

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **09/29/1999**

Received By: **kahlepj**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau 6-3847**

By/Representing: **Zabawa (CM)**

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

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Insurance - health**

Extra Copies:

Pre Topic:

LFB:.....Zabawa (CM) -

Topic:

Point-of-service coverage option

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>
/?	kahlepj 09/30/1999	chanaman 09/30/1999		_____ _____			
/1			jfrantze 10/01/1999	_____ _____	lrb_docadmin 10/01/1999		
/2	kahlepj 10/01/1999	wjackson 10/01/1999	jfrantze 10/01/1999	_____ _____	lrb_docadmin 10/01/1999		

FE Sent For:

<END>

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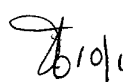
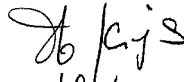
Instructions:

See Attached

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FE Sent For:



 10/1
 <END>

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Subject: Insurance - health

Extra Copies:

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LFB:.....Zabawa (CM) -

Topic:

Point-of-service coverage option

Instructions:

See Attached

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<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj	cmr /	g 9/30	b km 9/30			
FE Sent For:		a/30					
		/i 10/1 WJ					

<END>



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

Date: 9/29/99

DELIVER TO: Ms. Pam Kahler

Addressee Fax #: 6-5648 Addressee Phone #: _____

of Pages, Including Cover: five Sender's Initials: CM

From: Charles Morgan

Message:

Conferee's Compromise on Point-
of-Service.

Point-of-Service Alternative

The attached draft attempts to address the following problems identified in the Senate Democratic Caucus Amendment:

State Employee Costs

The added language in the amendment appears to be geared at making state employees bear all the costs of a POS plan. One problem is that there are additional costs, like claims processing and other administrative costs that are not tied to premiums or coinsurance and deductibles. Initially, these costs would be very difficult to quantify, leaving the plans, and ultimately, the state for state employees, picking up the cost by simply raising premiums for everyone to cover an unknown cost. Since it is unclear as to what was intended by the additional language, it is difficult to determine the impact on state employee plan costs.

Description of Point-of-Service Option

There would be significant administrative problems with the definition of point-of-service in the amendment since it does not clearly define an Insurance product, like 609.01 does for a "managed care plan" or "preferred provider plan". It is also not clear what a POS option is or how it has to be offered. Additionally, under current state law, co-op plans would have to partner with another insurer to meet any requirement that a POS option must be offered.

Identifying Costs Enrollees Must Bear

Under current law, a provider can bill any amount for out-of-network service. POS plans make the enrollee bear a contractually agreed to percentage of the cost of non-network services. Under this amendment, if POS was mandated, providers could simply raise their charges, leaving both the enrollee and health plan holding the cost. If providers were limited to Usual, Customary & Reasonable charges (UCR), health plans would have greater administrative expenses in collecting UCR data and making the determination. Some of the larger plans, like Compcare, have this ability because they, or an affiliated company, also offer indemnity products. Smaller plans, like GHC-Eau Claire, do not have this capacity. Even if plans can identify and limit their provider reimbursement to UCR, the enrollee is still obligated to absorb the difference between the UCR and what the provider charges and providers would still be free to charge whatever they wish.

In addition, the amendment makes the enrollee responsible for all the costs associated with POS. This is interpreted as anyone other than the enrollee is barred from paying any part of the cost of a POS. That is in direct conflict to what is happening in the insurance market right now, especially in Milwaukee.

Rate-Setting Review

The amendment requires the Commissioner of Insurance to enter into rate setting, an administratively costly place to be. The suggested remedy of replacing the word "commissioner" with "managed care plan" does not fix the problem either. Since OCI is responsible for enforcing Ch. 609, any dispute between an enrollee or employer and the health plan would come to the department for resolution whether the Commissioner is listed in the statute or not.

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

1. Page 535, line 6: after that line insert:

"SECTION 940d. 40.05(4) (ag)2. of the statutes is amended to read:

40.05(4)(ag)2. For eligible employees not specified in subd. I., 80% of the gross premium for the standard health insurance plan offered to state employees by the group insurance board or 105% of the gross premium, excluding any premium cost related to point-of-service coverage required to be offered under s. 609.22, of the alternative qualifying plan offered under s. 40.08 (6) that is the least costly qualifying plan within the county in which the alternate plan is located, whichever is lower, but not more than the total amount of the premium. Employer contributions for employees who select the standard plan shall be based on their county of residence. Qualifying health insurance plans shall be determined in accordance with standards established by the group insurance board."

2. Page 1093, line 2: after that line insert;

"SECTION 2037c. 111.91 (2)(r) of the statutes is created to read:

111.91 (2) (r) The requirements related to offering point-of-service coverage under s. 609.23."

3. Page 1404, line 15: after that line insert:

"SECTION 3038c. 609.23 of the statutes is created to read:

609.23 Point-of-service coverage option. "(1) 'Point of service coverage' means coverage that permits an insured to obtain benefits for services, items or supplies provided by a non-participating provider which are substantially similar to the benefits available for services, items or supplies provided by participating providers under a health maintenance organization plan, subject to one or all of the following:

or ppo

*plan
a plan of
from a nonpart provider
which are similar*

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(a) Usual and customary limit determination; or

(b) A coinsurance in an amount not greater than the lesser of the following:

1. An additional 20%; or

2. An additional coinsurance percentage which results in a total coinsurance of 30%.

(2) An insurer that offers a health maintenance organization plan to an employer shall also offer point of service coverage to the employer.

insurer

(3) This section does not apply to a health maintenance organization organized under ch. 185 or to an insurer which the commissioner exempts by rule."

