



1995 ASSEMBLY BILL 1035

March 14, 1996 - Introduced by Representative KUNICKI, cosponsored by Senator MOEN. Referred to Committee on Insurance, Securities and Corporate Policy.

1 **AN ACT to amend** 40.02 (26) (intro.), 40.02 (28), 40.03 (6) (a) 1., 628.36 (4) (b) 1.,
2 628.36 (4) (b) 2. and 628.36 (4) (b) 3.; and **to create** 40.03 (6) (a) 3. and
3 subchapter X of chapter 40 [precedes 40.98] of the statutes; **relating to:** the
4 purchase of health care coverage by private employers through the group
5 insurance board and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, the group insurance board (board), attached to the department of employe trust funds, is required to contract on behalf of the state for the purpose of providing health care coverage to state employes. Many other public employers may also participate in programs offered by the board to provide health care coverage for their employes.

This bill authorizes the board to enter into contracts on behalf of private employers for the purpose of providing health care coverage to their employes through a program offered by the board. In order to participate in this program, a private employer must provide health care coverage under the program to all of its employes who have a normal work week of 20 or more hours.

For further information see the **state and local** 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:

6 **SECTION 1.** 40.02 (26) (intro.) of the statutes is amended to read:

1 40.02 **(26)** (intro.) “Employe” means any person who receives earnings as
2 payment for personal services rendered for the benefit of any employer including
3 officers of the employer, except as provided in subch. X. An employe is deemed to
4 have separated from the service of an employer at the end of the day on which the
5 employe last performed services for the employer, or, if later, the day on which the
6 employe-employer relationship is terminated because of the expiration or
7 termination of leave without pay, sick leave, vacation or other leave of absence. A
8 person shall not be considered an employe if a person:

9 **SECTION 2.** 40.02 (28) of the statutes is amended to read:

10 40.02 **(28)** “Employer” means the state, including each state agency, any
11 county, city, village, town, school district, other governmental unit or
12 instrumentality of 2 or more units of government now existing or hereafter created
13 within the state and any federated public library system established under s. 43.19
14 whose territory lies within a single county with a population of 500,000 or more,
15 except as provided under ss. 40.51 (7) and 40.61 (3) and subch. X, or a local exposition
16 district created under subch. II of ch. 229. Each employer shall be a separate legal
17 jurisdiction for OASDHI purposes.

18 **SECTION 3.** 40.03 (6) (a) 1. of the statutes is amended to read:

19 40.03 **(6)** (a) 1. Shall, on behalf of the state, enter into a contract or contracts
20 with one or more insurers authorized to transact insurance business in this state for
21 the purpose of providing the group insurance plans provided for by this chapter; ~~or,~~

22 **SECTION 4.** 40.03 (6) (a) 3. of the statutes is created to read:

23 40.03 **(6)** (a) 3. May, on behalf of any employer specified under subch. X, enter
24 into a contract or contracts with one or more insurers authorized to transact

1 insurance business in this state for the purpose of providing the health care coverage
2 plans provided under subch. X.

3 **SECTION 5.** Subchapter X of chapter 40 [precedes 40.98] of the statutes is
4 created to read:

5 **CHAPTER 40**

6 **SUBCHAPTER X**

7 **PRIVATE EMPLOYER HEALTH**

8 **CARE COVERAGE**

9 **40.98 Health care coverage. (1)** In this subchapter:

10 (a) "Employee" means any person who receives earnings as payment for
11 personal services rendered for the benefit of any employer including officers of the
12 employer. An employe is deemed to have separated from the service of an employer
13 at the end of the day on which the employe last performed services for the employer,
14 or, if later, the day on which the employe-employer relationship is terminated
15 because of the expiration or termination of leave without pay, sick leave, vacation or
16 other leave of absence. A person shall not be considered an employe if a person:

17 1. Is employed under a contract involving the furnishing of more than personal
18 services.

19 2. Is customarily engaged in an independently established trade, business or
20 profession providing the same type of services to more than one employer and whose
21 services to an employer are not compensated for on a payroll of that employer.

22 3. Is a patient or inmate of a hospital, home or institution and performs services
23 in the hospital, home or institution.

24 (b) "Employer" means any person doing business or operating an organization
25 in this state other than the state, including each state agency, and any county, city,

1 village, town, school district, other governmental unit or instrumentality of 2 or more
2 units of government.

3 (2) (a) Subject to pars. (b) and (c), any employer may offer to all of its employes
4 a health care coverage plan through a program offered by the group insurance board.
5 The department may, by rule, establish eligibility standards or contribution
6 requirements for such employes and employers and may, by rule, limit the category
7 of employers allowed to be included in any program available under this subchapter.

8 (b) An employer who participates in a program offered by the group insurance
9 board under par. (a) shall provide health care coverage under that program to all of
10 its employes who have a normal work week of 20 or more hours.

11 (c) An employer who participates in a program offered by the group insurance
12 board under par. (a) shall make any premium payments for the health care coverage
13 of the employer's employes directly to the insurer providing the coverage.

14 **SECTION 6.** 628.36 (4) (b) 1. of the statutes is amended to read:

15 628.36 (4) (b) 1. Assisting the department of employe trust funds in the
16 development of health care plans under s. 40.51 (7) and subch. X of ch. 40.

17 **SECTION 7.** 628.36 (4) (b) 2. of the statutes is amended to read:

18 628.36 (4) (b) 2. Providing employers and their employes with information
19 regarding the availability and nature of health care coverage that may be obtained
20 under s. 40.51 (7) and subch. X of ch. 40.

21 **SECTION 8.** 628.36 (4) (b) 3. of the statutes is amended to read:

22 628.36 (4) (b) 3. Providing information to employers regarding how to proceed
23 under s. 40.51 (7) and subch. X of ch. 40 to obtain health care coverage for their
24 employes.

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(END)