

(4) EXCLUSIONS. Exclusions from coverage shall conform with s. 619.14 (4), Stats.

(a) The formula for determining the prevailing charge in the locality where the service is provided shall be developed by the administering carrier and approved by the board.

(b) The medical necessity of the service shall be determined by the administering carrier and shall be subject to board review under the grievance procedures established by the board under s. 619.15 (3) (a), Stats.

(5) PREMIUMS, DEDUCTIBLES AND COINSURANCE. (a) Premiums, deductibles and coinsurance shall conform with ss. 619.14 (5), 619.165 and 619.17, Stats.

(b) The schedule of annual premiums for the period from July 1, 1992, to June 30, 1993, for persons not entitled to a premium reduction under s. 619.165, Stats., is as follows:

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Age Group	MAJOR MEDICAL PLAN		
	Males		
	Zone 1	Zone 2	Zone 3
0-29	\$1,076	\$ 968	\$ 860
30-39	1,292	1,164	1,032
40-44	1,700	1,532	1,360
45-49	2,208	1,988	1,768
50-54	2,852	2,568	2,280
55-59	3,620	3,260	2,896
60-64	4,188	3,768	3,352

Age Group	MAJOR MEDICAL PLAN		
	Females		
	Zone 1	Zone 2	Zone 3
0-18	\$1,076	\$ 968	\$ 860
19-29	1,568	1,412	1,256
30-39	1,828	1,644	1,464
40-44	2,140	1,928	1,712
45-49	2,504	2,252	2,004
50-54	2,880	2,592	2,304
55-59	3,264	2,936	2,612
60-64	3,580	3,224	2,864

Age Group	MEDICARE PLAN		
	Males		
	Zone 1	Zone 2	Zone 3
0-49	\$1,136	\$1,136	\$1,024
50-54	1,428	1,284	1,140
55-59	1,812	1,632	1,448
60-64	2,096	1,884	1,676
Females			
0-44	\$1,136	\$1,136	\$1,024
45-49	1,252	1,136	1,024
50-54	1,440	1,296	1,152
55-59	1,632	1,468	1,308
60-64	1,792	1,612	1,432

(bg) 1. The annual rates applicable to standard risks under individual policies providing substantially the same coverage and deductibles as the plan's major medical plan for the period from July 1, 1992, to June 30, 1993, are as follows:

Age Group	MAJOR MEDICAL PLAN		
	Males		
	Zone 1	Zone 2	Zone 3
0-24	\$ 601.92	\$ 541.73	\$ 481.54
25-29	616.45	554.81	493.16
30-34	670.03	603.03	536.02
35-39	782.81	704.53	626.25
40-44	935.60	842.04	748.48
45-49	1,184.73	1,066.26	947.78
50-54	1,555.44	1,399.90	1,244.35
55-59	1,959.75	1,763.78	1,567.80
60-64	2,310.16	2,079.14	1,848.13
	Females		
	Zone 1	Zone 2	Zone 3
0-18	\$ 601.92	\$ 541.73	\$ 481.54
19-24	956.56	860.90	765.25
25-29	982.93	884.64	786.34
30-34	1,031.54	928.39	825.23
35-39	1,124.09	1,011.68	899.27
40-44	1,225.64	1,103.08	980.51
45-49	1,395.05	1,255.55	1,116.04
50-54	1,609.78	1,448.80	1,287.82
55-59	1,842.03	1,657.83	1,473.62
60-64	2,097.62	1,887.86	1,678.10

2. The annual rate applicable to a standard risk under an individual policy providing substantially the same coverage and deductibles as the plan's medicare plan is 50% of the rate specified in subd. 1 for the individual's age, sex and zone.

3. In calculating the annual premium for an individual eligible for a reduction in premium, the plan shall apply the appropriate percentage specified in s. 619.165 (1) (b) 1 to 4, Stats., to the rate specified for that individual in subd. 1 or 2. The annual premium calculated under this subdivision shall be rounded to the nearest whole dollar amount that is divisible by 4.

(br) For the purposes of pars. (b) and (bg), Zone 1 shall contain all of the Wisconsin postal zip code areas in which the first 3 digits are 532. Zone 2 shall contain postal zip code areas in which the first 3 digits are 530, 531, 534 and 537. Zone 3 shall contain postal zip code areas not contained in Zones 1 and 2.

(c) The commissioner shall have on file an actuarial report detailing the process by which rates were determined.

(d) The annual report of the board to the chief clerk of each house of the legislature required by s. 619.15 (2), Stats., and s. Ins 18.08 (2) shall include a section describing premium rate setting in detail. In order to fulfill this requirement, the board may appoint an actuarial committee

under the powers granted to the board in s. 619.15 (5), Stats., and s. Ins 18.08 (3) (d) and (e).

(6) **PRE-EXISTING CONDITIONS.** Pre-existing conditions limitations shall conform with s. 619.14 (6), Stats. Determinations of what constitutes a pre-existing condition shall be made by the administering carrier and shall be subject to board review under the grievance procedures established by the board under s. 619.15 (3) (a), Stats.

