

1999 DRAFTING REQUEST

Bill

Received: **04/13/1999**

Received By: **kahlepj**

Wanted: **As time permits**

Identical to LRB:

For: **Mary Panzer (608) 266-7513**

By/Representing: **Tad**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Insurance - health**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Require insurnace coverage for mental illness to be the same as coverage for physical illness

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 04/14/1999	jgeller 04/14/1999		_____			S&L
/P1			hhagen 04/19/1999	_____	lrb_docadmin 04/19/1999		S&L
/1	kahlepj 07/22/1999	jgeller 07/27/1999	martykr 07/28/1999	_____	lrb_docadmin 07/28/1999	lrb_docadmin 07/28/1999	

FE Sent For:

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FE Sent For:			7/28	7/28			

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jacket
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PSK

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1?	kahlepj	PI 4/14 JG	4/19	4/19			

FE Sent For:

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**Principles for mental health/substance abuse treatment
insurance parity bill**

1. All mental illnesses and alcohol and other drug abuse to be included - possibly use language in existing mandated benefits statute - "nervous and mental disorders and alcoholism and other drug abuse problems" (Sec. 632.89 (2) (a) 1.) plus the current edition of the International Classification of Diseases Manual (ICD) and the Diagnostic and Statistical Manual of Mental Disorders (DSM)
2. All group and individual insurance plans (including HMOs and PPOs) to be included in the parity requirement, *including states*
3. Parity means no difference between coverage for mental illness/alcohol and other drug abuse and coverage for physical illnesses in regard to "rates, terms/ or conditions". This includes lifetime or annual payment limits, deductibles, copayments, coinsurance, out-of-pocket limits, out-of-network charges, visit or day limits, duration or frequency of coverage, definition of medical necessity, and any other component of the insurance coverage. *prohibit any differences*
4. Services for mental illness and alcohol and other drug abuse which are eligible for reimbursement are the same as those under the current mandate in sec. 632.89 (without the current dollar and day and visit limitations). These include outpatient services, transitional treatment, and inpatient hospital services.
5. The mandate for coverage of mental health and alcohol and other drug abuse services in group insurance policies shall remain (sec. 632.89); however, the dollar and day and visit limitations will be removed.

2/12/99

Deys:

632.89(1)

add health ben plan

(b)

self-insured health plan (er)

pr Tod : don't require individual plans to
cover what they do not now

group plans must cover some things
that they must cover
now

Section #. 632.89 (2) of the statutes

632.745(24)
and a self-insured health plan
health benefit for 632.745(11)
(but exclude LSHO's)
see (e)

632.89 (2) REQUIRED COVERAGE. (a) *Conditions covered.* 1. A group or blanket disability insurance policy issued by an insurer shall provide coverage of nervous and mental disorders and alcoholism and other drug abuse problems if required by and as provided in pars. (b) to (e).

2. Except as provided in pars. (b) to (e), coverage of conditions under subd. 1. by a policy may be subject to exclusions or limitations, including deductibles, that are generally applicable to other conditions covered under the policy.

RA?
RP?

~~(b) Minimum coverage of inpatient hospital, outpatient and transitional treatment arrangements.~~
1. ~~Except as provided in subd. 12, if a group or blanket disability insurance policy issued by an insurer provides coverage of inpatient hospital treatment or outpatient treatment or both, the policy shall provide coverage in every policy year as provided in pars. (c) to (dm), as appropriate, except that the total coverage under the policy for a policy year need not exceed \$7,000 or, if the coverage is provided by a health maintenance organization, as defined in s. 609.01 (2), the equivalent benefits measured in services rendered.~~
2. ~~The amount under subd. 1. may be reduced if the policy is written in combination with major medical coverage to the extent that results in combined coverage complying with subd. 1.~~

(c) Minimum coverage of inpatient hospital services. 1. If a group or blanket disability insurance policy issued by an insurer provides coverage of any inpatient hospital treatment, the policy shall provide coverage for inpatient hospital services for the treatment of conditions under par. (a) 1. as provided in subd. 2.

2. Except as provided in par. (b), a policy under subd. 1. shall provide coverage in every policy year for not less than the lesser of the following:

a. The expenses of 30 days as an inpatient in a hospital.

b. Seven thousand dollars minus a copayment of up to 10% for inpatient hospital services or, if the coverage is provided by a health maintenance organization, as defined in s. 609.01 (2), \$6,300 or the equivalent benefits measured in services rendered.

(d) ~~Minimum~~ *coverage of outpatient services.* 1. If a group or ~~blanket~~ ^{or plan} disability insurance policy issued by an insurer provides coverage of any outpatient treatment, the policy shall provide coverage for outpatient services for the treatment of conditions under par. (a) 1. as provided in ~~subd. 2.~~

2. Except as provided in par. (b), a policy under subd. 1. shall provide coverage in every policy year for not less than \$2,000 minus a copayment of up to 10% for outpatient services or, if the coverage is provided by a health maintenance organization, as defined in s. 609.01 (2), \$1,800 or the equivalent benefits measured in services rendered.

(dm) ~~Minimum~~ *coverage of transitional treatment arrangements.* 1. If a group or ~~blanket~~ disability insurance policy issued by an insurer provides coverage of any inpatient hospital treatment or any outpatient treatment, the policy shall provide coverage for transitional treatment arrangements for the treatment of conditions under par. (a) 1. as provided in ~~subd. 2.~~

2. Except as provided in par. (b), a policy under subd. 1. shall provide coverage in every policy year for not less than \$3,000 minus a copayment of up to 10% for transitional treatment arrangements or, if the coverage is provided by a health maintenance organization, as defined in s. 609.01 (2), \$2,700 or the equivalent benefits measured in services rendered.

