



2005 ASSEMBLY BILL 519

June 28, 2005 – Introduced by Representatives McCORMICK, KRAWCZYK, VAN ROY, VRAKAS, MUSSER and JENSEN, cosponsored by Senators DARLING, ROESSLER and HARS DORF. Referred to Joint Committee on Finance.

1 **AN ACT** *to renumber and amend* 62.61 and 66.0137 (5); *to amend* 66.0137 (1)
2 and 632.797 (5); and *to create* 16.971 (2) (o), 16.971 (2) (p), 62.61 (2), 62.61 (3),
3 66.0137 (5) (b) and (c), 601.41 (10), 601.41 (11), 610.66 and 632.797 (1) (d) of the
4 statutes; **relating to:** disclosure of health insurance claims experience of local
5 governmental units; bids submitted to local governmental units for health
6 insurance; requiring the commissioner of insurance to promulgate rules
7 establishing uniform forms for local government health care coverage requests
8 for proposals and health care claims experience and summarizing benefits
9 provided under health care benefit plans; and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, an insurer must provide aggregate claims experience information, upon request, to the policyholder of a group health insurance policy and to an employer that provides health care coverage to its employees through a multiple-employer trust. This requirement applies only if the policyholder or employer provides coverage under the policy for at least 50 individuals, excluding individuals who are covered as dependents. Information must be provided for the current policy period and for up to two immediately preceding policy periods if the

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insurer provided coverage during those periods, but information is not required to be provided for any period of time that is before 18 months before the date of the request. The insurer must provide the information within 30 days after receiving the request and may not charge for providing the information one time in a 12-month period but may charge for additional requests during that time period.

This bill does the following:

1. Requires a local governmental unit, which includes a city, village, town, county, school district, sewerage district, drainage district, and any other political subdivision of the state, that requests aggregate group health care claims experience that an insurer is required to provide to notify the Department of Administration (DOA) when the local governmental unit requests the information.

2. Requires an insurer to provide to DOA the aggregate group health care claims experience information that it provides to a local governmental unit at the same time that the insurer provides the information to the local governmental unit.

3. Requires the Office of the Commissioner of Insurance to develop, by rule, a uniform form for insurers to use when providing aggregate group health care claims experience information to local governmental units and requires insurers to use the form when providing the information to local governmental units and to DOA.

4. Requires DOA to make the aggregate group health care claims experience information that it receives from insurers available to the public.

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:

1 **SECTION 1.** 16.971 (2) (o) of the statutes is created to read:

2 16.971 (2) (o) Make available to the public without charge to local
3 governmental units, the information received from local governmental units under
4 s. 66.0137 (5) (c) in a manner determined by the department to enable the general
5 public to make meaningful comparisons of the bids received. The department shall
6 specify the format that local governmental units shall use in submitting the
7 information and shall make information about the format readily available to local
8 governmental units.

9 **SECTION 2.** 16.971 (2) (p) of the statutes is created to read:

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1 16.971 (2) (p) Make available to the public the aggregate group health care
2 claims experience information received from insurers under s. 632.797 (1) (d) in the
3 manner determined by the department.

4 **SECTION 3.** 62.61 of the statutes is renumbered 62.61 (1) and amended to read:

5 62.61 (1) The common council of a 1st class city may, by ordinance or resolution,
6 provide for, including the payment of premiums of, general hospital, surgical and
7 group insurance for both active and retired city officers and city employees and their
8 respective dependents in private companies, or may, by ordinance or resolution, elect
9 to offer to all of its employees a health care coverage plan through a program offered
10 by the group insurance board under ch. 40. Municipalities which elect to participate
11 under s. 40.51 (7) are subject to the applicable sections of ch. 40 instead of this ~~section~~
12 subsection. Contracts for insurance under this ~~section~~ subsection may be entered
13 into for active officers and employees separately from contracts for retired officers
14 and employees. Appropriations may be made for the purpose of financing insurance
15 under this ~~section~~ subsection. Moneys accruing to a fund to finance insurance under
16 this ~~section~~ subsection, by investment or otherwise, may not be diverted for any other
17 purpose than those for which the fund was set up or to defray management expenses
18 of the fund or to partially pay premiums to reduce costs to the city or to persons
19 covered by the insurance, or both.

20 **SECTION 4.** 62.61 (2) of the statutes is created to read:

21 62.61 (2) If a 1st class city solicits bids to provide health care coverage under
22 sub. (1), the 1st class city shall use the uniform local government health care
23 coverage request-for-proposals form developed by the commissioner of insurance
24 under s. 601.41 (10) to solicit the bids.

25 **SECTION 5.** 62.61 (3) of the statutes is created to read:

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1 62.61 (3) A 1st class city shall submit information about a bid it receives to the
2 department of administration in the format specified under s. 16.971 (2) (o) no later
3 than 30 days after the bid is received or, in the case of a sealed bid, no later than 30
4 days after the bid is opened. At the time the information is submitted to the
5 department of administration, the 1st class city shall do at least one of the following:

6 (a) Post the same information on the city's Internet site, if any.

7 (b) Post notice on the city's Internet site, if any, that the information has been
8 submitted to the department of administration.

9 (c) Post or publish as a class 1 notice under ch. 985 a statement that the
10 information has been submitted to the department of administration and will be
11 available on the state's Internet site, if any, or a statement that the information may
12 be viewed at a specified location in the 1st class city, or both.

13 **SECTION 6.** 66.0137 (1) of the statutes is amended to read:

14 66.0137 (1) DEFINITION. In this section, "local governmental unit" means a city,
15 village, town, county, school district (~~as enumerated in s. 67.01 (5)~~), sewerage
16 district, drainage district, and, ~~without limitation because of enumeration,~~ any other
17 political subdivision of the state.

