

1999 DRAFTING REQUEST

Bill

Received: 12/8/98

Received By: kahlepj

Wanted: As time permits

Identical to LRB: 97-3584

For: Alvin Ott (608) 266-5831

By/Representing: Linda

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Alt. Drafters:

Subject: Insurance - health
Health - miscellaneous

Extra Copies:

Topic:

Annual adjustments to income for HIRSP subsidy eligibility

Instructions:

See Attached

Drafting History:

Table with 8 columns: Vers., Drafted, Reviewed, Typed, Proofed, Submitted, Jacketed, Required. It tracks the drafting process for two versions of the bill.

FE Sent For: 01/5/99 .

"/1"

<END>



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1?	kahlepj	cmm 12/11 h		_____			
		1 12/21 jcg		_____			

FE Sent For:

<END>

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Leida

(al Ott)

6-5831

redraft 97-3584/1

use "2000" for starting year



State of Wisconsin
1997 - 1998 LEGISLATURE

1152/1
LRB-35844
PJK:kaf:km
CMM + JLG

1999

1997 BILL

WFO: -
please fix
"identical to"
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regenerate
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- 1 AN ACT to amend 619.165 (1) (b) (intro.); and to create 619.165 (1) (e) of the
- 2 statutes; relating to: annual adjustments to income for eligibility for subsidies
- 3 under the health insurance risk-sharing plan.

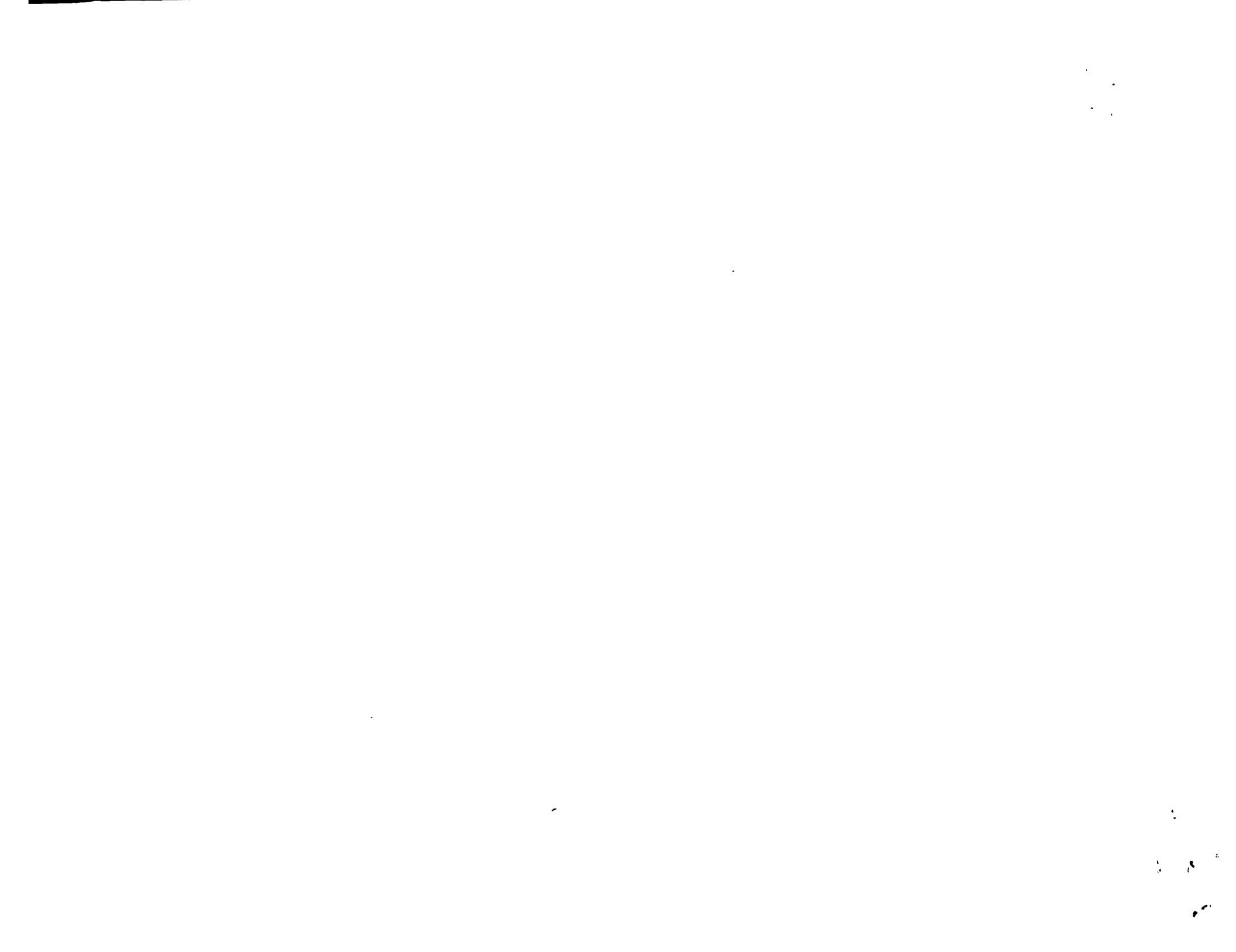
Analysis by the Legislative Reference Bureau

