

1999 DRAFTING REQUEST

Bill

Received: **02/1/99**

Received By: **kahlepj**

Wanted: **Today**

Identical to LRB:

For: **Administration-Budget 7-9546**

By/Representing: **Jablonsky**

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

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Insurance - health**

Extra Copies:

Topic:

DOA:.....Jablonsky - Require health maintenance organizations to offer point-of-service coverage

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 02/1/99	gilfokm 02/1/99		_____			S&L
/1			jfrantze 02/1/99	_____	lrb_docadmin 02/1/99		

FE Sent For:

<END>

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1?	kahlepj	4-2-199	Jabl	Jabl 2/1			

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<END>



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2077

PJK...
[Handwritten initials]

fix topic line

DOA:.....Jablonsky - Require health maintenance organizations to offer point-of-service coverage

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

now (2-1)

do not get cut

AN ACT; relating to: the budget.

Analysis by the Legislative Reference Bureau

INSURANCE

generally

The bill requires every managed care plan, which is a health care plan that requires insureds to obtain services from certain specified providers under contract with the health care plan, to offer at least one point-of-service coverage option in each geographical service area of the managed care plan. A point-of-service coverage option is defined in the bill as a coverage option under which an insured may obtain health care services that are paid for by the health care plan from a provider of his or her choice, regardless of whether that provider is a participating provider of the insured's health care plan or a member of the health care plan's provider network.

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:

[Handwritten signature]
[Handwritten initials]

1 related to health care data collection and dissemination, including agency budgets
 2 for health care data collection programs, health care data monitoring and
 3 management, public information and education, health care data analysis and
 4 facilities, research activities and the appropriation and allocation of state funds for
 5 health care data collection. The interagency coordinating council shall establish
 6 methods and criteria for analyzing and comparing complaints filed against health
 7 care plans, as defined under s. 628.36 (2) (a) 1, (1c) (a), and grievances filed with
 8 health maintenance organizations, as defined under s. 609.01 (2), without requiring
 9 the collection of information in addition to the information already collected by state
 10 agencies.

11 SECTION 2. 40.51 (8e) of the statutes is created to read:

12 40.51 (8e) Every health care coverage plan, except for an uninsured health care
 13 coverage plan, offered by the state under sub. (6) shall comply with s. 628.36 (3m).

14 SECTION 3. 40.51 (8s) of the statutes is created to read:

15 40.51 (8s) Every health care coverage plan, except for an uninsured health care
 16 coverage plan, offered by the group insurance board under sub. (7) shall comply with
 17 s. 628.36 (3m).

18 SECTION 4. 111.91 (2) (r) of the statutes is created to read:

19 111.91 (2) (r) The requirements related to ^{offering} point-of-service coverage under ~~452~~ ^A

20 ~~609.12 and 628.36 (3m)~~ → 609.23 ✓

21 SECTION 5. 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, 628.36 (3m), 631.89, 632.72 (2), 632.745 to 632.749, 632.85,
 24 632.853, 632.855, 632.87 (2m), (3), (4) and (5), 632.895 (10) to (13) and 632.897 (10)
 25 and chs. 149 and 155.

1 SECTION 6. 185.983 (1) (intro.) of the statutes is amended to read:

2 185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be
3 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,
4 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 628.36 (3m), 631.89,
5 631.93, 632.72 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.85, 632.853,
6 632.855, 632.87 (2m), (3), (4) and (5), 632.895 (5) and (9) to (13), 632.896 and 632.897
7 (10) and chs. 609, 630, 635, 645 and 646, but the sponsoring association shall:

8 SECTION 7. 609.01 (1m) of the statutes is amended to read:

9 609.01 (1m) "Health care plan" has the meaning given under s. 628.36 (2) (a)
10 1 (lc) (a).

11 SECTION 8. 609.05 (3) of the statutes is amended to read:

12 609.05 (3) Except as provided in ss. 609.22 (4) (a) 1 and (6) (a), 609.65 and
13 609.655 and 628.36 (3m) (a), a limited service health organization, preferred
14 provider plan or managed care plan may require an enrollee to obtain a referral from
15 the primary provider designated under sub. (2) to another participating provider
16 prior to obtaining health care services from that participating provider.

17 SECTION 9. 609.12 of the statutes is created to read:

18 ²³ ~~609.12~~ ^{Insert 418} Point-of-service coverage option. (1) Notwithstanding ss. 609.05

19 (2) and 628.36 (2) ~~health maintenance organization, preferred provider~~
20 ~~plan or limited service health organization~~ shall offer to its enrollees at least one
21 point-of-service coverage option, as defined in s. 628.36 (1c) (e), in each geographic
22 service area of the ~~health maintenance organization, preferred provider plan or~~
23 ~~limited service health organization.~~

24 (2) The health maintenance organization, preferred provider plan or limited
25 service health organization shall provide each enrollee with written notice of the

managed care plan

(b) 1. and 3.

1 related to health care data collection and dissemination, including agency budgets
 2 for health care data collection programs, health care data monitoring and
 3 management, public information and education, health care data analysis and
 4 facilities, research activities and the appropriation and allocation of state funds for
 5 health care data collection. The interagency coordinating council shall establish
 6 methods and criteria for analyzing and comparing complaints filed against health
 7 care plans, as defined under s. 628.36 (2) (a) 1, (1c) (a), and grievances filed with
 8 health maintenance organizations, as defined under s. 609.01 (2), without requiring
 9 the collection of information in addition to the information already collected by state
 10 agencies.

