

1999 ASSEMBLY BILL 364

June 1, 1999 – Introduced by Representatives POCAN, BERCEAU, BLACK, J. LEHMAN, MUSSER, PLOUFF, RYBA, YOUNG and BOYLE, cosponsored by Senators RISSER and ROBSON, by request of Ms. Susan Sklenar. Referred to Committee on Labor and Employment.

- 1 **AN ACT relating to:** employer contributions for the payment of group health
2 insurance coverage for certain state employes.

Analysis by the Legislative Reference Bureau

Currently, state employes are eligible to receive health insurance from the state without furnishing any evidence of insurability or being subject to any waiting period by electing to become covered within 30 days of hire or by electing coverage prior to becoming eligible for employer contributions towards the premium costs of health insurance. Most state employes become eligible for the employer contribution on the first day of the seventh month after the employe's date of hire. Generally, if a state employe does not elect at either of these times, he or she may only subsequently become insured by the state by furnishing evidence of insurability and abiding by any contractual waiting periods. In addition, the employe may only initially receive coverage under the state's self-insured health insurance plan. Under this plan, the employer contribution is 90% of the gross premium cost for the plan as compared to the other plans offered by the state in which the employer contribution is 105% of the gross premium cost of the health insurance plan with the lowest premium costs available to the employe.

This bill permits any state employe who does not receive health insurance from the state, but who is eligible to receive the employer contribution, to receive coverage under one of the plans in which the employer contribution is 105% of the gross premium cost of the health insurance plan with the lowest premium costs available to the employe, without having first to be covered under the state's self-insured health insurance plan. In order to receive such coverage, the employe must submit

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a request to the department of employe trust funds (DETF) no later than the first day of the seventh month beginning after the effective date of the bill. Any state employe who submits such a request shall receive the employer contribution for the group health insurance plan beginning on the January 1 that first occurs after the date on which DETF receives the request.

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. Nonstatutory provisions.**

2 (1) In this section:

3 (a) “Department” means the department of employe trust funds.

4 (b) “Insured employe” has the meaning given in section 40.02 (39) of the
5 statutes.

6 (c) “State agency” has the meaning given in section 40.02 (54) of the statutes.

7 (d) “State employe” has the meaning given in section 40.02 (54t) of the statutes.

8 (2) Notwithstanding section 40.51 (2) of the statutes, any state employe who
9 is not an insured employe with respect to a group health insurance plan provided
10 under section 40.51 (6) or 40.52 (1) of the statutes, but who would be eligible to receive
11 the employer contribution under section 40.05 (4) (ag) 2. of the statutes if he or she
12 were an insured employe, may elect to receive the employer contribution for a group
13 health insurance plan provided under section 40.51 (6) of the statutes without
14 having first to be covered under the health insurance plan offered under section
15 40.52 (1) of the statutes. In order to make such an election the employe must submit
16 a request to the department, on a form provided by the department, to receive the
17 employer contribution and the request must be received by the department no later
18 than the first day of the 7th month beginning after the effective date of this

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1 subsection. Any state employe who submits such a request shall receive the
2 employer contribution for any group health insurance plan provided under section
3 40.51 (6) of the statutes beginning on the January 1 that first occurs after the date
4 on which the department receives the request.

5 (3) No later than the first day of the 2nd month beginning after the effective
6 date of this subsection, the department shall provide all state agencies with forms
7 on which state employes may make an election under subsection (2). State agencies
8 shall make the forms available to their employes.

9 (END)