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LRB-1282/1 RAC:wlj:nwn

## 2007 ASSEMBLY BILL 125

March 5, 2007 – Introduced by Representatives Vruwink, Jorgensen, Garthwaite, Hilgenberg, Gronemus, Shilling, Nelson, Hebl, Pocan, Berceau, Sheridan, A. Ott, Bies, Gunderson, Staskunas, Seidel, Davis and Hraychuck, cosponsored by Senators Schultz, Erpenbach, Lassa and Leibham. Referred to Committee on Insurance.

AN ACT to amend 40.51 (1); and to create 20.515 (1) (g) and 40.515 of the statutes; relating to: the purchase of health care coverage through the Group Insurance Board by individuals who are engaged in the business of farming, granting rule-making authority, and making an appropriation.

### Analysis by the Legislative Reference Bureau

Under current law, the Group Insurance Board, attached to the Department of Employee Trust Funds (DETF), is required to contract on behalf of the state for the purpose of providing health care coverage to state employees. Many other public sector employers may also participate in programs offered by the Group Insurance Board to provide health care coverage for their employees.

This bill provides that, beginning on January 1, 2008, any individual in this state who is a resident of this state and who is engaged in the business of farming, including any individual who is employed by a farm business, may elect to receive coverage under any health care coverage plan offered to state employees by paying to DETF the full cost of the required premiums. The bill also specifies several conditions that any individual seeking health care coverage under the state plan must meet and authorizes DETF to establish by rule preexisting condition exclusions for individuals who elect to receive coverage under the state plan.

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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.** 20.515 (1) (g) of the statutes is created to read:

20.515 (1) (g) Benefit and coverage payments; private sector health care coverage. All moneys received from individuals under s. 40.515 who elect to be included in a health care coverage plan under s. 40.51 (6), for the payment of benefits and the cost of administering benefits for the individuals.

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

40.51 (1) The procedures and provisions pertaining to enrollment, premium transmitted, and coverage of eligible employees <u>and individuals eligible for health</u> <u>care coverage under s. 40.515</u> for health care benefits shall be established by contract or rule except as otherwise specifically provided by this chapter.

**Section 3.** 40.515 of the statutes is created to read:

**40.515** Health care coverage for individuals who are engaged in the business of farming. (1) In this section, "preexisting condition" means a condition, whether physical or mental, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within the 6-month period immediately preceding the individual's election under sub. (2).

(2) Beginning on January 1, 2008, any individual in this state, who is not otherwise eligible for health care coverage under this subchapter, may elect coverage under any health care coverage plan offered under s. 40.51 (6) subject to all of the following conditions:

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under s. 632.746.

(a) The individual is a resident of this state and engages in the business of
farming, including specifically any individual who is employed by a farm business.
(b) The individual provides proof to the department that the individual has
been covered by a health insurance plan or policy for any period of time during the
previous 6 months before electing coverage under this section.
(c) The individual pays to the department the full cost of the required
premiums.
(d) If the individual has terminated health care coverage under this section, the
individual may not again receive any health care coverage under this section for a
period of 12 months from the date of termination.
(3) The department shall establish by rule preexisting condition exclusions for
individuals who elect to receive health care coverage under sub. (2), but any such
preexisting condition exclusion may not exceed the maximum period permitted

(END)