

# State of Wisconsin



2003 Senate Bill 322

Date of enactment:  
Date of publication\*:

## 2003 WISCONSIN ACT

AN ACT to amend 632.745 (9), 635.01 and 635.02 (8) of the statutes; relating to: the definition of a group health benefit plan.

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

SECTION 1. 632.745 (9) of the statutes is amended to read:

632.745 (9) "Group health benefit plan" means a health benefit plan that is issued by an insurer to or through an employer on behalf of a group consisting of covering at least 2 employees or a group including at least 2 eligible employees. The term includes individual of that employer or health benefit plans covering eligible employees when issued to 3 or more are sold to or through an employees of the same employer, but only if the employer pays, or reimburses the employees, for all or a portion of the premiums.

SECTION 2. 635.01 of the statutes is amended to read:

**635.01 Scope.** This chapter applies to all group health insurance benefit plans, policies or certificates, written on risks or operations in this state, providing coverage for employees of a small employer, or employees of a small employer and the employer, and to individual

health insurance policies, written on risks or operations in this state, providing coverage for employees of a small employer, or employees of a small employer and the employer when 3 or more are sold to or through a small employer.

SECTION 3. 635.02 (8) of the statutes is amended to read:

635.02 (8) "Small employer insurer" means an insurer that is authorized to do business in this state, in one or more lines of insurance that includes health insurance, and that offers group health benefit plans covering eligible, providing coverage for employees of one or more small employers in this state, or that sells 3 or more individual health benefit plans to a small employer, covering eligible employees of the small employer. The term includes a health maintenance organization, as defined in s. 609.01 (2), a preferred provider plan, as defined in s. 609.01 (4), and an insurer operating as a cooperative association organized under ss. 185.981 to 185.985, but does not include a limited service health organization, as defined in s. 609.01 (3).

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\* Section 991.11, WISCONSIN STATUTES 2001-02: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

**SENATE BILL 322 (LRB -3050)**

An Act to amend 632.745 (9), 635.01 and 635.02 (8) of the statutes; relating to: the definition of a group health benefit plan.  
**2003**

12-10.	S.	Introduced by Senators <b>Kanavas, Darling, A. Lasee, Reynolds, Roessler, Schultz and Welch</b> ; cosponsored by Representatives <b>Gielow, Van Roy, Ainsworth, Albers, Bies, Hahn, Hines, Honadel, Gunderson, Jeskewitz, Kestell, Krawczyk, Ladwig, M. Lehman, Montgomery, Musser, Nischke, Olsen, Ott, Petrowski, Pettis, Seratti, Stone, Townsend, Underheim, Vrakas and Vukmir.</b>	
11-19.	S.	Read first time and referred to committee on Agriculture, Financial Institutions and Insurance .....	491
12-02.	S.	Public hearing held.	
12-02.	S.	Executive action taken.	
12-10.	S.	Report passage recommended by committee on Agriculture, Financial Institutions and Insurance, Ayes 3, Noes 2 .....	509
12-10.	S.	Available for scheduling.	
<b>2004</b>			
03-09.	S.	Placed on calendar 3-10-2004 by committee on Senate Organization.	
03-10.	S.	Read a second time .....	702
03-10.	S.	Ordered to a third reading .....	703
03-10.	S.	Rules suspended .....	703
03-10.	S.	Read a third time and <b>passed</b> , Ayes 18, Noes 15 .....	703
03-10.	S.	Ordered immediately messaged .....	705
03-11.	A.	Received from Senate.	
03-11.	A.	Read first time.	
03-11.	A.	Rules suspended and taken up.	
03-11.	A.	Read a second time.	
03-11.	A.	Assembly amendment 1 offered by Representative Wasserman ( <b>LRB a2933</b> ).	
03-11.	A.	Point of order that Assembly amendment 1 not germane well taken.	
03-11.	A.	Decision of the Chair appealed.	
03-11.	A.	Decision of the Chair upheld, Ayes 59, Noes 40.	
03-11.	A.	Ordered to a third reading.	
03-11.	A.	Rules suspended.	
03-11.	A.	Read a third time and <b>concurred in</b> , Ayes 61, Noes 38.	
03-11.	A.	Ordered immediately messaged.	
03-11.	S.	Received from Assembly concurred in.	

