

**2001 DRAFTING REQUEST**

**Bill**

Received: **05/23/2001**

Received By: **kahlepj**

Wanted: **As time permits**

Identical to LRB:

For: **Rodney Moen (608) 266-8546**

By/Representing: **Melissa White**

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:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Require coverage of any prescription medication used to treat diabetes under the diabetes coverage mandate

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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 05/23/2001	jdye 05/24/2001		_____			S&L
/1			jfrantze 05/24/2001	_____	lrb_docadmin 05/24/2001	lrb_docadmin 06/04/2001	

FE Sent For:

*LA+ intro.*

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1?	kahlepj	1 5/23 jld	7 5/24	3 5/24			

FE Sent For:

<END>

# Wisconsin State Senate



**RODNEY C. MOEN**  
Senator - 31st District

To LRB Drafting:

Sen Moen would like  
a bill drafted that includes  
"any prescription medication  
used to treat diabetes" in  
the diabetes mandate  
under the insurance stats.

Attached is background. Please  
call me w/ questions.

Melissa White



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott McCallum, Governor  
Connie L. O'Connell, Commissioner

Wisconsin.gov

May 10, 2001

121 East Wilson Street • P.O. Box 7873  
Madison, Wisconsin 53707-7873  
Phone: (608) 266-3585 • Fax: (608) 266-9935  
E-Mail: [information@oci.state.wi.us](mailto:information@oci.state.wi.us)  
[http://badger.state.wi.us/agencies/oci/oci\\_home.htm](http://badger.state.wi.us/agencies/oci/oci_home.htm)

THE HONORABLE RODNEY MOEN  
STATE SENATOR  
P O BOX 7882  
MADISON WI 53707-7882

MAY 16 2001

Re: Elmer Hass

Dear Senator Moen:

Thank you for contacting us concerning Mr. Hass's insurance problem involving Security Health Plan of Wisconsin, Inc.

Wisconsin's diabetes mandate, s. 632.895 (6), Wis. Stat., requires insurance policies that provide coverage for diabetes to provide coverage for expenses associated with the installation and use of an insulin infusion pump, diabetic self-management education programs, as well as coverage for all other equipment and supplies, including insulin, used in the treatment of diabetes. It has been the consistent position of this office that other oral medications used in the treatment of diabetes do not fall under the definition of "diabetic supplies," and are not covered under the scope of the mandate. Since such drugs are likely to be covered under a comprehensive health insurance policy that includes a prescription drug benefit, there may not be a need to amend the diabetes mandate to include such coverage.

If you have additional questions or would like further clarification concerning this matter, please contact me.

Sincerely,

Connie L. O'Connell  
Commissioner

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WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR – 31ST DISTRICT

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State Capitol, P.O. Box 7882, Madison, Wisconsin 53707-7882 Phone: (608) 266-8546 Toll-free: 1-877-ROD-MOEN

April 19, 2001

Connie O'Connell, Commissioner  
Office of the Commissioner of Insurance  
121 East Wilson St.  
Madison, WI 53707

Dear Connie,

Recently I had the pleasure of speaking with Elmer Hass of Fairchild during my office hours in Osseo.

Elmer is a diabetic who has been taking insulin shots until recently, when his physician prescribed pills to treat his condition. Unfortunately, Elmer's insurance company, Security Health Plan of Marshfield, has denied payment for this medication, even though his physician believes it is a better option for him.

Section 632.895(6) of the Wisconsin statutes requires every insurance policy that provides coverage for diabetes treatment to provide coverage for "expenses incurred by the installation and use of an insulin infusion pump, coverage for all other equipment and supplies, including insulin, used in the treatment of diabetes and coverage of diabetic self-management education programs."

It is my opinion that the word "supplies" in this context should refer to all medications, not just insulin. Unfortunately, staff from your agency tell me that it is not clear that medications other than insulin would be covered under this mandate.

When the legislature enacted section 632.895 of the statutes, the intent was to ensure that people with diabetes have access to treatment. Please let me know whether OCI can interpret this section to include medications besides insulin in the diabetes mandate. If it is your opinion that OCI cannot include these medications, then perhaps we can work together on an amendment to the statutes.

I have sent Elmer an insurance complaint form and information about the grievance process. If Elmer decides to file a complaint against his insurance company, please keep me apprised of your findings in the investigation.

Thank you for your attention to this matter. If you wish to discuss this further, please do not hesitate to contact me.

Sincerely,

Rodney C. Moen



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-3344

PJK.....

LPS-check  
auto refs

jld

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

D-note

gen cat

1 AN ACT <sup>✓</sup>; relating to: insurance coverage of prescription medications used to  
2 treat diabetes. <sup>✓</sup>

**Analysis by the Legislative Reference Bureau**

Under current law, health insurance policies that cover expenses for the treatment of diabetes, including those offered by the state, and the self-insured plan of the state are required to provide coverage for the installation and use of an insulin infusion pump, for all other equipment and supplies used in the treatment of diabetes, including insulin, and for diabetic self-management education programs. It is not clear that medications prescribed to treat diabetes, other than insulin, are "supplies" that must be covered under the requirement. This bill requires the health insurance policies that currently are subject to the requirement to cover equipment and supplies for diabetes treatment also to cover prescription medications used to treat diabetes. ✓

For further information see the *state and local* 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:**

3 SECTION 1. 40.52 (1) (b) <sup>✓</sup> of the statutes is amended to read:  
4 40.52 (1) (b) Coverage for expenses incurred by the installation and use of an  
5 insulin infusion pump, coverage for all other equipment and supplies used in the

1 treatment of diabetes, including any prescription medication used to treat diabetes, ✓  
 2 and coverage of diabetic self-management education programs. Coverage required  
 3 under this paragraph shall be subject to the same deductible and coinsurance  
 4 provisions of the plan as other covered expenses, except that insulin infusion pump  
 5 coverage may be limited to the purchase of one pump per year and the plan may  
 6 require the covered person to use a pump for 30 days before purchase.

