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1999 ASSEMBLY BILL 193

March 12, 1999 – Introduced by Representatives OTT, BOCK, BRANDEMUEHL, AINSWORTH, CARPENTER, FREESE, LA FAVE, J. LEHMAN, M. LEHMAN, MEYER, MUSSER, PLOUFF, POWERS, RYBA, SERATTI, SPILLNER and URBAN, cosponsored by Senators MOEN, RUDE, WIRCH, ROSENZWEIG, DRZEWIECKI, DARLING and CLAUSING. Referred to Committee on Insurance.

AN ACT ***to amend*** 149.165 (1) and 149.165 (2) (intro.); and ***to create*** 149.165 (3m) of the statutes; **relating to:** annual adjustments to income for eligibility for subsidies under the health insurance risk–sharing plan.

Analysis by the Legislative Reference Bureau

The health insurance risk–sharing plan (HIRSP) provides major medical health insurance 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. Also eligible for coverage are persons who do not currently have health insurance coverage, but who were covered under certain types of health insurance coverage for at least 18 months in the past. Responsibility for administering HIRSP is split between the department of health and family services (DHFS) and a board of governors.

With certain exceptions, covered individuals with annual household incomes below $20,000 pay reduced premiums and deductibles through a subsidy program funded with general purpose revenue. Individuals with annual household incomes of between $0 and $10,000 pay a $500 deductible and a premium that is 100% of the rate that a standard risk would pay under a similar policy; individuals with annual household incomes of between $10,000 and $14,000 pay a $600 deductible and a premium that is 106.5% of the standard risk rate; individuals with annual household incomes of between $14,000 and $17,000 pay a $700 deductible and a premium that is 115.5% of the standard risk rate; individuals with annual household incomes of between $17,000 and $20,000 pay an $800 deductible and a premium that is 124.5% of the standard risk rate.

This bill requires DHFS annually to adjust the dollar amounts specified for household income, (except for $0), by the percentage change in the consumer price index for the 12–month period ending on the day on which DHFS makes the adjustment. The effect of this will be to increase the maximum household income that a covered individual may have to be eligible for a subsidy if the consumer price index increases and to decrease the maximum household income that a covered individual may have to be eligible for a subsidy if the consumer price index decreases. Another effect that the change in the bill might have is to change the amount of deductible and premium that a covered individual who is eligible for a subsidy must pay if the change in the consumer price index results in placing the individual in a higher or lower subsidy category.

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

SECTION 1. 149.165 (1) of the statutes is amended to read:

149.165 **(1)** Except as provided in s. 149.146 (2) (a), the department shall reduce the premiums established under s. 149.11 in conformity with ss. 149.143 and 149.17, for the eligible persons and in the manner set forth in subs. (2) ~~and~~, (3) and (3m).

SECTION 2. 149.165 (2) (intro.) of the statutes is amended to read:

149.165 **(2)** (intro.) ~~If~~ Except as adjusted by the department under sub. (3m), if the household income, as defined in s. 71.52 (5) and as determined under sub. (3), of an eligible person is equal to or greater than the first amount and less than the 2nd amount listed in any of the following, the department shall reduce the premium for the eligible person to the rate shown after the amounts:

SECTION 3. 149.165 (3m) of the statutes is created to read:

149.165 **(3m)** (a) In the year 2000, the department shall adjust each dollar amount listed in sub. (2) (a) to (d), except for the first dollar amount listed in sub. (2)

(a), by the percentage change in the consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor, for the 12–month period ending on the day on which the department determines the adjusted dollar amounts.

(b) Annually thereafter, the department shall adjust each dollar amount determined the previous year, except for the first dollar amount listed in sub. (2) (a), by the annual change in the consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor, for the 12–month period ending on the day on which the department determines the new adjusted dollar amounts.

(END)