2009 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB16)

Received: **03/20/2009**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **David Cullen (608) 267-9836**

By/Representing: **Ritch Williams**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Cullen@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Exempting short-term bridge plans

Instructions:

See attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	pkahler 03/20/2009	jdyer 03/23/2009		_____ _____			
/1			phenry 03/23/2009	_____ _____	sbasford 03/23/2009	sbasford 03/23/2009	

FE Sent For:

<END>

2009 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB16)

Received: **03/20/2009**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **David Cullen (608) 267-9836**

By/Representing: **Ritch Williams**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Cullen@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Exempting short-term bridge plans

Instructions:

See attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	pkahler	1/3/23 jld	3/23 pk	3/23 pk			

FE Sent For:

<END>

Kahler, Pam

From: Williams, Ritch
Sent: Thursday, March 19, 2009 12:03 PM
To: Kelly, Jessica; Kahler, Pam
Cc: Kiel, Joyce; Sappenfield, Anne
Subject: RE: Amendment needed for Cochlear Implant Exec on 3/26.

Also, not trying to be a problem, but we are planning to hold an executive session on the bill a week from today, March 26. The plan is to have the meeting at 10:30 or so, so if we could have the amendment before then (say, Wednesday 3/25), that would be ideal. Thanks.

Ritch Williams
Clerk, Committee on Insurance
Office of Rep. David Cullen
216 North, State Capitol
(608) 267-9836

From: Kelly, Jessica
Sent: Thursday, March 19, 2009 12:01 PM
To: Kahler, Pam
Cc: Kiel, Joyce; Sappenfield, Anne
Subject: Amendment needed for Cochlear Implant Exec on 3/26.

We need an amendment for Assembly Bill 16 and Senate Bill 27. There is a problem with the fact that we don't exempt language under 632.7495(4) which are "short-term bridge plans".

We need to create this exemption, as well as create a statutory definition of what a short term bridge plan is.

Could you please touch base with Fred Nepple at OCI to get a background of what we're looking to do and have an amendment drafted for both bills?

Thanks.

Jessica Ford Kelly
Office of Senator Julie Lassa
State Capitol, Room 323 - South
P.O. Box 7882
Madison, WI 53707-7882
608-266-3123
1-800-925-7491 toll-free
608-267-6797

Kahler, Pam

From: Nepple, Fred - OCI [Fred.Nepple@wisconsin.gov]
Sent: Friday, March 20, 2009 2:13 PM
To: Kahler, Pam
Subject: RE: Amendment needed for Cochlear Implant Exec on 3/26.

yes

Fred Nepple, General Counsel
Fred.Nepple@oci.state.wi.us
Ph: (608)266-7726 FAX: (608)264-6228
Wisconsin Office of the Commissioner of Ins http://oci.wi.gov
PO Box 7873 Madison WI 53707-7873
125 S Webster St Madison WI 53702

**********CONFIDENTIAL**********
This is a communication intended to be transmitted to or from the OCI legal unit and may contain information which is privileged, confidential and protected by the attorney-client, attorney work product or s. 601.465, Wis. Stat., privileges. If you are not the intended recipient note that any disclosure, copying, distribution, or use of this message is prohibited. If you have received this message in error, please destroy it and notify us immediately at 608-266-7726.

From: Kahler, Pam [mailto:Pam.Kahler@legis.wisconsin.gov]
Sent: Friday, March 20, 2009 2:12 PM
To: Nepple, Fred - OCI
Subject: RE: Amendment needed for Cochlear Implant Exec on 3/26.

Do you interpret "taking into account" to mean including? In other words, even with any extensions that the policyholder might elect, the term would still be less than 12 months?

From: Nepple, Fred - OCI [mailto:Fred.Nepple@wisconsin.gov]
Sent: Friday, March 20, 2009 1:04 PM
To: Kahler, Pam
Subject: RE: Amendment needed for Cochlear Implant Exec on 3/26.

Pam

Here is the HIPAA reg definition, 29 CFR 2590.701-2:

"Short-term, limited-duration insurance means health insurance coverage provided pursuant to a contract with an issuer that has an expiration date specified in the contract (taking into account any extensions that may be elected by the policyholder without the issuer's consent) that is less than 12 months after the original effective date of the contract."

If I were to translate this to the Wis. Insurance code I'd probably write it as:

"An individual health benefit plan that is not renewable and that has a specified termination date, taking into account any extensions that may be elected by the policyholder without the insurer's consent, that is less than 12 months after the original effective date." Alternatively I'd just reference the federal provision.

I am sure you can do better, but generally this seems adequate to avoid significant "gaming" with respect to the mandate.