(e) *Exclusion.* This subsection does not apply to a health ^{benefit} ~~care~~ plan offered by a limited service health organization, as defined in s. 609.01 (3).

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (q); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2896/3
PJK.....

WFO-check
auto refs

PI
Jg

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note

gen cat

1 AN ACT *gen cat*; relating to: health insurance coverage of nervous and mental
2 disorders, alcoholism and other drug abuse problems.

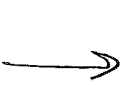
Analysis by the Legislative Reference Bureau

Under current law, a group health insurance policy (called a "disability insurance policy" in the statutes) that provides coverage of any inpatient hospital services must provide coverage of inpatient hospital services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$7,000 minus a copayment of up to 10% or the expenses of 30 days of inpatient services, whichever is less. If a group health insurance policy provides coverage of any outpatient hospital services, it must provide coverage of outpatient hospital services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$2,000 minus a copayment of up to 10%. If a group health insurance policy provides coverage of any inpatient or outpatient hospital services, it must provide coverage of transitional services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$3,000 minus a copayment of up to 10%. (Transitional services are services, specified by rule by the commissioner of insurance, that are provided in a less restrictive manner than inpatient services but in a more intensive manner than outpatient services.) If a group health insurance policy provides coverage for both inpatient and outpatient hospital services, the total coverage for all types of treatment for nervous and mental disorders and alcoholism and other drug abuse problems need not exceed \$7,000 in a policy year.

coverage

→ This bill removes the specified minimum amounts, that a group health insurance policy must provide for the treatment of nervous and mental disorders and

✓
Except for group plans offered by limited service health organizations,



alcoholism and other drug abuse problems but retains the requirements with respect to providing the coverage. The bill specifically applies the requirements to all types of group health benefit plans, including managed care plans, insurance plans offered by the state and self-insured health plans of the state and municipalities.

In addition, the bill imposes a new requirement that the coverage under group health benefit plans and self-insured health plans for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems must be the same as the coverage under those plans for the treatment of physical conditions. This requirement applies to such coverage components as deductibles, copayments, annual and lifetime limits and medical necessity definitions. The bill does not require individual health benefit plans to cover the treatment of nervous or mental disorders or alcoholism or other drug abuse problems but, if an individual health benefit plan does cover the treatment of any of those conditions, the individual health benefit plan must provide the same coverage for that treatment as it does for the treatment of physical conditions.

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), 632.746 (1) to (8) and (10),
4 632.747, 632.748, 632.85, 632.853, 632.855, 632.87 (3) to (5), 632.89 632.895 (5m)
5 and (8) to (13) and 632.896.

History: 1981 c. 96; 1983 a. 27; 1985 a. 29; 1987 a. 27, 107, 356; 1987 a. 403 s. 256; 1989 a. 31, 93, 121, 129, 182, 201, 336, 359; 1991 a. 39, 70, 113, 152, 269, 315, 1993 a. 450, 481; 1995 a. 289; 1997 a. 27, 155, 202, 237, 252; s. 13.93 (2) (c).

6 SECTION 2. 40.51 (8m) of the statutes is amended to read:
7 40.51 (8m) Every health care coverage plan offered by the group insurance
8 board under sub. (7) shall comply with ss. 632.746 (1) to (8) and (10), 632.747,
9 632.748, 632.85, 632.853, 632.855, 632.89 and 632.895 (11) to (13).

NOTE: NOTE: Sub. (8m) is shown as affected by four acts of the 1997 legislature and as merged by the revisor under s. 13.93 (2) (c). NOTE:

History: 1981 c. 96; 1983 a. 27; 1985 a. 29; 1987 a. 27, 107, 356; 1987 a. 403 s. 256; 1989 a. 31, 93, 121, 129, 182, 201, 336, 359; 1991 a. 39, 70, 113, 152, 269, 315, 1993 a. 450, 481; 1995 a. 289; 1997 a. 27, 155, 202, 237, 252; s. 13.93 (2) (c).

10 SECTION 3. 46.10 (8) (d) of the statutes is amended to read:

1 46.10 (8) (d) After due regard to the case and to a spouse and minor children
2 who are lawfully dependent on the property for support, compromise or waive any
3 portion of any claim of the state or county for which a person specified under sub. (2)
4 is liable, but not any claim payable by an insurer under s. 632.89 (2) or ~~(2m)~~ [✓](4m) or
5 by any other 3rd party.

History: 1971 c. 125; 1971 c. 213 s. 5; 1973 c. 90 ss. 223, 223m, 560 (3); 1973 c. 198, 333; 1975 c. 39 ss. 347 to 350, 734; 1975 c. 41, 94; 1975 c. 189 s. 99 (2); 1975 c. 198, 199, 224; 1975 c. 413 s. 18; 1975 c. 428; 1975 c. 430 ss. 6, 80; 1977 c. 29, 203; 1977 c. 418 ss. 294 to 295, 924 (50), 929 (18); 1977 c. 428; 1977 c. 447 s. 206; 1977 c. 449 ss. 75, 497; 1979 c. 34; 1979 c. 102 ss. 236 (4), 237; 1979 c. 117, 221, 331; 1981 c. 20 ss. 755 to 758, 2202 (20) (i), (n); 1981 c. 81; 1983 a. 27 ss. 955m, 2202 (20); 1985 a. 29, 176, 281, 332; 1987 a. 307; 1989 a. 31, 56, 96, 212; 1991 a. 39, 221, 315, 316; 1993 a. 16, 27, 385, 437, 446, 479, 481; 1995 a. 27 ss. 2054, 2055, 9130 (4); 1995 a. 77, 224, 404; 1997 a. 3, 27, 35, 237, 308.

