

2001 DRAFTING REQUEST**Assembly Amendment (AA-ASA1-SB55)**

Received: 06/21/2001

Received By: kahlepj

Wanted: Soon

Identical to LRB:

For: Assembly Republican Caucus 7-4887

By/Representing: Hughes

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Addl. Drafters:

Subject: Insurance - health

Extra Copies:

Submit via email: NO

Requester's email:

Pre Topic:

ARC:.....Hughes - AM32,

Topic:

Eliminate requirement to offer point-of-service option 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>
/?	kahlepj 06/21/2001	gilfokm 06/23/2001 gilfokm 06/26/2001	haugeca 06/24/2001	_____			
/1			kfollet 06/26/2001	_____	lrb_docadmin 06/26/2001		

FE Sent For:

<END>

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1?	kahlepj	1-6/25 KMG	KMG 6/26	6/26 BCT			

FE Sent For:

<END>

Budget Amendments 2001 - 2003

Prepared by the Assembly Republican Caucus

Statement of Intent Repeal of the Point of Service Mandate

PJK

Legislator Gundrum

Amendment 32

Legislator 2

Pass or Fail Pass

Legislator 3

Spending Cut

61457

Legislator 4

Withdrawn

Staff contact Jolene

Package

Agency Health and Family Services

Summary The Point of Service (POS) mandate requires employers with 25 or more employees offering certain HMO plans and/or PPO plans to carry, in addition to those plans, a POS plan. The POS mandate is a variant of an "any willing provider" law, in which individuals covered under an employer's plan can go out of network and see any licensed health care provider.

According to the statute, OCI was to promulgate rules necessary for administration of the POS mandate. However, as this is a mandate on employers, OCI indicates they have no jurisdiction in this area (OCI only regulates insurers) nor are they able to enforce this mandate. No rules have been written.

Further, many believe that since this is in fact a mandate on employers, not insurers, it is preempted, and invalidated, by the federal Employee Retirement Income Security Act (ERISA).

This mandate has been confusing and difficult to administer, especially without rules from OCI. Eliminating this mandate should reduce cost and confusing regulations, making it easier for businesses to offer affordable health insurance to their employees.

The POS mandate was included in the 1999-01 budget bill. It was removed by the Joint Committee on Finance, reinserted by the Senate, and modified by the Conference Committee. There was never a public hearing on this mandate.

This motion would repeal the Point of Service mandate included in s.609.10.

Fiscal Impact Fiscal Impact unknown.

Drafting Inst

ARC Analyst Hughes

Request # 148



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb14571
PJK:k:....
mg

ARC:.....Hughes – AM32, Eliminate requirement to offer point-of-service option plan

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
SENATE
TO 2001 ~~ASSEMBLY~~ *SENATE* BILL ~~144~~ *55*

Substitute amendment
↑

①

At the locations indicated, amend the ~~bill~~ as follows:

2 **1.** Page 534, line 23: after that line insert:

3 **"SECTION 1398p.** 40.05 (4) (ag) 2. of the statutes, as affected by 1999 Wisconsin
4 Act 9, is amended to read:

5 40.05 (4) (ag) 2. For eligible employees not specified in subd. 1., 90% of the gross
6 premium for the standard health insurance plan offered to state employees by the
7 group insurance board or 105% of the gross premium, ~~excluding any premium cost~~
8 ~~related to the point-of-service option plan required to be offered under s. 609.10, of~~
9 the alternative qualifying plan offered under s. 40.03 (6) that is the least costly
10 qualifying plan within the county in which the alternate plan is located, whichever

4-1-2001

1 is lower, but not more than the total amount of the premium. Employer contributions
2 for employees who select the standard plan shall be based on their county of
3 residence. Qualifying health insurance plans shall be determined in accordance
4 with standards established by the group insurance board.”.

History: 1981 c. 96, 274, 278, 386; 1983 a. 9 s. 6; 1983 a. 27, 30; 1983 a. 46 ss. 2 to 4, 7; 1983 a. 140; 1983 a. 141 ss. 7 to 12, 20; 1983 a. 290, 504, 538; 1985 a. 29, 119, 135, 225; 1987 a. 27, 83, 107, 309, 356, 363; 1987 a. 403 s. 256; 1989 a. 13, 14, 31, 119, 122, 166, 182, 189, 230, 336, 355, 359; 1991 a. 32, 39, 107, 113, 141, 152, 189, 269; 1995 a. 27, 81, 88, 89, 240, 302; 1997 a. 35, 58, 149; 1999 a. 9, 11, 13, 104.

5 ✓ 2. Page 913, line 2: after that line insert:

6 “SECTION 2615c. 111.91 (2) (r) of the statutes, as created by 1999 Wisconsin Act
7 9, is repealed.”.

8 ✓ 3. Page 1180, line 21: after that line insert:

9 (9) “SECTION 3741. 609.10 (title) of the statutes, as affected by 1999 Wisconsin Act
10 9, is amended to read:

11 609.10 (title) ~~Standard plan and point-of-service option plan required.~~

12 History: 1985 a. 29; 1997 a. 237; 1999 a. 9. g
13 (12) SECTION 3741. 609.10 (1) (ac) of the statutes, as created by 1999 Wisconsin Act
9, is repealed.

