

06/18/2001 11:15:43 AM

Page 1

2001 DRAFTING REQUEST**Senate Amendment (SA-SSA1-SB55)**Received: **06/15/2001**Received By: **champra**Wanted: **Soon**

Identical to LRB:

For: **Senate Democratic Caucus**By/Representing: **Keckhaver**This file may be shown to any legislator: **NO**Drafter: **champra**

May Contact:

Addl. Drafters: **kahlepj**Subject: **Employ Pub - miscellaneous**

Extra Copies:

Submit via email: **NO**

Requester's email:

Pre Topic:

SDC:.....Keckhaver - CN8001,

Topic:

Private employer health care coverage plan

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>
/?	champra 06/17/2001	hhagen 06/17/2001		_____			
	kahlepj 06/17/2001			_____			
/1			kfollet 06/18/2001	_____	lrb_docadmin 06/18/2001		

FE Sent For:

<END>

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1?	champra	<i>1/kmh 6/17/01</i>	<i>Kj 6/17</i>	<i>Kj/le 6/18</i>			

FE Sent For:

<END>

y.

Agency: Employe Trust Funds

caucus number 6009

duplicate flag: _____
 duplicate with: _____
 Other reference numbers: _____
 LFB Sum #: _____
 Bill number/amendment number: _____
 LRB draft # _____ LRB P-draft: _____

description: Multiple changes to WR3 (see paper)

other notes

drafting instructions:

more instructions:

GPR: \$0.00	PR: \$0.00	SEG: \$0.00	Other:
FED: \$0.00	TANF: \$0.00	All Funds: \$0.00	
GPR-REV: \$0.00	SEG-REV: \$0.00	PR-REV: \$0.00	

b0959

no fiscal impact: unknown impact: x

caucus number 8001

duplicate flag: _____
 duplicate with: _____
 Other reference numbers: _____
 LFB Sum #: _____
 Fm 420
 bill number/amendment number: SB 81
 LRB draft # _____ LRB P-draft: _____

description: Provide \$264,800 GPR in 03 for salaries, fringe benefits & supplies/services for 3.5 FTE staff in Ofc of Private Employer Health Care Coverage. Provide \$1m GPR 01-03 as loan to PEHCC for legal/actuarial consulting. Establish premium rate restrictions

other notes

drafting instructions: Adopt FM 420 with modifications. Incorporate provisions of SB 81.

more instructions:

GPR: \$1,264,800.00	PR: \$0.00	SEG: \$0.00	Other:
FED: \$0.00	TANF: \$0.00	All Funds: \$0.00	
GPR-REV: \$0.00	SEG-REV: \$0.00	PR-REV: \$0.00	

no fiscal impact: unknown impact:

Agency: Employe Trust Funds

Number of Amendments: 2

RAC *b0960*

Private Employer Health Care Coverage Program - Fiscal Bureau Motion #420 (with LN 8001 modifications)

Incorporate provisions of 2001 Senate Bill 81 that make statutory language changes to the operation of the Private Employer Health Care Coverage Program (PEHCCP). Provide \$264,800 GPR in FY03 for salaries, fringe benefits and associated supplies and services for 3.5 FTE staff at the Office of Private Employer Health Care Coverage.

Provide up to \$1,000,000 GPR during the 2001-2003 biennium as a loan from the State of Wisconsin to the Private Employer Health Care Coverage Program to contract for legal and actuarial-related consulting services and marketing and promotion of the program. The loan is to be paid back from the PR appropriation under s. 20.515 (2)(g) to the State of Wisconsin no later than June 30, 2007. Prior to using the funds appropriated under this provision, direct ETF to seek additional funding from private foundations, other private sources and the federal government.

Establish restrictions on premium rates that a small employer insurer may charge a small employer such that for health benefit plans newly issued or renewed on or after January 1, 2002, premium rates charged to small employers with similar case characteristics for the same or similar benefit design characteristics do not vary.