6 **SECTION 4.** 46.10 (14) (a) of the statutes is amended to read:

7 46.10 (14) (a) Except as provided in pars. (b) and (c), liability of a person
8 specified in sub. (2) or s. 46.03 (18) for inpatient care and maintenance of persons
9 under 18 years of age at community mental health centers, a county mental health
10 complex under s. 51.08, the centers for the developmentally disabled, Mendota
11 mental health institute and Winnebago mental health institute or care and
12 maintenance of persons under 18 years of age in residential, nonmedical facilities
13 such as group homes, foster homes, treatment foster homes, child caring institutions
14 and juvenile correctional institutions is determined in accordance with the
15 cost-based fee established under s. 46.03 (18). The department shall bill the liable
16 person up to any amount of liability not paid by an insurer under s. 632.89 (2) or ~~(2m)~~
17 [✓](4m) or by other 3rd party benefits, subject to rules which include formulas governing
18 ability to pay promulgated by the department under s. 46.03 (18). Any liability of the
19 patient not payable by any other person terminates when the patient reaches age 18,
20 unless the liable person has prevented payment by any act or omission.

History: 1971 c. 125; 1971 c. 213 s. 5; 1973 c. 90 ss. 223, 223m, 560 (3); 1973 c. 198, 333; 1975 c. 39 ss. 347 to 350, 734; 1975 c. 41, 94; 1975 c. 189 s. 99 (2); 1975 c. 198, 199, 224; 1975 c. 413 s. 18; 1975 c. 428; 1975 c. 430 ss. 6, 80; 1977 c. 29, 203; 1977 c. 418 ss. 294 to 295, 924 (50), 929 (18); 1977 c. 428; 1977 c. 447 s. 206; 1977 c. 449 ss. 75, 497; 1979 c. 34; 1979 c. 102 ss. 236 (4), 237; 1979 c. 117, 221, 331; 1981 c. 20 ss. 755 to 758, 2202 (20) (i), (n); 1981 c. 81; 1983 a. 27 ss. 955m, 2202 (20); 1985 a. 29, 176, 281, 332; 1987 a. 307; 1989 a. 31, 56, 96, 212; 1991 a. 39, 221, 315, 316; 1993 a. 16, 27, 385, 437, 446, 479, 481; 1995 a. 27 ss. 2054, 2055, 9130 (4); 1995 a. 77, 224, 404; 1997 a. 3, 27, 35, 237, 308.

21 **SECTION 5.** 60.23 (25) of the statutes is amended to read:

1 60.23 (25) SELF-INSURED HEALTH PLANS. Provide health care benefits to its
2 officers and employes on a self-insured basis if the self-insured plan complies with
3 ss. 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85,
4 632.853, 632.855, 632.87 (4) and (5), 632.89, 632.895 (9) and (11) to (13) and 632.896.

History: 1983 a. 532; 1985 a. 316 s. 25; 1987 a. 205; 1989 a. 121, 197, 276, 359; 1991 a. 28, 296; 1993 a. 105, 246, 456; 1995 a. 27 ss. 3300m, 9116 (5); 1995 a. 77, 201, 289, 448; 1997 a. 27, 111, 155, 237.

5 **SECTION 6.** 66.184 of the statutes is amended to read:

6 **66.184 Self-insured health plans.** If a city, including a 1st class city, or a
7 village provides health care benefits under its home rule power, or if a town provides
8 health care benefits, to its officers and employes on a self-insured basis, the
9 self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),
10 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4) and (5),
11 632.89, 632.895 (9) to (13), 632.896, 767.25 (4m) (d), 767.51 (3m) (d) and 767.62 (4)
12 (b) 4.

History: 1989 a. 201, 359; 1991 a. 39, 269; 1993 a. 246, 450, 481, 491; 1995 a. 289; 1997 a. 27, 155, 191, 237.

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

14 111.91 (2) (r) The requirements ^{under s. 632.89} related to coverage of treatment for nervous
15 and mental disorders and alcoholism and other drug abuse problems.

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

17 120.13 (2) (g) Every self-insured plan under par. (b) shall comply with ss.
18 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3),
19 632.85, 632.853, 632.855, 632.87 (4) and (5), 632.89, 632.895 (9) to (13), 632.896,
20 767.25 (4m) (d), 767.51 (3m) (d) and 767.62 (4) (b) 4.

History: 1973 c. 04, 200; 1975 c. 115, 321; 1977 c. 206, 211, 418, 429; 1979 c. 20, 202, 221, 301, 355; 1981 c. 96, 314, 335; 1983 a. 27, 193, 207, 339, 370, 518, 538; 1985 a. 29 ss. 1725e to 1726m, 1731; 1985 a. 101, 135, 211; 1985 a. 218 ss. 12, 13, 22; 1985 a. 332; 1987 a. 88, 187; 1989 a. 31, 201, 336, 359; 1991 a. 39, 226, 269; 1993 a. 16, 27, 284, 334, 399, 450, 481, 491; 1995 a. 27 ss. 4024, 9126 (19), 9145 (1); 1995 a. 29, 32, 33, 65, 75, 225, 235, 289, 439; 1997 a. 27, 155, 164, 191, 237, 335.

