



1995 ASSEMBLY BILL 620

October 12, 1995 - Introduced by Representatives PLOMBON, ROBSON, WASSERMAN, GROBSCHMIDT, BOYLE, VANDER LOOP, GRONEMUS, NOTESTEIN, RYBA, BAUMGART, BOCK, TURNER, R. YOUNG and MURAT. Referred to Committee on Insurance, Securities and Corporate Policy.

1 **AN ACT to amend** 40.51 (8), 60.23 (25), 66.184, 111.70 (1) (a), 120.13 (2) (g),
2 185.981 (4t) and 185.983 (1) (intro.); and **to create** 40.51 (8m), 111.70 (4) (n),
3 111.91 (2) (k) and 632.895 (11) of the statutes; **relating to:** requiring health
4 insurers to cover medically necessary formulas and foods.

Analysis by the Legislative Reference Bureau

This bill requires every health insurance policy (called "disability insurance policy" in the statutes), including health care plans offered by health maintenance organizations, preferred provider plans and the state, and every self-insured health plan of the state or a county, city, village, town or school district, to provide coverage of any special medical formulas, specially formulated foods or other products that are prescribed by a physician as medically necessary for the treatment of an infant or child with coverage under the policy or plan who has any of a number of diseases specified in the bill, including phenylketonuria (PKU). Every such policy or plan must also provide coverage of any special medical formulas, specially formulated foods or other products that are prescribed by a physician for a pregnant woman with coverage under the policy or plan who has PKU for the protection of the fetus. Specifically excluded from the requirement are health insurance policies that cover only certain specified diseases, health care plans offered by limited service health organizations, medicare replacement or supplement policies and long-term care insurance policies.

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.** 40.51 (8) of the statutes is amended to read:

2 40.51 **(8)** Every health care coverage plan offered by the state under sub. (6)
3 shall comply with ss. 631.89, 631.90, 631.93 (2), 632.72 (2), 632.87 (3) to (5), 632.895
4 (5m) and (8) to ~~(10)~~ (11) and 632.896.

5 **SECTION 2.** 40.51 (8m) of the statutes is created to read:

6 40.51 **(8m)** Every health care coverage plan offered by the group insurance
7 board under sub. (7) shall comply with s. 632.895 (11).

8 **SECTION 3.** 60.23 (25) of the statutes is amended to read:

9 60.23 **(25)** SELF-INSURED HEALTH PLANS. Provide health care benefits to its
10 officers and employes on a self-insured basis if the self-insured plan complies with
11 ss. 631.89, 631.90, 631.93 (2), 632.87 (4) and (5), 632.895 (9) and (11) and 632.896.

12 **SECTION 4.** 66.184 of the statutes is amended to read:

13 **66.184 Self-insured health plans.** If a city, including a 1st class city, or a
14 village provides health care benefits under its home rule power, or if a town provides
15 health care benefits, to its officers and employes on a self-insured basis, the
16 self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),
17 632.87 (4) and (5), 632.895 (9) and (11), 632.896, 767.25 (4m) (d) and 767.51
18 (3m) (d).

19 **SECTION 5.** 111.70 (1) (a) of the statutes, as affected by 1995 Wisconsin Act 27,
20 is amended to read:

21 111.70 **(1)** (a) "Collective bargaining" means the performance of the mutual
22 obligation of a municipal employer, through its officers and agents, and the
23 representative of its municipal employes in a collective bargaining unit, to meet and
24 confer at reasonable times, in good faith, with the intention of reaching an
25 agreement, or to resolve questions arising under such an agreement, with respect to

1 wages, hours and conditions of employment, and with respect to a requirement of the
2 municipal employer for a municipal employe to perform law enforcement and fire
3 fighting services under s. 61.66, except as provided in sub. (4) (m) and (n) and s. 40.81
4 (3) and except that a municipal employer shall not meet and confer with respect to
5 any proposal to diminish or abridge the rights guaranteed to municipal employes
6 under ch. 164. The duty to bargain, however, does not compel either party to agree
7 to a proposal or require the making of a concession. Collective bargaining includes
8 the reduction of any agreement reached to a written and signed document. The
9 municipal employer shall not be required to bargain on subjects reserved to
10 management and direction of the governmental unit except insofar as the manner
11 of exercise of such functions affects the wages, hours and conditions of employment
12 of the municipal employes in a collective bargaining unit. In creating this subchapter
13 the legislature recognizes that the municipal employer must exercise its powers and
14 responsibilities to act for the government and good order of the jurisdiction which it
15 serves, its commercial benefit and the health, safety and welfare of the public to
16 assure orderly operations and functions within its jurisdiction, subject to those
17 rights secured to municipal employes by the constitutions of this state and of the
18 United States and by this subchapter.