2001

Date (time) needed _____

LRB b 0960 1 1

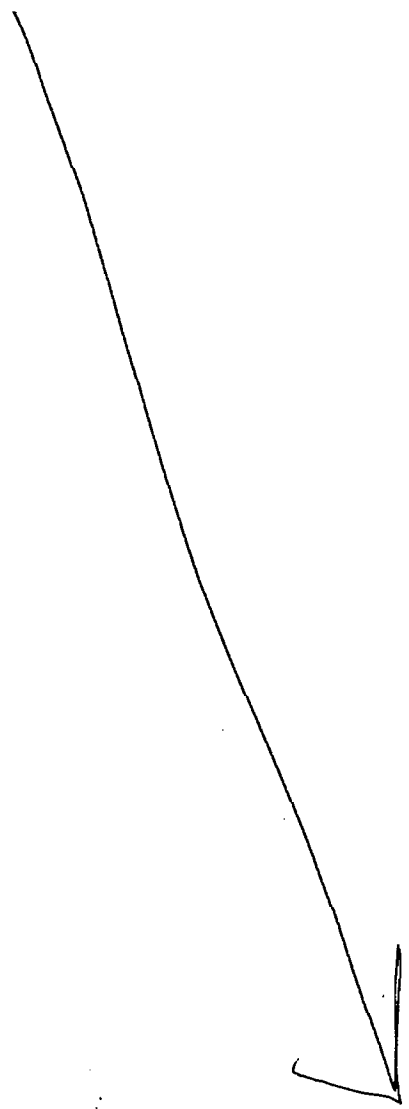
AMDT TO BUDGET SUB AMDT RA&PJK:hmh:

See form AMENDMENTS — COMPONENTS & ITEMS.

SENATE AMENDMENT
~~TO SENATE AMENDMENT~~
TO SENATE SUBSTITUTE AMENDMENT 1,
TO 2001 SENATE BILL 55

At the locations indicated, amend the substitute amendment ~~amendment~~ as follows:

- #. Page , line :
- #. Page , line :
- #. Page , line :
- #. Page , line :
- #. Page , line :
- #. Page , line :



SENATE BILL 81

3. Currently, DETF must maintain a toll-free telephone number to provide information on the program. This bill requires that either DETF or the administrator must maintain the toll-free telephone number.

4. Currently, all insurance rates for health care coverage under the program must be published annually in a single publication that is made available to employers and employees. This bill provides that all such insurance rates must be made available to employers and employees in a manner determined by the private employer health care coverage board.

5. Currently, any private employer who participates in the program must offer health care coverage to all of its permanent employees who have a normal work week of 30 or more hours and may offer health care coverage under one or more plans to any of its other employees. This bill provides that any private employer who participates in the program may offer health care coverage to employees who work less than 30 hours during a normal work week only if permitted by a plan offered by an insurer under the program.

6. Currently, any private employer who participates in the program must pay for each employee at least 50% but not more than 100% of the lowest premium rate that is available to the employer for that employee's coverage under the health care coverage program. This bill provides that the employer must pay for each employee at least 50% of the lowest premium rate for single coverage that is available to the employer for that employee's coverage under the program.

7. Currently, an insurance agent may not sell any health care coverage under the program on behalf of an insurer unless he or she is employed by the insurer or has a contract with the insurer to sell the health care coverage on behalf of the insurer. This bill provides that an agent may not sell any health care coverage under the program on behalf of an insurer unless he or she is listed by the insurer with the commissioner of insurance (commissioner). Under current law, insurers are required to provide to the commissioner, at intervals specified by the commissioner, a listing of all appointments, and renewals of appointments, of agents to do business in this state. In addition, the bill authorizes the private employer health care coverage board to establish training and certification requirements that agents must satisfy to sell health care coverage under the program. These requirements are in addition to any prelicensing or continuing education requirements set by the commissioner.

8. Currently, an insurer must specify on the first page of any policy sold under the program the amount of the commission paid to the insurance agent. This bill eliminates this requirement.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

Insert RAC 1

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

#. Page 535, line 6: after that line insert:

1 " SECTION X. 40.98 (2) (a) 3. of the statutes is amended to read:

1400b

SENATE BILL 81

1 40.98 (2) (a) 3. ~~The administrator selected under subd. 2., or the department~~
2 ~~if no administrator has been selected under subd. 2.,~~ shall enter into contracts with
3 insurers who are to provide health care coverage under the health care coverage
4 program.

