

2013 DRAFTING REQUEST

Bill

Received: 10/11/2012 Received By: rchampag
Wanted: Soon Same as LRB:
For: Administration-Budget By/Representing: Waterman
May Contact: Drafter: rchampag
Subject: Employ Pub - employee benefits Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email:
Carbon copy (CC) to:

Pre Topic:

DOA:.....Waterman, BB0066 -

Topic:

GIB Cost Neutrality

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>
/?	rchampag 10/11/2012			_____			
/1	rchampag 1/16/2013	kfollett 10/16/2012	rschluet 10/16/2012	_____	lparisi 10/16/2012		State
/2	rchampag 1/18/2013	kfollett 1/16/2013	phenry 1/16/2013	_____	mbarman 1/16/2013		State
/3	rchampag	kfollett	jfrantze	_____	sbasford		State

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	1/29/2013	1/18/2013	1/18/2013	_____	1/18/2013		
/4	rchampag 1/30/2013	kfollett 1/29/2013	jmurphy 1/29/2013	_____	sbasford 1/29/2013		State
/5	rchampag 2/6/2013	kfollett 1/30/2013	phenry 1/30/2013	_____	mbarman 1/30/2013		State
/6	rchampag 2/6/2013	kfollett 2/6/2013	jfrantze 2/6/2013	_____	sbasford 2/6/2013		State
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2/6/13
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2/6/13

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17kf
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16/5f
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 Jm 1/29/13
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1/18 Jo 1/18

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Topic:

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Instructions:

See attached

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12/5/11
1/16/12
1/16/12
ph/df

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DOA:.....Waterman, BB0066 -

Topic:

je
GIBN Cost Neutrality

Instructions:

See attached

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/?	rchampag	11/5f 10/16	<i>je</i> 10/16 17	<i>je</i>			

FE Sent For:

<END>

Champagne, Rick

From: Hanaman, Cathlene
Sent: Wednesday, October 10, 2012 4:52 PM
To: Champagne, Rick
Subject: FW: Statutory Language Drafting Request
Attachments: GIB Cost Neutrality.docx

From: mickie.waterman@wisconsin.gov [mailto:mickie.waterman@wisconsin.gov]
Sent: Monday, October 01, 2012 4:36 PM
To: Hanaman, Cathlene
Cc: Thornton, Scott - DOA; Kraus, Jennifer - DOA; Waterman, Mickie D - DOA
Subject: Statutory Language Drafting Request

Biennial Budget: 2013-15

Topic: GIB Cost Neutrality

Tracking Code: BB0066

SBO Team: GGCF

SBO Analyst: Waterman, Mickie D - DOA
Phone: (608) 266-1072
E-mail: mickie.waterman@wisconsin.gov

Agency Acronym: ETF

Agency Number: 515

Priority: High

Intent:

Eliminate cost neutrality requirement for the Group Insurance Board. See attached non-stat language from the 2011-13 budget, in which the cost neutrality requirement was suspended temporarily.

Attachments: True

Please send completed drafts to statlanguage@wisapps.wi.gov

SECTION 68. 40.03 (6) (c) of the statutes is amended to read:

40.03 (6) (c) Shall not enter into any agreements to modify or expand group insurance coverage in a manner which conflicts with this chapter or rules of the department or materially affects the level of premiums required to be paid by the state or its employees, or the level of benefits to be provided, under any group insurance coverage. This restriction shall not be construed to prevent modifications required by law, prohibit the group insurance board from modifying the standard plan to establish a more cost effective benefit plan design or providing optional insurance coverages as alternatives to the standard insurance coverage when any excess of required premium over the premium for the standard coverage is paid by the employee, prohibit the group insurance board from encouraging participation in wellness or disease management programs, or prohibit the group insurance board from providing other plans as authorized under par. (b).

SECTION 9115. Nonstatutory provisions; Employee Trust Funds.

(3) AGREEMENTS TO MODIFY GROUP INSURANCE COVERAGE FOR STATE EMPLOYEES. Section 40.03 (6) (c) of the statutes shall not apply to any agreements entered into by the group insurance board to modify group insurance coverage for the 2012 and 2013 calendar years.



