1

2

3

 $\begin{array}{c} LRB-1858/1 \\ RAC:kaf:jf \end{array}$

1997 ASSEMBLY BILL 117

February 18, 1997 – Introduced by Representatives Harsdorf, Dobyns, Ladwig, Boyle, Schafer, F. Lasee, R. Young, Seratti, Baldwin, Bock, Musser, Hanson, Baumgart, Brandemuehl, Ryba, Powers, Notestein and Robson, cosponsored by Senators Rosenzweig, Clausing and Rude. Referred to Committee on Government Operations.

AN ACT to amend 40.51 (2) of the statutes; relating to: the eligibility for group

health insurance for state employes participating under the Wisconsin retirement system.

Analysis by the Legislative Reference Bureau

Under current law, a limited term employe or a part-time employe who is eligible for participation in the Wisconsin retirement system (WRS) is also eligible for group health insurance benefits. Such a limited term employe must have an expected duration of employment of one year or more and such a part-time employe must work at least one-third of what is considered full-time employment. An employer of such limited term employes and part-time employes who work less than half-time is required to pay 50% of the contribution for health insurance costs that the employer pays for a full-time employe under the WRS. Currently, limited term employes and part-time employes who fail to elect to receive health care coverage when first eligible or when first eligible for the employer contribution may only later elect to receive health care coverage under the standard health insurance plan (a fee-for-service plan) with a 6-month waiting period for preexisting health conditions.

This bill changes current law to provide an additional eligibility enrollment period for health care coverage. This period is the time prior to when there is an increase in the employer's contribution towards the cost of health care coverage occurring when a limited term employe or part-time employe who is eligible for group health care insurance becomes a full-time employe under the WRS.

ASSEMBLY BILL 117

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:

Section 1. 40.51 (2) of the statutes is amended to read:

40.51 (2) Except as provided in subs. (10), (10m), (11) and (16), any eligible employe may become covered by group health insurance by electing coverage within 30 days of being hired, to be effective as of the first day of the month which begins on or after the date the application is received by the employer, or by electing coverage prior to becoming eligible for employer contribution towards the premium cost as provided in s. 40.05 (4) (a) to be effective upon becoming eligible for employer contributions. An eligible employe who is not insured, but who is eligible for an employer contribution under s. 40.05 (4) (ag) 1., may elect coverage prior to becoming eligible for an employer contribution under s. 40.05 (4) (ag) 2., with the coverage to be effective upon becoming eligible for the increase in the employer contribution. Any employe who does not so elect at one of these times, or who subsequently cancels the insurance, shall not thereafter become insured unless the employe furnishes evidence of insurability satisfactory to the insurer, at the employe's own expense or obtains coverage subject to contractual waiting periods. The method to be used shall be specified in the health insurance contract.

17 (END)