(1) In this section, "point of service coverage option" means a health benefit plan coverage option under which all of the following apply:

(a) An insured may obtain health care services from a provider of his or her choice;

(b) A provider selected under par. (a) is not necessarily a participating provider of the health benefit plan or a member of the health benefit plan's network of providers;

(c) The health benefit plan reimburses a provider selected under par. (a) for the cost of services provided to the insured if the provider is appropriately licensed and the services provided are covered under the health benefit plan.

(2)(a) Notwithstanding ss. 609.05 (2) and 628.36 (2)(b)1. and 3., a managed care plan shall offer to its enrollees at least one point-of-service coverage option in each geographic service area of the managed care plan.

(b) An enrollee who selects point of service coverage shall may be responsible for any extra costs associated with the coverage, including additional administrative costs and provider fees. Nothing in this section is intended to require a managed care plan to incur any additional costs resulting from the selection by an enrollee of point of service coverage.

02/28/1995 01:23

6082655067

SEN CHVALA

PAGE 08

~~(e) The commissioner shall ensure that premium rates, payments, deductibles or any other cost sharing provisions related to point of service coverage are based on sound actuarial principles and supported by reliable data or actual or reasonably anticipated experience."~~

4. Page 1592, line 23: After that line insert:

"(3x) POINT-OF-SERVICE COVERAGE. The treatment of sections 40.05 (4)(ag)2., 111.91(2)(r) and 609.23 of the statutes first applies to all of the following:

(a) Except as provided in paragraph (b), managed care plans that are issued or renewed on the effective date of this paragraph.

(b) Managed care plans covering employees who are affected by a collective bargaining agreement containing provisions inconsistent with sections 40.05(4)(ag)2., 111.91(2)(r), and 609.23 of the statutes that are issued or renewed on the earlier of the following:

1. The day on which the collective bargaining agreement expires
2. The day on which the collective bargaining agreement is extended,

modified or renewed."

5. Page 1610, line 22: after that line insert:

"(3x) POINT-OF-SERVICE COVERAGE. The treatment of sections 40.05(4)(ag)2., 111.91(2)(r), and 609.23 of the statutes and SECTION 9326(3x) of this act take effect on the first day of the 6th month beginning after publication."

609.10(1) add

exp that ~~the~~ HMO or PPO

must also offer "POS"

cov. option

(as part of HMO or PPO)



in OCI wordings \Rightarrow require OCI to submit proposed rules relating to POS cov

1st day of 12th month

require rules administering

609.10 (title) ✓

RA(1)(a) \rightarrow (1)(am) ✓

CR (1)(ac) ✓

AM (1)(b) ✓

AM (1)(c) ✓

AM (2) ✓

CR (6) rules ✓

AM 609.20 (3) + (4) ✓

the rest of 609.10

~~is~~ is supposed

to apply to p-o-s coverage



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1869/

PK+RAC/cm 4

LFB:.....Zabawa (CM) – Point-of-service coverage option

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

*today
(Thurs)
D-note*

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

2 *~~~~~* (END)





State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1073/1
PJK&RAC:kmg:ijs

SDC:.....Walter - Caucus #2760, Require point-of-service coverage option
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 535, line 6: after that line insert:

3 **"SECTION 940d.** 40.05 (4) (ag) 2. of the statutes is amended to read:

4 40.05 (4) (ag) 2. For eligible employes not specified in subd. 1., 90% of the gross
5 premium for the standard health insurance plan offered to state employes by the
6 group insurance board or 105% of the gross premium, ~~excluding any premium cost~~
7 ~~related to point-of-service coverage required to be offered under s. 609.23, of the~~
8 ~~alternative qualifying plan offered under s. 40.03 (6) that is the least costly~~
9 ~~qualifying plan within the county in which the alternate plan is located, whichever~~
10 ~~is lower, but not more than the total amount of the premium. Employer contributions~~

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1869/ins
PJK.....

INSERT 1-2

1 ✓
 ✓
"SECTION 940d. 40.05 (4) (ag) 2. of the statutes is amended to read:

2 40.05 (4) (ag) 2. For eligible employes not specified in subd. 1., 90% of the gross
3 premium for the standard health insurance plan offered to state employes by the
4 group insurance board or 105% of the gross premium, excluding any premium cost
5 related to the point-of-service plan required to be offered under s. 609.10, of the
6 alternative qualifying plan offered under s. 40.03 (6) that is the least costly
7 qualifying plan within the county in which the alternate plan is located, whichever
8 is lower, but not more than the total amount of the premium. Employer contributions
9 for employes who select the standard plan shall be based on their county of residence.
10 Qualifying health insurance plans shall be determined in accordance with standards
11 established by the group insurance board."

12 #1. Page 1093, line 2: after that line insert:

13 ✓
 ✓
"SECTION 2037c. 111.91 (2) (r) of the statutes is created to read:

14 111.91 (2) (r) The requirements under s. 609.10 related to offering a
15 point-of-service plan."

16 #2. Page 1404, line 15: after that line insert:


17 ✓
 ✓
"SECTION 3036c. 609.10 (title) of the statutes is amended to read:

18 609.10 (title) **Standard plan and point-of-service plan required.**

19 History: 1985 a. 29; 1997 a. 237.

19 ✓
"SECTION 3036d. 609.10 (1) (a) of the statutes is renumbered 609.10 (1) (am) and
20 amended to read:

21 609.10 (1) (am) Except as provided in subs. (2) to (4), an employer that offers
22 any of its employes a health maintenance organization or a preferred provider plan
23 that provides comprehensive health care services shall also offer the employes a



1 standard plan, ~~as provided in pars. (b) and (c)~~, that provides at least substantially
2 equivalent coverage of health care expenses and a point-of-service plan, as provided
3 in pars. (b) and (c).

