

## 2003 SENATE BILL 482

February 24, 2004 – Introduced by Senator CARPENTER. Referred to Committee on Agriculture, Financial Institutions and Insurance.

1     **AN ACT** *to amend* 40.51 (2) and 40.51 (6); and *to create* 16.07 and 40.51 (9m) of  
2           the statutes; **relating to:** health insurance coverage for the governor and  
3           members of the legislature, authorizing a statewide referendum, and providing  
4           additional funding for prescription drug assistance for the elderly.

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### ***Analysis by the Legislative Reference Bureau***

The governor and members of the legislature are currently provided health care coverage under a plan offered by the Group Insurance Board. This bill, beginning in the 2005–06 legislative session, eliminates health care coverage for the governor and members of the legislature until the secretary of administration certifies to the secretary of employee trust funds that a majority of those voting in a statewide referendum have approved a question that asks if the legislature has enacted a law that provides affordable health care coverage for all residents of this state. Under the bill, during those fiscal years in which the governor and members of the legislature are not receiving health care coverage, the moneys that would otherwise have been used to pay for their health care coverage are to be used to increase funding for prescription assistance for the elderly.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

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

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1           **SECTION 1.** 16.07 of the statutes is created to read:

2           **16.07 Health insurance coverage for the governor and members of the**  
3 **legislature; additional funding for prescription drug assistance for the**  
4 **elderly. (1) STATEWIDE REFERENDUM.** (a) Before September 29, 2006, if the secretary  
5 determines that a law has been enacted that relates to health care coverage for all  
6 residents of this state, the secretary shall certify the act number of the law to the  
7 elections board and a statewide referendum shall be conducted at the general  
8 election that next occurs. The ballot used for the referendum question shall be  
9 arranged under s. 5.60 (7) and shall ask: “The Legislature in Wisconsin has enacted  
10 2005 Wisconsin Act ....., relating to health care coverage for state residents. Do you  
11 find that this act provides affordable health care coverage for all state residents?”  
12 The elections board shall insert into the question the act number certified by the  
13 secretary under this paragraph.

14           (b) If after 2006 the secretary determines that a law has been enacted that  
15 relates to health care coverage for all residents of this state, the secretary shall  
16 certify the act number of the law to the elections board before 45 days before the date  
17 scheduled for the next-occurring general election and a statewide referendum shall  
18 be conducted at that general election. The ballot used for the referendum question  
19 shall be arranged under s. 5.60 (7) and shall ask a question that is identical to that  
20 specified in subd. 1., except that the elections board shall insert into the question the  
21 act number certified by the secretary under this paragraph.

22           **(2) ADDITIONAL FUNDING FOR PRESCRIPTION DRUG ASSISTANCE FOR THE ELDERLY.** In  
23 any fiscal year, if no referendum under sub. (1) has been held, or if a majority of those  
24 voting in a referendum under sub. (1) held in that fiscal year have not approved the  
25 question, the amount appropriated to the department of health and family services

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1 under s. 20.435 (4) (bv) in the succeeding fiscal year is increased by an amount equal  
2 to the cost that would have been incurred by the state in providing health care  
3 coverage to the governor and members of the legislature in that fiscal year, as  
4 determined by the secretary. When amending the schedule under s. 20.004 (2), the  
5 secretary shall adjust the amounts in the schedule under s. 20.005 (3) of the most  
6 recent biennial budget act or acts to reflect the increase in the appropriation amount  
7 under s. 20.435 (4) (bv).

8 **(3) CERTIFICATION.** If a referendum under sub. (1) is held and if a majority of  
9 those voting in the referendum have approved the question, the secretary of  
10 administration shall certify to the secretary of employee trust funds that the  
11 governor and members of the legislature may receive health care coverage under  
12 subch. IV of ch. 40.

13 **(4) APPLICABILITY.** This section does not apply after the secretary makes the  
14 certification under sub. (3).

15 **SECTION 2.** 40.51 (2) of the statutes is amended to read:

16 40.51 **(2)** Except as provided in subs. ~~(9m)~~ (10), (10m), (11) and (16), any  
17 eligible employee may become covered by group health insurance by electing  
18 coverage within 30 days of being hired, to be effective as of the first day of the month  
19 which begins on or after the date the application is received by the employer, or by  
20 electing coverage prior to becoming eligible for employer contribution towards the  
21 premium cost as provided in s. 40.05 (4) (a) to be effective upon becoming eligible for  
22 employer contributions. An eligible employee who is not insured, but who is eligible  
23 for an employer contribution under s. 40.05 (4) (ag) 1., may elect coverage prior to  
24 becoming eligible for an employer contribution under s. 40.05 (4) (ag) 2., with the  
25 coverage to be effective upon becoming eligible for the increase in the employer

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1 contribution. Any employee who does not so elect at one of these times, or who  
2 subsequently cancels the insurance, shall not thereafter become insured unless the  
3 employee furnishes evidence of insurability satisfactory to the insurer, at the  
4 employee's own expense or obtains coverage subject to contractual waiting periods.  
5 The method to be used shall be specified in the health insurance contract.

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

8 40.51 (6) This Except as provided in sub. (9m), the state shall offer to all of its  
9 employees at least 2 insured or uninsured health care coverage plans providing  
10 substantially equivalent hospital and medical benefits, including a health  
11 maintenance organization or a preferred provider plan, if those health care plans are  
12 determined by the group insurance board to be available in the area of the place of  
13 employment and are approved by the group insurance board. The group insurance  
14 board shall place each of the plans into one of 3 tiers established in accordance with  
15 standards adopted by the group insurance board. The tiers shall be separated  
16 according to the employee's share of premium costs.

17 **SECTION 4.** 40.51 (9m) of the statutes is created to read:

18 40.51 (9m) The governor and members of the legislature may receive health  
19 care coverage under this subchapter only if the secretary of administration makes  
20 the certification under s. 16.07 (3) to the secretary of employee trust funds.

21 **SECTION 5. Initial applicability.**

22 (1) This act first applies to a governor and members of the legislature on the  
23 first day of the 2005–07 biennial session.

24 (END)