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

22 185.981 (4t) A sickness care plan operated by a cooperative association is
23 subject to ss. 252.14, 631.89, 632.72 (2), 632.745 to 632.749, 632.85, 632.853, 632.855,

1 632.87 (2m), (3), (4) and (5), 632.89[✓], 632.895 (10) to (13) and 632.897 (10) and chs. 149
2 and 155.

History: 1971 c. 40 s. 93; 1971 c. 307 s. 118; 1975 c. 98; 1975 c. 223 s. 28; 1975 c. 224 s. 146; 1975 c. 421; 1981 c. 39 s. 22; 1981 c. 205; 1981 c. 391 s. 210; 1985 a. 29; 1985 a. 30 s. 42; 1987 a. 27 ss. 1917e, 3202 (47) (a); 1987 a. 312 s. 17; 1989 a. 121, 129, 200, 201, 336; 1991 a. 39, 123, 269; 1993 a. 27, 450, 481; 1995 a. 27, 118, 289; 1997 a. 27, 155, 237.

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

4 185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be
5 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,
6 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.89, 631.93, 632.72
7 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.85, 632.853, 632.855, 632.87
8 (2m), (3), (4) and (5), 632.89[✓], 632.895 (5) and (9) to (13), 632.896 and 632.897 (10) and
9 chs. 609, 630, 635, 645 and 646, but the sponsoring association shall:

History: 1975 c. 98; 1975 c. 224 s. 146; 1975 c. 352; 1975 c. 422 s. 163; 1977 c. 339; 1979 c. 89; 1981 c. 20; 1981 c. 39 s. 22; 1981 c. 82; 1981 c. 391 s. 210; 1983 a. 189 s. 329 (25); 1983 a. 396; 1985 a. 29 ss. 2060d to 2060r, 3202 (30); 1987 a. 27, 325; 1989 a. 23, 31, 129, 200, 201, 336, 359; 1991 a. 39, 189, 250, 269, 315; 1993 a. 450, 481, 482; 1995 a. 289; 1997 a. 27, 155, 237.

10 **SECTION 11.** 301.12 (8) (d) of the statutes is amended to read:

11 301.12 (8) (d) After due regard to the case and to a spouse and minor children
12 who are lawfully dependent on the property for support, compromise or waive any
13 portion of any claim of the state or county for which a person specified under sub. (2)
14 is liable, but not any claim payable by an insurer under s. 632.89 (2) or ~~(2m)~~[✓] (4m) or
15 by any other 3rd party.

History: 1995 a. 27 ss. 6361, 9126 (19); 1995 a. 77; 1997 a. 237.

16 **SECTION 12.** 301.12 (14) (a) of the statutes is amended to read:

17 301.12 (14) (a) Except as provided in pars. (b) and (c), liability of a person
18 specified in sub. (2) or s. 301.03 (18) for care and maintenance of persons under 17
19 years of age in residential, nonmedical facilities such as group homes, foster homes,
20 treatment foster homes, child caring institutions and juvenile correctional
21 institutions is determined in accordance with the cost-based fee established under
22 s. 301.03 (18). The department shall bill the liable person up to any amount of
23 liability not paid by an insurer under s. 632.89 (2) or ~~(2m)~~[✓] (4m) or by other 3rd-party

1 benefits, subject to rules which include formulas governing ability to pay
2 promulgated by the department under s. 301.03 (18). Any liability of the resident not
3 payable by any other person terminates when the resident reaches age 17, unless the
4 liable person has prevented payment by any act or omission.

History: 1995 a. 27 ss. 6361, 9126 (19); 1995 a. 77; 1997 a. 237.

5 SECTION 13. 609.86 of the statutes is created to read:

6 **609.86 Coverage of ~~mental disorders~~, alcoholism and other diseases.**

7 Managed care plans are subject to s. 632.89. ✓

8 SECTION 14. 632.89 (title) of the statutes is amended to read:

9 **632.89 (title) ~~Required coverage of~~ Coverage of mental disorders,**
10 **alcoholism and other diseases.**

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (q); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

11 SECTION 15. 632.89 (1) (b) of the statutes is created to read:

12 632.89 (1) (b) "Health benefit plan" ✓ has the meaning given in s. 632.745 (11). ✓

13 SECTION 16. 632.89 (1) (em) ✓ of the statutes is repealed.

14 SECTION 17. 632.89 (1) (er) of the statutes is created to read:

15 632.89 (1) (er) "Self-insured health plan" ✓ has the meaning given in s. 632.745 ✓
16 (24).

17 SECTION 18. 632.89 (2) (title) of the statutes is amended to read:

18 **632.89 (2) (title) REQUIRED COVERAGE FOR GROUPS.**

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (q); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

19 SECTION 19. 632.89 (2) (a) 1. of the statutes is renumbered 632.89 (2) (a) and
20 amended to read:

21 632.89 (2) (a) A group or blanket disability insurance policy issued by an
22 insurer health benefit plan and a self-insured health plan ✓ shall provide coverage of

(3)

1 nervous and mental disorders and alcoholism and other drug abuse problems if
2 required by pars. (c) to (dm) and as provided in pars. (b) (c) to (e) (dm) and sub. (3)(f).