4 History: 1985 a. 29; 1997 a. 237.

SECTION 3036e. 609.10 (1) (ac) of the statutes is created to read:

5 609.10 (1) (ac) In this section:

6 1. "Point-of-service plan" means a health care plan that permits an enrollee
7 of a health maintenance organization or preferred provider plan to obtain treatment
8 from a nonparticipating provider of the health maintenance organization or
9 preferred provider plan that is similar to treatment provided by participating
10 providers of the health maintenance organization or preferred provider plan.

11 2. "Treatment" means a medical service, diagnosis, procedure, therapy, drug or
12 device.

13 **SECTION 3036f.** 609.10 (1) (b) of the statutes is amended to read:

14 609.10 (1) (b) At least once annually, the employer shall provide the employes
15 the opportunity to enroll in the health care plans under par. (a) (am).

16 History: 1985 a. 29; 1997 a. 237.

SECTION 3036g. 609.10 (1) (c) of the statutes is amended to read:

17 609.10 (1) (c) The employer shall provide the employes adequate notice of the
18 opportunity to enroll in the health care plans under par. (a) (am) and shall provide
19 the employes complete and understandable information concerning the differences
20 between among the health maintenance organization or preferred provider plan and,
21 the standard plan and the point-of-service plan.

22 History: 1985 a. 29; 1997 a. 237.

SECTION 3036h. 609.10 (2) of the statutes is amended to read:

23 609.10 (2) If, after providing an opportunity to enroll under sub. (1) (b) and the
24 notice and information under sub. (1) (c), fewer than 25 employes indicate that they

1 wish to enroll in either the standard plan or the point-of-service plan under sub. (1)
 2 (a) (am), the employer need not offer ~~the standard~~ that plan on that occasion.

History: 1985 a. 29; 1997 a. 237.

3 **SECTION 3036k.** 609.10 (6) of the statutes is created to read:

4 609.10 (6) The commissioner shall promulgate rules necessary for the
 5 administration of the requirement to offer point-of-service plans under sub. (1)
 6 (am).

7 **SECTION 3036n.** 609.20 (3) of the statutes is amended to read:

8 609.20 (3) To define substantially equivalent coverage of health care expenses
 9 for purposes of s. 609.10 (1) (a) (am).

History: 1985 a. 29; 1997 a. 237.

10 **SECTION 3036p.** 609.20 (4) of the statutes is amended to read:

11 609.20 (4) To ensure that employes offered a health maintenance organization
 12 or a preferred provider plan that provides comprehensive services under s. 609.10
 13 (1) (am) are given adequate notice of the opportunity to enroll, as well as complete
 14 and understandable information under s. 609.10 (1) (c) concerning the differences
 15 between among the health maintenance organization or preferred provider plan and,
 16 the standard plan and the point-of-service plan, including differences between
 17 among providers available and differences resulting from special limitations or
 18 requirements imposed by an institutional provider because of its affiliation with a
 19 religious organization.”.

History: 1985 a. 29; 1997 a. 237.

20 **3.** Page 1526, line 15: after that line insert:

21 **“(3a) RULES ON POINT-OF-SERVICE PLANS.** The commissioner of insurance shall
 22 submit in proposed form the rules required under section 609.10 (6) of the statutes,
 23 as created by this act, to the legislative council staff under section 227.15 (1) of the

nonnotata

4g ← letter "g"



1 of the statutes, as created by this act, to the legislative council staff under section
2 227.15 (1) of the statutes no later than the first day of the 12th month beginning after
3 the effective date of this subsection.”.

(END OF INSERT 1-2)



1 (b) An enrollee who selects point-of-service coverage shall be responsible for
 2 any extra costs associated with the coverage, including additional administrative
 3 costs and provider fees. Nothing in this section is intended to require a managed care
 4 plan to incur any additional costs resulting from the selection by an enrollee of
 5 point-of-service coverage.

6 (c) The commissioner shall ensure that premium rates, copayments,
 7 deductibles or any other cost-sharing provisions related to point-of-service
 8 coverage are based on sound actuarial principles and supported by reliable data or
 9 actual or reasonably anticipated experience." (CS)

Health maintenance organizations and preferred provider

Initial App.

10 4. Page 1592, line 23: after that line insert:
 11 "8a) POINT-OF-SERVICE ~~coverage~~ PLANS The treatment of sections 40.05 (4) (ag) 2.,

12 111.91 (2) (r) and ~~609.10~~ of the statutes first applies to all of the following:

13 (a) Except as provided in paragraph (b), ~~managed care~~ plans that are issued
 14 or renewed on the effective date of this paragraph.

15 (b) ~~Managed care~~ plans covering employees who are affected by a collective
 16 bargaining agreement containing provisions inconsistent with sections 40.05 (4) (ag)
 17 2., 111.91 (2) (r) and ~~609.10~~ of the statutes that are issued or renewed on the earlier
 18 of the following:

- 19 1. The day on which the collective bargaining agreement expires.
- 20 2. The day on which the collective bargaining agreement is extended, modified
- 21 or renewed."

22 5. Page 1610, line 22: after that line insert:

609.10 (title), (1) (a), (ac), (b) and (c), (2) and
 (b) and 609.20 (3) and (4)

Health maintenance organizations and preferred provider

letter "g"

CS 4 -

PLANS

1

~~(3)~~ POINT-OF-SERVICE ~~coverage~~ The treatment of sections 40.05 (4) (ag) 2.,

2

111.91 (2) (r) and ~~609.10~~ of the statutes and SECTION 9326 (3) of this act take effect

3

on the first day of the ~~6th~~ ^{18th} month beginning after publication.".

