

**2001 DRAFTING REQUEST**

**Assembly Amendment (AA-AB876)**

Received: 03/07/2002

Received By: kahlepj

Wanted: Today

Identical to LRB:

For: Mark Miller (608) 266-5342

By/Representing: himself

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Addl. Drafters: champra

Subject: Insurance - health

Extra Copies:

Submit via email: YES

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

Carbon copy (CC:) to:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Replace private employer and catastsrophic reinsurance with AB543

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**Instructions:**

See Attached

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**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	csicilia 03/07/2002		_____			
/1			jfrantze 03/07/2002	_____	lrb_docadmin 03/07/2002	lrb_docadmin 03/07/2002	

FE Sent For:

<END>

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/?	kahlepj	1 js 3/7 02	03/17	3/17			

FE Sent For:

<END>

PJK & RAC

a1506

**Kahler, Pam**

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**From:** Miller, Mark  
**Sent:** Wednesday, March 06, 2002 10:24 PM  
**To:** Kahler, Pam; Kennedy, Debora; Champagne, Rick  
**Subject:** AB876, part 2

Please draft an amendment to AB876 that will replace the provisions for a private health care program and a small employer catastrophic reinsurance program with the provisions contained in AB543.  
Thank you.

***Mark Miller***

*48th Assembly District*

*P.O. Box 8953*

*Madison, WI 53708*

*Phone 608.266.5342, FAX 608.282.3648*

*rep.miller@legis.state.wi.us*

2001

Date (time) needed

now

LRBa 1506 / 1

AMENDMENT

PK-RAC: CS :           

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 876 (LRB- / )  
876

At the locations indicated, amend the bill as follows:

(fill ONLY if "engrossed ...." or "as shown by .....")

#. Page 1, line 7: delete the material beginning with "creating" and ending with "board," on line 8. ✓

#. Page 1, line 10: delete the material beginning with "requiring" and ending with "insurers" on line 13 and substitute "small employer health insurance rates".  
"small employer health insurance rates" ✓

#. Page 6, line 1: delete the material beginning with "(1)" and ending with line 17. ✓

#. Page 8, line 16: delete line 16 to 19. ✓

#. Page ....., line ....., Insert RC-A

#. Page 13, line 20: delete the material beginning with that line and ending with page 16, line 21, and substitute:

Insert M

#. Page 23, line 9: delete the material beginning  
with that line and ending with line  
→ delete lines 9 to 24 and substitute:

Insert N

<sup>24</sup> <sup>16</sup> <sup>16 to 24</sup>  
#. Page 24, line 16: delete lines 16 to 24.

<sup>25</sup> <sup>1</sup> <sup>1 and 2</sup>  
#. Page 25, line 1: delete lines 1 and 2.

#. Page 26, line 17: after that line insert:

Insert P

#. Page 26, line 23: after that line insert:

Insert R

(END)

Insert RC-A

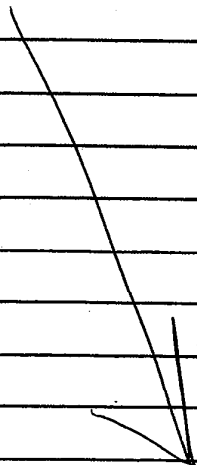
"and from any other".

#. Page 9, line 3: delete ~~the underscored text~~  
"person under s. 40.98 (2)(h)".

#. Page 9, line 4: delete ~~the underscored text~~.

#. Page 9, line 6: delete "(6m)" and substitute  
"(6r)". ✓

# Page 10, line 8: delete the material beginning  
with next line and ending on ~~page~~ line 24  
and substitute:



**ASSEMBLY BILL 543**

This bill reduces the amount by which rates charged to small employers with similar case characteristics for the same or similar benefits may vary from the midpoint rate to 15% of the midpoint rate. Because the private employer health care coverage program designed by DETF is subject to any applicable insurance provisions, the requirements in the bill with respect to rates charged to small employers for health insurance will apply to rates charged to small employers participating in that program.

In addition, the bill appropriates \$850,000 to DETF for the private employer health care coverage program operating costs and requires DETF to repay the general fund any portion of the \$850,000 amount that it encumbers during the 2001-03 fiscal biennium. Under the bill, DETF is to repay the general fund from moneys received from employers who elect to participate in the private employer health care coverage program.

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.** 20.515 (2) (g) of the statutes is amended to read:

2           20.515 (2) (g) *Private employer health care coverage plan.* All moneys received  
3 under subch. X of ch. 40 from employers who elect to participate in the private  
4 employer health care coverage program under subch. X of ch. 40, for the costs of  
5 designing, marketing and contracting for or providing administrative services for  
6 the program and for lapsing to the general fund the amounts required under s. 40.98  
7 (6r).

