

2003 DRAFTING REQUEST

Bill

Received: **01/26/2003**

Received By: **rchampag**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Caucutt**

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

Drafter: **rchampag**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - employee benefits**
Employ Pub - miscellaneous

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Caucutt -

Topic:

State employee health insurance coverage and plans

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>
/?							State
/1	rchampag 01/31/2003	kfollett 01/31/2003	jfrantze 01/31/2003		sbasford 01/31/2003		State
/2	rchampag 02/03/2003	csicilia 02/03/2003	jfrantze 02/03/2003		amentkow 02/03/2003		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/3	rchampag 02/03/2003	csicilia 02/03/2003	pgreensl 02/03/2003	_____	sbasford 02/04/2003		State
/4	rchampag 02/04/2003	kfollett 02/04/2003	pgreensl 02/04/2003	_____	sbasford 02/04/2003		

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Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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JCF
Belb
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1/?	rchampag	1/1 kjf 1/31	1/31 gt	Self 1/31			

FE Sent For:

<END>

Champagne, Rick

From: Caucutt, Dan
Sent: Saturday, January 25, 2003 4:27 PM
To: Miller, Steve
Cc: Champagne, Rick; Schaeffer, Carole
Subject: Backup Draft for Health Insurance Tiers

Steve: In case the broader initiative being considered for health insurance purchasing does not go, we would like to have this smaller change on hand as a backup

Repeal and recreate the language in s.40.05 (4)(ag)2, Stats., as follows:

2. For eligible employees not specified in subd. 1., the amount remaining after applying the employee share of premium for the group health plan selected by the employee. Each group health plan shall be placed into one of three tiers in accordance with standards established by the group insurance board. The tiers shall consist of a tier with a low cost employee share of premium, a tier with a medium cost employee share of premium, and a tier with a high cost employee share of premium. The monthly amount of the employees share of premium in each of the tiers shall be determined in accordance with standards established by the group insurance board and in collective bargaining agreements under subch. I or V of ch. 111 or s.230.12 or 233.10.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1757/1
RAC: kcf

See

DOA:.....Caucutt – State employee health insurance coverage and plans

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

Do Not Gen

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

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

Currently, unless otherwise provided in collective bargaining agreements for represented state employees and the state's compensation plan for nonrepresented state employees, the state is required to pay 90% of the gross premium for the standard health insurance plan offered to state employees by the Group Insurance Board (GIB) or 105% of the gross premium of other qualifying health insurance plans offered by GIB, but not more than the total amount of the premium. This bill requires GIB to determine the percentage of premium payments that will be paid by the state on behalf of its employees, but retains the requirement that these amounts are subject to applicable collective bargaining agreements and the state's compensation plan.

In addition, the state currently is required to offer to all of its employees at least two insured or uninsured health care coverage plans providing substantially equivalent hospital and medical benefits, including a health maintenance organization or a preferred provider plan. The bill provides that, beginning on January 1, 2004, the state shall offer to all of its employees 3 health insurance plans, with each plan having different levels of hospital and medical benefits and with different premiums, deductibles, and copayments.

sp. out

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

Sort

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

1 SECTION 1. 40.05 (4) (ag) of the statutes is repealed and recreated to read:

2 40.05 (4) (ag) Except as otherwise provided in accordance with a collective
3 bargaining agreement under subch. I or V of ch. 111 or s. 230.12 or 233.10, the
4 employer shall pay for its currently employed insured employees:

5 1. For insured part-time employees, including those in project positions as
6 defined in s. 230.27 (1), who are appointed to work less than 1,044 hours per year,
7 an amount equal to 50% of the employer contribution under subd. 2.

8 2. For eligible employees not specified in subd. 1., the amount not otherwise
9 paid by the employer as determined by the group insurance board under s. 40.51 (6).

10 SECTION 2. 40.03 (6) (c) of the statutes is amended to read:

11 40.03 (6) (c) Shall not enter into any agreements to modify or expand group
12 insurance coverage in a manner which conflicts with this chapter or rules of the
13 department or materially affects the level of premiums required to be paid by the
14 state or its employees, or the level of benefits to be provided, under any group
15 insurance coverage. This restriction shall not be construed to prevent modifications
16 required by law, prohibit the group insurance board from providing optional
17 insurance coverages as alternatives to the standard insurance coverage when any
18 excess of required premium over the premium for the standard coverage is paid by
19 the employee or prohibit the group insurance board from providing other plans as
20 authorized under par. (b).

