State of Wisconsin
2003 - 2004 LEGISLATURE

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2003 ASSEMBLY BILL 312

May 8, 2003 - Introduced by Representatives AINSWORTH, ALBERS, BIES, BOYLE, FREESE, GRONEMUS, HAHN, HINES, M. LEHMAN, MCCORMICK, MUSSER, OTT, OWENS, SUDER and WEBER, cosponsored by Senator HANSEN. Referred to Committee on Insurance.

AN ACT ***to amend*** 40.51 (1) and 40.98 (2) (c); and ***to create*** 20.515 (1) (g), 40.03 (6) (k) and 40.515 of the statutes; **relating to:** the purchase of health care coverage by certain individuals through the Group Insurance Board, requiring the Group Insurance Board and the Private Employer Health Care Coverage Board to offer a combined health care coverage plan, granting rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the Group Insurance Board (GIB), 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 GIB to provide health care coverage for their employees.

This bill provides that any individual in this state who is not otherwise eligible for health care coverage under a GIB plan may 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 specifies several conditions that must be met by any individual seeking health care coverage under the state plan and authorizes DETF to establish by rule preexisting condition exclusions for individuals who receive coverage under the state plan. The bill also requires DETF to establish by rule procedures to permit licensed insurance agents to sell health care coverage under the state plans to these individuals.

Currently, the Private Employer Health Care Coverage Board (PEHCCB), attached to DETF, must approve a health care coverage program that is designed by DETF for employers in the private sector. Current law specifically prohibits this program from being combined with any health care coverage plan offered by GIB. This bill requires that one of the PEHCCB health care coverage plans must be combined with a GIB health care coverage plan for state employees.

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. 40.03 (6) (k) of the statutes is created to read:

40.03 **(6)** (k) Shall enter into an agreement with the private employer health care coverage board to combine one of the health care coverage plans offered under s. 40.51 (6) with a health care coverage plan offered under s. 40.98 (2) (a). Coverage under the combined plan shall be offered to individuals who are eligible to receive coverage under the combined plan no later than the January 1 that first occurs after the effective date of this paragraph .... [revisor inserts date].

SECTION 3. 40.51 (1) of the statutes is amended to read:

40.51 **(1)** ~~The~~ Subject to s. 40.515 (4), the procedures and provisions pertaining to enrollment, premium transmitted, and coverage of eligible employees and to individuals eligible for health care coverage under s. 40.515 for health care benefits shall be established by contract or rule except as otherwise specifically provided by this chapter.

SECTION 4. 40.515 of the statutes is created to read:

40.515 Health care coverage for individuals who are not eligible employees. (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 the January 1 that first occurs after the effective date of this subsection .... [revisor inserts date], any individual in this state, who is not otherwise eligible for health care coverage under this subchapter, may receive coverage under any health care coverage plan offered under s. 40.51 (6) subject to all of the following conditions:

(a) The individual is a resident of this state.

(b) The individual pays to the department the full cost of the required premiums.

(c) If the individual has terminated health care coverage under this section, the individual may not again receive 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 receive health care coverage under sub. (2), but any such preexisting condition exclusion may not exceed the maximum period permitted under s. 632.746.

(4) The department shall establish by rule procedures to permit insurance intermediaries licensed under s. 628.04 or 628.09 to sell any health care coverage plan under s. 40.51 (6) to individuals who seek to receive health care coverage under sub. (2).

SECTION 5. 40.98 (2) (c) of the statutes is amended to read:

40.98 **(2)** (c) The health care coverage program established under par. (a)~~, or any health care coverage plan included in the program,~~ may not be combined with any health care coverage plan under subch. IV, except that one of the health care coverage plans included in the program shall be combined with one of the health care coverage plans established under s. 40.51 (6).

(END)