14 (14) SECTION 3741. 609.10 (1) (am) of the statutes, as affected by 1999 Wisconsin
15 Act 9, is amended to read:

16 609.10 (1) (am) Except as provided in subs. (2) to (4), an employer that offers
17 any of its employees a health maintenance organization or a preferred provider plan
18 that provides comprehensive health care services shall also offer the employees a
19 standard plan that provides at least substantially equivalent coverage of health care
20 expenses and a ~~point-of-service option plan~~, as provided in pars. (b) and (c).

21 History: 1985 a. 29; 1997 a. 237; 1999 a. 9. i
22 (21) SECTION 3741. 609.10 (1) (c) of the statutes, as affected by 1999 Wisconsin Act
9, is amended to read:

1 609.10 (1) (c) The employer shall provide the employees adequate notice of the
2 opportunity to enroll in the health care plans under par. (am) and shall provide the
3 employees complete and understandable information concerning the differences
4 among between the health maintenance organization or preferred provider plan, and
5 the standard plan ~~and the point of service option plan.~~

History: 1985 a. 29; 1997 a. 237; 1999 a. 9.

6 **SECTION 3741.** 609.10 (3) (intro.) and (a) of the statutes, as affected by 1999

7 Wisconsin Act 9, are consolidated, renumbered 609.10 (3) and amended to read:

8 609.10 (3) Subsection (1) does not apply to an employer that ~~does any of the~~
9 following: ^{ΔΔ} (a) ~~Employs~~ employs fewer than 25 full-time employees.

History: 1985 a. 29; 1997 a. 237; 1999 a. 9.

10 **SECTION 3741.** 609.10 (3) (b) of the statutes, as created by ~~2001~~ ¹⁹⁹⁹ Wisconsin Act

11 9, is repealed.

12 **SECTION 3741.** 609.10 (6) of the statutes ~~as created by 1999 Wisconsin Act 9~~

13 is repealed.

14 **SECTION 3741.** 609.20 (4) of the statutes, as affected by 1999 Wisconsin Act 9,

15 is amended to read:

16 609.20 (4) To ensure that employees offered a health maintenance organization
17 or a preferred provider plan that provides comprehensive services under s. 609.10
18 (1) (am) are given adequate notice of the opportunity to enroll, as well as complete
19 and understandable information under s. 609.10 (1) (c) concerning the differences
20 among between the health maintenance organization or preferred provider plan, and
21 the standard plan ~~and the point of service option plan, as defined in s. 609.10 (1)~~
22 [✓] (ae), including differences among between providers available and differences

1 resulting from special limitations or requirements imposed by an institutional
2 provider because of its affiliation with a religious organization.”

3 ~~History: 1985 a. 29; 1997 a. 237; 1999 a. 9.~~

(END)

4 (END)

Insert 4 - 2

Insert 4-2

1003

✓ #. Page 1283, line 12: after that line insert:

(CS) (B)

(B)

"SECTION 4046k. 1999 Wisconsin Act 9, section

9126(4g) is repealed."

✓ #. Page 1399, line 25: after that line insert:

Insert 4-2 cont'd

283

1 4. Page 1526, line 15: after that line insert:

2 "(4g) RULES ON POINT-OF-SERVICE OPTION PLANS. The commissioner of insurance
3 shall submit in proposed form the rules required under section 609.10 (6) of the
4 statutes, as created by this act, to the legislative council staff under section 227.15
5 (1) of the statutes no later than the first day of the 12th month beginning after the
6 effective date of this subsection."

7 5. Page 1592, line 23: after that line insert:

REQUIREMENT

8 (4) POINT-OF-SERVICE OPTION ~~PLANS~~. The treatment of sections 40.05 (4) (ag)
9 2., 111.91 (2) (r) ~~and~~ 609.10 (title), (1) ~~(ac)~~, ~~(b)~~ and (c), ~~(d)~~ and (6), and 609.20 ~~(a)~~

10 ~~(4) of the statutes, the renumbering and amendment of section 609.10 (3) of the~~
11 ~~statutes and the creation of section 609.10 (3) (b) of the statutes first ~~applies~~ to all of~~
12 the following:

13 (a) Except as provided in paragraph (b), health maintenance organizations and
14 preferred provider plans that are issued or renewed on the effective date of this
15 paragraph.

16 (b) Health maintenance organizations and preferred provider plans covering
17 employes who are affected by a collective bargaining agreement containing
18 provisions inconsistent with the treatment of sections 40.05 (4) (ag) 2., 111.91 (2) (r)

19 ~~and~~ 609.10 (title), (1) ~~(ac)~~, ~~(b)~~ and (c), ~~(d)~~ and (6), and 609.20 ~~(a)~~ ~~(4)~~ of the
20 statutes, ~~the renumbering and amendment of section 609.10 (3) of the statutes and~~
21 ~~the creation of section 609.10 (3) (b) of the statutes~~ that are issued or renewed on the

22 earlier of the following:

23 1. The day on which the collective bargaining agreement expires.