History: 1981 c. 96 ss. 24, 32; 1981 c. 386; 1983 a. 247; 1985 a. 29; 1985 a. 332 ss. 53, 251 (1); 1987 a. 356; 1989 a. 31, 166, 323; 1991 a. 116, 141, 152, 269; 1993 a. 16; 1995 a. 302, 414; 1997 a. 27; 1999 a. 9; 2001 a. 16.

1 **SECTION 3.** 40.51 (6) of the statutes is repealed and recreated to read:

2 40.51 (6) Beginning on January 1, 2004, the state shall offer to all of its
3 employees 3 health insurance plans, with each plan having different levels of
4 hospital and medical benefits and with different premiums, deductibles, and
5 copayments. The standard insurance plan, offered under s. 40.52, may be included
6 as one of the 3 health insurance plans provided to state employees. Annually, the
7 group insurance board shall determine the percentage of premium payments that
8 will be paid by the state on behalf of its employees.

9 **SECTION 9316. Initial applicability; employee trust funds.**

10 (1) STATE EMPLOYEE HEALTH INSURANCE PREMIUM CONTRIBUTIONS. The treatment
11 of section 40.05 (4) (ag) 2. of the statutes first applies to premiums paid by state
12 employees for health care coverage for the period that begins on January 1, 2004.

13

(END)

Champagne, Rick

From: Caucutt, Dan
Sent: Sunday, February 02, 2003 4:51 PM
To: Champagne, Rick
Cc: Kranz, Jonathan; Johnston, James; Schmiedicke, David; Riemer, David; Timberlake, Karen - DER
Subject: State employee health insurance contribution requirements and tiering (LRB Draft 1757)

Hi Rick:

It appears that the things we wish to do regarding health insurance in this budget is (a) blow up the 90-105 formula; (b) include the language of this attached draft, mandating a tiered offering of HI plans; and (c) adding a modifier to the draft (perhaps a tack on to the s.40.51(6) provision saying "Annually, the GIB shall determine the percentage of premium payments that will be paid by the state on behalf of its employees") which says "... which in any case may not be less than 80 percent of the lowest cost [tiered] health insurance plan."

remembering those lazy Sunday afternoons ...

Karen Timberlake wants to think a little about the role of the compensation plan in all of this, so there may be a small tweak coming yet tomorrow (Monday).

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

From: Greenslet, Patty
Sent: Tuesday, January 07, 2003 3:38 PM
To: Kranz, Jonathan
Cc: Caucutt, Dan; Schaeffer, Carole; Hanaman, Cathlene; Haugen, Caroline
Subject: LRB Draft: State employee health insurance contribution requirements

Following is the PDF version of draft 03-1757/1.



03-1757/1



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1757/2

RAC:kjff

Today

RMR \$ cis

DOA:.....Caucutt – State employee health insurance coverage and plans

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

D. NOT GEN

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

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

Currently, unless otherwise provided in collective bargaining agreements for represented state employees and the state's compensation plan for nonrepresented state employees, the state is required to pay 90% of the gross premium for the standard health insurance plan offered to state employees by the Group Insurance Board (GIB) or 105% of the gross premium of other qualifying health insurance plans offered by GIB, but not more than the total amount of the premium. This bill ~~requires GIB to determine the percentage of premium payments that will be paid by the state on behalf of its employees,~~ but retains the requirement that these amounts are subject to applicable collective bargaining agreements and the state's compensation plan.

In addition, the state currently is required to offer to all of its employees at least two insured or uninsured health care coverage plans providing substantially equivalent hospital and medical benefits, including a health maintenance organization or a preferred provider plan. The bill provides that, beginning on January 1, 2004, the state shall offer to all of its employees three health insurance plans, with each plan having different levels of hospital and medical benefits and with different premiums, deductibles, and copayments.