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (g); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

3 SECTION 20. 632.89 (2) (a) 2. of the statutes is repealed.

4 SECTION 21. 632.89 (2) (b) of the statutes is repealed.

5 SECTION 22. 632.89 (2) (c) (title) of the statutes is amended to read:

6 632.89 (2) (c) (title) *Minimum coverage Coverage of inpatient hospital services.*

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (g); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

7 SECTION 23. 632.89 (2) (c) 1. of the statutes is renumbered 632.89 (2) (c) and

8 amended to read:

9 632.89 (2) (c) If a group or blanket disability insurance policy issued by an
10 insurer health benefit plan or a self-insured health plan provides coverage of any
11 inpatient hospital treatment, the policy plan shall provide coverage for inpatient
12 hospital services for the treatment of conditions under par. (a) 1. as provided in subd.
13 2.

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (g); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

14 SECTION 24. 632.89 (2) (c) 2. of the statutes is repealed.

15 SECTION 25. 632.89 (2) (d) (title) of the statutes is amended to read:

16 632.89 (2) (d) (title) *Minimum coverage Coverage of outpatient services.*

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (g); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

17 SECTION 26. 632.89 (2) (d) 1. of the statutes is renumbered 632.89 (2) (d) and

18 amended to read:

19 632.89 (2) (d) If a group or blanket disability insurance policy issued by an
20 insurer health benefit plan or a self-insured health plan provides coverage of any

1 outpatient treatment, the policy plan shall provide coverage for outpatient services
2 for the treatment of conditions under par. (a) ~~1. as provided in subd. 2.~~

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (q); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

3 SECTION 27. 632.89 (2) (d) 2. of the statutes is repealed.

4 SECTION 28. 632.89 (2) (dm) (title) of the statutes is amended to read:

5 ~~632.89 (2) (dm) (title) Minimum coverage~~ Coverage of transitional treatment
6 arrangements.

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (q); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

7 SECTION 29. 632.89 (2) (dm) 1. of the statutes is renumbered 632.89 (2) (dm)

8 and amended to read:

9 632.89 (2) (dm) ~~If a group or blanket disability insurance policy issued by an~~
10 ~~insurer~~ health benefit plan or a self-insured health plan provides coverage of any
11 inpatient hospital treatment or any outpatient treatment, the policy plan shall
12 provide coverage for transitional treatment arrangements for the treatment of
13 conditions under par. (a) ~~1. as provided in subd. 2.~~

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (q); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

14 SECTION 30. 632.89 (2) (dm) 2. of the statutes is repealed.

15 SECTION 31. 632.89 (2) (e) of the statutes is renumbered 632.89 (5) (b) and
16 amended to read:

17 632.89 (5) (b) ~~Exclusion~~ Certain health care plans. This subsection section does
18 not apply to a health care plan offered by a limited service health organization, as
19 defined in s. 609.01 (3), or by a preferred provider plan, as defined in s. 609.01 (4),
20 that is not a managed care plan, as defined in s. 609.01 (3c).

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (q); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

21 SECTION 32. 632.89 (2m) of the statutes is renumbered 632.89 (4m).

22 SECTION 33. 632.89 (3) of the statutes is created to read:

1 632.89 (3) [✓]EQUAL COVERAGE REQUIREMENT. (a) *Group plans.* A group health
 2 benefit plan or a self-insured health plan that provides coverage for the treatment
 3 of nervous and mental disorders and alcoholism and other drug abuse problems shall
 4 provide the same coverage for that treatment that it provides for the treatment of
 5 physical conditions.

6 (b) [✓]*Individual plans.* If an individual health benefit plan provides coverage for
 7 the treatment of nervous or mental disorders or alcoholism or other drug abuse
 8 problems the individual health benefit plan shall provide the same coverage for that
 9 treatment that it provides for the treatment of physical conditions.

10 (c) [✓]*All coverage components.* The requirements under this subsection apply to
 11 all coverage-related components, including rates; exclusions and limitations;
 12 deductibles; copayments; coinsurance; annual and lifetime payment limits;
 13 out-of-pocket limits; out-of-network charges; day, visit or appointment limits;
 14 duration or frequency of coverage; and medical necessity definitions.

15 **SECTION 34.** 632.89 (3m) [✓]of the statutes is repealed.

16 **SECTION 35.** 632.89 (5) (title) of the statutes is amended to read:

17 632.89 (5) (title) ~~MEDICARE EXCLUSION~~ [✓]EXCLUSIONS.

History: 1975 c. 223, 224, 375; 1977 c. 203 s. 106; 1979 c. 175, 221; 1981 c. 20 s. 2202 (20) (q); 1981 c. 39 ss. 14, 15, 22; 1981 c. 314; 1983 a. 27; 1983 a. 189 s. 329 (5); 1985 a. 29, 176; 1987 a. 195, 403; 1991 a. 39, 250; 1993 a. 27, 270; 1995 a. 27 ss. 7047, 9126 (19); 1997 a. 27.

18 **SECTION 36.** 632.89 (5) of the statutes is renumbered 632.89 (5) (a).

19 **SECTION 37.** 632.89 (5) (a) (title) of the statutes is created to read:

20 632.89 (5) (a) (title) *Medicare*.[✓]

21 **SECTION 38. Initial applicability.**

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

a.r.

1 (a) Except as provided in paragraphs (b) and (c), health benefit plans that are
2 issued or renewed, and self-insured health plans that are established, extended,
3 modified or renewed, on the effective date of this *✓* paragraph.

4 (b) Health benefit plans covering employes who are affected by a collective
5 bargaining agreement containing provisions inconsistent with this act that are
6 issued or renewed on the earlier of the following:

- 7 1. The day on which the collective bargaining agreement expires.
- 8 2. The day on which the collective bargaining agreement is extended, modified
- 9 or renewed.

