

2001 DRAFTING REQUEST

Assembly Amendment (AA-AB870)

Received: 03/07/2002

Received By: kahlepj

Wanted: Today

Identical to LRB:

For: Gregg Underheim (608) 266-2254

By/Representing: Sandy

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Addl. Drafters:

Subject: Insurance - health

Extra Copies:

Submit via email: YES

Requester's email: Rep.Underheim@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Independent review notice

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 03/07/2002	gilfokm 03/07/2002		_____			
/1			jfrantze 03/07/2002	_____	lrb_docadmin 03/07/2002	lrb_docadmin 03/07/2002	

03/07/2002 11:59:48 AM

Page 2

FE Sent For:

<END>

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1?	kahlepj	1-3/7 KUP	2-3/7	3-7			
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Handwritten notes and signatures:
 1-3/7 KUP
 2-3/7
 3-7
 J. Underheim

FE Sent For:

<END>

1508

Kahler, Pam

From: Lonergan, Sandra
Sent: Thursday, March 07, 2002 9:28 AM
To: Kahler, Pam
Cc: Smyrski, Rose
Subject: amendment for AB 870

Importance: High

Pam,
The IER language below -- please ALSO draft it as an amendment to AB 870. We are trying to put it in the OCI technical bill. Please let me know if you have questions.
Thanks,
Sandy

-----Original Message-----

From: Rep.Underheim
Sent: Wednesday, March 06, 2002 8:18 PM
To: Kahler, Pam
Cc: Lonergan, Sandra
Subject: drafting instructions for AB876
Importance: High

Pam,
There are drafting instructions contained in the word document attached as well the language below. Please draft this in the easiest possible way for you. I don't care if it is one amendment or many. Thank you.
Gregg Underheim (really, this is me), (not Sandy)
<< File: Ship amendments.doc >>

-----Original Message-----

From: Lonergan, Sandra
Sent: Wednesday, March 06, 2002 8:06 PM
To: Rep.Underheim
Subject: IER language

IER language:

2. The insurer includes on its explanation of benefits form a statement that the insured may have a right to an independent review after the internal grievance process and that an insured may be entitled to expedited independent review with respect to an urgent matter. the statement shall also include a reference to the section of the policy or certificate that contains the description of the independent review procedure as required by subd. 1. The statement shall provide a toll-free phone number and website, if appropriate, where consumers may obtain additional information regarding internal grievance and independent review processes.
3. The insurer, for any adverse determination or experimental treatment determination for which an explanation of benefits is not provided to the insured, provides a notice that the insured may have a right to an independent review after the internal grievance process and that an insured may be entitled to expedited independent review with respect to an urgent matter. The notice shall also include a reference to the section of the policy or certificate that contains the description of the independent review procedure as required by subd. 1. The notice shall provide a toll-free phone number and website, if appropriate, where consumers may obtain additional information regarding internal grievance and independent review processes.

2001

Date (time) needed now

LRBa 1508 / 1

AMENDMENT

RK King

See form AMENDMENTS — COMPONENTS & ITEMS.

S (A) AMENDMENT

~~TO S A AMENDMENT (LRBa /),~~
TO S A SUBSTITUTE AMENDMENT (LRBs /),
TO 2001 SB SJR SR (AB) AJR AR 870 (LRB- /)

At the locations indicated, amend the bill as follows:
(fill ONLY if "engrossed ..." or "as shown by")

✓ #. Page 2, line 5: after "annuities," insert "providing notice of the right to independent review,"

✓ #. Page 10, line 25: after that line insert:

#. Page, line

#. Page, line

#. Page, line



BILL

1 149.14 (6) (c) A person who obtains coverage under the plan under s. 149.12
2 (4) and whose application for coverage was received within 63 after his or her
3 enrollment in the program under s. 635.30 was terminated under s. 635.30 (4) (b),
4 may not be subject to any preexisting condition exclusion under the plan, as provided
5 in s. 635.30 (4) (b).

6 SECTION 17. 601.34 of the statutes is created to read:

7 601.34 Loan to general fund. No later than the first day of the 2nd month
8 after the effective date of this section [revisor inserts date], an amount equal to
9 \$850,000 shall be lapsed from the appropriation account under s. 20.145 (1) (g) to the
10 general fund. The amount lapsed from the appropriation account shall be considered
11 a loan to the general fund and interest shall accrue on the amount lapsed at the
12 average rate earned by the state on its deposits in the state investment fund during
13 the period of the loan. The general fund shall repay the loan from moneys lapsed to
14 the general fund from the appropriation under s. 20.515 (2) (a) at the end of the
15 2001-03 fiscal biennium, if any, and from moneys lapsed to the general fund from the
16 appropriation under s. 20.515 (2) (g) in the amounts specified in s. 40.98 (6m). If the
17 secretary of administration determines that the moneys lapsed from these
18 appropriations will not be sufficient to repay the loan within a reasonable period of
19 time, as determined by the secretary and the commissioner, the secretary shall credit
20 the appropriation account under s. 20.145 (1) (g) from moneys in the general fund an
21 amount sufficient to repay the loan.