GF

DOA:.....Waterman, BB0066 – GIB Cost Neutrality

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

Fix request sheet please

Don't Gen

1 **AN ACT ...; relating to: the budget.**

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

X This bill eliminates a provision that prohibits the Group Insurance Board from entering into any an agreement to modify or expand any group insurance coverage in a manner that conflicts with law or rules promulgated by DETF or that materially affects the level of premiums that must be paid by the state or state employees or the level of benefits under any group insurance coverage.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 **SECTION 1.** 40.03 (6) (c) of the statutes is repealed.

3 (END)

Champagne, Rick

From: Waterman, Mickie D - DOA <Mickie.Waterman@wisconsin.gov>
Sent: Monday, January 14, 2013 5:05 PM
To: Champagne, Rick
Cc: Kraus, Jennifer - DOA
Subject: Statutory Language Drafting Request - GIB Cost Neutrality

Hi Rick,

We had talked the other day about not allowing the GIB to expand benefits at all in this draft.

Instead, we would like to add a provision that allows expansion of benefits only if cost effective.

Let me know if you have questions.

Thanks,
Mickie

Topic: GIB Cost Neutrality

Tracking Code: BB0066

LRB Draft Number: 0311/1

Intent: Eliminate cost neutrality requirement for the Group Insurance Board. See attached non-stat language from the 2011-13 budget, in which the cost neutrality requirement was suspended temporarily.



RMK

DOA:.....Waterman, BB0066 - GIB Cost Neutrality

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

Don't Gen

1 AN ACT relating to: the budget.

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

This bill eliminates a provision that prohibits the Group Insurance Board from entering into an agreement to modify or expand any group insurance coverage in a manner that conflicts with law or rules promulgated by DETF or that materially affects the level of premiums that must be paid by the state or state employees or the level of benefits under any group insurance coverage.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 40.03 (6) (c) of the statutes is repealed.

(END)

3
Insert
1-3

Insert
Analysis

Insert Analysis:

X
X
X
Current law provides that the Group Insurance Board (GIB) may not enter into an agreement to modify or expand any group insurance coverage in a manner that conflicts with law, or rules promulgated by DETF or that materially affects the level of premiums that must be paid by the state or state employees or the level of benefits under any group insurance coverage. This bill permits the GIB to expand benefits, but only on a cost-effective basis.

Insert 1-3:

X
SECTION 1. 40.03 (6) (c) of the statutes is renumbered 40.03 (6) (c) (intro.) and amended to read: (intro.)

X
40.03 (6) (c) (intro.) Shall not enter into any agreements to modify or expand group insurance coverage in a manner which conflicts with this chapter or rules of the department or materially affects the level of premiums required to be paid by the state or its employees, or the level of benefits to be provided, under any group insurance coverage. This restriction shall not be construed to prevent modifications required by law, or to prohibit the group insurance board from modifying doing any of the following:

1. Modifying the standard plan to establish a more cost effective benefit plan design or providing optional insurance coverages as alternatives to the standard insurance coverage when any excess of required premium over the premium for the standard coverage is paid by the employee, ~~prohibit the group insurance board from encouraging.~~

2. Encouraging participation in wellness or disease management programs, ~~or prohibit the group insurance board from providing.~~

3. Providing other plans as authorized under par. (b).

SECTION 2. 40.03 (6) (c) 4. of the statutes is created to read:



X
40.03 (6) (c) 4. Expanding benefits under any plan, but only on a cost-effective basis.

D-Note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0311/2dn

RAC:kjfrs

Date

Mickie Waterman:

X I am not completely sure what this provision does. For example, does it mean that the
+ Group Insurance Board can increase health insurance premiums for the state and for
state employees if the board authorizes expansion of benefits "on a cost-effective basis".
The draft seems to allow for this.