10 (c) Self-insured health plans covering employes who are affected by a collective
11 bargaining agreement containing provisions inconsistent with this act that are
12 established, extended, modified or renewed on the earlier of the following:

- 13 1. The day on which the collective bargaining agreement expires.
- 14 2. The day on which the collective bargaining agreement is extended, modified
- 15 or renewed.

16 **SECTION 39. Effective date.**

17 (1) This act takes effect on the first day of the *✓* 6th month beginning after
18 publication. *✓*

19 (END)

D-note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2896/dn P1
PJK...:...
JLg

I made the requirements apply to municipal and school district self-insured health plans, in addition to the state's self-insured health plan. Okay?

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2896/P1dn
PJK;jlg:hmh

April 19, 1999

I made the requirements apply to municipal and school district self-insured health plans, in addition to the state's self-insured health plan. Okay?

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us

Barman, Mike

From: Barman, Mike
Sent: Thursday, June 24, 1999 9:49 AM
To: Orella, Elizabeth
Cc: Kahler, Pam
Subject: LRB 99-2896 (per your request)



99-2896/P1



99-2896/P1dn

Mike Barman

Mike Barman - Program Asst. (PH. 608-266-3561)
(E-Mail: mike.barman@legis.state.wi.us) (FAX: 608-264-6948)

State of Wisconsin
Legislative Reference Bureau - Legal Section - Front Office
100 N. Hamilton Street - 5th Floor
Madison, WI 53703



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2896/54

PJK:jg:bnk

stays

rm is new

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

comma
added
on p. 8

Reger

1 AN ACT *to repeal* 632.89 (1) (em), 632.89 (2) (a) 2., 632.89 (2) (b), 632.89 (2) (c)
2 2., 632.89 (2) (d) 2., 632.89 (2) (dm) 2. and 632.89 (3m); *to renumber* 632.89
3 (2m) and 632.89 (5); *to renumber and amend* 632.89 (2) (a) 1., 632.89 (2) (c)
4 1., 632.89 (2) (d) 1., 632.89 (2) (dm) 1. and 632.89 (2) (e); *to amend* 40.51 (8),
5 40.51 (8m), 46.10 (8) (d), 46.10 (14) (a), 60.23 (25), 66.184, 120.13 (2) (g), 185.981
6 (4t), 185.983 (1) (intro.), 301.12 (8) (d), 301.12 (14) (a), 632.89 (title), 632.89 (2)
7 (title) and 632.89 (5) (title); and *to create* 111.91 (2) (r), 609.86, 632.89 (1) (b),
8 632.89 (1) (er), 632.89 (3) and 632.89 (5) (a) (title) of the statutes; **relating to:**
9 health insurance coverage of nervous and mental disorders, alcoholism and
10 other drug abuse problems.

Analysis by the Legislative Reference Bureau

Under current law, a group health insurance policy (called a "disability insurance policy" in the statutes) that provides coverage of any inpatient hospital services must provide coverage of inpatient hospital services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$7,000 minus a copayment of up to 10% or the expenses of 30 days of inpatient services, whichever is less. If a group health insurance policy

provides coverage of any outpatient hospital services, it must provide coverage of outpatient hospital services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$2,000 minus a copayment of up to 10%. If a group health insurance policy provides coverage of any inpatient or outpatient hospital services, it must provide coverage of transitional services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$3,000 minus a copayment of up to 10%. (Transitional services are services, specified by rule by the commissioner of insurance, that are provided in a less restrictive manner than inpatient services but in a more intensive manner than outpatient services.) If a group health insurance policy provides coverage for both inpatient and outpatient hospital services, the total coverage for all types of treatment for nervous and mental disorders and alcoholism and other drug abuse problems need not exceed \$7,000 in a policy year.

This bill removes the specified minimum amounts of coverage that a group health insurance policy must provide for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems but retains the requirements with respect to providing the coverage. Except for group plans offered by limited service health organizations, the bill specifically applies the requirements to all types of group health benefit plans, including managed care plans, insurance plans offered by the state and self-insured health plans of the state and municipalities.

In addition, the bill imposes a new requirement that the coverage under group health benefit plans and self-insured health plans for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems must be the same as the coverage under those plans for the treatment of physical conditions. This requirement applies to such coverage components as deductibles, copayments, annual and lifetime limits and medical necessity definitions. The bill does not require individual health benefit plans to cover the treatment of nervous or mental disorders or alcoholism or other drug abuse problems but, if an individual health benefit plan does cover the treatment of any of those conditions, the individual health benefit plan must provide the same coverage for that treatment as it does for the treatment of physical conditions.

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), 632.746 (1) to (8) and (10),

1 632.747, 632.748, 632.85, 632.853, 632.855, 632.87 (3) to (5), 632.89, 632.895 (5m)
2 and (8) to (13) and 632.896.

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

4 40.51 (8m) Every health care coverage plan offered by the group insurance
5 board under sub. (7) shall comply with ss. 632.746 (1) to (8) and (10), 632.747,
6 632.748, 632.85, 632.853, 632.855, 632.89 and 632.895 (11) to (13).

7 **SECTION 3.** 46.10 (8) (d) of the statutes is amended to read:

8 46.10 (8) (d) After due regard to the case and to a spouse and minor children
9 who are lawfully dependent on the property for support, compromise or waive any
10 portion of any claim of the state or county for which a person specified under sub. (2)
11 is liable, but not any claim payable by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or
12 by any other 3rd party.

