



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBs0396/2
PJK:wlj:km

**SENATE SUBSTITUTE AMENDMENT 1,
TO 1999 SENATE BILL 308**

March 24, 2000 - Offered by Senator PANZER.

1 **AN ACT** *to repeal* 20.145 (1) (c); *to amend* 46.10 (8) (d), 46.10 (14) (a), 51.01 (3n),
2 51.038, 51.04, 301.12 (8) (d) and 301.12 (14) (a); and *to create* 20.145 (1) (c),
3 40.53 and 111.91 (2) (t) of the statutes; **relating to:** state employe health
4 insurance coverage of nervous and mental disorders, alcoholism and other drug
5 abuse problems, an actuarial study or evaluation and making an appropriation.

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

6 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
7 the following amounts for the purposes indicated:

				1999-00	2000-01
8					
9	20.145	Insurance, office of the commissioner of			
10	(1)	SUPERVISION OF THE INSURANCE INDUSTRY			
11	(c)	Actuarial study contract	GPR A	-0-	90,000

1 **SECTION 2.** 20.145 (1) (c) of the statutes is created to read:

2 20.145 (1) (c) *Actuarial study contract.* The amounts in the schedule for the
3 costs of the contract under 1999 Wisconsin Act (this act), section 13 (1) (a).

4 **SECTION 3.** 20.145 (1) (c) of the statutes, as created by 1999 Wisconsin Act
5 (this act), is repealed.

6 **SECTION 4.** 40.53 of the statutes is created to read:

7 **40.53 Coverage of mental disorders, alcoholism and other diseases. (1)**

8 DEFINITIONS. In this section:

9 (a) “Collateral” means a member of an insured’s immediate family, as defined
10 in s. 632.895 (1) (d).

11 (b) “Hospital” means any of the following:

12 1. A hospital licensed under s. 50.35.

13 2. An approved private treatment facility as defined in s. 51.45 (2) (b).

14 3. An approved public treatment facility as defined in s. 51.45 (2) (c).

15 (c) “Inpatient hospital services” means services for the treatment of nervous
16 and mental disorders or alcoholism and other drug abuse problems that are provided
17 in a hospital to a bed patient in the hospital.

18 (d) “Outpatient services” means nonresidential services for the treatment of
19 nervous or mental disorders or alcoholism or other drug abuse problems provided to
20 an insured and, if for the purpose of enhancing the treatment of the insured, a
21 collateral by any of the following:

22 1. A program in an outpatient treatment facility, if both are approved by the
23 department of health and family services, the program is established and
24 maintained according to rules promulgated under s. 51.42 (7) (b) and the facility is
25 certified under s. 51.04.

1 2. A licensed physician who has completed a residency in psychiatry, in an
2 outpatient treatment facility or the physician's office.

3 3. A licensed psychologist who is listed in the national register of health service
4 providers in psychology or who is certified by the American board of professional
5 psychology.

6 (e) "Transitional treatment arrangements" means services for the treatment
7 of nervous or mental disorders or alcoholism or other drug abuse problems that are
8 provided to an insured in a less restrictive manner than are inpatient hospital
9 services but in a more intensive manner than are outpatient services, and that are
10 specified by the secretary by rule under sub. (4).

11 **(2) REQUIRED COVERAGE.** (a) *Conditions covered.* Notwithstanding s. 632.89,
12 a health care coverage plan offered by the state under s. 40.51 (6) or by the group
13 insurance board under s. 40.51 (7) shall provide coverage of nervous and mental
14 disorders and alcoholism and other drug abuse problems if required by pars. (b) to
15 (d) and as provided in pars. (b) to (d) and sub. (3).

16 (b) *Coverage of inpatient hospital services.* If a health care coverage plan
17 provides coverage of any inpatient hospital treatment, the plan shall provide
18 coverage for inpatient hospital services for the treatment of conditions under par. (a).

19 (c) *Coverage of outpatient services.* If a health care coverage plan provides
20 coverage of any outpatient treatment, the plan shall provide coverage for outpatient
21 services for the treatment of conditions under par. (a).

22 (d) *Coverage of transitional treatment arrangements.* If a health care coverage
23 plan provides coverage of any inpatient hospital treatment or any outpatient
24 treatment, the plan shall provide coverage for transitional treatment arrangements
25 for the treatment of conditions under par. (a).