Eliminate



Ins 4-2 contd 3/3

1 2. The day on which the collective bargaining agreement is extended, modified
2 or renewed.”

3 **6.** Page 1610, line 22: after that line insert:
4 “(4g) ~~POINT-OF-SERVICE OPTION PLANS.~~ The treatment of sections 40.05 (4) (ag)
5 2., 111.91 (2) (r) and 609.10 (title), (1) (a), (ac), (b) and (c) and (2) and 609.20 (3) and
6 (4) of the statutes, the renumbering and amendment of section 609.10 (3) of the
7 statutes and the creation of section 609.10 (3) (b) of the statutes and SECTION 9326
8 (4g) of this act take effect on the first day of the 18th month beginning after
9 publication.”

10

(END of insert 4-2)

ARC:.....Hughes – AM32, Eliminate requirement to offer point-of-service option plan

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

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

2 1. Page 534, line 23: after that line insert:

3 "SECTION 1398p. 40.05 (4) (ag) 2. of the statutes, as affected by 1999 Wisconsin
4 Act 9, is amended to read:

5 40.05 (4) (ag) 2. For eligible employees not specified in subd. 1., 90% of the gross
6 premium for the standard health insurance plan offered to state employees by the
7 group insurance board or 105% of the gross premium, ~~excluding any premium cost~~
8 ~~related to the point-of-service option plan required to be offered under s. 609.10,~~ of
9 the alternative qualifying plan offered under s. 40.03 (6) that is the least costly
10 qualifying plan within the county in which the alternate plan is located, whichever

1 is lower, but not more than the total amount of the premium. Employer contributions
2 for employees who select the standard plan shall be based on their county of
3 residence. Qualifying health insurance plans shall be determined in accordance
4 with standards established by the group insurance board.”.

5 **2.** Page 913, line 2: after that line insert:

6 “SECTION 2615c. 111.91 (2) (r) of the statutes, as created by 1999 Wisconsin Act
7 9, is repealed.”.

8 **3.** Page 1180, line 21: after that line insert:

9 “SECTION 3741f. 609.10 (title) of the statutes, as affected by 1999 Wisconsin Act
10 9, is amended to read:

11 **609.10 (title) Standard plan and point-of-service option plan required.**

12 SECTION 3741g. 609.10 (1) (ac) of the statutes, as created by 1999 Wisconsin
13 Act 9, is repealed.

14 SECTION 3741h. 609.10 (1) (am) of the statutes, as affected by 1999 Wisconsin
15 Act 9, is amended to read:

16 609.10 (1) (am) Except as provided in subs. (2) to (4), an employer that offers
17 any of its employees a health maintenance organization or a preferred provider plan
18 that provides comprehensive health care services shall also offer the employees a
19 standard plan that provides at least substantially equivalent coverage of health care
20 expenses and a point-of-service option plan, as provided in pars. (b) and (c).

21 SECTION 3741i. 609.10 (1) (c) of the statutes, as affected by 1999 Wisconsin Act
22 9, is amended to read:

23 609.10 (1) (c) The employer shall provide the employees adequate notice of the
24 opportunity to enroll in the health care plans under par. (am) and shall provide the

1 employees complete and understandable information concerning the differences
2 among between the health maintenance organization or preferred provider plan, and
3 the standard plan ~~and the point-of-service option plan.~~

4 **SECTION 3741j.** 609.10 (3) (intro.) and (a) of the statutes, as affected by 1999
5 Wisconsin Act 9, are consolidated, renumbered 609.10 (3) and amended to read:

6 609.10 (3) Subsection (1) does not apply to an employer that ~~does any of the~~
7 ~~following: (a) Employs~~ employs fewer than 25 full-time employees.

8 **SECTION 3741k.** 609.10 (3) (b) of the statutes, as created by 1999 Wisconsin Act
9 9, is repealed.

10 **SECTION 3741L.** 609.10 (6) of the statutes is repealed.

11 **SECTION 3741m.** 609.20 (4) of the statutes, as affected by 1999 Wisconsin Act
12 9, is amended to read:

13 609.20 (4) To ensure that employees offered a health maintenance organization
14 or a preferred provider plan that provides comprehensive services under s. 609.10
15 (1) (am) are given adequate notice of the opportunity to enroll, as well as complete
16 and understandable information under s. 609.10 (1) (c) concerning the differences
17 among between the health maintenance organization or preferred provider plan, and
18 the standard plan ~~and the point-of-service option plan, as defined in s. 609.10 (1)~~
19 ~~(ae)~~, including differences among between providers available and differences
20 resulting from special limitations or requirements imposed by an institutional
21 provider because of its affiliation with a religious organization.”.

22 **4.** Page 1283, line 12: after that line insert:

23 “**SECTION 4046k.** 1999 Wisconsin Act 9, section 9126 (4g) is repealed.”.

24 **5.** Page 1399, line 25: after that line insert:

