

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2001 ASSEMBLY BILL 265**

April 18, 2001 – Offered by Representative WASSERMAN.

1 **AN ACT** *to repeal* 149.14 (5) (d) and 149.146 (2) (am) 4.; *to renumber and*
2 *amend* 149.14 (5) (c) and 149.14 (5) (e); *to amend* 149.14 (5) (title), 149.14 (5)
3 (a), 149.14 (5) (b), 149.146 (2) (am) 1., 149.146 (2) (am) 2. and 149.146 (2) (am)
4 3.; and *to create* 149.14 (5) (c) 2., 149.14 (5) (e) 2. and 149.146 (2) (am) 5. of the
5 statutes; **relating to:** copayments or coinsurance for prescription drug
6 coverage, deductibles, coinsurance, and out-of-pocket limits under the health
7 insurance risk-sharing plan and providing an exemption from emergency rule
8 procedures.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

9 **SECTION 1.** 149.14 (5) (title) of the statutes is amended to read:
10 149.14 (5) (title) DEDUCTIBLES, COPAYMENTS AND, COINSURANCE, AND
11 OUT-OF-POCKET LIMITS.

12 **SECTION 2.** 149.14 (5) (a) of the statutes is amended to read:

1 149.14 (5) (a) The plan shall offer a deductible in combination with appropriate
2 premiums determined under this chapter for major medical expense coverage
3 required under this section. The deductible shall apply only to covered costs other
4 than those under sub. (3) (d), for which copayments or coinsurance shall apply. For
5 coverage offered to those persons who are eligible for medicare, the plan shall offer
6 a deductible equal to the deductible charged by part A of title XVIII of the federal
7 social security act, as amended deductible amount shall be \$250. The deductible
8 amounts for all other eligible persons shall be dependent upon household income as
9 determined under s. 149.165. For eligible persons under s. 149.165 (2) (a) 1., the
10 deductible shall be \$500 \$250. For eligible persons under s. 149.165 (2) (a) 2., the
11 deductible shall be \$600 \$300. For eligible persons under s. 149.165 (2) (a) 3., the
12 deductible shall be \$700 \$350. For eligible persons under s. 149.165 (2) (a) 4., the
13 deductible shall be \$800 \$400. For all other eligible persons who are not eligible for
14 medicare, the deductible shall be \$1,000 \$500. With respect to all eligible persons,
15 expenses used to satisfy the deductible during the last 90 days of a calendar year
16 shall also be applied to satisfy the deductible for the following calendar year.

17 **SECTION 3.** 149.14 (5) (b) of the statutes is amended to read:

18 149.14 (5) (b) Except as provided in par. (c) 1., if the covered costs other than
19 those under sub. (3) (d) that are incurred by the an eligible person who is not eligible
20 for medicare exceed the deductible for major medical expense coverage in a calendar
21 year, the plan shall pay at least 80% of any additional covered costs other than those
22 under sub. (3) (d) that are incurred by the eligible person during the calendar year.

23 **SECTION 4.** 149.14 (5) (c) of the statutes is renumbered 149.14 (5) (c) 1. and
24 amended to read:

1 149.14 (5) (c) 1. If the aggregate of the covered costs other than those under sub.
2 (3) (d) that are not paid by the plan under par. (b) and the deductible exceeds \$500
3 ~~for an eligible person receiving medicare, \$2,000 for any other~~ \$1,000 during a
4 calendar year for an eligible person during ~~a calendar year or \$4,000~~ who is not
5 eligible for medicare, or \$2,000 for all such eligible persons in a family, the plan shall
6 pay 100% of all covered costs other than those under sub. (3) (d) that are incurred by
7 the eligible person during the calendar year after the applicable payment ceilings
8 ceiling under this paragraph ~~are~~ subdivision is exceeded.

9 **SECTION 5.** 149.14 (5) (c) 2. of the statutes is created to read:

10 149.14 (5) (c) 2. If the covered costs ~~other than those under sub. (3) (d) that are~~
11 incurred during a calendar year by an eligible person who is eligible for medicare
12 exceed the deductible, the plan shall pay 100% of all covered costs other than those
13 under sub. (3) (d) that are incurred by the eligible person during the calendar year
14 after the deductible is exceeded.

15 **SECTION 6.** 149.14 (5) (d) of the statutes is repealed.