Fred Nepple, General Counsel
Fred.Nepple@oci.state.wi.us
Ph: (608)266-7726 FAX: (608)264-6228
Wisconsin Office of the Commissioner of Ins http://oci.wi.gov
PO Box 7873 Madison WI 53707-7873
125 S Webster St Madison WI 53702

**********CONFIDENTIAL**********
This is a communication intended to be transmitted to or from the OCI legal unit and may contain information which is privileged, confidential and protected by the attorney-client, attorney work product or s. 601.465, Wis. Stat., privileges. If you are not the intended recipient note that any disclosure, copying, distribution, or use of this message is prohibited. If you have received this message in error, please destroy it and notify us immediately at 608-266-7726.

From: Kahler, Pam [mailto:Pam.Kahler@legis.wisconsin.gov]
Sent: Thursday, March 19, 2009 4:58 PM
To: Nepple, Fred - OCI
Subject: RE: Amendment needed for Cochlear Implant Exec on 3/26.

Thanks, Fred. I don't know about the timing for the Senate amendment, but the Assembly amendment isn't needed until midweek next week so we have a little time.

From: Nepple, Fred - OCI [mailto:Fred.Nepple@wisconsin.gov]
Sent: Thursday, March 19, 2009 4:55 PM
To: Kahler, Pam
Cc: Kelly, Jessica; Stegall, Jennifer L - OCI
Subject: RE: Amendment needed for Cochlear Implant Exec on 3/26.

Pam

I'm working on this. The internet is not working here at the moment so I haven't been able to complete my research. I'll have some language for you tomorrow a.m. Short term polices are excepted from the federal HIPAA requirement for guarantee renewal. That requirement is repeated under state law as s. 632.7495. S. 632.7495 (4) parallels the federal HIPAA exception. I am trying to find the exact HIPAA language, hence my frustration with the internet at the moment.

I will note, however, that a definition reflecting s. 632.7495 is likely to be narrow enough for your purposes. Insurers are unlikely to risk exposure to the HIPAA and state requirement of guarantee renewal in order to avoid the mandate. Guarantee renewal would effectively convert a short term policy to am individual health insurance policy with substantially more exposure to on going claims.

Generally short term policies are policies that are not guarantee renewable and have set terms, usually not more than one year. An insurer may extend the period but is not required to extend the period. Some states limit the number of times of, or duration, of extension.

Fred Nepple, General Counsel
Fred.Nepple@oci.state.wi.us
Ph: (608)266-7726 FAX: (608)264-6228
Wisconsin Office of the Commissioner of Ins http://oci.wi.gov
PO Box 7873 Madison WI 53707-7873
125 S Webster St Madison WI 53702

**********CONFIDENTIAL**********
This is a communication intended to be transmitted to or from the OCI legal unit and may contain information which is privileged, confidential and protected by the attorney-client, attorney work product or s. 601.465, Wis. Stat., privileges. If you are not the intended recipient note that any disclosure, copying, distribution, or use of this message is prohibited. If you have received this message in error, please destroy it and notify us immediately at 608-266-7726.

From: Kahler, Pam [mailto:Pam.Kahler@legis.wisconsin.gov]
Sent: Thursday, March 19, 2009 1:43 PM
To: Nepple, Fred - OCI
Cc: Kelly, Jessica - LEGIS
Subject: FW: Amendment needed for Cochlear Implant Exec on 3/26.

Hi, Fred:

Jessica informed me about this amendment a few days ago and that you were out of town until today. She said they feel they can't simply use the language in s. 632.7495 because they are worried that insurers will use it as a loophole to claim that *any* coverage they provide is "short-term bridge" coverage. Any ideas for avoiding that?

Pam

ı
rch 19, 2009 12:01 PM

ɔpenfield, Anne
ment needed for Cochlear Implant Exec on 3/26.

We need an amendment for Assembly Bill 16 and Senate Bill 27. There is a problem with the fact that we don't exempt language under 632.7495(4) which are "short-term bridge plans".

We need to create this exemption, as well as create a statutory definition of what a short term bridge plan is.

Could you please touch base with Fred Nepple at OCI to get a background of what we're looking to do and have an amendment drafted for both bills?

Thanks.

Jessica Ford Kelly

Office of Senator Julie Lassa
State Capitol, Room 323 - South
P.O. Box 7882
Madison, WI 53707-7882
608-266-3123
1-800-925-7491 toll-free
608-267-6797

State of Wisconsin
2009 - 2010 LEGISLATURE

LRBa0153/1
PJK:...

jld

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2009 ASSEMBLY BILL 16

SOON
(~320)

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

1. Page 6, line 9: after that line insert:

"5m. An individual health benefit plan that is not renewable and that has a specified termination date that, including any extensions that the policyholder may elect without the insurer's consent, is less than 12 months after the original effective date.".

(END)