Insert Analysis

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.** 40.03 (6) (c) of the statutes is amended to read:

2 40.03 (6) (c) Shall not enter into any agreements to modify or expand group
3 insurance coverage in a manner which conflicts with this chapter or rules of the
4 department ~~or materially affects the level of premiums required to be paid by the~~
5 ~~state or its employees, or the level of benefits to be provided, under any group~~
6 ~~insurance coverage. This restriction shall not be construed to prevent modifications~~
7 ~~required by law, prohibit the group insurance board from providing optional~~
8 ~~insurance coverages as alternatives to the standard insurance coverage when any~~
9 ~~excess of required premium over the premium for the standard coverage is paid by~~
10 ~~the employee or prohibit the group insurance board from providing other plans as~~
11 ~~authorized under par. (b).~~

12 **SECTION 2.** 40.05 (4) (ag) of the statutes is repealed and recreated to read:

13 40.05 (4) (ag) Except as otherwise provided in accordance with a collective
14 bargaining agreement under subch. I or V of ch. 111 or s. 230.12 or 233.10, the
15 employer shall pay for its currently employed insured employees:

16 1. For insured part-time employees, including those in project positions as
17 defined in s. 230.27 (1), who are appointed to work less than 1,044 hours per year,
18 an amount equal to 50% of the employer contribution under subd. 2.

19 2. For eligible employees not specified in subd. 1., the amount not otherwise
20 ~~paid by the employer as determined by the group insurance board under s. 40.51 (6).~~

21 **SECTION 3.** 40.51 (6) of the statutes is repealed and recreated to read:

Insert 2-19

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1757/2ins
RAC:.....

Insert Analysis:

① requires the state to pay 80% of the gross premium for the standard health insurance plan for state employees ~~who elect coverage under s. 40.52 (1)~~ and 80% of the gross premium of the lowest available coverage option under each of the health insurance plans offered to state employees

Insert 2-19:

① 80% of the gross premium for the standard health insurance plan offered under s. 40.52 (1) for state employees who elect coverage under s. 40.52 (1); and 80% of the gross premium of the lowest available coverage option under each of the health insurance plans offered under s. 40.51 (6) for state employees who elect coverage under s. 40.51 (6).

Champagne, Rick

From: Kranz, Jonathan
Sent: Monday, February 03, 2003 2:46 PM
To: Champagne, Rick
Cc: Caucutt, Dan
Subject: RE: State Employee Health Insurance

Here is the latest final regarding the state employee health insurance draft.

Forget everything that occurred prior to this email and note the intent listed in the attached word document.



Suggested Items
for Statutory ...

Also, I am forwarding two separate draft changes provided by Tom Korpady in case this assists you in drafting the changes. Please note the following:

- 1) we want to change the stats such that the tiering plan can be implemented as described in the above attachment
- 2) Tom suggests language changes to effect the conversion of the SP into a PPO - this should not be included in the draft at this time. The only change regarding the SP is that it should be clear it will be placed into one of the three tiers.
- 3) Feel free to contact Tom Korpady if you have questions you believe are best answered by him (I cleared this with Dan). As always, feel free to contact me with any questions. We will provide Tom with a final copy of the draft so he can comment. Contacting Tom is your option - we just want to provide you with maximum flexibility in creating this last minute change.

Please let me know if you desire any additional information. Please forward a copy of the draft to my attention ASAP after you have created it. Thanks a million and stay healthy.

Jon Kranz

Here are the Korpady language suggestions:

Karen,

LRB Draft 1757/1 does not accomplish the tiering approach that the GIB approved. It is, in fact closer to the Minnesota State Employee approach that the study group rejected. The language I sent over in an email on 1/17 should accomplish the necessary change, and if you need to add something about an 80% floor, that can easily be inserted in my suggested language when describing the tier one contribution level.

The suggested change to s.40.03 (6) (c) in LRB Draft 1757/1 should give the GIB latitude in making the necessary changes to the Standard Plan to make it a PPO type plan. Be aware that the collective bargaining agreements (see, for example, Article XIII, Section 1 of the AFSCME agreement) also reference the Standard Plan and would have to be changed to enable this move.

I was out of the office all morning at a meeting and my cell phone had lost its charge and was being recharged. If you need to talk to me, I should be around the rest of the day, but now that the cell phone is recharged, I can be reached at that number in case you can't get me at my office number (266-0207). My cell phone number is 575-3572.

