

2003 ASSEMBLY BILL 960

March 11, 2004 – Introduced by Representatives KRUG, MUSSER, J. LEHMAN, HAHN, HEBL and POCAN, cosponsored by Senators LASSA and M. MEYER. Referred to Committee on Rules.

1 **AN ACT** *to amend* 40.03 (6) (a) 1., 40.51 (1), 40.51 (6) and 40.51 (7); and *to create*
2 20.515 (1) (g) and 40.515 of the statutes; **relating to:** authorizing the group
3 insurance board to permit public sector and private sector employers to provide
4 health care coverage to their employees under health care coverage plans
5 administered by the Group Insurance Board, authorizing the Group Insurance
6 Board to enter into purchasing pool arrangements with any public or private
7 sector employer in this state to provide group health care coverage for state
8 employees, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the Group Insurance Board (GIB), which is attached to the Department of Employee Trust Funds, is required to contract on behalf of the state for the purpose of providing health care coverage to state employees. Many other public sector employers in this state may also participate in programs offered by GIB to provide health care coverage for their employees.

This bill provides that, beginning on the January 1 that first occurs after the bill's effective date, GIB may permit any private sector employer located in this state who employs at least two individuals to elect to have its employees receive coverage under any health care coverage plan offered to state employees or local government

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employees. Under the bill, the private sector employer may elect such coverage during any applicable enrollment period and subject to any conditions specified in the contract between GIB and the insurer and in rules promulgated for the administration of the health care coverage program. In addition, the bill authorizes GIB to enter into a purchasing pool arrangement with any other public or private sector employer located in this state to provide group health care coverage for state employees.

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 (1) (g) of the statutes is created to read:

2 20.515 (1) (g) *Benefit and coverage payments; private sector health care*
3 *coverage.* All moneys received from private sector employers under s. 40.515 who
4 provide coverage for their employees in a health care coverage plan under s. 40.51
5 (6) or (7), for the payment of benefits and the cost of administering benefits under s.
6 40.515.

7 **SECTION 2.** 40.03 (6) (a) 1. of the statutes is amended to read:

8 40.03 (6) (a) 1. Shall, on behalf of the state, enter into a contract or contracts
9 with one or more insurers authorized to transact insurance business in this state for
10 the purpose of providing the group insurance plans provided for by this chapter; ~~or.~~
11 The group insurance board may enter into a purchasing pool arrangement with any
12 other employer or any private sector employer, as defined in s. 40.515 (1), to provide
13 group health care coverage for state employees.

14 **SECTION 3.** 40.51 (1) of the statutes is amended to read:

15 40.51 (1) The procedures and provisions pertaining to enrollment, premium
16 transmitted and coverage of eligible employees and employees eligible for health

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1 care coverage under s. 40.515 for health care benefits shall be established by contract
2 or rule except as otherwise specifically provided by this chapter.

3 **SECTION 4.** 40.51 (6) of the statutes, as affected by 2003 Wisconsin Act 33, is
4 amended to read:

5 40.51 (6) This state shall offer to all of its employees at least 2 insured or
6 uninsured health care coverage plans providing substantially equivalent hospital
7 and medical benefits, including a health maintenance organization or a preferred
8 provider plan, if those health care plans are determined by the group insurance
9 board to be available in the area of the place of employment and are approved by the
10 group insurance board. The group insurance board shall place each of the plans into
11 one of 3 tiers established in accordance with standards adopted by the group
12 insurance board. The tiers shall be separated according to the employee's share of
13 premium costs. The group insurance board may permit any private sector employer,
14 as defined in s. 40.515 (1), and any employer who would otherwise receive coverage
15 under sub. (7) to provide coverage for its employees under any health care coverage
16 plan offered under this subsection.

17 **SECTION 5.** 40.51 (7) of the statutes is amended to read:

18 40.51 (7) Any employer, other than the state, may offer to all of its employees
19 a health care coverage plan through a program offered by the group insurance board.
20 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule
21 establish different eligibility standards or contribution requirements for such
22 employees and employers and may by rule limit the categories of employers, other
23 than the state, which may be included as participating employers under this
24 subchapter. The group insurance board may permit any private sector employer, as

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1 defined in s. 40.515 (1), to provide coverage for its employees under any health care
2 coverage plan offered under this subsection.

3 **SECTION 6.** 40.515 of the statutes is created to read:

4 **40.515 Health care coverage for individuals employed by private**
5 **sector employers. (1)** In this section, “private sector employer” means any person
6 who is not an employer, as defined in s. 40.02 (28), who is located in this state, and
7 who employs at least 2 individuals.

8 **(2)** Beginning on the January 1 that first occurs after the effective date of this
9 subsection [revisor inserts date], the group insurance board may permit any
10 private sector employer to elect coverage for its employees under any health care
11 coverage plan offered under s. 40.51 (6) or (7), during any applicable enrollment
12 period, subject to any conditions established by contract or by rule under s. 40.51 (1).

13 **(END)**