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0311/2dn
RAC:kjf:ph

January 16, 2013

Mickie Waterman:

I am not completely sure what this provision does. For example, does it mean that the Group Insurance Board can increase health insurance premiums for the state and for state employees if the board authorizes expansion of benefits "on a cost-effective basis." The draft seems to allow for this.

Rick A. Champagne
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E-mail: rick.champagne@legis.wisconsin.gov

Per Jenny & Mickel

- RWHSE 40.03(6)(c)

to allow for expenses
on a cost-effective basis —

in other words, GIB can
maintain or expand but only if
premiums are raised in
current year or wait

~~costs~~ be reduced in future
years because of the
medicaid or expansion



DOA:.....Waterman, BB0066 – GIB Cost Neutrality

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

Don't Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

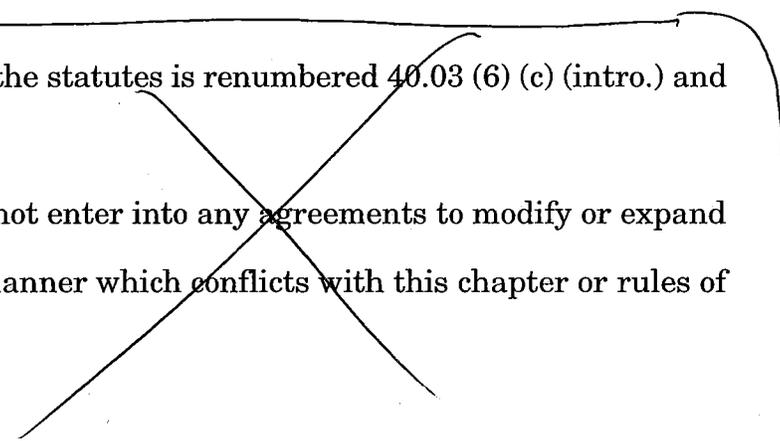
Current law provides that the Group Insurance Board (GIB) may not enter into an agreement to modify or expand any group insurance coverage in a manner that conflicts with laws or rules promulgated by DETF or that materially affects the level of premiums that must be paid by the state or state employees or the level of benefits under any group insurance coverage. ~~This bill permits the GIB to expand benefits, but only on a cost-effective basis.~~

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 40.03 (6) (c) of the statutes is renumbered 40.03 (6) (c) (intro.) and
3 amended to read:
4 40.03 (6) (c) (intro.) Shall not enter into any agreements to modify or expand
5 group insurance coverage in a manner which conflicts with this chapter or rules of

Insert Analysis



1 the department or materially affects the level of premiums required to be paid by the
 2 state or its employees, or the level of benefits to be provided, under any group
 3 insurance coverage. This restriction shall not be construed to prevent modifications
 4 required by law, or to prohibit the group insurance board from modifying doing any
 5 of the following:

6 1. Modifying the standard plan to establish a more cost effective benefit plan
 7 design or providing optional insurance coverages as alternatives to the standard
 8 insurance coverage when any excess of required premium over the premium for the
 9 standard coverage is paid by the employee, ~~prohibit the group insurance board from~~
 10 ~~encouraging.~~

11 2. Encouraging participation in wellness or disease management programs, ~~or~~
 12 ~~prohibit the group insurance board from providing.~~

13 3. Providing other plans as authorized under par. (b).

14 **SECTION 2.** 40.03 (6) (c) 4. of the statutes is created to read:

15 (40.03 (6) (c) 4. Expanding benefits under any plan, but only on a cost-effective
 16 basis.

(END)

17

Insert 2-17

2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0311/3ins
RAC:kjf:ph

Insert Analysis:

not This bill permits the GIB to ~~to~~ *see* modify or expand benefits if the modification or expansion is required by law or would reduce premium costs for the state or its employees in the current or any future year.

Insert 2-17:

SECTION 1. 40.03 (6) (c) of the statutes is repealed and ⁴recreated to read:

40.03 (6) (c) Shall not enter into any agreement to modify or expand benefits under any group insurance plan, unless the modification or expansion is required by law or would reduce premium costs for the state or its employees in the current or any future year. A reduction in premium costs in future years includes a reduction in any increase in premium costs that would have otherwise occurred without the modification or expansion.