4

(END)

609.10 (title), (1)(a), (ac), (b) and (c) and (2)
and 609.20 (3) and (4)

J-note

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

LRBb1869¹/dn

PJK.....

cmh

DATE

Barbara:

I defined "point-of-service plan" as a "health care plan", rather than as a "plan of coverage" because of all the references to "health care plans under par. (a)" in s. 609.10. "Health care plan" has a pretty general, innocuous meaning in s. 628.36 (2) (a) 1., so it should not be a problem.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us

Kahler, Pam

From: Pirlot, R.J.
Sent: Thursday, September 30, 1999 4:08 PM
To: Kahler, Pam
Subject: FW:

Pam,

The large, red language below we'd like to have added to the point of service proposal. Please substitute this definition for what we had worked out with Gordon Anderson. Please add the language under "3m."

R.J. Pirlot
Policy Director and Senior Legal Counsel
Office of Assembly Speaker Scott R. Jensen

Direct: 608-261-9482
Fax: 608-266-5123

-----Original Message-----

From: Pirlot, R.J.
Sent: Thursday, September 30, 1999 2:23 PM
To: Anderson, Gordon
Subject:

(more on def)
appropriate to have certificate
or permit

PROPOSED LANGUAGE

609.01(3t) "Point-of-service option plan" means a managed care plan or preferred provider plan that also permits an enrollee to obtain covered health care services from an appropriately licensed provider who is not participating in the managed care plan or preferred provider plan, on the condition that the plan is required to pay the provider only the amount it would pay a participating provider, and the enrollee is responsible for any additional costs or charges.

609.10 Standard plan and point-of-service option plan required.

(1) (a) Except as provided subs. (2) </cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%282%29&softpage=Document> to (4) </cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%284%29&softpage=Document>, an employer that offers any of its employees a health maintenance organization or a preferred provider plan that provides comprehensive health care services shall also offer the employees a standard plan and point-of-service option plan, as provided in pars. (b) </cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%281%29%28b%29&softpage=Document> and (c) </cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%281%29%28c%29&softpage=Document>, that provides at least substantially equivalent coverage of health care expenses.

(b) At least once annually, the employer shall provide the employees the opportunity to enroll in the health care plans under par. (a) </cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%281%29%28a%29&softpage=Document>.

(c) The employer shall provide the employees adequate notice of the opportunity to enroll in the health care plans under par. (a) </cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%281%29%28a%29&softpage=Document> and shall provide the employees complete and understandable information concerning the differences between the health maintenance organization or preferred provider plan and the standard plan.

(2) If, after providing an opportunity to enroll under sub. (1) (b) [</cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%281%29%28b%29&softpage=Document>](#) and the notice and information under sub. (1) (c) [</cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%281%29%28c%29&softpage=Document>](#), fewer than 25 employes indicate that they wish to enroll in the standard plan or point-of-service option plan sub. (1) (a) [</cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%281%29%28a%29&softpage=Document>](#), the employer need not offer the standard plan or point-of-service option plan on that occasion.

(3) Subsection (1) [</cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%281%29&softpage=Document>](#) does not apply to an employer that employs fewer than 25 full-time employes.

(3m) The requirement in sub. (1) that an employer offer a point-of-service option plan does not apply to any employer that offers its employes health maintenance organization or preferred provider plan coverage only through cooperatives or other insurers that are prohibited [from issuing indemnity coverage].

(4) Nothing in sub. (1) [</cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%281%29&softpage=Document>](#) requires an employer to offer a particular health care plan to an employe if the health care plan determines that the employe does not meet reasonable medical underwriting standards of the health care plan.

(5) The commissioner may establish by rule standards in addition to those established under s. 609.20 [</cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.20&softpage=Document>](#) for what constitutes adequate notice and complete and understandable information under sub. (1) (c) [</cgi-bin/om_isapi.dll?clientID=86643&hitsperheading=on&infobase=stats.nfo&jump=609.10%281%29%28c%29&softpage=Document>](#).

R.J. Pirlot

Policy Director and Senior Legal Counsel
Office of Assembly Speaker Scott R. Jensen

Direct: 608-261-9482
Fax: 608-266-5123



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1869/1
PJK&RAC:cmh:jf
EMLJ

stays

LFB:.....Zabawa (CM) – Point-of-service coverage option

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

Now!
new 0-note

option

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

2 1. Page 535, line 6: after that line insert:

3 "SECTION 940d. 40.05 (4) (ag) 2. of the statutes is amended to read:

4 40.05 (4) (ag) 2. For eligible employes not specified in subd. 1., 90% of the gross

5 premium for the standard health insurance plan offered to state employes by the

6 group insurance board or 105% of the gross premium, excluding any premium cost

7 related to the point-of-service plan required to be offered under s. 609.10, of the

8 alternative qualifying plan offered under s. 40.03 (6) that is the least costly

9 qualifying plan within the county in which the alternate plan is located, whichever

10 is lower, but not more than the total amount of the premium. Employer contributions

1 for employes who select the standard plan shall be based on their county of residence.
2 Qualifying health insurance plans shall be determined in accordance with standards
3 established by the group insurance board.”.

4 **2.** Page 1093, line 2: after that line insert:

5 “SECTION 2037c. 111.91 (2) (r) of the statutes is created to read:

6 111.91 (2) (r) The requirements under s. 609.10 related to offering a
7 point-of-service ~~plan~~. *→ option*

8 **3.** Page 1404, line 15: after that line insert:

9 “SECTION 3036c. 609.10 (title) of the statutes is amended to read:

10 **609.10 (title) Standard plan and point-of-service ~~plan~~ required.** *→ [ⓑ] option*

11 SECTION 3036d. 609.10 (1) (a) of the statutes is renumbered 609.10 (1) (am) and
12 amended to read:

13 609.10 (1) (am) Except as provided in subs. (2) to (4), an employer that offers
14 any of its employes a health maintenance organization or a preferred provider plan
15 that provides comprehensive health care services shall also offer the employes a
16 standard plan, ~~as provided in pars. (b) and (c)~~, that provides at least substantially
17 equivalent coverage of health care expenses ~~and a point-of-service ~~plan~~~~, *→ option* as provided
18 in pars. (b) and (c).

