



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2005 Senate Bill 420**

**Senate Amendments 1 and 2**

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### **2005 Senate Bill 420**

2005 Senate Bill 420 changes the definition of a “group health benefit plan” by increasing, from three to nine, the number of individual health benefit plans that constitutes a group health benefit plan when sold to or through an employer covering eligible employees of the employer. The bill similarly changes the definition of “small employer insurer” to provide that an insurer that sells nine or more individual health benefit plans (rather than three or more as under current law) to a small employer is a small employer insurer.

### **Senate Amendments 1 and 2**

Senate Amendments 1 and 2 to the bill require the Commissioner of Insurance to prepare an annual report, beginning in 2007, that assesses the effect on the commercial insurance market of the changes to the definitions of “group health benefit plan” and “small employer insurer” made by the bill. The Commissioner must measure, and include in the report, changes that may be attributable to the bill to individuals: without health insurance; with Medical Assistance coverage; with small group health insurance; with individual health insurance; and with coverage under the Health Insurance Risk-Sharing Plan (HIRSP). The Commissioner must provide the report to the legislative standing committees with jurisdiction over insurance and health matters.

To assist the Commissioner in determining the effect, if any, of the bill, the Commissioner must establish benchmarks with respect to changes in the populations identified in the preceding paragraph by assessing the state of these populations over the three-year period preceding the period covered by the first report in 2007 to the standing committees. The assessment must include parameters such as population, size, and demographic statistics. The assessment also must identify changes in those parameters over the three-year period. A report on this assessment must be submitted along with the first annual report submitted to the standing committees in 2007.

In addition, the Commissioner must annually, beginning in 2007, request information from the HIRSP Authority on the number of applicants for coverage under HIRSP who are employees of small employers that no longer offer group health benefits but offer, or facilitate the sale of, individual health insurance policies to employees. This information must be included in the annual report provided to the standing committees.

Senate Amendment 2 to the bill includes all of the provisions of Senate Amendment 1 to the bill and additionally includes the provisions described in the second paragraph above (relating to three-year period benchmarks).

### **Legislative History**

Senate Amendment 1 to the bill was introduced by the Senate Committee on Health, Children, Families, Aging and Long Term Care. The committee recommended adoption of Senate Amendment 1 by a vote of Ayes, 5; Noes, 0. The committee then recommended passage of the bill, as amended, by a vote of Ayes, 5; Noes, 0.

Senate Amendment 2 to the bill was introduced by Senator Kanavas. The Senate adopted both amendments by voice vote. The Senate then passed the bill, as amended, on a vote of Ayes, 19; Noes, 14.

JLK:ksm