5 SECTION ~~2~~ ^{L1400d} 40.98 (2) (a) 4. of the statutes is amended to read:

6 40.98 (2) (a) 4. The department or the administrator selected under subd. 2.
7 shall solicit and accept bids and shall enter into a contract for marketing the health
8 care coverage program.

9 SECTION ~~3~~ ^{L1450f} 40.98 (2) (a) 5. of the statutes is amended to read:

10 40.98 (2) (a) 5. The department or the administrator selected under subd. 2.
11 shall maintain a toll-free telephone number to provide information on the health
12 care coverage program.

13 SECTION ~~4~~ ^{L1400h} 40.98 (2) (d) of the statutes is amended to read:

14 40.98 (2) (d) All insurance rates for health care coverage under the program
15 shall be ~~published annually in a single publication that is~~ made available to
16 employers and employees in a manner determined by the board. The rates may be
17 listed by county or by any other regional factor that the board considers appropriate.
18 Annually, the board shall submit a report to the appropriate standing committees
19 under s. 13.172 (3) specifying the average insurance rate for health care coverage
20 under the program by county or by any other regional factor the board considers
21 appropriate.

22 SECTION ~~5~~ ^{L1400j} 40.98 (3) (a) of the statutes is amended to read:

23 40.98 (3) (a) Offer health care coverage under one or more plans to all of its
24 permanent employees who have a normal work week of 30 or more hours and, if
25 permitted by any plan offered by an insurer under the health care coverage program,

In sent RAC 2

SENATE BILL 81

SECTION 5

1 may offer health care coverage under ~~one or more plans~~ such a plan to any of its other
2 employees.

3 SECTION ~~6~~^{L1400L} 40.98 (3) (c) of the statutes is amended to read:

4 40.98 (3) (c) Pay for each employee at least 50% but not more than 100% of the
5 lowest premium rate that would be of the lowest premium rate for single coverage
6 that is available to the employer for that employee's coverage under the health care
7 coverage program.

8 SECTION ~~7~~^{L1400N} 40.98 (6) (b) of the statutes is amended to read:

9 40.98 (6) (b) An insurance agent may not sell any health care coverage under
10 the health care coverage program on behalf of an insurer unless he or she is employed
11 by the insurer or has a contract with the insurer to sell the health care coverage on
12 behalf of listed by the insurer under s. 628.11.

13 SECTION ~~8~~^{L1400P} 40.98 (6) (d) of the statutes is repealed and recreated to read:

14 40.98 (6) (d) The board may establish training and certification requirements
15 that an insurance agent must satisfy, in addition to any requirements under s. 628.04
16 (3), to sell health care coverage under the health care coverage program.))

17 SECTION 9. Appropriation changes.

18 (1) PRIVATE EMPLOYER HEALTH CARE COVERAGE PROGRAM; OPERATING COSTS. In the
19 schedule under section 20.005 (3) of the statutes for the appropriation to the
20 department of employee trust funds under section 20.515 (2) (a) of the statutes, as
21 affected by the acts of 2001, the dollar amount is increased by \$141,600 for fiscal year
22 2000-01 to increase funding for the purpose for which the appropriation is made.

23 (2) GRANTS FOR PROGRAM ADMINISTRATOR'S COSTS. In the schedule under section
24 20.005 (3) of the statutes for the appropriation to the department of employee trust
25 funds under section 20.515 (2) (b) of the statutes, as affected by the acts of 2001, the

SENATE BILL 81

1

dollar amount is decreased by \$141,600 for fiscal year 2000-01 to decrease funding

2

for the purpose for which the appropriation is made.

3

(END)

Smart
5-2
(PJK)

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0960/linsrc
RAC:.....

✓ ✓
1. Page 258, line 3: increase the dollar amount for fiscal year 2001-02 by \$264,800 to increase the authorized FTE positions for the department of employee trust funds by 3.5 GPR positions to perform services relating to the purpose for which the appropriation is made.

✓ ✓
2. Page 258, line 4: after that line insert:

"(c) Payment of certain costs GPR B 1,000,000 -0-".