13 **SECTION 4.** 46.10 (14) (a) of the statutes is amended to read:

14 46.10 (14) (a) Except as provided in pars. (b) and (c), liability of a person
15 specified in sub. (2) or s. 46.03 (18) for inpatient care and maintenance of persons
16 under 18 years of age at community mental health centers, a county mental health
17 complex under s. 51.08, the centers for the developmentally disabled, Mendota
18 mental health institute and Winnebago mental health institute or care and
19 maintenance of persons under 18 years of age in residential, nonmedical facilities
20 such as group homes, foster homes, treatment foster homes, child caring institutions
21 and juvenile correctional institutions is determined in accordance with the
22 cost-based fee established under s. 46.03 (18). The department shall bill the liable
23 person up to any amount of liability not paid by an insurer under s. 632.89 (2) or ~~(2m)~~
24 (4m) or by other 3rd party benefits, subject to rules which include formulas governing
25 ability to pay promulgated by the department under s. 46.03 (18). Any liability of the

1 patient not payable by any other person terminates when the patient reaches age 18,
2 unless the liable person has prevented payment by any act or omission.

3 **SECTION 5.** 60.23 (25) of the statutes is amended to read:

4 **60.23 (25) SELF-INSURED HEALTH PLANS.** Provide health care benefits to its
5 officers and employes on a self-insured basis if the self-insured plan complies with
6 ss. 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85,
7 632.853, 632.855, 632.87 (4) and (5), 632.89, 632.895 (9) and (11) to (13) and 632.896.

8 **SECTION 6.** 66.184 of the statutes is amended to read:

9 **66.184 Self-insured health plans.** If a city, including a 1st class city, or a
10 village provides health care benefits under its home rule power, or if a town provides
11 health care benefits, to its officers and employes on a self-insured basis, the
12 self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),
13 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4) and (5),
14 632.89, 632.895 (9) to (13), 632.896, 767.25 (4m) (d), 767.51 (3m) (d) and 767.62 (4)
15 (b) 4.

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

17 **111.91 (2) (r)** The requirements under s. 632.89 related to coverage of
18 treatment for nervous and mental disorders and alcoholism and other drug abuse
19 problems.

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

21 **120.13 (2) (g)** Every self-insured plan under par. (b) shall comply with ss.
22 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3),
23 632.85, 632.853, 632.855, 632.87 (4) and (5), 632.89, 632.895 (9) to (13), 632.896,
24 767.25 (4m) (d), 767.51 (3m) (d) and 767.62 (4) (b) 4.

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

1 185.981 (4t) A sickness care plan operated by a cooperative association is
2 subject to ss. 252.14, 631.89, 632.72 (2), 632.745 to 632.749, 632.85, 632.853, 632.855,
3 632.87 (2m), (3), (4) and (5), ~~632.89~~, 632.895 (10) to (13) and 632.897 (10) and chs. 149
4 and 155.

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

6 185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be
7 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,
8 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.89, 631.93, 632.72
9 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.85, 632.853, 632.855, 632.87
10 (2m), (3), (4) and (5), ~~632.89~~, 632.895 (5) and (9) to (13), 632.896 and 632.897 (10) and
11 chs. 609, 630, 635, 645 and 646, but the sponsoring association shall:

12 **SECTION 11.** 301.12 (8) (d) of the statutes is amended to read:

13 301.12 (8) (d) After due regard to the case and to a spouse and minor children
14 who are lawfully dependent on the property for support, compromise or waive any
15 portion of any claim of the state or county for which a person specified under sub. (2)
16 is liable, but not any claim payable by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or
17 by any other 3rd party.

18 **SECTION 12.** 301.12 (14) (a) of the statutes is amended to read:

19 301.12 (14) (a) Except as provided in pars. (b) and (c), liability of a person
20 specified in sub. (2) or s. 301.03 (18) for care and maintenance of persons under 17
21 years of age in residential, nonmedical facilities such as group homes, foster homes,
22 treatment foster homes, child caring institutions and juvenile correctional
23 institutions is determined in accordance with the cost-based fee established under
24 s. 301.03 (18). The department shall bill the liable person up to any amount of
25 liability not paid by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or by other 3rd-party

1 benefits, subject to rules which include formulas governing ability to pay
2 promulgated by the department under s. 301.03 (18). Any liability of the resident not
3 payable by any other person terminates when the resident reaches age 17, unless the
4 liable person has prevented payment by any act or omission.

5 SECTION 13. 609.86 of the statutes is created to read:

6 **609.86 Coverage of alcoholism and other diseases.** Managed care plans
7 are subject to s. 632.89.

8 SECTION 14. 632.89 (title) of the statutes is amended to read:

9 **632.89 (title) ~~Required coverage of~~ Coverage of mental disorders,**
10 **alcoholism and other diseases.**

11 SECTION 15. 632.89 (1) (b) of the statutes is created to read:

12 632.89 (1) (b) "Health benefit plan" has the meaning given in s. 632.745 (11).

13 SECTION 16. 632.89 (1) (em) of the statutes is repealed.

14 SECTION 17. 632.89 (1) (er) of the statutes is created to read:

15 632.89 (1) (er) "Self-insured health plan" has the meaning given in s. 632.745
16 (24).

17 SECTION 18. 632.89 (2) (title) of the statutes is amended to read:

18 632.89 (2) (title) **REQUIRED COVERAGE FOR GROUP PLANS.**

19 SECTION 19. 632.89 (2) (a) 1. of the statutes is renumbered 632.89 (2) (a) and
20 amended to read:

21 632.89 (2) (a) A group ~~or blanket disability insurance policy issued by an~~
22 ~~insurer~~ health benefit plan and a self-insured health plan shall provide coverage of
23 nervous and mental disorders and alcoholism and other drug abuse problems if
24 required by pars. (c) to (dm) and as provided in pars. (b) (c) to (e) (dm) and sub. (3).

