

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.

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.

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

SENATE BILL 322**SECTION 1**

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.

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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)