19 SECTION 3036e. 609.10 (1) (ac) of the statutes is created to read:

20 609.10 (1) (ac) In this section:
21 1. “Point-of-service plan” means a health care plan that permits an enrollee
22 of a health maintenance organization or preferred provider plan to obtain treatment
23 from a nonparticipating provider of the health maintenance organization or

Insert 3-4

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preferred provider plan that is similar to treatment provided by participating providers of the health maintenance organization or preferred provider plan.

2. "Treatment" means a medical service, diagnosis, procedure, therapy, drug or device.

SECTION 3036f. 609.10 (1) (b) of the statutes is amended to read:

609.10 (1) (b) At least once annually, the employer shall provide the employees the opportunity to enroll in the health care plans under par. (a) (am).

SECTION 3036g. 609.10 (1) (c) of the statutes is amended to read:

609.10 (1) (c) The employer shall provide the employees adequate notice of the opportunity to enroll in the health care plans under par. (a) (am) and shall provide the employees complete and understandable information concerning the differences between among the health maintenance organization or preferred provider plan and, the standard plan and the point-of-service plan. → option

SECTION 3036h. 609.10 (2) of the statutes is amended to read:

609.10 (2) If, after providing an opportunity to enroll under sub. (1) (b) and the notice and information under sub. (1) (c), fewer than 25 employees indicate that they wish to enroll in either the standard plan or the point-of-service plan under sub. (1) (a) (am), the employer need not offer the standard that plan on that occasion. → option

Insert 3-18

SECTION 3036k. 609.10 (6) of the statutes is created to read:

609.10 (6) The commissioner shall promulgate rules necessary for the administration of the requirement to offer point-of-service plans under sub. (1) (am). → option

SECTION 3036n. 609.20 (3) of the statutes is amended to read:

609.20 (3) To define substantially equivalent coverage of health care expenses for purposes of s. 609.10 (1) (a) (am).

as defined in A. 609.10(1)(ac)

1 SECTION 3036p. 609.20 (4) of the statutes is amended to read:

2 609.20 (4) To ensure that employes offered a health maintenance organization
3 or a preferred provider plan that provides comprehensive services under s. 609.10
4 (1) (a) (am) are given adequate notice of the opportunity to enroll, as well as complete
5 and understandable information under s. 609.10 (1) (c) concerning the differences
6 between among the health maintenance organization or preferred provider plan and,
7 the standard plan and the ~~point-of-service~~ ^{option} plan, including differences between
8 among providers available and differences resulting from special limitations or
9 requirements imposed by an institutional provider because of its affiliation with a
10 religious organization.”

11 4. Page 1526, line 15: after that line insert:

^{CS} OPTION

12 “(4g) RULES ON POINT-OF-SERVICE PLANS. The commissioner of insurance shall
13 submit in proposed form the rules required under section 609.10 (6) of the statutes,
14 as created by this act, to the legislative council staff under section 227.15 (1) of the
15 statutes no later than the first day of the 12th month beginning after the effective
16 date of this subsection.”

17 5. Page 1592, line 23: after that line insert:

^{CS} OPTION

18 “(4g) POINT-OF-SERVICE PLANS. The treatment of sections 40.05 (4) (ag) 2., 111.91
19 (2) (r) and 609.10 (title), (1) (a), (ac), (b) and (c), (2) and (6) and 609.20 (3) and (4) of
20 the statutes first ~~applies~~ ^{apply} to all of the following:

21 (a) Except as provided in paragraph (b), health maintenance organizations and
22 preferred provider plans that are issued or renewed on the effective date of this
23 paragraph.

Insert 4-20

the renumbering and amendment of section 609.10 (3) of the statutes and the creation of section 609.10 (3)(b) of the statutes

1 (b) Health maintenance organizations and preferred provider plans covering
 2 employes who are affected by a collective bargaining agreement containing
 3 provisions inconsistent with sections 40.05 (4) (ag) 2., 111.91 (2) (r) and 609.10 (title),
 4 (1) (a), (ac), (b) and (c), (2) and (6) and 609.20 (3) and (4) of the statutes that are issued
 5 or renewed on the earlier of the following:

- 6 1. The day on which the collective bargaining agreement expires.
- 7 2. The day on which the collective bargaining agreement is extended, modified
- 8 or renewed.”.

9 **6.** Page 1610, line 22: after that line insert:

CS
OPTION

10 “(4g) POINT-OF-SERVICE PLANS. The treatment of sections 40.05 (4) (ag) 2., 111.91
 11 (2) (r) and 609.10 (title), (1) (a), (ac), (b) and (c) and (2) and 609.20 (3) and (4) of the
 12 statutes and SECTION 9326 (4g) of this act take effect on the first day of the 18th month
 13 beginning after publication.”.

14 (END)

insert 4-20 ✓

*new
 D-note*

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1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1869/lins
PJK&RAC:cmh:jf

INSERT ~~2-8~~ 3-4

1 609.10 (1) (ac) "Point-of-service option plan" means a health maintenance
2 organization or preferred provider plan that permits an enrollee to obtain covered
3 health care services from a provider that is not a participating provider of the health
4 maintenance organization or preferred provider plan under all of the following
5 conditions:

6 1. The nonparticipating provider holds a license, certificate, registration or
7 permit that authorizes or qualifies the provider to provide the ~~health care~~ health care
8 services.