Insert
A

The health insurance risk-sharing plan (HIRSP) under current law provides health care 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. A board of governors (board) supervises HIRSP and an administering carrier collects premiums and pays claims.

~~Covered~~ individuals with annual household incomes below \$20,000 pay reduced premiums and deductibles through a subsidy program ~~administered by the board~~ funded with general purpose revenue ~~and health care assessments and~~ ~~premiums~~. 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.

With certain exceptions, covered



BILL

DHFS

specified for household income

This bill requires ~~the board~~ annually to adjust the ~~specified~~ dollar amounts, (except for \$0), by the percentage change in the consumer price index for the 12-month period ending on the day on which ~~the board~~ 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:

1 SECTION 1. 619.165 (1) (b) (intro.) of the statutes is amended to read:

2 619.165 (1) (b) (intro.) ~~If Except as adjusted by the board under par. (e), if the~~
3 household income, as defined in s. 71.52 (5) and as determined under par. (d), of an
4 eligible person is equal to or greater than the first amount and less than the 2nd
5 amount listed in any of the following, the board shall reduce the premium for the
6 eligible person, as established by the commissioner, to the rate shown after the
7 amounts:

8 SECTION 2. 619.165 (1) (e) of the statutes is created to read:

9 619.165 (1) (e) 1. In 1998, the board shall adjust each dollar amount listed in
10 par. (b) 1. to 4., except for the first dollar amount listed in par. (b) 1., by the percentage
11 change in the consumer price index for all urban consumers, U.S. city average, as
12 determined by the U.S. department of labor, for the 12-month period ending on the
13 day on which the board determines the adjusted dollar amounts.

14 2. Annually thereafter, the board shall adjust each dollar amount determined
15 the previous year, except for the first dollar amount listed in par. (b) 1., by the annual

BILL

1 change in the consumer price index for all urban consumers, U.S. city average, as
2 determined by the U.S. department of labor, for the 12-month period ending on the
3 day on which the board determines the new adjusted dollar amounts.

4

(END) ✓

Insert T

INSERT A

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.

(END OF INSERT A)

INSERT T

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).

History: 1985 a. 29; 1987 a. 27, 1987 a. 312 s. 17; 1991 a. 39; 1997 a. 27 ss. 4889 to 4894; Stats. 1997 s. 149.165.

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:

History: 1985 a. 29; 1987 a. 27, 1987 a. 312 s. 17; 1991 a. 39; 1997 a. 27 ss. 4889 to 4894; Stats. 1997 s. 149.165.

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 OF INSERT T)

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**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 12/22/98

To: Representative Ott

Relating to LRB drafting number: LRB-1152

Topic

Annual adjustments to income for HIRSP subsidy eligibility

Subject(s)

Insurance - health, Health - miscellaneous

1. **JACKET** the draft for introduction

Alvin R. Ott Jr.

in the **Senate** ____ or the **Assembly** (check only one). Only the requester under whose name the

drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached _____.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction

Alvin R. Ott Jr.

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Pamela J. Kahler, Senior Legislative Attorney
Telephone: (608) 266-2682