16 **SECTION 7.** 149.14 (5) (e) of the statutes is renumbered 149.14 (5) (e) 1. and
17 amended to read:

18 149.14 (5) (e) 1. Subject to sub. (8) (b), the department may, by rule under s.
19 149.17 (4), establish ~~copayments~~ copayment amounts or coinsurance rates for
20 prescription drug coverage under sub. (3) (d). Any copayment ~~amounts or rates~~
21 amount or coinsurance rate established ~~are~~ is subject to the approval of the board.
22 ~~Copayments paid by an eligible person under this paragraph shall count toward the~~
23 ~~deductible and covered costs not paid by the plan under pars. (a) to (c).~~

24 **SECTION 8.** 149.14 (5) (e) 2. of the statutes is created to read:

1 149.14 (5) (e) 2. The plan shall pay 100% of all covered costs under sub. (3) (d)
2 that are incurred during a calendar year by each of the following eligible persons
3 after the eligible person has paid the following amount in copayments or coinsurance
4 for covered costs under sub. (3) (d) in the calendar year:

- 5 a. An eligible person who is eligible for medicare, \$250.
6 b. An eligible person under s. 149.165 (2) (a) 1., \$250.
7 c. An eligible person under s. 149.165 (2) (a) 2., \$300.
8 d. An eligible person under s. 149.165 (2) (a) 3., \$350.
9 e. An eligible person under s. 149.165 (2) (a) 4., \$400.
10 f. Any other eligible person who is not eligible for medicare, \$500.

11 **SECTION 9.** 149.146 (2) (am) 1. of the statutes is amended to read:

12 149.146 (2) (am) 1. For all eligible persons with coverage under this section,
13 the deductible, which shall apply only to covered costs other than for prescription
14 drugs, shall be ~~\$2,500~~ \$1,250. Expenses used to satisfy the deductible during the last
15 90 days of a calendar year shall also be applied to satisfy the deductible for the
16 following calendar year.

17 **SECTION 10.** 149.146 (2) (am) 2. of the statutes is amended to read:

18 149.146 (2) (am) 2. Except as provided in subd. 3., if the covered costs other
19 than for prescription drugs that are incurred by the an eligible person exceed the
20 deductible ~~for major medical expense coverage~~ in a calendar year, the plan shall pay
21 at least 80% of any additional covered costs other than for prescription drugs that
22 are incurred by the eligible person during the calendar year.

23 **SECTION 11.** 149.146 (2) (am) 3. of the statutes is amended to read:

24 149.146 (2) (am) 3. If the aggregate of the covered costs other than for
25 prescription drugs that are not paid by the plan under subd. 2. and the deductible

1 exceeds ~~\$3,500~~ \$1,750 for any eligible person during a calendar year or ~~\$7,000~~ \$3,500
2 for all eligible persons in a family, the plan shall pay 100% of all covered costs other
3 than for prescription drugs that are incurred by the eligible person during the
4 calendar year after the applicable payment ~~ceilings~~ ceiling under this subdivision
5 are is exceeded.

6 **SECTION 12.** 149.146 (2) (am) 4. of the statutes is repealed.

7 **SECTION 13.** 149.146 (2) (am) 5. of the statutes is created to read:

8 149.146 (2) (am) 5. Subject to s. 149.14 (8) (b), the department may, by rule
9 under s. 149.17 (4), establish copayment amounts or coinsurance rates for
10 prescription drug coverage under this section. Any copayment amount or
11 coinsurance rate established is subject to the approval of the board. The plan shall
12 pay 100% of all covered costs for prescription drugs that are incurred by an eligible
13 person during a calendar year after the eligible person has paid \$1,250 in
14 copayments or coinsurance for prescription drug coverage in the calendar year.

15 **SECTION 14. Nonstatutory provisions.**

16 (1) RULES ON DRUG COPAYMENTS. The department of health and family services
17 may use the procedure under section 227.24 of the statutes to promulgate rules
18 authorized under section 149.14 (5) (e) 1. of the statutes, as affected by this act, and
19 section 149.146 (2) (am) 5. of the statutes, as created by this act. Notwithstanding
20 section 227.24 (1) (a), (2) (b), and (3) of the statutes, the department is not required
21 to provide evidence that promulgating a rule under this subsection as an emergency
22 rule is necessary for the preservation of public peace, health, safety, or welfare and
23 is not required to provide a finding of emergency for a rule promulgated under this
24 subsection.

25 **SECTION 15. Initial applicability.**