9 2. The health maintenance organization or preferred provider plan is required
10 to pay the nonparticipating provider only the amount that the health maintenance
11 organization or preferred provider plan would pay a participating provider for those
12 health care services.

13 3. The enrollee is responsible for any additional costs or charges related to the
14 coverage.

(END OF INSERT 2-8)

INSERT 3-18

15 **SECTION 3036i.** 609.10 (3) of the statutes is renumbered 609.10 (3) (intro.) and
16 amended to read:

17 609.10 (3) (intro.) Subsection (1) does not apply to an employer that employs
18 does any of the following:

19 (a) Employs fewer than 25 full-time employees.

History: 1985 a. 29; 1997 a. 237.

20 **SECTION 3036j.** 609.10 (3) (b) of the statutes is created to read:

1 609.10 (3) (b) Offers its employes a health maintenance organization or a
2 preferred provider plan only through an insurer that is a cooperative association
3 organized under ss. 185.981 to 185.985[✓] or only through an insurer that is restricted
4 under s. 609.03 (3).[✓]

(END OF INSERT 3-18)

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

LRBb1869/1dn
PJK&RAC:pjh:jf

WJ

Barbara:

Please get a copy to R.J. Thanks.

Pamela J. Kahler
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Phone: (608) 266-2682
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb1869/1dn
PJK&RAC:wlj:jf

October 1, 1999

Barbara:

Please get a copy to R.J. Thanks.

Pamela J. Kahler
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State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1869/2
PJK&RAC:wlj:jf

Y mis run

LFB:.....Zabawa (CM) - Point-of-service coverage option

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

*Today
(Fri)
D note*

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 1. Page 535, line 6: after that line insert:
- 3 "SECTION 940d. 40.05 (4) (ag) 2. of the statutes is amended to read:
- 4 40.05 (4) (ag) 2. For eligible employes not specified in subd. 1., 90% of the gross
- 5 premium for the standard health insurance plan offered to state employes by the
- 6 group insurance board or 105% of the gross premium, excluding any premium cost
- 7 related to the point-of-service option plan required to be offered under s. 609.10, of
- 8 the alternative qualifying plan offered under s. 40.03 (6) that is the least costly
- 9 qualifying plan within the county in which the alternate plan is located, whichever
- 10 is lower, but not more than the total amount of the premium. Employer contributions

1 for employes who select the standard plan shall be based on their county of residence.
2 Qualifying health insurance plans shall be determined in accordance with standards
3 established by the group insurance board.”

4 **2.** Page 1093, line 2: after that line insert:

5 “SECTION 2037c. 111.91 (2) (r) of the statutes is created to read:

6 111.91 (2) (r) The requirements under s. 609.10 related to offering a
7 point-of-service option plan.”

8 **3.** Page 1404, line 15: after that line insert:

9 “SECTION 3036c. 609.10 (title) of the statutes is amended to read:

10 **609.10 (title) Standard plan and point-of-service option plan required.**

11 SECTION 3036d. 609.10 (1) (a) of the statutes is renumbered 609.10 (1) (am) and
12 amended to read:

13 609.10 (1) (am) Except as provided in subs. (2) to (4), an employer that offers
14 any of its employes a health maintenance organization or a preferred provider plan
15 that provides comprehensive health care services shall also offer the employes a
16 standard plan, ~~as provided in pars. (b) and (c),~~ that provides at least substantially
17 equivalent coverage of health care expenses and a point-of-service option plan, as
18 provided in pars. (b) and (c).

19 SECTION 3036e. 609.10 (1) (ac) of the statutes is created to read:

20 609.10 (1) (ac) ~~“Point-of-service option plan”~~ means a health maintenance
21 organization or preferred provider plan that permits an enrollee to obtain covered
22 health care services from a provider that is not a participating provider of the health
23 maintenance organization or preferred provider plan under all of the following
24 conditions:

In this section,

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1. The nonparticipating provider holds a license ^{or certificate} ~~registration of~~
~~license~~ that authorizes or qualifies the provider to provide the health care services.

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2. The health maintenance organization or preferred provider plan is required to pay the nonparticipating provider only the amount that the health maintenance organization or preferred provider plan would pay a participating provider for those health care services.

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3. The enrollee is responsible for any additional costs or charges related to the coverage.

9

SECTION 3036f. 609.10 (1) (b) of the statutes is amended to read:

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11

609.10 (1) (b) At least once annually, the employer shall provide the employees the opportunity to enroll in the health care plans under par. (a) (am).

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SECTION 3036g. 609.10 (1) (c) of the statutes is amended to read:

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609.10 (1) (c) The employer shall provide the employees adequate notice of the opportunity to enroll in the health care plans under par. (a) (am) and shall provide the employees complete and understandable information concerning the differences between among the health maintenance organization or preferred provider plan and the standard plan and the point-of-service option plan.

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SECTION 3036h. 609.10 (2) of the statutes is amended to read:

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609.10 (2) If, after providing an opportunity to enroll under sub. (1) (b) and the notice and information under sub. (1) (c), fewer than 25 employees indicate that they wish to enroll in either the standard plan or the point-of-service option plan under sub. (1) ~~(a)~~ (am), the employer need not offer ~~the standard that~~ plan on that occasion.

23

SECTION 3036i. 609.10 (3) of the statutes is renumbered 609.10 (3) (intro.) and

24

amended to read:

1 609.10 (3) (intro.) Subsection (1) does not apply to an employer that employs
2 does any of the following:

3 (a) Employs fewer than 25 full-time employees.

4 **SECTION 3036j.** 609.10 (3) (b) of the statutes is created to read:

5 609.10 (3) (b) Offers its employes a health maintenance organization or a
6 preferred provider plan only through an insurer that is a cooperative association
7 organized under ss. 185.981 to 185.985 or only through an insurer that is restricted
8 under s. 609.03 (3).

