



## 2023 SENATE BILL 811

December 12, 2023 - Introduced by Senators TESTIN, COWLES, FEYEN, QUINN and TOMCZYK, cosponsored by Representatives KURTZ, MOSES, DITTRICH, BEHNKE, BINSFELD, BROOKS, EDMING, GOEBEN, GREEN, GUNDRUM, GUSTAFSON, KRUG, MAGNAFICI, MURSAU, NEDWESKI, NOVAK, O'CONNOR, OLDENBURG, PENTERMAN, RETTINGER, SCHMIDT, SCHUTT, SPIROS, SUMMERFIELD, TRANEL and VANDERMEER. Referred to Committee on Insurance and Small Business.

1 **AN ACT to create** 146.76 and 600.01 (1) (b) 14. of the statutes; **relating to:**  
2 nonprofit agricultural organization health benefit coverage.

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### *Analysis by the Legislative Reference Bureau*

This bill allows nonprofit agricultural organizations to provide health benefit coverage to its members and its members' families and exempts the health benefit coverage and the nonprofit agricultural organization offering the health benefit coverage from the application of insurance law. Under the bill, "nonprofit agricultural organization" is defined to mean a member-directed agricultural organization whose purpose is to represent, protect, and enhance the business, economic, social, and educational interests of members located throughout the state and to which certain conditions apply including that the organization is exempt from federal tax, that the organization is organized as a cooperative in this state, that the organization was organized prior to January 1, 1922, that the organization collects annual dues from its members, that the organization is governed by a board of directors that is elected by its members, and that the organization has a wholly owned subsidiary through which health benefit coverage may be administered.

If a nonprofit agricultural organization offers to provide health benefit coverage, the bill requires the nonprofit agricultural organization to satisfy certain criteria. First, a nonprofit agricultural organization must provide written notice to its members prior to enrollment that any health benefit coverage provided by the nonprofit agricultural organization is not health insurance and that the health benefit coverage alone may not satisfy individual or employer insurance coverage requirements under federal law. Further, a nonprofit agricultural organization must

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reinsure its risks under the health benefit coverage it provides with a company authorized to transact reinsurance business in this state. Additionally, the bill prohibits nonprofit agricultural organizations from taking certain action with respect to the health benefit coverage that it provides. The bill prohibits nonprofit agricultural organizations from excluding or refusing to provide coverage for services provided by a health care provider if the health benefit coverage provided by the nonprofit agricultural organization covers those services when provided by a physician. Further, the bill prohibits nonprofit agricultural organizations from imposing a preexisting condition exclusion for any condition for a period of more than six months if the health benefit coverage would otherwise include coverage of the condition.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 146.76 of the statutes is created to read:

2           **146.76 Nonprofit agricultural organization health benefit coverage.**

3           **(1)** In this section:

4           (a) “Health care provider” means a health care provider under s. 146.81 (1) (a)  
5 to (p) that provides health care services within the provider’s scope of practice.

6           (b) “Nonprofit agricultural organization” means a member-directed  
7 agricultural organization whose purpose is to represent, protect, and enhance the  
8 business, economic, social, and educational interests of members located throughout  
9 the state and to which all of the following apply:

10           1. The organization is described in section 501 (c) (5) of the Internal Revenue  
11 Code and is exempt from federal tax under section 501 (a) of the Internal Revenue  
12 Code.

13           2. The organization is organized as a cooperative in this state under ch. 185.

14           3. The organization was established prior to January 1, 1922.

15           4. The organization collects annual dues from its members.

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1           5. The organization is governed by a board of directors that is elected by its  
2 members.

3           6. The organization has a wholly owned subsidiary through which health  
4 benefit coverage may be administered.

5           (2) A nonprofit agricultural organization may provide health benefit coverage  
6 for the sole benefit of its members and its members' family.

7           (3) If a nonprofit agricultural organization offers to provide health benefit  
8 coverage under sub. (2), the nonprofit agricultural organization shall, prior to  
9 enrollment, provide written notice to its members, and require a signature from its  
10 members acknowledging, that any health benefit coverage provided by the nonprofit  
11 agricultural organization is not health insurance and that the health benefit  
12 coverage alone may not satisfy individual or employer insurance coverage  
13 requirements under federal law.

14           (4) No nonprofit agricultural organization that offers to provide health benefit  
15 coverage under sub. (2) may exclude or refuse to provide coverage for services  
16 provided by a health care provider if the health benefit coverage covers those services  
17 when provided by a physician licensed under subch. II of ch. 448.

18           (5) No nonprofit agricultural organization that offers to provide health benefit  
19 coverage under sub. (2) may impose a preexisting condition exclusion for any  
20 condition for a period of more than 6 months if the health benefit coverage would  
21 otherwise include coverage of the condition.

22           (6) A nonprofit agricultural organization that offers to provide health benefit  
23 coverage under sub. (2) shall reinsure its risks under the health benefit coverage it  
24 provides with a company authorized to transact reinsurance business in this state.

25           **SECTION 2.** 600.01 (1) (b) 14. of the statutes is created to read:

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**SECTION 2**

1           600.01 (1) (b) 14. Nonprofit agricultural organization health benefit coverage  
2           and the nonprofit agricultural organization offering the coverage under s. 146.76.

3                                           **(END)**