1 **(3) EQUAL COVERAGE REQUIREMENT.** A health care coverage plan that provides
2 coverage for the treatment of nervous and mental disorders and alcoholism and other
3 drug abuse problems shall provide the same coverage for that treatment that it
4 provides for the treatment of physical conditions. This requirement applies to all
5 coverage-related components, including rates; exclusions and limitations;
6 deductibles; copayments; coinsurance; annual and lifetime payment limits;
7 out-of-pocket limits; out-of-network charges; day, visit or appointment limits;
8 duration or frequency of coverage; and medical necessity definitions.

9 **(4) SPECIFICATION OF TRANSITIONAL TREATMENT ARRANGEMENTS BY RULE.** The
10 secretary, with the approval of the group insurance board, shall specify by rule the
11 services for the treatment of nervous or mental disorders or alcoholism or other drug
12 abuse problems, including but not limited to day hospitalization, that are covered
13 under sub. (2) (d).

14 **(5) LIABILITY TO THE STATE OR COUNTY.** Any health care coverage plan providing
15 hospital treatment coverage is liable to the state or county for any costs incurred for
16 services an inpatient health care facility, as defined in s. 50.135 (1), or
17 community-based residential facility, as defined in s. 50.01 (1g), owned or operated
18 by a state or county, provides to a patient regardless of the patient's liability for the
19 services, to the extent that the insurer is liable to the patient for services provided
20 at any other inpatient health care facility or community-based residential facility.

21 **(6) EXCLUSIONS.** (a) *Medicare.* No health care coverage plan, insurer or other
22 organization subject to this section is required to duplicate coverage available under
23 the federal medicare program.

24 (b) *Certain health care plans.* This section does not apply to a health care
25 coverage plan offered by a preferred provider plan, as defined in s. 609.01 (4), that

1 is not a managed care plan, as defined in s. 609.01 (3c), or by a limited service health
2 organization, as defined in s. 609.01 (3).

3 **SECTION 5.** 46.10 (8) (d) of the statutes is amended to read:

4 46.10 (8) (d) After due regard to the case and to a spouse and minor children
5 who are lawfully dependent on the property for support, compromise or waive any
6 portion of any claim of the state or county for which a person specified under sub. (2)
7 is liable, but not any claim payable by an insurer under s. 40.53 (2) or (5) or 632.89
8 (2) or (2m) or by any other 3rd party.

9 **SECTION 6.** 46.10 (14) (a) of the statutes is amended to read:

10 46.10 (14) (a) Except as provided in pars. (b) and (c), liability of a person
11 specified in sub. (2) or s. 46.03 (18) for inpatient care and maintenance of persons
12 under 18 years of age at community mental health centers, a county mental health
13 complex under s. 51.08, the centers for the developmentally disabled, Mendota
14 ~~mental health institute~~ Mental Health Institute and Winnebago ~~mental health~~
15 ~~institute~~ Mental Health Institute or care and maintenance of persons under 18 years
16 of age in residential, nonmedical facilities such as group homes, foster homes,
17 treatment foster homes, child caring institutions and juvenile correctional
18 institutions is determined in accordance with the cost-based fee established under
19 s. 46.03 (18). The department shall bill the liable person up to any amount of liability
20 not paid by an insurer under s. 40.53 (2) or (5) or 632.89 (2) or (2m) or by other 3rd
21 party benefits, subject to rules which include formulas governing ability to pay
22 promulgated by the department under s. 46.03 (18). Any liability of the patient not
23 payable by any other person terminates when the patient reaches age 18, unless the
24 liable person has prevented payment by any act or omission.

25 **SECTION 7.** 51.01 (3n) of the statutes is amended to read:

1 51.01 **(3n)** “Community mental health program” means a program to provide
2 community–based outpatient mental health services that is operated by or under
3 contract with a county department of community programs or that requests payment
4 for the services under the medical assistance program or under benefits required
5 under s. 40.53 (2) or 632.89 (2).

6 **SECTION 8.** 51.038 of the statutes is amended to read:

7 **51.038 Outpatient mental health clinic certification.** Except as provided
8 in s. 51.032, if a facility that provides mental health services on an outpatient basis
9 holds current accreditation from the council on accreditation of services for families
10 and children, the department may accept evidence of this accreditation as equivalent
11 to the standards established by the department, for the purpose of certifying the
12 facility for the receipt of funds for services provided as a benefit to a medical
13 assistance recipient under s. 49.46 (2) (b) 6. f., a community aids funding recipient
14 under s. 51.423 (2) or as mandated coverage under s. 40.53 or 632.89.

