

**2003 DRAFTING REQUEST**

**Bill**

Received: **09/13/2002**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 7-7980**

By/Representing: **Blaine**

This file may be shown to any legislator: **NO**

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health  
Public Assistance - med. assist.**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

**Pre Topic:**

DOA:.....Blaine - BB0001

**Topic:**

Make eligibility for HIPP a qualifying event for immediate health insurance enrollment

**Instructions:**

See Attached

**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> |
|--------------|-----------------------|------------------------|------------------------|----------------|------------------------|-----------------|-----------------|
| /?           | pkahler<br>09/23/2002 | csicilia<br>09/26/2002 |                        | _____          |                        |                 | State           |
| /P1          |                       |                        | pgreensl<br>09/26/2002 | _____          | lemery<br>09/26/2002   |                 | State           |
|              |                       |                        | pgreensl<br>09/26/2002 | _____          | sbasford<br>09/26/2002 |                 |                 |

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|--------------|-----------------------|------------------------|------------------------|----------------|------------------------|-----------------|-----------------|
| /P2          | pkahler<br>01/06/2003 | csicilia<br>01/07/2003 | pgreensl<br>01/08/2003 | _____          | sbasford<br>01/08/2003 |                 | State           |
| /P3          | pkahler<br>01/27/2003 | csicilia<br>01/28/2003 | jfrantze<br>01/28/2003 | _____          | amentkow<br>01/28/2003 |                 | State           |
| /1           | pkahler<br>02/02/2003 | wjackson<br>02/02/2003 | chanaman<br>02/02/2003 | _____          | sbasford<br>02/03/2003 |                 | State           |
| /2           | pkahler<br>02/03/2003 | csicilia<br>02/03/2003 | pgreensl<br>02/03/2003 | _____          | sbasford<br>02/04/2003 |                 |                 |

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| /P1          |                       |  | pgreensl<br>09/26/2002 | <u>2/3</u>     | lemery<br>09/26/2002   |                 | State           |
|              |                       |   | pgreensl<br>09/26/2002 | <u>1/3</u>     | sbasford<br>09/26/2002 |                 |                 |
|              |                       |   |                        | <u>ps/gh</u>   |                        |                 |                 |
|              | <u>1/2</u>            | <u>js</u>   | <u>2/3</u>             | <u>03</u>      | <u>2/3</u>             | <u>js</u>       |                 |

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| /1           | pkahler<br>02/02/2003 | wjackson<br>02/02/2003 | chanaman<br>02/02/2003 | _____          | sbasford<br>02/03/2003 |                 |                 |

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|              |                       |                        | pgreensl<br>09/26/2002 |                | sbasford<br>09/26/2002 |                 |                 |

J. Self  
11/28 '28



Vers.      Drafted      Reviewed      Typed      Proofed      Submitted      Jacketed      Required

|     |            |            |            |       |            |
|-----|------------|------------|------------|-------|------------|
| /P2 | pkahler    | csicilia   | pgreensl   | _____ | sbasford   |
|     | 01/06/2003 | 01/07/2003 | 01/08/2003 | _____ | 01/08/2003 |

FE Sent For:

1/P3 cjs 1/28  
03

<END>



Vers.    Drafted    Reviewed    Typed    Proofed    Submitted    Jacketed    Required

FE Sent For:

<END>

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Addl. Drafters:

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Public Assistance - med. assist.

Extra Copies: Joy Dyer

Submit via email: YES

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Carbon copy (CC:) to:

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|--------------|----------------|---------------------|--------------|---------------------|------------------|-----------------|-----------------|
| FE Sent For: |                | 1/PI cjs 9/25<br>02 | 9/26<br>PS   | 9/26<br><END><br>PS |                  |                 |                 |

Handwritten notes in the Drafting History table:

- Under Reviewed: 1/PI cjs 9/25 / 02
- Under Typed: 9/26, PS
- Under Proofed: 9/26, <END>, PS

# DHFS

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*Department of Health and Family Services*  
**2003-2005 Biennial Budget Statutory Language Request**  
June 24, 2002

## Special Enrollment Period for HIPP Qualified Employees

### Current Language

Under s.632.746, employer sponsored health plans may limit health insurance enrollment to specific enrollment periods. However, s.632.746 (6) and (7) requires employers to allow employees to change their health coverage when an employee experiences a "qualifying event", such as marriage or the birth of a child.

### Proposed Change

This proposal would change the statutes to make Health Insurance Payment Program (HIPP) eligibility a qualifying event under 632.746 (6) and (7).

### Effect of the Change

This statutory change would allow a family or individual to immediately enroll in an employer sponsored health plan when the individual is determined to be eligible for HIPP. The family or individual must meet all other eligibility requirements under the employer's group health plan to be HIPP eligible.

### Rationale for the Change

This statutory change would save money and promote private sector health insurance. Prompt enrollment of HIPP eligible employees and families reinforces the federal directive to avoid replacing private health insurance resources with public funds and effectively utilizes those private resources to reduce the cost of Medicaid health services. The HIPP program limits "crowding out", saves public funds, and moves people from the publicly funded Medicaid system to private insurance. Recipients who lose Medicaid and BadgerCare eligibility will also benefit since they will be on an employer sponsored health insurance plan at the time of termination of Medicaid or BadgerCare, and could continue their private coverage with their own funds without changing providers.

**Desired Effective Date:** Upon Passage of the Budget Bill  
**Agency:** DHFS  
**Agency Contact:** Curtis Cunningham  
**Phone:** 266-5362



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-0029/A-PI  
PJK/.....  
gs

DOA:.....Blaine – Make eligibility for HIPP a qualifying event for immediate health insurance enrollment

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SOON  
(9-23)  
D-note

do not  
gen cost

1 AN ACT *relating to:* eligibility for immediate coverage under an employer's  
2 health care plan.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES ✓**

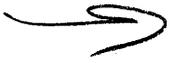
**MEDICAL ASSISTANCE ✓**

Under current law, DHFS administers both the badger care health care (BadgerCare) program and the medical assistance (MA) program. Generally, both programs provide health care benefits to low-income persons. If a person who is eligible for the BadgerCare or MA program is also eligible for health care coverage that is offered by an employer, DHFS may purchase the employer-offered health care coverage on behalf of the person if DHFS determines that paying the premiums will not cost more than providing the coverage under the BadgerCare or MA program for which the person is eligible. ✓

Also under current law, if an employer offers health care coverage to its employees, certain specified situations require the insurer that provides the coverage to allow an employee, or an employee's dependent, to enroll in the health care coverage plan at times outside of the usual enrollment periods. For example, if an employee refused coverage under the employer's health care coverage plan during a previous enrollment period because the employee had other health care coverage, the employee may enroll in the employer's plan within 30 days after the

other health care coverage terminates or is exhausted. Likewise, if an employee gets married or adopts a child, the employee's spouse or child may enroll in the employer's health care coverage plan during a special enrollment period that lasts for 30 days from the date of the marriage or adoption.

This bill requires an insurer that provides coverage under an employer's health care coverage plan to permit an employee, or an employee's dependent, who is eligible for but not enrolled in the employer's health care coverage plan to enroll in the employer's plan during a special, 30-day enrollment period if: 1) the employee or dependent is eligible for coverage under the BadgerCare or MA program; and 2) DHFS will purchase the coverage on behalf of the employee or dependent because DHFS has determined that it will not be more costly to pay the premiums under the employer's plan than to provide coverage for the employee or dependent under the BadgerCare or MA program ~~because the employee or dependent is eligible~~. The 30-day enrollment period begins on the date on which DHFS makes the determination about the cost of the coverage.