18 **SECTION 7.** 66.0137 (5) of the statutes is renumbered 66.0137 (5) (a) amended
19 to read:

20 66.0137 (5) (a) The state or a local governmental unit may provide for the
21 payment of premiums for hospital, surgical and other health and accident insurance
22 and life insurance for employees and officers and their spouses and dependent
23 children. A local governmental unit may also provide for the payment of premiums
24 for hospital and surgical care for its retired employees. In addition, a local
25 governmental unit may, by ordinance or resolution, elect to offer to all of its

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1 employees a health care coverage plan through a program offered by the group
2 insurance board under ch. 40. A local governmental unit that elects to participate
3 under s. 40.51 (7) is subject to the applicable sections of ch. 40 instead of this
4 subsection paragraph.

5 **SECTION 8.** 66.0137 (5) (b) and (c) of the statutes are created to read:

6 66.0137 (5) (b) If a local governmental unit solicits bids to provide health care
7 coverage under par. (a), the local governmental unit shall use the uniform local
8 government health care coverage request-for-proposals form developed by the
9 commissioner of insurance under s. 601.41 (10) to solicit the bids.

10 (c) A local governmental unit shall submit information about a bid it receives
11 to the department of administration in the format specified under s. 16.971 (2) (o) no
12 later than 30 days after the bid is received or, in the case of a sealed bid, no later than
13 30 days after the bid is opened. At the time the information is submitted to the
14 department of administration, the local governmental unit shall do at least one of the
15 following:

- 16 1. Post the same information on the local government's Internet site, if any.
- 17 2. Post notice on the local government's Internet site, if any, that the
18 information has been submitted to the department of administration and will be
19 available on the state's Internet site, if any.
- 20 3. Post or publish as a class 1 notice under ch. 985 a statement that the
21 information has been submitted to the department of administration and will be
22 available on the state's Internet site, if any, or a statement that the information may
23 be viewed at a specified location in the local governmental unit, or both.

24 **SECTION 9.** 601.41 (10) of the statutes is created to read:

ASSEMBLY BILL 519**SECTION 9**

1 **601.41 (10) LOCAL GOVERNMENT HEALTH CARE COVERAGE REQUEST-FOR-PROPOSALS**
2 FORM. The commissioner shall by rule develop a uniform local government health
3 care coverage request-for-proposals form that a local governmental unit must use
4 under s. 66.0137 (5) (b) if the local governmental unit solicits bids for health care
5 coverage. The commissioner shall publish a notice in the Wisconsin administrative
6 register that states the effective date of the rule required under this subsection.

7 **SECTION 10.** 601.41 (11) of the statutes is created to read:

8 **601.41 (11) LOCAL GOVERNMENT HEALTH CARE CLAIMS EXPERIENCE FORM.** The
9 commissioner shall by rule develop a uniform local government health care claims
10 experience form that an insurer must use under s. 632.797 (1) (d). The form may not
11 require the disclosure of information that identifies an individual or that is
12 confidential under s. 51.30, 146.82, or 252.15 or any applicable federal law. The
13 commissioner shall publish a notice in the Wisconsin administrative register that
14 states the effective date of the rule required under this subsection.

15 **SECTION 11.** 610.66 of the statutes is created to read:

16 **610.66 Local government health care coverage request-for-proposals**
17 **form.** Every insurer shall use the uniform local government health care coverage
18 request-for-proposals form developed by the commissioner under s. 601.41 (10)
19 when submitting a bid to a local governmental unit under s. 66.0137 (5) (b).

20 **SECTION 12.** 632.797 (1) (d) of the statutes is created to read:

21 **632.797 (1) (d) 1.** "Local governmental unit" has the meaning given in s.
22 66.0137 (1).

23 **2.** A policyholder or employer that is a local governmental unit and that
24 requests information under par. (a) that an insurer is required to provide under this

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1 section shall notify the department of administration when it makes the request for
2 the information.

3 3. An insurer that is required to provide the information under par. (a) to a local
4 governmental unit shall also provide the information to the department of
5 administration at the same time as the insurer provides the information to the local
6 governmental unit.

7 4. The insurer shall use the uniform local government health care claims
8 experience form developed by the commissioner under s. 601.41 (11) to submit the
9 claims experience information to the local governmental unit and to the department
10 of administration.

11 5. If the insurer fails to provide the information to the department of
12 administration by the deadline specified in par. (b), the department of
13 administration may report the failure to the commissioner.

14 **SECTION 13.** 632.797 (5) of the statutes is amended to read:

15 632.797 (5) An insurer is not required under sub. (1) to provide information
16 that identifies an individual or that is confidential under s. 51.30, 146.82, or 252.15.

17 **SECTION 14. Initial applicability.**

18 (1) The treatment of section 610.66 of the statutes and the creation of sections
19 62.61 (2) and (3) and 66.0137 (5) (b) and (c) of the statutes first apply to bids solicited
20 by a local governmental unit on the first day of the 3rd month beginning after the
21 date stated in the notice published by the commissioner of insurance in the
22 Wisconsin administrative register under section 601.41 (10) of the statutes, as
23 created by this act.

24 (2) The treatment of section 632.797 (1) (d) of the statutes first applies to
25 requests for health care claims experience information made by a local governmental

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1 unit on the first day of the 3rd month beginning after the date stated in the notice
2 published by the commissioner of insurance in the Wisconsin administrative register
3 under section 601.41 (11) of the statutes, as created by this act.

4 (END)