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0311/2 ✓4
RAC:kjfjf

RMP

DOA:.....Waterman, BB0066 - GIB Cost Neutrality

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

Don't Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

X Current law provides that the Group Insurance Board (GIB) may not enter into an agreement to modify or expand any group insurance coverage in a manner that conflicts with laws or rules promulgated by DETF or that materially affects the level of premiums that must be paid by the state or state employees or the level of benefits under any group insurance coverage. This bill permits the GIB to to modify or expand benefits if the modification or expansion is required by law or would reduce premium costs for the state or its employees in the current or any future year.

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1 law or would reduce premium costs for the state or its employees in the current or
2 any future year. A reduction in premium costs in future years includes a reduction
3 in any increase in premium costs that would have otherwise occurred without the
4 modification or expansion.

5

(END)

This paragraph (A)

Section #. 40.03 (6) (c) of the statutes is amended to read:

A
40.03 (6) (c) Shall not enter into any agreements to modify or expand group insurance coverage in a manner which conflicts with this chapter or rules of the department or materially affects the level of premiums required to be paid by the state or its employees, or the level of benefits to be provided, under any group insurance coverage. ~~This restriction shall not be construed to prevent modifications required by law, prohibit the group insurance board from modifying the standard plan to establish a more cost effective benefit plan design or providing optional insurance coverages as alternatives to the standard insurance coverage when any excess of required premium over the premium for the standard coverage is paid by the employee, prohibit the group insurance board from encouraging participation in wellness or disease management programs, or prohibit the group insurance board from providing other plans as authorized under par. (b).~~

History: 1981 c. 96 ss. 24, 32; 1981 c. 386; 1983 a. 247; 1985 a. 29; 1985 a. 332 ss. 53, 251 (1); 1987 a. 356; 1989 a. 31, 166, 323; 1991 a. 116, 141, 152, 269; 1993 a. 16; 1995 a. 302, 414; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 33; 2005 a. 25, 153; 2007 a. 20 s. 9121 (6) (a); 2007 a. 131; 2011 a. 10, 32, 258.



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0311/4
RAC:kjf:jm

5
RMR

DOA:.....Waterman, BB0066 – GIB Cost Neutrality

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

pwf ✓

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Analysis by the Legislative Reference Bureau
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1 law or would reduce premium costs for the state or its employees in the current or
2 any future year. A reduction in premium costs in future years includes a reduction
3 in any increase in premium costs that would have otherwise occurred without the
4 modification or expansion. This paragraph shall not be construed to ~~prevent~~
5 ~~modifications required by law or to~~ prohibit the group insurance board from
6 encouraging participation in wellness or disease management programs.

7

(END)



RMR

DOA:.....Waterman, BB0066 – GIB Cost Neutrality

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

Don't Gen

maintain or

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
RETIREMENT AND GROUP INSURANCE

Current law provides that the Group Insurance Board (GIB) may not enter into an agreement to modify or expand any group insurance coverage in a manner that conflicts with laws or rules promulgated by DETF or that materially affects the level of premiums that must be paid by the state or state employees or the level of benefits under any group insurance coverage. This bill permits the GIB to modify or expand benefits if the modification or expansion is required by law or would reduce premium costs for the state or its employees in the current or any future year.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 40.03 (6) (c) of the statutes is repealed and recreated to read:

3 40.03 (6) (c) Shall not enter into any agreement to modify or expand benefits

4 under any group insurance plan, unless the modification or expansion is required by

1 law or would reduce premium costs for the state or its employees in the current or
2 any future year. A reduction in premium costs in future years includes a reduction
3 in any increase in premium costs that would have otherwise occurred without the
4 modification or expansion. This paragraph shall not be construed to prohibit the
5 group insurance board from encouraging participation in wellness or disease
6 management programs.

7 (END)

Maintain ^{or} ~~or~~



RMR

DOA:.....Waterman, BB0066 – GIB Cost Neutrality

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

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State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0311/7

RAC:kjf:jm

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8

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