FE-S

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

1 SECTION 1. 632.746 (7m) of the statutes is created to read:

2 632.746 (7m) (a) An insurer offering a group health benefit plan shall permit,  
3 as provided in par. (b), an employee who is not enrolled but who is eligible for  
4 coverage under the terms of the group health benefit plan, or a participant's or  
5 employee's dependent who is not enrolled but who is eligible for coverage under the  
6 terms of the group health benefit plan, to enroll for coverage under the terms of the  
7 plan if all of the following apply:

8 1. The employee or dependent is eligible for benefits under the medical  
9 assistance program under subch. IV of ch. 49 or for coverage under the badger care  
10 health care program under s. 49.665.

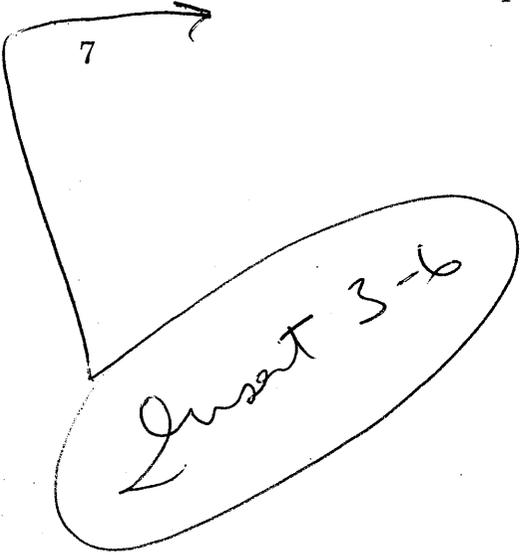
11 2. The department of health and family services will purchase coverage under  
12 the group health benefit plan on behalf of the employee or dependent because the  
13 department of health and family services has determined that paying the premiums

1 will not be more costly than providing the medical assistance or the coverage under  
2 the badger care health care program, whichever is applicable.

3 (b) An insurer permitting an employee or dependent to enroll under this  
4 subsection shall provide for an enrollment period of not less than 30 days, beginning  
5 on the date on which the department of health and family services makes the  
6 determination under par. (a) 2.

7

(END)



Insert 3-b

D-note

2003-2004 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0029/ins  
PJK:.....

INSERT 3-6

1                   ✓✓  
**SECTION 9324. Initial applicability; health and family services.**

2                   (1) SPECIAL ENROLLMENT PERIOD. The treatment of sections 632.746 (7m) of the  
3                   statutes first applies to determinations of the department of health and family  
4                   services to pay for premiums under employer-sponsored health care plans that are  
5                   made on the effective date of this subsection.

(END OF INSERT 3-6)

with respect

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

LRB-0029/7dn <sup>PI</sup>

PJK:.....

gjs

Robert:

1. Do you know if HIPP applies regardless of the section of the statutes under which a person is eligible for MA? In other words, if HIPP is authorized only under s. 49.472 (6) and applies only if a person is eligible for MA under s. 49.472, it would be better to be more specific and cross reference the applicable statutes under the MA and BadgerCare programs. ✓

2. I made the special enrollment period requirement first apply to DHFS determinations made on the effective date. The effect of this may be that some persons who apply for MA or BadgerCare after the effective date of the budget will get employer-sponsored coverage paid by DHFS sooner than other persons who apply for MA or BadgerCare before the effective date of the budget, because persons who apply before the effective date of the budget may have to wait for the usual (possibly annual) enrollment period. Is this okay?

with respect

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-0029/P1dn  
PJK:cjs:pg

September 26, 2002

Robert:

1. Do you know if HIPP applies regardless of the section of the statutes under which a person is eligible for MA? In other words, if HIPP is authorized only under s. 49.472 (6) and applies only if a person is eligible for MA under s. 49.472, it would be better to be more specific and cross reference the applicable statutes under the MA and BadgerCare programs.

2. I made the special enrollment period requirement first apply with respect to DHFS determinations made on the effective date. The effect of this may be that some persons who apply for MA or BadgerCare after the effective date of the budget will get employer-sponsored coverage paid by DHFS sooner than other persons who apply for MA or BadgerCare before the effective date of the budget, because persons who apply before the effective date of the budget may have to wait for the usual (possibly annual) enrollment period. Is this okay?

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

## Kahler, Pam

---

**From:** Blaine, Robert  
**Sent:** Monday, January 06, 2003 9:47 AM  
**To:** Kahler, Pam  
**Subject:** FW: FW: LRB Draft: 03-0029/P1 Make eligibility for HIPP a qualifying event for immediate health ins

Some unfortunately late feedback. DHFS has recommended clarify the language to show that the HIPP program only pays the employee-share of the premium, not the full premium cost. I agree with them that this is the intent of the provision and how the program operates currently. I also agree that the language could be interpreted in such a way that it could be implied that HIPP would pay the full cost of the premium, though I there may be some latitude for interpretation. I would request that this be redrafted, unless you think that the language is clear enough...

Thanks,  
Robert

-----Original Message-----

**From:** Cunningham, Curtis  
**Sent:** Monday, January 06, 2003 9:39 AM  
**To:** Blaine, Robert  
**Cc:** Dybevik, Kenneth; Schneider, Donald G.; Bove, Fredi-Ellen; Cunningham, Curtis; Megna, Richard  
**Subject:** Re: FW: LRB Draft: 03-0029/P1 Make eligibility for HIPP a qualifying event for immediate health ins

Robert,

This statutory language looks fine but HCF has pointed out, and I agree, that we should clarify the language by adding that DHFS is paying the employees portion of the premiums where the statutes state "... DHFS determines that paying the premiums will not cost more...". This occurs in 4 places in the stat language. Once in the first paragraph on page 1, once in the first full paragraph on page 2, line 13 on page 2, and line 10 on page 3.

Page 1 first paragraph add the bold to state:

"...DHFS may purchase employer-offered health care coverage on behalf of the person if DHFS determines that paying the employee portion of the premiums will not cost more than providing the coverage under the BadgerCare or MA program for which the person is eligible."

Page 2 first full paragraph add the bold to state:

2) DHFS will purchase the coverage on behalf of the employee or dependent because DHFS has determine that it will not be more costly to pay the employee portion of the premiums under the employer's plan than to provide coverage for the employee or dependent under the BadgerCare or MA program."

Page 2 Line 13 add the bold to state:

"...because the Department of Health and Family services has determined that paying the employee portion of the premiums will not be more costly than providing medical assistance or ..."

Page 3 Line 10 add the bold to state:

"...with respect to determinations of the Department of Health and Family Services to pay for the employee portion of premiums under employer-sponsored health care plans..."

Please let me know if you disagree with these changes.

Regards,  
Curtis

>>> Blaine, Robert 11/21/02 02:40PM >>>  
FYI

-----Original Message-----

From: Haugen, Caroline

Sent: Thursday, November 21, 2002 9:57 AM

To: Blaine, Robert

Cc: Kraus, Jennifer; Uecker, Deborah; Hanaman, Cathlene; Haugen, Caroline

Subject: LRB Draft: 03-0029/P1 Make eligibility for HIPP a qualifying event  
for immediate health insurance enrollment

Following is the PDF version of draft 03-0029/P1.