✓ ✓
3. Page 401, line 11: after that line insert:

"SECTION 910s. 20.515 (2) (c) of the statutes is created to read:

20.515 (2) (c) *Payment of certain costs*. Biennially, the amounts in the schedule for the payment of legal and actuarial services and for the marketing and promotion of the private employer health care coverage program under subch. X of ch. 40. No moneys may be expended from this appropriation until the condition under s. 40.98

✓ 1.
(2) (h) is satisfied.

X
SECTION 910u. 20.515 (2) (g) of the statutes is amended to read:

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


NOTE: NOTE: Par. (g) is repealed eff. 1-1-10 by 1999 Wis. Act 9. NOTE:

History: 1971 c. 40 s. 93; 1971 c. 125; 1973 c. 90, 151, 337; 1975 c. 39; 1977 c. 29, 84; 1979 c. 34, 38; 1979 c. 102 s. 236 (4); 1981 c. 96; 1981 c. 187 s. 10; 1981 c. 250; 1983 a. 27, 247, 255; 1983 a. 394 s. 2; 1985 a. 29; 1987 a. 27, 107; 1987 a. 403 s. 256; 1989 a. 14, 31; 1989 a. 56 s. 259; 1991 a. 269; 1995 a. 27, 88, 89, 240; 1997 a. 26, 27; 1999 a. 9.

SECTION 1400i. 40.98 (2) (h) of the statutes is created to read:

RAC
2

✓



40.98 (2) (h) 1. Before expending any moneys from the appropriation under s. 20.515 (2) (c), the department shall seek funding from the federal government, non-governmental organizations, and individuals for the payment of legal and actuarial services and for the marketing and promotion of the health care coverage program.

2. If the department expends any money from the appropriation under s. 20.515 (2) (c), the department shall lapse from the appropriation under s. 20.515 (2) (g) to the general fund an amount equal to the amount expended from the appropriation under s. 20.515 (2) (c). The department shall make this lapse no later than June 30, 2007.

end of
RAC
2

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0960/ins
PJK:.....

INSERT 5-2 (PJK)

1 1. Page 1181, line 12: after that line insert:

2 "SECTION ~~2~~^{3766m} 635.02 (4m) of the statutes is repealed.

3 SECTION ~~3~~^{3766p} 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% of that midpoint rate are the same.~~"

History: 1991 a. 39, 250.

9 2. Page 1399, line 25: after that line insert:

10 ²⁹~~(14)~~ SMALL EMPLOYER INSURANCE PREMIUM RATES. The treatment of sections
11 635.02 (4m) and 635.05 (1) of the statutes first applies to health insurance policies
12 or plans ~~subject to chapter 635 of the statutes, as affected by this act~~ that are issued
13 or renewed on January 1, 2002.)) ←

(END OF INSERT 5-2)

SDC:.....Keckhaver – CN8001, Private employer health care coverage plan

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 258, line 3: increase the dollar amount for fiscal year 2001-02 by
3 \$264,800 to increase the authorized FTE positions for the department of employee
4 trust funds by 3.5 GPR positions to perform services relating to the purpose for which
5 the appropriation is made.

6 **2.** Page 258, line 4: after that line insert:

7 “(c) Payment of certain costs GPR B 1,000,000 -0-”.

8 **3.** Page 401, line 11: after that line insert:

9 “SECTION 910s. 20.515 (2) (c) of the statutes is created to read:

1 20.515 (2) (c) *Payment of certain costs.* Biennially, the amounts in the schedule
2 for the payment of legal and actuarial services and for the marketing and promotion
3 of the private employer health care coverage program under subch. X of ch. 40. No
4 moneys may be expended from this appropriation until the condition under s. 40.98
5 (2) (h) 1. is satisfied.

6 **SECTION 910u.** 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 money to the general fund as required under s. 40.98 (2)
12 (h) 2.”.

13 **4.** Page 535, line 6: after that line insert:

14 **“SECTION 1400b.** 40.98 (2) (a) 3. of the statutes is amended to read:

15 40.98 (2) (a) 3. ~~The administrator selected under subd. 2., or the department~~
16 ~~if no administrator has been selected under subd. 2.,~~ shall enter into contracts with
17 insurers who are to provide health care coverage under the health care coverage
18 program.