**2003  
ENROLLED BILL**

03en S B- 322

**ADOPTED DOCUMENTS:**

**Orig**     **Engr**     **SubAmdt**

03-3050-3

Amendments to above (if none, write "NONE"): None

Corrections - show date (if none, write "NONE"): None

Topic relax

3/12/04      [Signature]  
Date                      Enrolling Drafter

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## 2003 SENATE BILL 322

November 19, 2003 - Introduced by Senators KANAVAS, DARLING, A. LASEE, REYNOLDS, ROESSLER, SCHULTZ and WELCH, cosponsored by Representatives GIELOW, VAN ROY, AINSWORTH, ALBERS, BIES, HAHN, HINES, HONADEL, GUNDERSON, JESKEWITZ, KESTELL, KRAWCZYK, LADWIG, M. LEHMAN, MONTGOMERY, MUSSER, NISCHKE, OLSEN, OTT, PETROWSKI, PETTIS, SERATTI, STONE, TOWNSEND, UNDERHEIM, VRAKAS and VUKMIR. Referred to Committee on Agriculture, Financial Institutions and Insurance.

- 1 **AN ACT to amend** 632.745 (9), 635.01 and 635.02 (8) of the statutes; **relating to:**  
2 the definition of a group health benefit plan.

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### *Analysis by the Legislative Reference Bureau*

Current law contains various requirements that apply to group health benefit plans or the insurers that issue group health benefit plans. For example, consistent with the federal Health Insurance Portability and Accountability Act, insurers that sell group health benefit plans to employers must comply with requirements related to preexisting conditions, enrollment periods, and contract renewals. Insurers that sell group health benefit plans to employers with between 2 and 50 employees are subject to certain marketing standards and to certain restrictions on premium rates that may be charged for those policies.

Current law generally defines a group health benefit plan as a health benefit plan that is sold to or through an employer on behalf of a group that consists of at least two employees or individual health benefit plans covering eligible employees when three or more are sold to or through an employer. This bill redefines a group health benefit plan so that the requirements in current law will apply to a plan issued to or through an employer covering at least two of the employer's employees, and to health benefit plans issued to three or more employees of the same employer, only if the employer pays or reimburses the employees for all or a portion of the premiums.

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

**SENATE BILL 322**

1           **SECTION 1.** 632.745 (9) of the statutes is amended to read:

2           632.745 (9) “Group health benefit plan” means a health benefit plan that is  
3 issued ~~by an insurer to or through an employer on behalf of a group consisting of~~  
4 covering at least 2 employees or a group including at least 2 eligible employees. The  
5 term includes individual of that employer or health benefit plans covering eligible  
6 employees when issued to 3 or more are sold to or through an employees of the same  
7 employer, but only if the employer pays, or reimburses the employees, for all or a  
8 portion of the premiums.

9           **SECTION 2.** 635.01 of the statutes is amended to read:

10          **635.01 Scope.** This chapter applies to all group health insurance benefit  
11 plans, policies or certificates, written on risks or operations in this state, providing  
12 coverage for employees of a small employer, or employees of a small employer and the  
13 employer, and to individual health insurance policies, written on risks or operations  
14 in this state, providing coverage for employees of a small employer, or employees of  
15 a small employer and the employer when 3 or more are sold to or through a small  
16 employer.

17          **SECTION 3.** 635.02 (8) of the statutes is amended to read:

18          635.02 (8) “Small employer insurer” means an insurer that is authorized to do  
19 business in this state, in one or more lines of insurance that includes health  
20 insurance, and that offers group health benefit plans covering eligible, providing  
21 coverage for employees of one or more small employers in this state, or that sells 3  
22 or more individual health benefit plans to a small employer, covering eligible  
23 employees of the small employer. The term includes a health maintenance  
24 organization, as defined in s. 609.01 (2), a preferred provider plan, as defined in s.  
25 609.01 (4), and an insurer operating as a cooperative association organized under ss.

**SENATE BILL 322**

1 185.981 to 185.985, but does not include a limited service health organization, as  
2 defined in s. 609.01 (3).

3

**(END)**