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-0029/01

PJK:cjs:pg

*r m is run*

*P2*

DOA:.....Blaine – Make eligibility for HIPP a qualifying event for immediate health insurance enrollment

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

*SOON (1-6)  
D-note*

*do not  
guarantee*

- 1 AN ACT **relating to:** eligibility for immediate coverage under an employer's
- 2 health care plan.

*Analysis by the Legislative Reference Bureau*  
**HEALTH AND HUMAN SERVICES**

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Also under current law, if an employer offers health care coverage to its employees, certain specified situations require the insurer that provides the coverage to allow an employee, or an employee's dependent, to enroll in the health care coverage plan at times outside of the usual enrollment periods. For example, if an employee refused coverage under the employer's health care coverage plan during a previous enrollment period because the employee had other health care coverage, the employee may enroll in the employer's plan within 30 days after the

*purchasing the coverage  
purchasing the coverage*

*←*

other health care coverage terminates or is exhausted. Likewise, if an employee gets married or adopts a child, the employee's spouse or child may enroll in the employer's health care coverage plan during a special enrollment period that lasts for 30 days from the date of the marriage or adoption.

This bill requires an insurer that provides coverage under an employer's health care coverage plan to permit an employee, or an employee's dependent, who is eligible for but not enrolled in the employer's health care coverage plan to enroll in the employer's plan during a special, 30-day enrollment period if: 1) the employee or dependent is eligible for coverage under the BadgerCare or MA program; and 2) DHFS will purchase the coverage on behalf of the employee or dependent because DHFS has determined that it will not be more costly to pay the ~~premium~~ under the employer's plan than to provide coverage for the employee or dependent under the BadgerCare or MA program. The 30-day enrollment period begins on the date on which DHFS makes the determination about the cost of the coverage.

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

portion of the premium for which the employee is responsible

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

SECTION 1. 632.746 (7m) of the statutes is created to read:

632.746 (7m) (a) <sup>insert 2-2</sup> An insurer offering a group health benefit plan shall permit,

as provided in par. <sup>c</sup> (b), an employee who is not enrolled but who is eligible for coverage under the terms of the group health benefit plan, or a participant's or employee's dependent who is not enrolled but who is eligible for coverage under the terms of the group health benefit plan, to enroll for coverage under the terms of the plan if all of the following apply:

1. The employee or dependent is eligible for benefits under the Medical Assistance program under subch. IV of ch. 49 or for coverage under the Badger Care health care program under s. 49.665.

2. The department of health and family services will purchase coverage under the group health benefit plan on behalf of the employee or dependent because the department of health and family services has determined that paying the ~~premium~~

portion of the premium for which the employee is responsible

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1 will not be more costly than providing the medical assistance or the coverage under  
2 the Badger Care health care program, whichever is applicable.

3 ~~(b)~~ An insurer permitting an employee or dependent to enroll under this  
4 subsection shall provide for an enrollment period of not less than 30 days, beginning  
5 on the date on which the department of health and family services makes the  
6 determination under par. ~~(a)~~ 2. <sup>(b)</sup>

7 **SECTION 9324. Initial applicability; health and family services.**

8 (1) SPECIAL ENROLLMENT PERIOD. The treatment of section 632.746 (7m) of the  
9 statutes first applies with respect to determinations of the department of health and  
10 family services to ~~enrollments~~ under employer-sponsored health care plans  
11 that are made on the effective date of this subsection.

12 (END)

purchase coverage

D-note

2003-2004 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0029/P2ins  
PJK:ejg:pg

INSERT 2-2

1 <sup>no H</sup> In this subsection, "terms of the group health benefit plan" does not include any  
2 requirements under the group health benefit plan related to enrollment periods or  
3 waiting periods. ✓

4 <sup>H</sup> (b)

(END OF INSERT 2-2)

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

LRB-0029/P2dn  
PJK:cjs:pg^

Robert:

I added a new provision as s. 632.746 (7m) (a) because: ✓

1. I assumed that DHFS would want the employee to be able to get coverage immediately. ✓
2. A plan might have some requirements related to being able to enroll only after a waiting period or only during an open enrollment period. ✓
3. The requirements listed in number 2. might be considered to be "terms of the group health benefit plan." ✓

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-0029/P2dn  
PJK:cjs:pg

January 7, 2003

Robert:

I added a new provision as s. 632.746 (7m) (a) because:

1. I assumed that DHFS would want the employee to be able to get coverage immediately.
2. A plan might have some requirements related to being able to enroll only after a waiting period or only during an open enrollment period.
3. The requirements listed in number 2. might be considered to be "terms of the group health benefit plan."

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

**Kahler, Pam**

---

**From:** Blaine, Robert  
**Sent:** Thursday, January 23, 2003 10:13 AM  
**To:** Kahler, Pam  
**Cc:** Megna, Richard  
**Subject:** HIPP -- draft 0029

Pam --

What I hope will be our/my last request for new language. We would like to broaden the language in draft 0029 so that the HIPP program captures more persons who are eligible for BadgerCare but whose employers offer private health coverage.

The provision would mandate that, as a condition of eligibility for BadgerCare, the individual must provide evidence of the availability of private insurance. That is, employed BadgerCare applicants would be required to obtain their employer's verification of earnings and health insurance coverage as a condition of initial eligibility and at their annual eligibility review. In this manner, each otherwise-eligible applicant is provided with a form to be completed by the employer and returned within ten working days, with extensions granted upon request. The verification policy would also require that BadgerCare recipients that change jobs complete a new verification form with their new employer.

This provision would require a waiver amendment, and changes in administrative rules.

The department is looking at what language may be needed, but I wanted to go ahead and get this information to you. I will send you more as soon as I have it.

**Robert Blaine**

State Budget Office -- WI Dept. of Administration  
608/267-7980  
608/267-0372 (fax)  
robert.blaine@doa.state.wi.us

Parent  
members of household  
is employed & employer  
offers group health ins

## Kahler, Pam

---

**From:** Blaine, Robert  
**Sent:** Thursday, January 23, 2003 5:46 PM  
**To:** Kahler, Pam  
**Subject:** FW: fiscal estimate for requiring BC enrollees to obtain employer verification

More instructions for HIPP.

-----Original Message-----

**From:** Megna, Richard  
**Sent:** Thursday, January 23, 2003 5:26 PM  
**To:** Blaine, Robert  
**Cc:** Johnston, James; Bove, Fredi-Ellen; Cunningham, Curtis  
**Subject:** RE: fiscal estimate for requiring BC enrollees to obtain employer verification

Robert,

Although current statutory provisions (s. 49.665 (4)(a)4. state that eligibility requirements include: "The family meets all other requirements established by the department by rule.") might suggest that we only need an administrative rule to implement the employer verification requirement, the eligibility bureau believes that it would be good if the badgercare section (s. 49.665) include explicit authority for requiring employer verification. Also, the eligibility bureau asked that the authority be tied to receiving federal waiver approval since we will need a federal waiver to implement the change. If you need more specific instructions, please let me know.

Richard

>>> Blaine, Robert 01/23/03 10:10AM >>>

Thanks, Richard. I think the attached paper may be enough for me to get Pam Kahler started on this draft. Obviously, as soon as you can get any drafting instructions to me, I'll send it over, but I think I'm going to send a heads up to Pam in the meantime, borrowing liberally from your issue paper.