7 History: 1981 c. 96, 381; 1983 a. 429; 1987 a. 107; 1987 a. 327, 356; 1987 a. 403 s. 256; 1989 a. 13; 1991 a. 45; 1995 a. 216.

7 **SECTION 2. 632.895 (6) of the statutes is amended to read:**

8 **632.895 (6) EQUIPMENT AND SUPPLIES FOR TREATMENT OF DIABETES.** Every  
 9 disability insurance policy which provides coverage of expenses incurred for  
 10 treatment of diabetes shall provide coverage for expenses incurred by the  
 11 installation and use of an insulin infusion pump, coverage for all other equipment  
 12 and supplies, including insulin or any other prescription medication, ✓ used in the  
 13 treatment of diabetes, and coverage of diabetic self-management education  
 14 programs. Coverage required under this subsection shall be subject to the same  
 15 deductible and coinsurance provisions of the policy as other covered expenses, except  
 16 that insulin infusion pump coverage may be limited to the purchase of one pump per  
 17 year and the insurer may require the insured to use a pump for 30 days before  
 18 purchase.

19 History: 1981 c. 39 ss. 4 to 12, 18, 20; 1981 c. 85, 99; 1981 c. 314 ss. 122, 123, 125; 1983 a. 36, 429; 1985 a. 29, 56, 311; 1987 a. 195, 327, 403; 1989 a. 129, 201, 229, 316, 332, 359; 1991 a. 32, 45, 123; 1993 a. 443, 450; 1995 a. 27 ss. 7048, 9126 (19); 1995 a. 201, 225; 1997 a. 27, 35, 75, 175, 237; 1999 a. 32, 115; 1999 a. 150 s. 672.

19 **SECTION 3. Initial applicability.**

20 (1) This act first applies to all of the following:

21 (a) Except as provided in paragraphs (b) and (c), disability insurance policies  
 22 that are issued or renewed on the effective date of this paragraph. ✓



1 (b) Disability insurance policies covering employees who are affected by a  
2 collective bargaining agreement containing provisions inconsistent with this <sup>✓</sup>act  
3 that are issued or renewed on the earlier of the following:

- 4 1. The day on which the collective bargaining agreement expires.
- 5 2. The day on which the collective bargaining agreement is <sup>✓</sup>extended, modified,  
6 or renewed.

7 (c) Self-insured health plans covering employees who are affected by a  
8 collective bargaining agreement containing provisions inconsistent with this act  
9 that are established, extended, modified, or renewed on the earlier of the following:

- 10 1. The day on which the collective bargaining agreement expires.
- 11 2. The day on which the collective bargaining agreement is extended, modified,  
12 or renewed. <sup>✓</sup>

13 **SECTION 4. Effective date.**

14 (1) This act takes effect on the first day of the 6<sup>th</sup> <sup>✓</sup>month beginning after  
15 publication.

16 (END)

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

LRB-3344/1dn

PJK.....

JLd

I have not amended any statutes in this draft that did not already require diabetes treatment coverage. Under current law, and this draft, insurance plans and policies generally, including those offered by the state and municipalities, and the self-insured plan offered by the state, are required to provide coverage of equipment and supplies for diabetes treatment. Other statutes that are often amended to require the same coverage that is required by an insurance mandate under ch. 632<sup>✓</sup> are the following:

1. Section 40.51 (8m)<sup>✓</sup>, plans offered by municipalities through the state group insurance board.
2. Section 60.23 (25)<sup>✓</sup>, self-insured health plans of towns.
3. Section 66.0137 (4)<sup>✓</sup>, self-insured health plans of cities, villages, and towns.
4. Section 120.13 (2) (g)<sup>✓</sup>, self-insured health plans of school districts.
5. Sections 185.981 (4t)<sup>✓</sup> and 185.983 (1m)<sup>✓</sup>, sickness care plans operated by cooperative associations.

Let me know if you want any of the sections listed above to be amended to require coverage of equipment and supplies for diabetes treatment or if you have any questions about this.

The initial applicability and effective date provisions are what I use for insurance mandates. Let me know if you want something different.

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

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

LRB-3344/1dn  
PJK:jld:jf

May 24, 2001

I have not amended any statutes in this draft that did not already require diabetes treatment coverage. Under current law, and this draft, insurance plans and policies generally, including those offered by the state and municipalities, and the self-insured plan offered by the state, are required to provide coverage of equipment and supplies for diabetes treatment. Other statutes that are often amended to require the same coverage that is required by an insurance mandate under ch. 632 are the following:

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E-mail: pam.kahler@legis.state.wi.us



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
5TH FLOOR  
MADISON, WI 53701-2037

STEPHEN R. MILLER  
CHIEF

LEGAL SECTION: (608) 266-3561  
LEGAL FAX: (608) 264-6948

May 24, 2001

### MEMORANDUM

To: Senator Moen

From: Pamela J. Kahler, Senior Legislative Attorney

Re: LRB-3344/1 Require coverage of any prescription medication used to treat diabetes under the diabetes coverage mandate

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

\_\_\_\_ JACKET FOR ASSEMBLY  JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-2682 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.