22 " SECTION 18. ^{24c} 632.835 (2) (b) of the statutes, as created by 1999 Wisconsin Act
23 155, is amended to read:

24 632.835 (2) (b) Whenever If an adverse determination or an experimental
25 treatment determination is made, the insurer involved in the determination shall

BILL

1 provide notice to the insured of the insured's right to obtain the independent review
2 required under this section, how to request the review, and the time within which the
3 review must be requested. The notice shall include a current listing of independent
4 review organizations certified under sub. (4). An independent review under this
5 section may be conducted only by an independent review organization certified
6 under sub. (4) and selected by the insured.

7 **SECTION 18. 632.835 (2) (bg)** of the statutes is created to read:

8 632.835 (2) (bg) Notwithstanding par. (b), an insurer is not required to provide
9 the notice under par. (b) to an insured ~~under par. (b) to an insured~~
10 ~~under par. (b) to an insured~~ until the insurer sends ~~the~~ notice of the disposition of the internal
11 grievance if all of the following apply:

12 1. The health benefit plan issued by the insurer contains a description of the
13 independent review procedure under this section, including an explanation of the
14 insured's rights under par. (d), how to request the review, the time within which the
15 review must be requested, and how to obtain a current listing of independent review
16 organizations certified under sub. (4).

17 2. The insurer includes on its explanation of benefits form a reference to the
18 section of the policy or certificate that contains the description of the independent
19 review procedure.

20 **SECTION 20. 635.25** of the statutes is created to read:

21 **635.25 Catastrophic risk. (1) DEFINITION.** In this section, "board" means the
22 small employer catastrophic reinsurance board.

23 **(2) THRESHOLDS FOR COVERED BENEFITS.** (a) By December 1, 2002, and every 2
24 years thereafter until December 1, 2006, every small employer insurer shall select



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IER language:

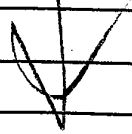
- ☒ 2. The insurer includes on its explanation of benefits form a statement that the insured may have a right to an independent review after the internal grievance process and that an insured may be entitled to expedited independent review with respect to an urgent matter. the statement shall also include a reference to the section of the policy or certificate that contains the description of the independent review procedure as required by ~~subd.~~ subd. 1. The statement shall provide a toll-free ~~phone~~ number and website, if appropriate, where consumers may obtain additional information regarding internal grievance and independent review processes.
- ☒ 3. ~~The insurer~~ provides a notice that the insured may have a right to an independent review after the internal grievance process and that an insured may be entitled to expedited independent review with respect to an urgent matter. The notice shall also include a reference to the section of the policy or certificate that contains the description of the independent review procedure as required ~~by~~ subd. 1. The notice shall provide a toll-free ~~phone~~ number and website, if appropriate, where consumers may obtain additional information regarding internal grievance and independent review processes. "

telephone

under

the insurer

#. Page 12, line 15: after that line insert:



BILL

1 by this act, including any success or lack of success in reducing costs for prescription
2 drugs in this state.

3 (c) The department of administration shall submit the reports specified in
4 paragraphs (a) and (b) to the legislature in the manner provided under section 13.172
5 (3) of the statutes, to the members of the joint committee on finance, and to the
6 governor.

7 **SECTION 23. Appropriation changes.**

8 (1) PRIVATE EMPLOYER HEALTH CARE COVERAGE PROGRAM. In the schedule under
9 section 20.005 (3) of the statutes for the appropriation to the department of employee
10 trust funds under section 20.515 (2) (a) of the statutes, as affected by the acts of 2001,
11 the dollar amount is increased by \$850,000 for fiscal year 2001-02 to increase
12 funding for the purpose for which the appropriation is made.

13 (2) TRANSFER TO SMALL EMPLOYER CATASTROPHIC CARE PROGRAM FUND. In the
14 schedule under section 20.005 (3) of the statutes for the appropriation to the office
15 of the commissioner of insurance under section 20.145 (1) (g) of the statutes, as
16 affected by the acts of 2001, the dollar amount is increased by \$500,000 for fiscal year
17 2002-03 to increase funding for the purposes for which the appropriation is made.

18 " SECTION 24. ^{28m}Effective dates. This act takes effect on the day after publication,
19 except as follows: X

20 (1) NOTICE OF INDEPENDENT REVIEW. The treatment of section 632.835 (2) (b) and ✓
21 (bg) of the statutes takes effect on the date stated in the notice published by the
22 commissioner of insurance in the Wisconsin Administrative Register under section
23 632.835 (8) of the statutes.))

24 (END)

D. note

Note

It would have been preferable just
to get rid of s. 632.835(2)(b)

and substitute these new notice

requirements, since the ~~big~~ notice

requirement under s. 632.835(2)(b)
is made irrelevant

~~requirements~~ ~~is~~ ~~made~~ ~~irrelevant~~ by
all of these ^{these} alternate requirements.
PJK

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

LRBa1508/1dn
PJK:kmg:jf

March 7, 2002

It would have been preferable just to get rid of s. 632.835 (2) (b) and substitute these new notice requirements, since the notice requirement under s. 632.835 (2) (b) is made irrelevant by all of these alternate requirements.

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