11 SECTION 2. 40.51 (8e) of the statutes is created to read:

12 40.51 (8e) Every health care coverage plan, except for an uninsured health care
 13 coverage plan, offered by the state under sub. (6) shall comply with s. 628.36 (3m).

14 SECTION 3. 40.51 (8s) of the statutes is created to read:

15 40.51 (8s) Every health care coverage plan, except for an uninsured health care
 16 coverage plan, offered by the group insurance board under sub. (7) shall comply with
 17 s. 628.36 (3m).

18 SECTION 4. 111.91 (2) (r) of the statutes is created to read:

19 111.91 (2) (r) The requirements related to ^{offering} point-of-service coverage under ~~609.12~~
 20 ~~and 628.36 (3m)~~ → 609.23

21 SECTION 5. 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, ~~628.36 (3m)~~, 631.89, 632.72 (2), 632.745 to 632.749, 632.85,
 24 632.853, 632.855, 632.87 (2m), (3), (4) and (5), 632.895 (10) to (13) and 632.897 (10)
 25 and chs. 149 and 155.

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-20777?ins
PJK.....

INITIAL AP AND EF DATE

SECTION 9326. Initial applicability; insurance.

auto ref. "KA"
(1) POINT-OF-SERVICE COVERAGE. The treatment of sections 111.91 (2) (r) and 609.23 of the statutes first applies to all of the following:

SECTION 9426. Effective dates; insurance.

(1) POINT-OF-SERVICE COVERAGE. The treatment of sections 111.91 (2) (r) and 609.23 of the statutes takes effect on the first day of the 6th month beginning after publication.

and SECTION 9326 of this act
CS
auto ref. "KA"

(End)

Insert 5

**1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2077/?ins
PJK.....

INSERT 4-18

No R

(1) In this section, "point-of-service coverage option" means a health care plan coverage option under which all of the following apply:

(a) An insured may obtain health care services from a provider of his or her choice.

(b) A provider selected under par. (a) is not necessarily a participating provider of the health care plan or a member of the health care plan's network of providers.

(c) The health care plan reimburses a provider selected under par. (a) for the cost of services provided to the insured if the provider is appropriately licensed and the services provided are covered under the health care plan.

(END OF INSERT 4-18)

Insert 5

1 (1) The treatment of sections 40.51 (8e) and (8s), 111.91 (2) (r), 185.981 (4t),
2 185.983 (1) (intro.), 609.12 and 628.36 (3m) of the statutes, the renumbering of
3 section 609.22 (1) of the statutes and the creation of section 609.22 (1) (b) of the
4 statutes first apply to all of the following:

5 (a) Except as provided in paragraph (b), ^{"KA"} ~~health~~ ^{auto of} managed care plans that are issued or
6 renewed on the effective date of this paragraph.

7 (b) ^{auto of "KA"} ~~Health~~ ^{Managed} care plans covering employes who are affected by a collective
8 bargaining agreement containing provisions inconsistent with ~~this act~~ that are
9 issued or renewed on the earlier of the following:

- 10 # 1. The day on which the collective bargaining agreement expires.
- 11 # 2. The day on which the collective bargaining agreement is extended, modified
12 or renewed.

13 **SECTION 34. Effective date.**

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

16 (END) of ins. 5)

*Sections 111.91(2)(r)
and 609.23
of the statutes*



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2077/1
PJK:kmg:jf

DOA:.....Jablonsky - Require health maintenance organizations to offer point-of-service coverage

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

INSURANCE

The bill requires every managed care plan, which is, generally, a health care plan that requires insureds to obtain services from certain specified providers under contract with the health care plan, to offer at least one point-of-service coverage option in each geographical service area of the managed care plan. A point-of-service coverage option is defined in the bill as a coverage option under which an insured may obtain health care services that are paid for by the health care plan from a provider of his or her choice, regardless of whether that provider is a participating provider of the insured's health care plan or a member of the health care plan's provider network.

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:

2 SECTION 1. 111.91 (2) (r) of the statutes is created to read:

1 111.91 (2) (r) The requirements related to offering point-of-service coverage
2 under s. 609.23.

3 **SECTION 2.** 609.23 of the statutes is created to read:

4 **609.23 Point-of-service coverage option.** (1) In this section,
5 “point-of-service coverage option” means a health care plan coverage option under
6 which all of the following apply:

7 (a) An insured may obtain health care services from a provider of his or her
8 choice.

9 (b) A provider selected under par. (a) is not necessarily a participating provider
10 of the health care plan or a member of the health care plan’s network of providers.

11 (c) The health care plan reimburses a provider selected under par. (a) for the
12 cost of services provided to the insured if the provider is appropriately licensed and
13 the services provided are covered under the health care plan.

14 (2) Notwithstanding ss. 609.05 (2) and 628.36 (2) (b) 1. and 3., a managed care
15 plan shall offer to its enrollees at least one point-of-service coverage option in each
16 geographic service area of the managed care plan.

17 **SECTION 9326. Initial applicability; insurance.**

18 (1) POINT-OF-SERVICE COVERAGE. The treatment of sections 111.91 (2) (r) and
19 609.23 of the statutes first applies to all of the following:

20 (a) Except as provided in paragraph (b), managed care plans that are issued
21 or renewed on the effective date of this paragraph.

22 (b) Managed care plans covering employees who are affected by a collective
23 bargaining agreement containing provisions inconsistent with sections 111.91 (2) (r)
24 and 609.23 of the statutes that are issued or renewed on the earlier of the following:

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

