



1995 ASSEMBLY BILL 654

November 3, 1995 - Introduced by Representatives URBAN, BRANDEMUEHL, BOCK, OTT, R. YOUNG, AINSWORTH, LA FAVE, HAHN, F. LASEE, PLOMBON and LORGE. Referred to Committee on Labor and Employment.

- 1 **AN ACT to create** 111.91 (2) (k) and 619.163 of the statutes; **relating to:** employer
2 contribution to health insurance risk-sharing plan premium.

Analysis by the Legislative Reference Bureau

The health insurance risk-sharing plan (HIRSP) under current law provides major medical health insurance coverage in annually renewable individual policies, providing single coverage, for persons who are covered under medicare because they are disabled, persons who have tested positive for HIV and persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition. Administrative expenses and claims are paid by assessments against health insurers, as well as premiums paid by covered individuals. Covered individuals with household incomes below a specified amount pay reduced premiums and deductibles through a subsidy program funded with general purpose revenue and health insurer assessments and penalties. Individuals who are eligible for coverage under an employer's health insurance plan or self-insured health plan are not eligible for coverage under HIRSP. Thus, an employe must be refused coverage under an employer's plan in order to obtain coverage under HIRSP. An employe may not simply choose HIRSP coverage over his or her employer's coverage.

This bill requires an employer that provides coverage under a health insurance policy or a self-insured health plan to contribute to the premium for coverage under HIRSP on behalf of an employe who has coverage under HIRSP if the employer pays all or any portion of the premium or benefit cost on behalf of an employe who has coverage under the employer's health insurance policy or self-insured health plan. For an employe with coverage under HIRSP, the employer must pay the highest dollar amount that the employer pays for single coverage or benefits for an employe under the employer's health insurance policy or self-insured health plan, but not more than the HIRSP premium. The requirement applies to all employers, including municipalities, except the state.

For further information see the *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.** 111.91 (2) (k) of the statutes is created to read:

2 111.91 (2) (k) The health insurance risk-sharing plan premium contribution
3 required under s. 619.163.

4 **SECTION 2.** 619.163 of the statutes is created to read:

5 **619.163 Employer premium contribution. (1)** In this section:

6 (a) 1. Except as provided in subd. 2., “eligible employe” means an employe who
7 works on a permanent basis and has a normal work week of 30 or more hours. The
8 term includes a sole proprietor, a business owner, including the owner of a farm
9 business, a partner of a partnership and a member of a limited liability company if
10 the sole proprietor, business owner, partner or member is included as an employe
11 under a health benefit plan of an employer, but the term does not include an employe
12 who works on a temporary or substitute basis.

13 2. For purposes of a group health benefit plan, or a self-insured health plan,
14 that is offered by the group insurance board under s. 40.51 (7), “eligible employe” has
15 the meaning given in s. 40.02 (25).

16 (b) “Employer” means any of the following:

17 1. An individual, firm, corporation, partnership, limited liability company or
18 association that is actively engaged in a business enterprise in this state, including
19 a farm business.

20 2. A municipality, as defined in s. 16.70 (8).