Thanks again,  
Robert

-----Original Message-----

**From:** Megna, Richard  
**Sent:** Thursday, January 23, 2003 10:03 AM  
**To:** Blaine, Robert  
**Cc:** Johnston, James; Bove, Fredi-Ellen; Cunningham, Curtis  
**Subject:** fiscal estimate for requiring BC enrollees to obtain employer verification

Robert,

Attached are files that describe and provide a fiscal estimate for the proposal to require new BC enrollees and current BC enrollees at their reviews to obtain employer verification of their earnings and insurance status. I don't think any added explanation is needed but you have questions, please let me know.

Richard



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-0029/P  
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shus

rm is mm

DOA:.....Blaine – BB0001 Make eligibility for HIPP a qualifying event for immediate health insurance enrollment

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SOON  
(1-27)  
D - [unclear]

do not  
insert  
→ the budget

1 AN ACT relating to: ~~eligibility for immediate coverage under an employer's~~  
2 ~~health care plan~~

*Analysis by the Legislative Reference Bureau*  
**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, DHFS administers both the Badger Care health care (BadgerCare) program and the Medical Assistance (MA) program. Generally, both programs provide health care benefits to low-income persons. If a person who is eligible for the BadgerCare or MA program is also eligible for health care coverage that is offered by an employer, DHFS may purchase the employer-offered health care coverage on behalf of the person if DHFS determines that purchasing the coverage will not cost more than providing the coverage under the BadgerCare or MA program for which the person is eligible.

Also under current law, if an employer offers health care coverage to its employees, certain specified situations require the insurer that provides the coverage to allow an employee, or an employee's dependent, to enroll in the health care coverage plan at times outside of the usual enrollment periods. For example, if an employee refused coverage under the employer's health care coverage plan during a previous enrollment period because the employee had other health care coverage, the employee may enroll in the employer's plan within 30 days after the

other health care coverage terminates or is exhausted. Likewise, if an employee gets married or adopts a child, the employee's spouse or child may enroll in the employer's health care coverage plan during a special enrollment period that lasts for 30 days from the date of the marriage or adoption.

This bill requires an insurer that provides coverage under an employer's health care coverage plan to permit an employee, or an employee's dependent, who is eligible for but not enrolled in the employer's health care coverage plan to enroll in the employer's plan during a special, 30-day enrollment period if: 1) the employee or dependent is eligible for coverage under the BadgerCare or MA program; and 2) DHFS will purchase the coverage on behalf of the employee or dependent because DHFS has determined that it will not be more costly to pay the portion of the premium for which the employee is responsible under the employer's plan than to provide coverage for the employee or dependent under the BadgerCare or MA program. The 30-day enrollment period begins on the date on which DHFS makes the determination about the cost of the coverage.

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:*

SECTION 1. 632.746 (7m) of the statutes is created to read:

632.746 (7m) (a) In this subsection, "terms of the group health benefit plan" does not include any requirements under the group health benefit plan related to enrollment periods or waiting periods.

(b) An insurer offering a group health benefit plan shall permit, as provided in par. (c), an employee who is not enrolled but who is eligible for coverage under the terms of the group health benefit plan, or a participant's or employee's dependent who is not enrolled but who is eligible for coverage under the terms of the group health benefit plan, to enroll for coverage under the terms of the plan if all of the following apply:

1. The employee or dependent is eligible for benefits under the Medical Assistance program under subch. IV of ch. 49 or for coverage under the Badger Care health care program under s. 49.665.

Insert A

Insert 2-1

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13

1           2. The department of health and family services will purchase coverage under  
2 the group health benefit plan on behalf of the employee or dependent because the  
3 department of health and family services has determined that paying the portion of  
4 the premium for which the employee is responsible will not be more costly than  
5 providing the medical assistance or the coverage under the Badger Care health care  
6 program, whichever is applicable.

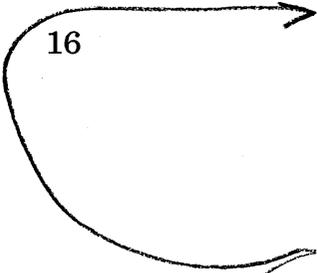
7           (c) An insurer permitting an employee or dependent to enroll under this  
8 subsection shall provide for an enrollment period of not less than 30 days, beginning  
9 on the date on which the department of health and family services makes the  
10 determination under par. (b) 2.

11           **SECTION 9324. Initial applicability; health and family services.**

12           (1) SPECIAL ENROLLMENT PERIOD. The treatment of section 632.746 (7m) of the  
13 statutes first applies with respect to determinations of the department of health and  
14 family services to purchase coverage under employer-sponsored health care plans  
15 that are made on the effective date of this subsection.

16

(END)



*Insert 3-15*

*D-note*

2003-2004 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

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PJK:cjs:pg

SAW  
new CRB ✓  
K-rob. ✓

INSERT A

Also under the bill, DHFS is required to request a waiver from the federal Department of Health and Human Services to allow DHFS to require a family or a child, as a condition of eligibility for the BadgerCare program, to provide a verification from the employer of any family member who is employed or any member of the child's household who is employed. The employer verification would include the following information: 1) the family or household member's earnings; 2) whether the employer provides health care coverage for which the family or child is eligible; and 3) the amount that the employer pays, if any, towards the cost of the health care coverage. Under current law, a child who does not reside with his or her parents and whose income is below 185% of the poverty line, or a family with income below 185% of the poverty line, is eligible for the BadgerCare program if the child or family does not have access to employer-provided health care coverage for which the employer pays at least 80% of the cost.

(END OF INSERT A)

INSERT 2-1

1 SECTION 1. 49.665 (2) (title) of the statutes is amended to read: ✓  
2 49.665 (2) (title) ~~WAIVER~~ WAIVERS.

History: 1997 a. 27, 237; 1999 a. 9; 2001 a. 16, 109.

3 SECTION 2. 49.665 (2) of the statutes is renumbered 49.665 (2) (a) and amended  
4 to read:  
5 49.665 (2) (a) The department of health and family services shall request a  
6 waiver from the secretary of the federal department of health and human services  
7 to permit the department of health and family services to implement, beginning not  
8 later than July 1, 1998, or the effective date of the waiver, whichever is later, a health  
9 care program under this section. If a waiver that is consistent with all of the  
10 provisions of this section, excluding sub. (4) (a) 3m. and (am) 3m., is granted and in  
11 effect, the department of health and family services shall implement the program  
12 under this section. The department of health and family services may not implement  
13 the program under this section unless a waiver that is consistent with all of the

1 provisions of this section, excluding sub. (4) (a) 3m. and (am) 3m., is granted and in  
2 effect.