19 **SECTION 1400d.** 40.98 (2) (a) 4. of the statutes is amended to read:

20 40.98 (2) (a) 4. The department or the administrator selected under subd. 2.
21 shall solicit and accept bids and shall enter into a contract for marketing the health
22 care coverage program.

23 **SECTION 1400f.** 40.98 (2) (a) 5. of the statutes is amended to read:

1 40.98 (2) (a) 5. The department or the administrator selected under subd. 2.
2 shall maintain a toll-free telephone number to provide information on the health
3 care coverage program.

4 **SECTION 1400h.** 40.98 (2) (d) of the statutes is amended to read:

5 40.98 (2) (d) All insurance rates for health care coverage under the program
6 shall be ~~published annually in a single publication that is made available to~~
7 employers and employees in a manner determined by the board. The rates may be
8 listed by county or by any other regional factor that the board considers appropriate.
9 Annually, the board shall submit a report to the appropriate standing committees
10 under s. 13.172 (3) specifying the average insurance rate for health care coverage
11 under the program by county or by any other regional factor the board considers
12 appropriate.

13 **SECTION 1400i.** 40.98 (2) (h) of the statutes is created to read:

14 40.98 (2) (h) 1. Before expending any moneys from the appropriation under s.
15 20.515 (2) (c), the department shall seek funding from the federal government,
16 non-governmental organizations, and individuals for the payment of legal and
17 actuarial services and for the marketing and promotion of the health care coverage
18 program.

19 2. If the department expends any money from the appropriation under s. 20.515
20 (2) (c), the department shall lapse from the appropriation under s. 20.515 (2) (g) to
21 the general fund an amount equal to the amount expended from the appropriation
22 under s. 20.515 (2) (c). The department shall make this lapse no later than June 30,
23 2007.

24 **SECTION 1400j.** 40.98 (3) (a) of the statutes is amended to read:

1 40.98 (3) (a) Offer health care coverage under one or more plans to all of its
2 permanent employees who have a normal work week of 30 or more hours and, if
3 permitted by any plan offered by an insurer under the health care coverage program,
4 may offer health care coverage under ~~one or more plans~~ such a plan to any of its other
5 employees.

6 **SECTION 1400L.** 40.98 (3) (c) of the statutes is amended to read:

7 40.98 (3) (c) Pay for each employee at least 50% ~~but not more than 100%~~ of the
8 ~~lowest premium rate that would be~~ of the lowest premium rate for single coverage
9 that is available to the employer for that employee's coverage under the health care
10 coverage program.

11 **SECTION 1400n.** 40.98 (6) (b) of the statutes is amended to read:

12 40.98 (6) (b) An insurance agent may not sell any health care coverage under
13 the health care coverage program on behalf of an insurer unless he or she is employed
14 ~~by the insurer or has a contract with the insurer to sell the health care coverage on~~
15 ~~behalf of~~ listed by the insurer under s. 628.11.

16 **SECTION 1400p.** 40.98 (6) (d) of the statutes is repealed and recreated to read:

17 40.98 (6) (d) The board may establish training and certification requirements
18 that an insurance agent must satisfy, in addition to any requirements under s. 628.04
19 (3), to sell health care coverage under the health care coverage program.”.

20 **5.** Page 1181, line 12: after that line insert:

21 “**SECTION 3766m.** 635.02 (4m) of the statutes is repealed.

22 **SECTION 3766p.** 635.05 (1) of the statutes is amended to read:

23 635.05 (1) Establishing restrictions on premium rates that a small employer
24 insurer may charge a small employer such that the premium rates charged to small

1 employers with similar case characteristics for the same or similar benefit design
2 characteristics ~~do not vary from the midpoint rate for those small employers by more~~
3 ~~than 35% of that midpoint rate~~ are the same.”

4 **6.** Page 1399, line 25: after that line insert:

5 “(2g) SMALL EMPLOYER INSURANCE PREMIUM RATES. The treatment of sections
6 635.02 (4m) and 635.05 (1) of the statutes first applies to health insurance policies
7 or plans that are issued or renewed on January 1, 2002.”

8

(END)