8           <sup>12m</sup>  
9           **SECTION 2.** 40.98 (6r) of the statutes is created to read:

10           40.98 (6r) The secretary of administration shall lapse from the appropriation  
11 account under s. 20.515 (2) (g) to the general fund an amount equal to the amount  
12 encumbered from the appropriation under s. 20.515 (2) (a) during the 2001-03 fiscal  
13 biennium that exceeds \$211,100 when the secretary of administration, after  
consulting with the board, determines that funds in the appropriation account under



**ASSEMBLY BILL 543**

1 s. 20.515 (2) (g) are sufficient to make the lapse. The secretary of administration may  
2 lapse the amounts in installments. )

3 **SECTION 3.** 635.05 (1) of the statutes is amended to read:

4 635.05 (1) Establishing restrictions on premium rates that a small employer  
5 insurer may charge a small employer such that the premium rates charged to small  
6 employers with similar case characteristics for the same or similar benefit design  
7 characteristics do not vary from the midpoint rate for those small employers by more  
8 than ~~35%~~ 15% of that midpoint rate.

9 **SECTION 4. Nonstatutory provisions.**

10 (1) ~~RULES RELATED TO SMALL EMPLOYER HEALTH INSURANCE RATES.~~ Using the  
11 procedure under section 227.24 of the statutes, the commissioner of insurance may  
12 promulgate the rules required under section 635.05 (1) of the statutes, as affected by  
13 this act, for the period before the effective date of the permanent rules required under  
14 section 635.05 (1) of the statutes, as affected by this act, but not to exceed the period  
15 authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding  
16 section 227.24 (1) (a), (2) (b), and (3) of the statutes, the commissioner is not required  
17 to provide evidence that promulgating a rule under this subsection as an emergency  
18 rule is necessary for the preservation of public peace, health, safety, or welfare and  
19 is not required to provide a finding of emergency for a rule promulgated under this  
20 subsection.

*12*  
*the law after*  
*#. Page 26, line 11/12 that line suggest*

21 **SECTION 5. Appropriation changes.**

22 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
23 to the department of administration under section 20.515 (2) (a) of the statutes, as  
24 affected by the acts of 2001, the dollar amount is increased by \$850,000 for fiscal year  
25 2001-02 to fulfill the purpose for which the appropriation is made. )

*Handwritten scribbles and signatures covering the bottom portion of the page.*

ASSEMBLY BILL 543

*Insert M*

1 s. 20.515 (2) (g) are sufficient to make the lapse. The secretary of administration may  
2 lapse the amounts in installments.

3 " SECTION <sup>20m</sup> 635.05 (1) of the statutes is amended to read:

4 635.05 (1) Establishing restrictions on premium rates that a small employer  
5 insurer may charge a small employer such that the premium rates charged to small  
6 employers with similar case characteristics for the same or similar benefit design  
7 characteristics do not vary from the midpoint rate for those small employers by more  
8 than 35% 15% of that midpoint rate. " • *and 20m*

9 ~~SECTION 4. Nonstatutory provisions~~ *Insert N*

10 " (b) <sup>lm</sup> RULES RELATED TO SMALL EMPLOYER HEALTH INSURANCE RATES. Using the  
11 procedure under section 227.24 of the statutes, the commissioner of insurance may  
12 promulgate the rules required under section 635.05 (1) of the statutes, as affected by  
13 this act, for the period before the effective date of the permanent rules required under  
14 section 635.05 (1) of the statutes, as affected by this act, but not to exceed the period  
15 authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding  
16 section 227.24 (1) (a), (2) (b), and (3) of the statutes, the commissioner is not required  
17 to provide evidence that promulgating a rule under this subsection as an emergency  
18 rule is necessary for the preservation of public peace, health, safety, or welfare and  
19 is not required to provide a finding of emergency for a rule promulgated under this  
20 subsection. " • *(and 20m)*

21 SECTION 5. Appropriation changes.

22 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
23 to the department of administration under section 20.515 (2) (a) of the statutes, as  
24 affected by the acts of 2001, the dollar amount is increased by \$850,000 for fiscal year  
25 2001-02 to fulfill the purpose for which the appropriation is made.

ASSEMBLY BILL 543

*Insert P*

1 " SECTION 6. Initial applicability.

2 (1) SMALL EMPLOYER HEALTH INSURANCE RATES. The treatment of section 635.05

3 (1) of the statutes and SECTION <sup>22</sup> ~~A~~ <sup>(1m)</sup> (B) of this act first apply to rates charged under  
4 policies or plans issued or renewed to small employers on September 1, 2002. )"

5 ~~SECTION 7. Effective dates. This act takes effect on the day after publication,~~  
6 ~~except as follows:~~

7 " <sup>22m</sup> ~~(A)~~ SMALL EMPLOYER HEALTH INSURANCE RATES. The treatment of section 635.05  
8 (1) of the statutes takes effect on September 1, 2002. )"

~~(END)~~

*Insert R*