

**SENATE SUBSTITUTE AMENDMENT 1,
TO 2001 SENATE BILL 81**

October 23, 2001 – Offered by FINANCE.

1 **AN ACT** *to amend* 20.515 (2) (g) and 635.05 (1); and *to create* 40.98 (6r) of the
2 statutes; **relating to:** a loan from the general fund for the private employer
3 health care coverage program, small employer health insurance rates,
4 providing an exemption from emergency rule procedures, and making an
5 appropriation.

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

6 **SECTION 1.** 20.515 (2) (g) of the statutes is amended to read:

7 20.515 (2) (g) *Private employer health care coverage plan.* All moneys received
8 under subch. X of ch. 40 from employers who elect to participate in the private
9 employer health care coverage program under subch. X of ch. 40, for the costs of
10 designing, marketing and contracting for or providing administrative services for
11 the program and for lapsing to the general fund the amounts required under s. 40.98
12 (6r).

1 **SECTION 2.** 40.98 (6r) of the statutes is created to read:

2 **40.98 (6r)** The secretary of administration shall lapse from the appropriation
3 account under s. 20.515 (2) (g) to the general fund an amount equal to the amount
4 encumbered from the appropriation under s. 20.515 (2) (a) during the 2001–03 fiscal
5 biennium that exceeds \$211,100 when the secretary of administration, after
6 consulting with the board, determines that funds in the appropriation account under
7 s. 20.515 (2) (g) are sufficient to make the lapse. The secretary of administration may
8 lapse the amounts in installments.

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

10 **635.05 (1)** Establishing restrictions on premium rates that a small employer
11 insurer may charge a small employer such that the premium rates charged to small
12 employers with similar case characteristics for the same or similar benefit design
13 characteristics do not vary from the midpoint rate for those small employers by more
14 than ~~35%~~ 10% of that midpoint rate.

15 **SECTION 4. Nonstatutory provisions.**

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

1 is not required to provide a finding of emergency for a rule promulgated under this
2 subsection.

3 **SECTION 5. Nonstatutory provisions.**

4 (1) REQUIRED GENERAL FUND BALANCE. Section 20.003 (4) of the statutes and 2001
5 Wisconsin Act 16, section 9101 (25j), do not apply to the action of the legislature in
6 enacting this act.

7 **SECTION 6. Appropriation changes.**

8 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation
9 to the department of administration under section 20.515 (2) (a) of the statutes, as
10 affected by the acts of 2001, the dollar amount is increased by \$850,000 for fiscal year
11 2001–02 to fulfill the purpose for which the appropriation is made.

12 **SECTION 7. Initial applicability.**

13 (1) SMALL EMPLOYER HEALTH INSURANCE RATES. The treatment of section 635.05
14 (1) of the statutes and SECTION 4 (1) of this act first apply to rates charged under
15 policies or plans issued or renewed to small employers on September 1, 2002.

16 **SECTION 8. Effective dates.** This act takes effect on the day after publication,
17 except as follows:

18 (1) SMALL EMPLOYER HEALTH INSURANCE RATES. The treatment of section 635.05
19 (1) of the statutes takes effect on September 1, 2002.

20 (END)