9 **SECTION 3036k.** 609.10 (6) of the statutes is created to read:

10 609.10 (6) The commissioner shall promulgate rules necessary for the
11 administration of the requirement to offer point-of-service option plans under sub.
12 (1) (am).

13 **SECTION 3036n.** 609.20 (3) of the statutes is amended to read:

14 609.20 (3) To define substantially equivalent coverage of health care expenses
15 for purposes of s. 609.10 (1) ~~(a)~~ (am).

16 **SECTION 3036p.** 609.20 (4) of the statutes is amended to read:

17 609.20 (4) To ensure that employes offered a health maintenance organization
18 or a preferred provider plan that provides comprehensive services under s. 609.10
19 (1) ~~(a)~~ (am) are given adequate notice of the opportunity to enroll, as well as complete
20 and understandable information under s. 609.10 (1) (c) concerning the differences
21 between among the health maintenance organization or preferred provider plan and,
22 the standard plan and the point-of-service option plan, as defined in s. 609.10 (1)
23 (ac), including differences between among providers available and differences
24 resulting from special limitations or requirements imposed by an institutional
25 provider because of its affiliation with a religious organization.”.

1 2. The day on which the collective bargaining agreement is extended, modified
2 or renewed.”

3 **6.** Page 1610, line 22: after that line insert:

4 “(4g) POINT-OF-SERVICE OPTION PLANS. The treatment of sections 40.05 (4) (ag)
5 2., 111.91 (2) (r) and 609.10 (title), (1) (a), (ac), (b) and (c) and (2) and 609.20 (3) and
6 (4) of the statutes, the renumbering and amendment of section 609.10 (3) of the
7 statutes and the creation of section 609.10 (3) (b) of the statutes and SECTION 9326
8 (4g) of this act take effect on the first day of the 18th month beginning after
9 publication.”

10

(END)

D-note

Barbara:

If This redraft makes a purely
technical change to the format of s. 609.10
(1)(ac) ^(intro.) and limits the possible “credentials”
to licenses and certificates in s. 609.10 (1)(ac) 1.

PJK

1 **4.** Page 1526, line 15: after that line insert:

2 “(4g) ~~RULES ON POINT-OF-SERVICE OPTION PLANS.~~ The commissioner of insurance
3 shall submit in proposed form the rules required under section 609.10 (6) of the
4 statutes, as created by this act, to the legislative council staff under section 227.15
5 (1) of the statutes no later than the first day of the 12th month beginning after the
6 effective date of this subsection.”.

7 **5.** Page 1592, line 23: after that line insert:

8 “(4g) ~~POINT-OF-SERVICE OPTION PLANS.~~ The treatment of sections 40.05 (4) (ag)
9 2., 111.91 (2) (r) and 609.10 (title), (1) (a), (ac), (b) and (c), (2) and (6) and 609.20 (3)
10 and (4) of the statutes, the renumbering and amendment of section 609.10 (3) of the
11 statutes and the creation of section 609.10 (3) (b) of the statutes first apply to all of
12 the following:

13 (a) Except as provided in paragraph (b), health maintenance organizations and
14 preferred provider plans that are issued or renewed on the effective date of this
15 paragraph.

16 (b) Health maintenance organizations and preferred provider plans covering
17 employees who are affected by a collective bargaining agreement containing
18 provisions inconsistent with the treatment of sections 40.05 (4) (ag) 2., 111.91 (2) (r)
19 and 609.10 (title), (1) (a), (ac), (b) and (c), (2) and (6) and 609.20 (3) and (4) of the
20 statutes, the renumbering and amendment of section 609.10 (3) of the statutes and
21 the creation of section 609.10 (3) (b) of the statutes that are issued or renewed on the
22 earlier of the following:

23 1. The day on which the collective bargaining agreement expires.

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

LRBb1869/2dn
PJK:wlj:jf

October 1, 1999

Barbara:

This redraft makes a purely technical change to the format of s. 609.10 (1) (ac) (intro.) and limits the possible "credentials" to licenses and certificates in s. 609.10 (1) (ac) 1.

Pamela J. Kahler
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State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1869/2
PJK&RAC:wlj:jf

LFB:.....Zabawa (CM) – Point-of-service coverage option

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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 535, line 6: after that line insert:

3 “SECTION 940d. 40.05 (4) (ag) 2. of the statutes is amended to read:

4 40.05 (4) (ag) 2. For eligible employees not specified in subd. 1., 90% of the gross
5 premium for the standard health insurance plan offered to state employees by the
6 group insurance board or 105% of the gross premium, excluding any premium cost
7 related to the point-of-service option plan required to be offered under s. 609.10, of
8 the alternative qualifying plan offered under s. 40.03 (6) that is the least costly
9 qualifying plan within the county in which the alternate plan is located, whichever
10 is lower, but not more than the total amount of the premium. Employer contributions

1 for employes who select the standard plan shall be based on their county of residence.
2 Qualifying health insurance plans shall be determined in accordance with standards
3 established by the group insurance board.”.

4 **2.** Page 1093, line 2: after that line insert:

5 **“SECTION 2037c.** 111.91 (2) (r) of the statutes is created to read:

6 111.91 (2) (r) The requirements under s. 609.10 related to offering a
7 point-of-service option plan.”.