3 History: 1997 a. 27, 237; 1999 a. 9; 2001 a. 16, 109.

**SECTION 3.** 49.665 (2) (b) of the statutes is created to read:

4 49.665 (2) (b) The department of health and family services shall request a  
5 waiver from the secretary of the federal department of health and human services  
6 to permit the department of health and family services to require the verification  
7 specified in sub. (4) (a) 3m. and (am) 3m. If the federal department of health and  
8 human services grants the waiver, the department of health and family services shall  
9 publish a notice in the Wisconsin Administrative Register that states the date on  
10 which the waiver was granted and may require the verification specified in sub. (4)  
11 (a) 3m. and (am) 3m. ✓

12 **SECTION 4.** 49.665 (4) (a) 3m. of the statutes is created to read:

13 49.665 (4) (a) 3m. Each member of the family who is employed provides  
14 verification from his or her employer, in the manner specified by the department, of  
15 his or her earnings, of whether the employer provides health care coverage for which  
16 the family is eligible, and of the amount that the employer pays, if any, towards the  
17 cost of the health care coverage, excluding any deductibles or copayments required  
18 under the coverage. ✓

19 **SECTION 5.** 49.665 (4) (am) 3m. of the statutes is created to read:

20 49.665 (4) (am) 3m. Each member of the child's household who is employed  
21 provides verification from his or her employer, in the manner specified by the  
22 department, of his or her earnings, of whether the employer provides health care  
23 coverage for which the child is eligible, and of the amount that the employer pays,

1 if any, towards the cost of the health care coverage, excluding any deductibles or  
2 copayments required under the coverage. ✓

(END OF INSERT 2-1)

**INSERT 3-15**

3 ~~§~~ EMPLOYER VERIFICATION. The treatment of section 49.665 (4) (a) 3m. and (am)  
4 3m. of the statutes first applies to initial eligibility determinations ✓ for the Badger  
5 Care health care program, and to annual review eligibility determinations ✓ for the  
6 Badger Care health care program, that are made on the date stated in the notice  
7 published by the department of health and family services in the Wisconsin ✓  
8 Administrative Register under section 49.665 (2) (b) of the statutes, as created by  
9 this act.

(END OF INSERT 3-15)

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

LRB-0029/P3dn

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T  
stamp

Robert:

Current law in s. 49.665 (3) <sup>✓</sup> seems to limit HIPP for a child with coverage under BadgerCare to purchasing family coverage for the child and members of the child's household. That is why I drafted this new provision to require a member of a child's household who is employed (rather than a parent of the child, for example) to provide the verification.

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-0029/P3dn  
PJK:cjs:jf

January 28, 2003

Robert:

Current law in s. 49.665 (3) seems to limit HIPP for a child with coverage under BadgerCare to purchasing family coverage for the child and members of the child's household. That is why I drafted this new provision to require a member of a child's household who is employed (rather than a parent of the child, for example) to provide the verification.

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

## Kahler, Pam

---

**From:** Blaine, Robert  
**Sent:** Saturday, February 01, 2003 3:53 PM  
**To:** Kahler, Pam  
**Subject:** FW: FW: LRB Draft: 03-0029/P3 Make eligibility for HIPP a qualifying event for immediate health ins

Hi Pam --

comments on the HIPP draft. Unfortunately, I am so swamped that I have not had time to fully digest the suggestions. For now, I will have to defer to the judgement of the department. Please let me know if any of these requests are problematic. I will be in most of Sunday.

-----Original Message-----

**From:** Cunningham, Curtis  
**Sent:** Friday, January 31, 2003 4:49 PM  
**To:** Blaine, Robert  
**Cc:** Boroniec, Priscilla; Dybevik, Kenneth; Jones, James; McIlquham, Cheryl; Schneider, Donald G.; Bove, Fredi-Ellen; Cunningham, Curtis; Megna, Richard  
**Subject:** Re: FW: LRB Draft: 03-0029/P3 Make eligibility for HIPP a qualifying event for immediate health ins

Robert,  
Quickly, here are the comments on this draft I have received so far.

- 1) Please note that we are not sure if we need a waiver to implement this. There is a meeting with CMS next week but at this point I am assuming that it will be to late. Therefore, on line 5 and 6 of page 2 the draft should state "If it is determined that the Department needs a waiver..."
- 2) Eliminate on page 3 line 23 "if any, towards the cost of health care coverage, excluding any deductibles or co-payments required under the coverage". Eligibility for HIPP is based on how much of the premium that the employer pays so there is no need to collect this additional information and is actually burdensome.
- 3) Page 4 lines 18 through 20. It should only reference BadgerCare and under 49.665 and the Medicaid Purchase plan under 49.472. This should not reference all of medical assistance since only individual in MA that are MAPP eligible can qualify for HIPP.
- 4) The last paragraph on page 5 should say that the department will implement the program for all individuals that apply or renew after January 1, 2004 unless the Department requires a waiver then the Department implement the program when appropriate (not great wording, I just want to make sure that if a waiver is needed the Department will have some latitude for implementation.

Please note that this is the first draft of this language we saw. I feel that it is very important that these changes get made.

Regards,  
Curtis

>>> Blaine, Robert 01/28/03 02:30PM >>>  
Hi Curtis --

I know you're swamped, but... for me to get any additional changes requested, I need input by this Friday at the latest, earlier if possible.

Thanks for your continued hard work.

Robert

-----Original Message-----

From: Frantzen, Jean

Sent: Tuesday, January 28, 2003 12:10 PM

To: Blaine, Robert

Cc: Johnston, James; Schaeffer, Carole; Hanaman, Cathlene; Haugen, Caroline

Subject: LRB Draft: 03-0029/P3 Make eligibility for HIPP a qualifying event for immediate health insurance enrollment

Following is the PDF version of draft 03-0029/P3.



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-0029/28

PJK:cjs:jf

*miss [unclear]*

DOA:.....Blaine – BB0001 Make eligibility for HIPP a qualifying event for immediate health insurance enrollment

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

*SOON  
(2-2)  
D-note*

*do not  
get cut*

*the purchase plan  
portion of the*

1 AN ACT relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, DHFS administers both the Badger Care health care (BadgerCare) program and the Medical Assistance (MA) program. Generally, both programs provide health care benefits to low-income persons. If a person who is eligible for the BadgerCare or MA program is also eligible for health care coverage that is offered by an employer, DHFS may purchase the employer-offered health care coverage on behalf of the person if DHFS determines that purchasing the coverage will not cost more than providing the coverage under the BadgerCare or MA program for which the person is eligible.

*program*

Also under current law, if an employer offers health care coverage to its employees, certain specified situations require the insurer that provides the coverage to allow an employee, or an employee's dependent, to enroll in the health care coverage plan at times outside of the usual enrollment periods. For example, if an employee refused coverage under the employer's health care coverage plan during a previous enrollment period because the employee had other health care coverage, the employee may enroll in the employer's plan within 30 days after the other health care coverage terminates or is exhausted. Likewise, if an employee gets

married or adopts a child, the employee's spouse or child may enroll in the employer's health care coverage plan during a special enrollment period that lasts for 30 days from the date of the marriage or adoption.

This bill requires an insurer that provides coverage under an employer's health care coverage plan to permit an employee, or an employee's dependent, who is eligible for but not enrolled in the employer's health care coverage plan to enroll in the employer's plan during a special, 30-day enrollment period if: 1) the employee or dependent is eligible for coverage under the BadgerCare or MA program; and 2) DHFS will purchase the coverage on behalf of the employee or dependent because DHFS has determined that it will not be more costly to pay the portion of the premium for which the employee is responsible under the employer's plan than to provide coverage for the employee or dependent under the BadgerCare or MA program. The 30-day enrollment period begins on the date on which DHFS makes the determination about the cost of the coverage.