25 SECTION 20. 632.89 (2) (a) 2. of the statutes is repealed.

1 **SECTION 21.** 632.89 (2) (b) of the statutes is repealed.

2 **SECTION 22.** 632.89 (2) (c) 1. of the statutes is renumbered 632.89 (2) (c) and
3 amended to read:

4 632.89 (2) (c) ~~Minimum coverage~~ Coverage of inpatient hospital services. If a
5 group ~~or blanket disability insurance policy issued by an insurer~~ health benefit plan
6 or a self-insured health plan provides coverage of any inpatient hospital treatment,
7 the policy plan shall provide coverage for inpatient hospital services for the
8 treatment of conditions under par. (a) ~~1. as provided in subd. 2.~~

9 **SECTION 23.** 632.89 (2) (c) 2. of the statutes is repealed.

10 **SECTION 24.** 632.89 (2) (d) 1. of the statutes is renumbered 632.89 (2) (d) and
11 amended to read:

12 632.89 (2) (d) ~~Minimum coverage~~ Coverage of outpatient services. If a group ~~or~~
13 ~~blanket disability insurance policy issued by an insurer~~ health benefit plan or a
14 self-insured health plan provides coverage of any outpatient treatment, the policy
15 plan shall provide coverage for outpatient services for the treatment of conditions
16 under par. (a) ~~1. as provided in subd. 2.~~

17 **SECTION 25.** 632.89 (2) (d) 2. of the statutes is repealed.

18 **SECTION 26.** 632.89 (2) (dm) 1. of the statutes is renumbered 632.89 (2) (dm)
19 and amended to read:

20 632.89 (2) (dm) ~~Minimum coverage~~ Coverage of transitional treatment
21 arrangements. If a group ~~or blanket disability insurance policy issued by an insurer~~
22 health benefit plan or a self-insured health plan provides coverage of any inpatient
23 hospital treatment or any outpatient treatment, the policy plan shall provide
24 coverage for transitional treatment arrangements for the treatment of conditions
25 under par. (a) ~~1. as provided in subd. 2.~~

1 SECTION 27. 632.89 (2) (dm) 2. of the statutes is repealed.

2 SECTION 28. 632.89 (2) (e) of the statutes is renumbered 632.89 (5) (b) and
3 amended to read:

4 632.89 (5) (b) ~~Exclusion~~ Certain health care plans. This subsection ~~section~~ does
5 not apply to a health care plan offered by a limited service health organization, as
6 defined in s. 609.01 (3), or by a preferred provider plan, as defined in s. 609.01 (4),
7 that is not a managed care plan, as defined in s. 609.01 (3c).

8 SECTION 29. 632.89 (2m) of the statutes is renumbered 632.89 (4m).

9 SECTION 30. 632.89 (3) of the statutes is created to read:

10 632.89 (3) EQUAL COVERAGE REQUIREMENT. (a) *Group plans*. A group health
11 benefit plan or a self-insured health plan that provides coverage for the treatment
12 of nervous and mental disorders and alcoholism and other drug abuse problems shall
13 provide the same coverage for that treatment that it provides for the treatment of
14 physical conditions.

15 (b) *Individual plans*. If an individual health benefit plan provides coverage for
16 the treatment of nervous or mental disorders or alcoholism or other drug abuse
17 problems, ^{the} the individual health benefit plan shall provide the same coverage for that
18 treatment that it provides for the treatment of physical conditions.

19 (c) *All coverage components*. The requirements under this subsection apply to
20 all coverage-related components, including rates; exclusions and limitations;
21 deductibles; copayments; coinsurance; annual and lifetime payment limits;
22 out-of-pocket limits; out-of-network charges; day, visit or appointment limits;
23 duration or frequency of coverage; and medical necessity definitions.

24 SECTION 31. 632.89 (3m) of the statutes is repealed.

25 SECTION 32. 632.89 (5) (title) of the statutes is amended to read:

1 632.89 (5) (title) ~~MEDICARE EXCLUSION~~ EXCLUSIONS.

2 **SECTION 33.** 632.89 (5) of the statutes is renumbered 632.89 (5) (a).

3 **SECTION 34.** 632.89 (5) (a) (title) of the statutes is created to read:

4 632.89 (5) (a) (title) *Medicare*.

5 **SECTION 35. Initial applicability.**

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

7 (a) Except as provided in paragraphs (b) and (c), health benefit plans that are
8 issued or renewed, and self-insured health plans that are established, extended,
9 modified or renewed, on the effective date of this paragraph.

10 (b) Health benefit plans covering employes who are affected by a collective
11 bargaining agreement containing provisions inconsistent with this act that are
12 issued or renewed on the earlier of the following:

13 1. The day on which the collective bargaining agreement expires.

14 2. The day on which the collective bargaining agreement is extended, modified
15 or renewed.

16 (c) Self-insured health plans covering employes who are affected by a collective
17 bargaining agreement containing provisions inconsistent with this act that are
18 established, extended, modified or renewed on the earlier of the following:

19 1. The day on which the collective bargaining agreement expires.

20 2. The day on which the collective bargaining agreement is extended, modified
21 or renewed.

22 **SECTION 36. Effective date.**

23 (1) This act takes effect on the first day of the 6th month beginning after
24 publication.

25

(END)