15 **SECTION 9.** 51.04 of the statutes is amended to read:

16 **51.04 Treatment facility certification.** Except as provided in s. 51.032, any
17 treatment facility may apply to the department for certification of the facility for the
18 receipt of funds for services provided as a benefit to a medical assistance recipient
19 under s. 49.46 (2) (b) 6. f. or to a community aids funding recipient under s. 51.423
20 (2) or provided as mandated coverage under s. 40.53 or 632.89. The department shall
21 annually charge a fee for each certification.

22 **SECTION 10.** 111.91 (2) (t) of the statutes is created to read:

23 111.91 **(2)** (t) The requirements under s. 40.53 related to coverage of treatment
24 for nervous and mental disorders and alcoholism and other drug abuse problems.

25 **SECTION 11.** 301.12 (8) (d) of the statutes is amended to read:

1 301.12 (8) (d) After due regard to the case and to a spouse and minor children
2 who are lawfully dependent on the property for support, compromise or waive any
3 portion of any claim of the state or county for which a person specified under sub. (2)
4 is liable, but not any claim payable by an insurer under s. 40.53 (2) or (5) or 632.89
5 (2) or (2m) or by any other 3rd party.

6 **SECTION 12.** 301.12 (14) (a) of the statutes is amended to read:

7 301.12 (14) (a) Except as provided in pars. (b) and (c), liability of a person
8 specified in sub. (2) or s. 301.03 (18) for care and maintenance of persons under 17
9 years of age in residential, nonmedical facilities such as group homes, foster homes,
10 treatment foster homes, child caring institutions and juvenile correctional
11 institutions is determined in accordance with the cost-based fee established under
12 s. 301.03 (18). The department shall bill the liable person up to any amount of
13 liability not paid by an insurer under s. 40.53 (2) or (5) or 632.89 (2) or (2m) or by other
14 3rd-party benefits, subject to rules which include formulas governing ability to pay
15 promulgated by the department under s. 301.03 (18). Any liability of the resident not
16 payable by any other person terminates when the resident reaches age 17, unless the
17 liable person has prevented payment by any act or omission.

18 **SECTION 13. Nonstatutory provisions.**

19 (1) ACTUARIAL STUDY ON COST.

20 (a) *Study requirements.* The office of the commissioner of insurance shall enter
21 into a contract for an actuarial study or evaluation to determine whether, and to what
22 extent, the requirements under section 40.53 of the statutes, as created by this act,
23 are likely to increase the cost of health insurance coverage. The study or evaluation
24 shall make this determination separately for the health insurance coverage that is
25 offered by the state under s. 40.51 (6) and by the group insurance board under s. 40.51

1 (7) and separately for health insurance coverage purchased directly in the private
2 market by individuals and families and by private employers for their employes, as
3 if the requirements under section 40.53 of the statutes, as created by this act, applied
4 to such health insurance coverage. The office of the commissioner of insurance shall
5 report the results of the study or evaluation to the appropriate standing committees
6 of the legislature in the manner provided under section 13.172 (3) of the statutes no
7 later than June 1, 2001.

8 (b) *Funding study.* The office of the commissioner of insurance may not
9 encumber or expend moneys from the appropriation under section 20.145 (1) (c) of
10 the statutes, as created by this act, unless the office of the commissioner of insurance
11 first notifies the joint committee on finance in writing of the proposed encumbrance
12 or expenditure. If the cochairpersons of the joint committee on finance do not notify
13 the office of the commissioner of insurance within 14 working days after the date of
14 the office's notification that the committee has scheduled a meeting to review the
15 proposed encumbrance or expenditure, the moneys may be encumbered or expended
16 as proposed by the office. If, within 14 working days after the date of the office's
17 notification, the cochairpersons of the committee notify the office that the committee
18 has scheduled a meeting to review the proposed encumbrance or expenditure, the
19 moneys may be encumbered or expended only upon approval of the committee.

20 **SECTION 14. Initial applicability.**

21 (1) This act first applies to all of the following:

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

1 (b) Health care coverage plans covering employes who are affected by a
2 collective bargaining agreement containing provisions inconsistent with this act
3 that are issued or renewed on the earlier of the following:

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

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

7 **SECTION 15. Effective dates.** This act takes effect on the first day of the 6th
8 month beginning after publication, except as follows:

9 (1) ACTUARIAL STUDY ON COST. SECTION 13 (1) of this act takes effect on the day
10 after publication.

11 (2) FUNDING FOR STUDY. The repeal of section 20.145 (1) (c) of the statutes takes
12 effect on July 1, 2001.

13 (END)