(7) **COORDINATION OF BENEFITS.** There shall be coordination of benefits as provided in s. 619.14 (7), Stats.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81.; r. and recr. (5) (b), Register, June, 1982, No. 318, eff. 7-1-82; r. and recr. (5) (b), Register, December, 1983, No. 336, eff. 1-1-84; r. and recr. (5) (b) 1., Register, December, 1984, No. 348, eff. 1-1-85; am. (5) (b) 1., Register, December, 1985, No. 360, eff. 1-1-86; r. and recr. (5) (b) 1., Register, December, 1986, No. 372, eff. 1-1-87; r. and recr. (5) (b) 1. and 2., Register, May, 1990, No. 413, eff. 6-1-90; renum. (3) to be (3) (a), cr. (3) (b), r. and recr. (5) (b) 1 (schedule), Register, June, 1991, No. 426, eff. 7-1-91; emerg. r. and recr. (5) (b) 1. (schedule), eff. 7-1-91; r. and recr. (5) (b) 1. (schedule), Register, October, 1991, No. 430, eff. 11-1-91; emerg. am. (5) (a) and (c), renum. (5) (b) 1. and 2. to be (5) (b) (intro.) and (br) and am., cr. (5) (bg), eff. 1-1-92; am. (5) (d), Register, April, 1992, No. 436, eff. 5-1-92; am. (5) (a) and (c), renum. (5) (b) 1. and 2. to be (5) (b) (intro.) and (br) and am., r. and recr. (5) (b) schedule, cr. (5) (bg), Register, June, 1992, No. 438, eff. 7-1-92.

Ins 18.08 Board of governors. The board shall be appointed and shall operate pursuant to s. 619.15, Stats.

(1) **BOARD APPOINTMENTS.** The board shall be appointed pursuant to s. 619.15 (1), Stats.

(2) **ANNUAL REPORT.** The board shall make an annual report to the members of the plan and to the chief clerk of each house of the legislature pursuant to s. 619.15 (2), Stats.

(3) **BOARD FUNCTIONS.** Board functions shall conform with ss. 619.15 (3), (4) and (5), Stats.

(a) The board shall carry out the functions required in s. 619.15 (3), Stats.

(b) The board may carry out the functions authorized in s. 619.15 (4), Stats.

(c) The board may provide for agent commissions and require agents and companies to provide assistance in filing applications under the powers granted in s. 619.15 (5), Stats.

(d) The board may establish subcommittees and appoint members who do not serve on the board to these subcommittees in order to carry out its functions under s. 619.15, Stats.

(e) The board may hire consultants in order to carry out its functions under s. 619.15, Stats.

(f) The board shall contract with the administering carrier of the plan to provide those services enumerated in s. 619.16 (3), Stats., as well as any other functions enumerated in the contract between the board and the administering carrier, in order to carry out its functions under s. 619.15, Stats.

(g) The board may defer payment of administrative expenses to the administering carrier, in accordance with the terms set forth in the contract between the board and the administering carrier.

(h) The board shall develop a detailed written policy regarding confidentiality of records.

(i) The board may adopt and amend from time to time reasonable operating procedures which are not inconsistent with the statutory requirements and ch. Ins 18, for the management and operation of the plan.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; am. (1), Register, December, 1983, No. 336, eff. 1-1-84; am. (2), Register, April, 1992, No. 436, eff. 5-1-92.

Ins 18.09 Administering carrier. The selection, term and functions of the administering carrier shall conform with s. 619.16, Stats.

(1) **SELECTION.** The board shall select an insurer through a competitive bidding process to administer the plan based on criteria established by the board which shall conform with the requirements of s. 619.16 (1), Stats.

(2) **TERM SERVED AND SELECTION FOR SUCCEEDING PERIODS.** The term served by the administering carrier and the selection of the administering carrier for succeeding periods shall conform with s. 619.16 (2), Stats.

(3) **FUNCTIONS.** The administering carrier shall perform the functions enumerated in s. 619.16 (3), Stats., and any other functions agreed to in the contract between the board and the administering carrier.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81.

Ins 18.10 Notice of mandatory risk-sharing plan. Notice of the plan shall conform with s. 632.785, Stats.

(1) **WHEN NOTICE REQUIRED.** If an insurer takes one or more of the actions enumerated in s. 632.785 (1), Stats., the insurer shall notify all persons covered or to be covered by the policy, including parents and guardians in cases involving minor children and individuals adjudged incompetent, of the existence of the plan, as well as the eligibility requirements and the method of applying for coverage under the plan, in accordance with s. 632.785 (1), Stats.

(2) **FORM OF NOTICE REQUIRED.** "Wisconsin HIRSP Health Insurance Risk-Sharing Plan," an informational pamphlet prepared by the office of the commissioner of insurance and endorsed by the board, shall satisfy the notice requirements set forth in s. 632.785 (1), Stats. Any other notice given in accordance with s. 632.785 (1), Stats., shall substantially conform to this pamphlet in type size and readability and shall be subject to the prior approval of the commissioner of insurance.

(3) **STATEMENT OF REASONS FOR REJECTION, TERMINATION, CANCELLATION OR IMPOSITION OF UNDERWRITING RESTRICTIONS.** The insurer's rejection, termination, cancellation or imposition of underwriting restrictions under s. 632.785 (1), Stats., shall, pursuant to s. 632.785 (2), Stats., state the specific medical reason for the insurer's action.

Note: The form referenced in sub. (2), MGAC113, may be obtained from the Office of the Commissioner of Insurance, P.O. Box 7873, Madison, WI 53707-7873.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; am. (2) and (3), Register, April, 1992, No. 436, eff. 5-1-92.

Register, June, 1992, No. 438