8 **3.** Page 1404, line 15: after that line insert:

9 **“SECTION 3036c.** 609.10 (title) of the statutes is amended to read:

10 **609.10 (title) Standard plan and point-of-service option plan required.**

11 **SECTION 3036d.** 609.10 (1) (a) of the statutes is renumbered 609.10 (1) (am) and
12 amended to read:

13 609.10 (1) (am) Except as provided in subs. (2) to (4), an employer that offers
14 any of its employes a health maintenance organization or a preferred provider plan
15 that provides comprehensive health care services shall also offer the employes a
16 standard plan, ~~as provided in pars. (b) and (e),~~ that provides at least substantially
17 equivalent coverage of health care expenses and a point-of-service option plan, as
18 provided in pars. (b) and (c).

19 **SECTION 3036e.** 609.10 (1) (ac) of the statutes is created to read:

20 609.10 (1) (ac) In this section, “point-of-service option plan” means a health
21 maintenance organization or preferred provider plan that permits an enrollee to
22 obtain covered health care services from a provider that is not a participating
23 provider of the health maintenance organization or preferred provider plan under all
24 of the following conditions:

1 1. The nonparticipating provider holds a license or certificate that authorizes
2 or qualifies the provider to provide the health care services.

3 2. The health maintenance organization or preferred provider plan is required
4 to pay the nonparticipating provider only the amount that the health maintenance
5 organization or preferred provider plan would pay a participating provider for those
6 health care services.

7 3. The enrollee is responsible for any additional costs or charges related to the
8 coverage.

9 **SECTION 3036f.** 609.10 (1) (b) of the statutes is amended to read:

10 609.10 (1) (b) At least once annually, the employer shall provide the employes
11 the opportunity to enroll in the health care plans under par. ~~(a)~~ (am).

12 **SECTION 3036g.** 609.10 (1) (c) of the statutes is amended to read:

13 609.10 (1) (c) The employer shall provide the employes adequate notice of the
14 opportunity to enroll in the health care plans under par. ~~(a)~~ (am) and shall provide
15 the employes complete and understandable information concerning the differences
16 ~~between~~ among the health maintenance organization or preferred provider plan ~~and,~~
17 the standard plan and the point-of-service option plan.

18 **SECTION 3036h.** 609.10 (2) of the statutes is amended to read:

19 609.10 (2) If, after providing an opportunity to enroll under sub. (1) (b) and the
20 notice and information under sub. (1) (c), fewer than 25 employes indicate that they
21 wish to enroll in either the standard plan or the point-of-service option plan under
22 sub. (1) ~~(a)~~ (am), the employer need not offer ~~the standard that~~ plan on that occasion.

23 **SECTION 3036i.** 609.10 (3) of the statutes is renumbered 609.10 (3) (intro.) and
24 amended to read:

1 609.10 (3) (intro.) Subsection (1) does not apply to an employer that employs
2 does any of the following:

3 (a) Employs fewer than 25 full-time employees.

4 **SECTION 3036j.** 609.10 (3) (b) of the statutes is created to read:

5 609.10 (3) (b) Offers its employees a health maintenance organization or a
6 preferred provider plan only through an insurer that is a cooperative association
7 organized under ss. 185.981 to 185.985 or only through an insurer that is restricted
8 under s. 609.03 (3).

9 **SECTION 3036k.** 609.10 (6) of the statutes is created to read:

10 609.10 (6) The commissioner shall promulgate rules necessary for the
11 administration of the requirement to offer point-of-service option plans under sub.
12 (1) (am).

13 **SECTION 3036n.** 609.20 (3) of the statutes is amended to read:

14 609.20 (3) To define substantially equivalent coverage of health care expenses
15 for purposes of s. 609.10 (1) (a) (am).

16 **SECTION 3036p.** 609.20 (4) of the statutes is amended to read:

17 609.20 (4) To ensure that employees offered a health maintenance organization
18 or a preferred provider plan that provides comprehensive services under s. 609.10
19 (1) (a) (am) are given adequate notice of the opportunity to enroll, as well as complete
20 and understandable information under s. 609.10 (1) (c) concerning the differences
21 between among the health maintenance organization or preferred provider plan and,
22 the standard plan and the point-of-service option plan, as defined in s. 609.10 (1)
23 (ac), including differences between among providers available and differences
24 resulting from special limitations or requirements imposed by an institutional
25 provider because of its affiliation with a religious organization.”.

1 **4.** Page 1526, line 15: after that line insert:

2 “(4g) ~~RULES ON POINT-OF-SERVICE OPTION PLANS.~~ The commissioner of insurance
3 shall submit in proposed form the rules required under section 609.10 (6) of the
4 statutes, as created by this act, to the legislative council staff under section 227.15
5 (1) of the statutes no later than the first day of the 12th month beginning after the
6 effective date of this subsection.”.

7 **5.** Page 1592, line 23: after that line insert:

8 “(4g) ~~POINT-OF-SERVICE OPTION PLANS.~~ The treatment of sections 40.05 (4) (ag)
9 2., 111.91 (2) (r) and 609.10 (title), (1) (a), (ac), (b) and (c), (2) and (6) and 609.20 (3)
10 and (4) of the statutes, the renumbering and amendment of section 609.10 (3) of the
11 statutes and the creation of section 609.10 (3) (b) of the statutes first apply to all of
12 the following:

13 (a) Except as provided in paragraph (b), health maintenance organizations and
14 preferred provider plans that are issued or renewed on the effective date of this
15 paragraph.

16 (b) Health maintenance organizations and preferred provider plans covering
17 employes who are affected by a collective bargaining agreement containing
18 provisions inconsistent with the treatment of sections 40.05 (4) (ag) 2., 111.91 (2) (r)
19 and 609.10 (title), (1) (a), (ac), (b) and (c), (2) and (6) and 609.20 (3) and (4) of the
20 statutes, the renumbering and amendment of section 609.10 (3) of the statutes and
21 the creation of section 609.10 (3) (b) of the statutes that are issued or renewed on the
22 earlier of the following:

23 1. The day on which the collective bargaining agreement expires.

