



1995 ASSEMBLY BILL 1066

March 21, 1996 - Introduced by Representatives ROBSON, UNDERHEIM, BOCK, BALDUS, PLACHE, R. YOUNG, PLOMBON, R. POTTER, WASSERMAN, BOYLE, NOTESTEIN, RILEY, SERATTI and LORGE, cosponsored by Senators BURKE, CHVALA, CLAUSING, RISSER, GROBSCHMIDT and DARLING. Referred to Committee on Insurance, Securities and Corporate Policy.

1 **AN ACT to amend** 619.14 (5) (a) and 619.17 (1) of the statutes; **relating to:**
2 premium rates under the health insurance risk-sharing plan.

Analysis by the Legislative Reference Bureau

The health insurance risk-sharing plan (HIRSP) under current law provides major medical health insurance 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. The operating and administrative expenses of HIRSP, including claims, are paid by premiums and assessments paid by health insurers. Premiums are promulgated by rule by the commissioner of insurance. The commissioner is directed to set premiums at 60% of the operating and administrative expenses of HIRSP. This bill deletes the requirement that premiums be set at 60% of HIRSP expenses and prohibits the commissioner from setting any premium rate at more than 150% of the rate that a standard risk would be charged for substantially the same coverage. This change reinstates the requirement under the law before the current provision for setting premium rates was enacted.

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:

3 **SECTION 1.** 619.14 (5) (a) of the statutes is amended to read:
4 619.14 (5) (a) The plan shall offer a deductible in combination with appropriate
5 premiums determined under this subchapter for major medical expense coverage

1 required under this section. For coverage offered to those persons eligible for
2 medicare, the plan shall offer a deductible equal to the deductible charged by part
3 A of title XVIII of the federal social security act, as amended. The deductible
4 amounts for all other eligible persons shall be dependent upon household income as
5 determined under s. 619.165. For eligible persons under s. 619.165 (1) (b) 1., the
6 deductible shall be \$500. For eligible persons under s. 619.165 (1) (b) 2., the
7 deductible shall be \$600. For eligible persons under s. 619.165 (1) (b) 3., the
8 deductible shall be \$700. For eligible persons under s. 619.165 (1) (b) 4., the
9 deductible shall be \$800. For all other eligible persons who are not eligible for
10 medicare, the deductible shall be \$1,000. With respect to all eligible persons,
11 expenses used to satisfy the deductible during the last 90 days of a calendar year
12 shall also be applied to satisfy the deductible for the following calendar year. The
13 schedule of premiums shall be promulgated by rule by the commissioner. The
14 commissioner shall set rates at ~~60% of the operating and administrative costs of~~ may
15 not provide for any rate that is greater than 150% of the rate that a standard risk
16 would be charged under an individual policy providing substantially the same
17 coverage and deductibles as provided under the plan.

18 **SECTION 2.** 619.17 (1) of the statutes is amended to read:

19 619.17 (1) ~~Subject to s. 619.14 (5) (a), a~~ A rating plan that complies with s.
20 619.14 and that is calculated in accordance with generally accepted actuarial
21 principles.

22 **SECTION 3. Initial applicability.**

23 (1) This act first applies to policies that are issued or renewed on the effective
24 date of this subsection.

25 (END)