 Health care coverage. (1)** In this subchapter:

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

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

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

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

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

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

7           (d) "Employer" means any person doing business or operating an organization  
8 in this state and employing at least 2 employes, except that for a person operating  
9 a farm business the person must employ at least one employe. "Employer" does not  
10 include an employer as defined in s. 40.02 (28).

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

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

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

1 in s. 632.745 (9). Before the health care coverage program may be implemented, the  
2 board must approve the plan.

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

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

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

12 (d) The department shall charge employers who participate in the health care  
13 coverage program a fee to cover the department's cost in designing, establishing and  
14 administering the health care coverage program. 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 under the health care  
17 coverage program to an employer or enroll any employee in the health care coverage  
18 program, but the department may publicize the availability of the health care  
19 coverage program for employers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23          (b) No later than January 1, 2005, the board shall submit a report to the  
24 appropriate standing committees under s. 13.172 (3) and to the governor that offers  
25 recommendations as to whether the department should continue to administer the

1 health care coverage program, whether a different state agency should administer  
2 the health care coverage program or whether the health care coverage program  
3 should be administered by a private nonprofit organization. If the board  
4 recommends that a different state agency administer the health care coverage  
5 program or that the health care coverage program be administered by a private  
6 nonprofit organization, the board shall submit proposed legislation to the  
7 appropriate standing committees under s. 13.172 (3) at the time that the board  
8 submits its report.

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

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

12 “(1m) 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 (2m) POSITION AUTHORIZATIONS FOR THE DEPARTMENT OF EMPLOYEE TRUST FUNDS.  
23 The authorized FTE positions for the department of employee trust funds are  
24 increased by 3.5 GPR positions on the effective date of this subsection, to be funded

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

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

6 “(1n) 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 2007.”.

11 (END)

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

LRBb0944/2dn  
RAC:wlj:jf

June 29, 1999

This inserts dollar amounts provided by the LFB.

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