Also under the bill, DHFS is required to request a waiver from the federal Department of Health and Human Services to allow DHFS to require a family or a child, as a condition of eligibility for the BadgerCare program, to provide a verification from the employer of any family member who is employed or any member of the child's household who is employed. The employer verification would include the following information: 1) the family or household member's earnings; 2) whether the employer provides health care coverage for which the family or child is eligible; and 3) the amount that the employer pays, if any, towards the cost of the health care coverage. Under current law, a child who does not reside with his or her parents and whose income is below 185% of the poverty line, or a family with income below 185% of the poverty line, is eligible for the BadgerCare program if the child or family does not have access to employer-provided health care coverage for which the employer pays at least 80% of the cost.

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. 49.665 (2) (title) of the statutes is amended to read:
- 2 49.665 (2) (title) WAIVER WAIVERS.
- 3 SECTION 2. 49.665 (2) of the statutes is renumbered 49.665 (2) (a) and amended
- 4 to read:
- 5 49.665 (2) (a) The department of health and family services shall request a
- 6 waiver from the secretary of the federal department of health and human services

if DHFS determines that a waiver is required,



insert A

1 to permit the department of health and family services to implement, beginning not  
 2 later than July 1, 1998, or the effective date of the waiver, whichever is later, a health  
 3 care program under this section. If a waiver that is consistent with all of the  
 4 provisions of this section, excluding sub. (4) (a) 3m. and (am) 3m., is granted and in  
 5 effect, the department of health and family services shall implement the program  
 6 under this section. The department of health and family services may not implement  
 7 the program under this section unless a waiver that is consistent with all of the  
 8 provisions of this section, excluding sub. (4) (a) 3m. and (am) 3m., is granted and in  
 9 effect.

10 SECTION 3. 49.665 (2) (b) of the statutes is created to read:

11 49.665 (2) (b) The department of health and family services shall request a  
 12 waiver from the secretary of the federal department of health and human services  
 13 to permit the department of health and family services to require the verification  
 14 specified in sub. (4) (a) 3m. and (am) 3m. If the federal department of health and  
 15 human services grants the waiver, the department of health and family services shall  
 16 publish a notice in the Wisconsin Administrative Register that states the date on  
 17 which the waiver was granted and may require the verification specified in sub. (4)  
 18 (a) 3m. and (am) 3m.

19 SECTION 4. 49.665 (4) (a) 3m. of the statutes is created to read:

20 49.665 (4) (a) 3m. Each member of the family who is employed provides  
 21 verification from his or her employer, in the manner specified by the department, of  
 22 his or her earnings, of whether the employer provides health care coverage for which  
 23 the family is eligible, and of the amount that the employer pays, if any, towards the  
 24 cost of the health care coverage, excluding any deductibles or copayments required  
 25 under the coverage.

Insert 3-18

1 SECTION 5. 49.665 (4) (am) 3m. of the statutes is created to read:

2 49.665 (4) (am) 3m. Each member of the child's household who is employed  
3 provides verification from his or her employer, in the manner specified by the  
4 department, of his or her earnings, of whether the employer provides health care  
5 coverage for which the child is eligible, and of the amount that the employer pays,  
6 if any, towards the cost of the health care coverage, excluding any deductibles or  
7 copayments required under the coverage.

8 SECTION 6. 632.746 (7m) of the statutes is created to read:

9 632.746 (7m) (a) In this subsection, "terms of the group health benefit plan"  
10 does not include any requirements under the group health benefit plan related to  
11 enrollment periods or waiting periods.

12 (b) An insurer offering a group health benefit plan shall permit, as provided in  
13 par. (c), an employee who is not enrolled but who is eligible for coverage under the  
14 terms of the group health benefit plan, or a participant's or employee's dependent  
15 who is not enrolled but who is eligible for coverage under the terms of the group  
16 health benefit plan, to enroll for coverage under the terms of the plan if all of the  
17 following apply:

18 1. The employee or dependent is eligible for benefits under the Medical  
19 Assistance program under ~~s. 49.472~~ <sup>s. 49.472</sup> or for coverage under the Badger Care  
20 health care program under s. 49.665.

21 2. The department of health and family services will purchase coverage under  
22 the group health benefit plan on behalf of the employee or dependent because the  
23 department of health and family services has determined that paying the portion of  
24 the premium for which the employee is responsible will not be more costly than

1 providing the medical assistance or the coverage under the Badger Care health care  
2 program, whichever is applicable.

3 (c) An insurer permitting an employee or dependent to enroll under this  
4 subsection shall provide for an enrollment period of not less than 30 days, beginning  
5 on the date on which the department of health and family services makes the  
6 determination under par. (b) 2.

7 **SECTION 9324. Initial applicability; health and family services.**

8 (1) SPECIAL ENROLLMENT PERIOD. The treatment of section 632.746 (7m) of the  
9 statutes first applies with respect to determinations of the department of health and  
10 family services to purchase coverage under employer-sponsored health care plans  
11 that are made on the effective date of this subsection.

12 (2) EMPLOYER VERIFICATION. The treatment of section 49.665 (4) (a) 3m. and (am)  
13 3m. of the statutes first applies to initial eligibility determinations for the Badger  
14 Care health care program, and to annual review eligibility determinations for the  
15 Badger Care health care program, that are made on the date stated in the notice  
16 published by the department of health and family services in the Wisconsin  
17 Administrative Register under section 49.665 (2) (b) of the statutes, as created by  
18 this act.

19

(END)

Insert A

not DHFS may implement the ~~the~~ employer verification requirement beginning on January 1, 2004, if no waiver is needed <sup>⊖</sup> ~~of~~ a waiver is needed, however, DHFS may implement the employer verification requirement only if the waiver is granted <sup>⊖</sup>.

(end of insert A)

2003-2004 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0029/lins  
PJK:cjs:jf

INSERT 3-18

1           SECTION ~~4~~<sup>#</sup>. 49.665 (2) (b) of the statutes is created to read:

2           49.665 (2) (b) If the department of health and family services determines that  
3 it needs a waiver to require the verification specified in sub. (4) (a) 3m.<sup>✓</sup> and (am) 3m.<sup>✓</sup>,  
4 the department shall request a waiver from the secretary of the federal department  
5 of health and human services and may not implement the verification requirement  
6 under sub. (4) (a) 3m.<sup>✓</sup> and (am) 3m.<sup>✓</sup> unless the waiver is granted. If a waiver is  
7 required and is granted, the department of health and family services may  
8 implement the verification requirement under sub. (4) (a) 3m.<sup>✓</sup> and (am) 3m.<sup>✓</sup> as  
9 appropriate. If a waiver is not required, the department of health and family services  
10 may require the verification specified in sub. (4) (a) 3m.<sup>✓</sup> and (am) 3m.<sup>✓</sup> for eligibility  
11 determinations and annual review eligibility determinations made by the  
12 department, beginning on January 1, 2004.

(END OF INSERT 3-18)

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

LRB-0029/1dn

PJK:cjg/jf

WLJ

Robert:

→ This redraft addresses numbers 1, 3, and 4 of the email you received from DHFS on Friday, January 31. Number 2 of the email, however, does not make sense to me. They may have misunderstood the language that they are asking to be deleted because it means what they say they want to find out, i.e., what amount of premium, if any, the employer pays. I don't know what they mean when they say they do not need "this additional information."

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-0029/1dn  
PJK:wlj:cmh

February 2, 2003

Robert:

This redraft addresses numbers 1, 3, and 4 of the e-mail you received from DHFS on Friday, January 31. Number 2 of the e-mail, however, does not make sense to me. They may have misunderstood the language that they are asking to be deleted because it means what they say they want to find out, i.e., what amount of premium, if any, the employer pays. I don't know what they mean when they say they do not need "this additional information."

