



1995 ASSEMBLY BILL 822

January 26, 1996 - Introduced by Representatives ALBERS, MUSSER, GOETSCH, OWENS, BRANDEMUEHL, LORGE, LEHMAN, SERATTI, FREESE, HUEBSCH, HAHN, AINSWORTH, GROTHMAN, JOHNSRUD, ROBSON and GRONEMUS, cosponsored by Senators SCHULTZ and DRZEWIECKI. Referred to Committee on Insurance, Securities and Corporate Policy.

- 1 **AN ACT** *to renumber and amend* 619.165 (1) (d); and *to create* 619.165 (1) (d)
2 2. of the statutes; **relating to:** determining household income for the premium
3 and deductible reduction under the health insurance risk-sharing plan.

Analysis by the Legislative Reference Bureau

The health insurance risk-sharing plan (HIRSP) under current law provides health care coverage for persons who are covered under medicare because they are disabled; persons who have tested positive for HIV; and persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition. A board of governors (board) supervises HIRSP and an administering carrier collects premiums and pays claims. Persons with household incomes below specified levels who are eligible for coverage under HIRSP pay reduced premiums and deductibles, which are subsidized through insurer assessments and general purpose revenue. Household income is defined as all income received by spouses in a household, reduced by \$250 for each dependent who resided in the household for more than 6 months during the year. This definition is the same as the one used for determining household income for the Wisconsin homestead credit.

By administrative rule, a person with coverage under HIRSP may apply for a reduction in his or her premiums and deductibles by submitting a supplemental application or a completed copy of a homestead credit form, schedule H. Either form enables the board to determine household income and, therefore, eligibility for the premium and deductible reduction. This bill requires the board, in determining household income for eligibility for the premium and deductible reduction, to consider information submitted on a completed federal profit or loss form, schedule F, if the applicant is a farmer and was not eligible for the homestead credit in the