19 **SECTION 6.** 111.70 (4) (n) of the statutes is created to read:

20 111.70 (4) (n) *Health insurance coverage of medically necessary formulas and*
21 *foods.* The municipal employer is prohibited from bargaining collectively with
22 respect to the provision of the health insurance coverage of medically necessary
23 formulas, foods and other products required under s. 632.895 (11).

24 **SECTION 7.** 111.91 (2) (k) of the statutes is created to read:

1 111.91 (2) (k) The provision to employes of the health insurance coverage of
2 medically necessary formulas, foods and other products required under s. 632.895
3 (11).

4 **SECTION 8.** 120.13 (2) (g) of the statutes is amended to read:

5 120.13 (2) (g) Every self-insured plan under par. (b) shall comply with ss.
6 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.87 (4) and (5), 632.895 (9) ~~and (10) to~~
7 (11), 632.896, 767.25 (4m) (d) and 767.51 (3m) (d).

8 **SECTION 9.** 185.981 (4t) of the statutes is amended to read:

9 185.981 (4t) A sickness care plan operated by a cooperative association is
10 subject to ss. 252.14, 631.89, 632.72 (2), 632.87 (2m), (3), (4) and (5), 632.895 (10) and
11 (11) and 632.897 (10) and ch. 155.

12 **SECTION 10.** 185.983 (1) (intro.) of the statutes is amended to read:

13 185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be
14 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,
15 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.89, 631.93, 632.72
16 (2), 632.775, 632.79, 632.795, 632.87 (2m), (3), (4) and (5), 632.895 (5), and (9) and
17 ~~(10) to (11)~~, 632.896 and 632.897 (10), subch. II of ch. 619 and chs. 609, 630, 635, 645
18 and 646, but the sponsoring association shall:

19 **SECTION 11.** 632.895 (11) of the statutes is created to read:

20 632.895 (11) **MEDICALLY NECESSARY FORMULAS AND FOODS.** (a) Except as provided
21 in par. (b), every disability insurance policy, and every self-insured health plan of the
22 state or a county, city, village, town or school district, shall provide coverage of any
23 special medical formulas, specially formulated foods or other products that are
24 prescribed by a physician licensed under ch. 448 as medically necessary for any of
25 the following:

1 1. The treatment of an infant or child with coverage under the policy or plan
2 for any of the following:

- 3 a. Phenylketonuria.
- 4 b. Tyrosinemia.
- 5 c. Homocystinuria.
- 6 d. Maple syrup urine disease.
- 7 e. Propionic acidemia.
- 8 f. Methylmalonic acidemia.

9 2. The protection of the fetus of a pregnant woman with coverage under the
10 policy or plan who has phenylketonuria.

11 (b) This subsection does not apply to any of the following:

- 12 1. A disability insurance policy that covers only certain specified diseases.
- 13 2. A health care plan offered by a limited service health organization, as defined
14 in s. 609.01 (3).
- 15 3. A medicare replacement policy, a medicare supplement policy or a long-term
16 care insurance policy.

17 **SECTION 12. Initial applicability.**

18 (1) This act first applies to all of the following:

19 (a) Except as provided in paragraph (b) and (c) , disability insurance policies
20 that are issued or renewed, and self-insured health plans that are established,
21 extended, modified or renewed, on the effective day of this paragraph.

22 (b) Disability insurance policies covering employes who are affected by a
23 collective bargaining agreement containing provisions inconsistent with this act
24 that are issued or renewed on the earlier of the following:

- 25 1. The day on which the collective bargaining agreement expires.