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

## Kahler, Pam

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**From:** Blaine, Robert  
**Sent:** Monday, February 03, 2003 1:34 PM  
**To:** Kahler, Pam  
**Subject:** FW: Re: FW: LRB Draft: 03-0029/P3 Make eligibility for HIPP a qualifying event for immediate heat

Pam --

The department has indicated that the current language would require the adult to provide the insurance verification even if they are not applying for BadgerCare themselves, but rather are only applying for BC for the child. The intent of this proposal is to only apply these verification requirements if the adult is applying for the coverage. I apologize -- my drafting instructions have never made this clear. If at all possible, if we could delete section 5 on page 4, that would be ideal.

Thanks,  
Robert

-----Original Message-----

**From:** Cunningham, Curtis  
**Sent:** Monday, February 03, 2003 8:11 AM  
**To:** Blaine, Robert  
**Subject:** Fwd: Re: FW: LRB Draft: 03-0029/P3 Make eligibility for HIPP a qualifying event for immediate heat

Here is one I may have not mentioned. Please see Cheryl's comments.

-----Original Message-----

**Date:** 02/03/2003 07:51 am -0600 (Monday)  
**From:** Cheryl McIlquham  
**To:** Cunningham, Curtis  
**CC:** Boroniec, Priscilla; Bove, Fredi-Ellen; James Jones; Megna, Richard  
**Subject:** Fwd: Re: FW: LRB Draft: 03-0029/P3 Make eligibility for HIPP a qualifying event for immediate health insuran

Curtis, I didn't see anything about eliminating section 5 on page 4 of the draft. This is the language that would require adult members of a child's household to provide verification of insurance even if the adult is not applying for BC.

We had discussed eliminating this section because we cannot put a requirement on someone who is not actually applying for the program. So, I was wondering if you still wanted to address this with Robert or if something has changed. Thanks.

-----Original Message-----

**Date:** 01/31/2003 04:49 pm -0600 (Friday)  
**From:** Curtis Cunningham  
**To:** Blaine, Robert  
**CC:** Boroniec, Priscilla; Bove, Fredi-Ellen; Cunningham, Curtis; Dybevik, Kenneth; Jones, James; McIlquham, Cheryl; Megna, Richard; Schneider, Donald G.  
**Subject:** Re: FW: LRB Draft: 03-0029/P3 Make eligibility for HIPP a qualifying event for immediate health insuran

Robert,  
Quickly, here are the comments on this draft I have received so far.

1) Please note that we are not sure if we need a waiver to implement this. There is a meeting with CMS next week but at this point I am assuming that it will be to late.

Therefore, on line 5 and 6 of page 2 the draft should state "If it is determined that the Department needs a waiver..."

2) Eliminate on page 3 line 23 "if any, towards the cost of health care coverage, excluding any deductibles or co-payments required under the coverage". Eligibility for HIPP is based on how much of the premium that the employer pays so there is no need to collect this additional information and is actually burdensome.

3) Page 4 lines 18 through 20. It should only reference BadgerCare and under 49.665 and the Medicaid Purchase plan under 49.472. This should not reference all of medical assistance since only individual in MA that are MAPP eligible can qualify for HIPP.

4) The last paragraph on page 5 should say that the department will implement the program for all individuals that apply or renew after January 1, 2004 unless the Department requires a waiver then the Department implement the program when appropriate (not great wording, I just want to make sure that if a waiver is needed the Department will have some latitude for implementation.

Please note that this is the first draft of this language we saw. I feel that it is very important that these changes get made.

Regards,  
Curtis

>>> Blaine, Robert 01/28/03 02:30PM >>>  
Hi Curtis --

I know you're swamped, but... for me to get any additional changes requested, I need input by this Friday at the latest, earlier if possible.

Thanks for your continued hard work.  
Robert

-----Original Message-----

From: Frantzen, Jean  
Sent: Tuesday, January 28, 2003 12:10 PM  
To: Blaine, Robert  
Cc: Johnston, James; Schaeffer, Carole; Hanaman, Cathlene; Haugen, Caroline  
Subject: LRB Draft: 03-0029/P3 Make eligibility for HIPP a qualifying event for immediate health insurance enrollment

Following is the PDF version of draft 03-0029/P3.



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-0029/

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DOA:.....Blaine – BB0001 Make eligibility for HIPP a qualifying event for immediate health insurance enrollment

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SOON  
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1 AN ACT; relating to: the budget.

*Analysis by the Legislative Reference Bureau*  
**HEALTH AND HUMAN SERVICES**  
**MEDICAL ASSISTANCE**

Under current law, DHFS administers both the Badger Care health care (BadgerCare) program and the Medical Assistance (MA) program. Generally, both programs provide health care benefits to low-income persons. If a person who is eligible for the BadgerCare program or the purchase plan portion of the MA program is also eligible for health care coverage that is offered by an employer, DHFS may purchase the employer-offered health care coverage on behalf of the person if DHFS determines that purchasing the coverage will not cost more than providing the coverage under the BadgerCare or MA program for which the person is eligible.

Also under current law, if an employer offers health care coverage to its employees, certain specified situations require the insurer that provides the coverage to allow an employee, or an employee's dependent, to enroll in the health care coverage plan at times outside of the usual enrollment periods. For example, if an employee refused coverage under the employer's health care coverage plan during a previous enrollment period because the employee had other health care coverage, the employee may enroll in the employer's plan within 30 days after the other health care coverage terminates or is exhausted. Likewise, if an employee gets

married or adopts a child, the employee's spouse or child may enroll in the employer's health care coverage plan during a special enrollment period that lasts for 30 days from the date of the marriage or adoption.

This bill requires an insurer that provides coverage under an employer's health care coverage plan to permit an employee, or an employee's dependent, who is eligible for but not enrolled in the employer's health care coverage plan to enroll in the employer's plan during a special, 30-day enrollment period if: 1) the employee or dependent is eligible for coverage under the BadgerCare or MA program; and 2) DHFS will purchase the coverage on behalf of the employee or dependent because DHFS has determined that it will not be more costly to pay the portion of the premium for which the employee is responsible under the employer's plan than to provide coverage for the employee or dependent under the BadgerCare or MA program. The 30-day enrollment period begins on the date on which DHFS makes the determination about the cost of the coverage.

Also under the bill, if DHFS determines that a waiver is required, DHFS is required to request a waiver from the federal Department of Health and Human Services to allow DHFS to require a family ~~as a condition of eligibility for the BadgerCare program, to provide a verification from the employer of any family member who is employed~~ *as a condition of eligibility for the BadgerCare program, to provide a verification from the employer of any member of the child's household who is employed.* The employer verification would include the following information: 1) the family ~~household~~ *household* member's earnings; 2) whether the employer provides health care coverage for which the family ~~is eligible~~ *is eligible*; and 3) the amount that the employer pays, if any, towards the cost of the health care coverage. Under current law, ~~a child who does not reside with his or her parents and whose income is below 185% of the poverty line, or a family with income below 185% of the poverty line,~~ *a child who does not reside with his or her parents and whose income is below 185% of the poverty line, or a family with income below 185% of the poverty line,* is eligible for the BadgerCare program if the ~~family~~ *family* does not have access to employer-provided health care coverage for which the employer pays at least 80% of the cost. DHFS may implement the employer verification requirement beginning on January 1, 2004, if no waiver is needed. If a waiver is needed, however, DHFS may implement the employer verification requirement only if the waiver is granted.

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. 49.665 (2) (title) of the statutes is amended to read:

2 49.665 (2) (title) ~~WAIVER~~ WAIVERS.

3 SECTION 2. 49.665 (2) of the statutes is renumbered 49.665 (2) (a) and amended  
4 to read:

1           49.665 (2) (a) The department of health and family services shall request a  
 2 waiver from the secretary of the federal department of health and human services  
 3 to permit the department of health and family services to implement, beginning not  
 4 later than July 1, 1998, or the effective date of the waiver, whichever is later, a health  
 5 care program under this section. If a waiver that is consistent with all of the  
 6 provisions of this section, ~~excluding sub. (4) (a) 3m. ~~and (a) 3m.~~~~ <sup>Keep comma</sup> is granted and in  
 7 effect, the department of health and family services shall implement the program  
 8 under this section. The department of health and family services may not implement  
 9 the program under this section unless a waiver that is consistent with all of the  
 10 provisions of this section, ~~excluding sub. (4) (a) 3m. ~~and (a) 3m.~~~~ is granted and in  
 11 effect.

12           **SECTION 3.** 49.665 (2) (b) of the statutes is created to read:

13           49.665 (2) (b) If the department of health and family services determines that  
 14 it needs a waiver to require the verification specified in sub. (4) (a) 3m. ~~and (a) 3m.~~  
 15 the department shall request a waiver from the secretary of the federal department  
 16 of health and human services and may not implement the verification requirement  
 17 under sub. (4) (a) 3m. ~~and (a) 3m.~~ unless the waiver is granted. If a waiver is  
 18 required and is granted, the department of health and family services may  
 19 implement the verification requirement under sub. (4) (a) 3m. ~~and (a) 3m.~~ as  
 20 appropriate. If a waiver is not required, the department of health and family services  
 21 may require the verification specified in sub. (4) (a) 3m. ~~and (a) 3m.~~ for eligibility  
 22 determinations and annual review eligibility determinations made by the  
 23 department, beginning on January 1, 2004.

24           **SECTION 4.** 49.665 (4) (a) 3m. of the statutes is created to read:

1           49.665 (4) (a) 3m. Each member of the family who is employed provides  
2 verification from his or her employer, in the manner specified by the department, of  
3 his or her earnings, of whether the employer provides health care coverage for which  
4 the family is eligible, and of the amount that the employer pays, if any, towards the  
5 cost of the health care coverage, excluding any deductibles or copayments required  
6 under the coverage.

7           **SECTION 5.** 49.665 (4) (am) 3m. of the statutes is created to read:

8           49.665 (4) (am) 3m. Each member of the child's household who is employed  
9 provides verification from his or her employer, in the manner specified by the  
10 department, of his or her earnings, of whether the employer provides health care  
11 coverage for which the child is eligible, and of the amount that the employer pays,  
12 if any, towards the cost of the health care coverage, excluding any deductibles or  
13 copayments required under the coverage.

14           **SECTION 6.** 632.746 (7m) of the statutes is created to read:

15           632.746 (7m) (a) In this subsection, "terms of the group health benefit plan"  
16 does not include any requirements under the group health benefit plan related to  
17 enrollment periods or waiting periods.

18           (b) An insurer offering a group health benefit plan shall permit, as provided in  
19 par. (c), an employee who is not enrolled but who is eligible for coverage under the  
20 terms of the group health benefit plan, or a participant's or employee's dependent  
21 who is not enrolled but who is eligible for coverage under the terms of the group  
22 health benefit plan, to enroll for coverage under the terms of the plan if all of the  
23 following apply:





State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-0029/2  
PJK:cjs&wlj:pg

DOA:.....Blaine – BB0001 Make eligibility for HIPP a qualifying event for immediate health insurance enrollment

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

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Also under the bill, if DHFS determines that a waiver is required, DHFS is required to request a waiver from the federal Department of Health and Human Services to allow DHFS to require a family, as a condition of eligibility for the BadgerCare program, to provide a verification from the employer of any family member who is employed. The employer verification would include the following information: 1) the family member's earnings; 2) whether the employer provides health care coverage for which the family is eligible; and 3) the amount that the employer pays, if any, towards the cost of the health care coverage. Under current law, a family with income below 185% of the poverty line is eligible for the BadgerCare program if the family does not have access to employer-provided health care coverage for which the employer pays at least 80% of the cost. DHFS may implement the employer verification requirement beginning on January 1, 2004, if no waiver is needed. If a waiver is needed, however, DHFS may implement the employer verification requirement only if the waiver is granted.

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4 to read:

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1 to permit the department of health and family services to implement, beginning not  
2 later than July 1, 1998, or the effective date of the waiver, whichever is later, a health  
3 care program under this section. If a waiver that is consistent with all of the  
4 provisions of this section, excluding sub. (4) (a) 3m., is granted and in effect, the  
5 department of health and family services shall implement the program under this  
6 section. The department of health and family services may not implement the  
7 program under this section unless a waiver that is consistent with all of the  
8 provisions of this section, excluding sub. (4) (a) 3m., is granted and in effect.

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12 department shall request a waiver from the secretary of the federal department of  
13 health and human services and may not implement the verification requirement  
14 under sub. (4) (a) 3m. unless the waiver is granted. If a waiver is required and is  
15 granted, the department of health and family services may implement the  
16 verification requirement under sub. (4) (a) 3m. as appropriate. If a waiver is not  
17 required, the department of health and family services may require the verification  
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19 eligibility determinations made by the department, beginning on January 1, 2004.

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21 49.665 (4) (am) 3m. Each member of the child's household who is employed  
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23 department, of his or her earnings, of whether the employer provides health care  
24 coverage for which the child is eligible, and of the amount that the employer pays,

1 if any, towards the cost of the health care coverage, excluding any deductibles or  
2 copayments required under the coverage.

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4 632.746 (7m) (a) In this subsection, “terms of the group health benefit plan”  
5 does not include any requirements under the group health benefit plan related to  
6 enrollment periods or waiting periods.

7 (b) An insurer offering a group health benefit plan shall permit, as provided in  
8 par. (c), an employee who is not enrolled but who is eligible for coverage under the  
9 terms of the group health benefit plan, or a participant’s or employee’s dependent  
10 who is not enrolled but who is eligible for coverage under the terms of the group  
11 health benefit plan, to enroll for coverage under the terms of the plan if all of the  
12 following apply:

13 1. The employee or dependent is eligible for benefits under the Medical  
14 Assistance program under s. 49.472 or for coverage under the Badger Care health  
15 care program under s. 49.665.

16 2. The department of health and family services will purchase coverage under  
17 the group health benefit plan on behalf of the employee or dependent because the  
18 department of health and family services has determined that paying the portion of  
19 the premium for which the employee is responsible will not be more costly than  
20 providing the medical assistance or the coverage under the Badger Care health care  
21 program, whichever is applicable.

22 (c) An insurer permitting an employee or dependent to enroll under this  
23 subsection shall provide for an enrollment period of not less than 30 days, beginning  
24 on the date on which the department of health and family services makes the  
25 determination under par. (b) 2.