Here is the 1/17/03 email he refers to:

If you wanted to put the tiers in, you could repeal and recreate the language in s.40.05 (4)(ag)2, Stats., as follows:

2. For eligible employees not specified in subd. 1., the amount remaining after applying the employee share of premium for the group health plan selected by the employee. Each group health plan shall be placed into one of three tiers in accordance with standards established by the group insurance board. The tiers shall consist of a tier with a low cost employee share of premium, a tier with a medium cost employee share of premium, and a tier with a high cost employee share of premium. The monthly amount of the employees share of premium in each of the collective tiers shall be determined in accordance with standards established by the group insurance board and in bargaining agreements under subch. I or V of ch. 111 or s. 230.12 or 233.10.

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

From: Champagne, Rick
Sent: Monday, February 03, 2003 2:22 PM
To: Kranz, Jonathan
Subject:

Jon --

Just checking in to see if final decisions have been made on the state employee health insurance plan draft.

Rick Champagne
Senior Staff Counsel
Legal Section
Wisconsin Legislative Reference Bureau
100 N. Hamilton St.
P.O. Box 2037
Madison, WI 53701-2037
(608) 266-9930
FAX (608) 264-6948
rick.champagne@legis.state.wi.us

Suggested Items for Statutory Changes in Current State Employee HI Program

Prepared by Jon Kranz on 2/3/03 2:20 PM

1. Replace current draft with language changes suggested by Korpady which will have the effect of
 - **Creating 3 tiers (low cost, medium cost, and high cost in terms of employee out-of-pocket premiums)**
 - Language should not require 3 plans to be offered in all areas of the state - it should just require the placement of plans into three tiers
 - GIB will decide things such as must each area have a tier one plan
 - Note this means some areas may only have one tier offering
 - There may be more than one plan in each tier
 - **Contribution formula change from 90/105 to 80% of tier one premium**
 - The minimum guaranteed state contribution will be 80% of the *average of* lowest cost tier one premium
 - All plans will have this same contribution level
 - Still subject to collective bargaining agreements
 - Comp plan can provide a greater than 80% employer share for those whose HI is not covered by a collective bargaining agreement
 - **Leave current Chapter 40 language regarding "no material change in the level of benefits ..." unchanged**
 - Cost containment will be achieved by varying employee premiums for the same level of benefits not by varying the benefit levels
 - **Revise chapter 40 such that the SP will be placed on one of the tiers**
 - Most likely will be tier 3
 - Ensures that the tier system completely replaces the current system
 -
1. The conversion of the SP into a PPO can be addressed in another draft/another time
 - **Please let Kranz know if you want this drafted for the inclusion in the budget bill**
 - Deferral of this item should not prevent GIB from creating a PPO - it just means that GIB will still have to offer a standard plan in one of the tiers

Champagne, Rick

From: Kranz, Jonathan
Sent: Monday, February 03, 2003 3:07 PM
To: Champagne, Rick
Cc: Caucutt, Dan
Subject: FW: Proposed Changes In State HI Program

Rick,

This item should also be included in the revised draft. The intent is to allow the GIB to convert the SP as we know it into a PPO. As with any other language changes created by ETF, they are only provided to express our desires - obviously LRB makes the call on how the draft language should read.

I'll call you in a few minutes to ensure we are on the same page

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

From: Timberlake, Karen - DER
Sent: Monday, February 03, 2003 2:55 PM
To: Kranz, Jonathan
Cc: Korpady, Tom; Caucutt, Dan
Subject: RE: Proposed Changes In State HI Program

Jon, Tom just called me with a further clarification. 40.03(6)(c) should read as follows: "...This restriction shall not be construed to prevent modifications required by law, prohibit the group insurance board from modifying the standard plan to establish a more cost effective benefit plan design or providing optional insurance coverages....." This should give the GIB the room it needs to establish tiering without setting off alarm bells over reductions in benefits.

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

From: Kranz, Jonathan
Sent: Monday, February 03, 2003 2:25 PM
To: Timberlake, Karen - DER
Cc: Korpady, Tom; Caucutt, Dan
Subject: Proposed Changes In State HI Program

Attached is a document that I created to clarify the desired changes to be drafted as part of the 03-05 budget bill. Please review the attached and confirm that my understanding is correct. After I receive confirmation, I will send the LAB instructions needed to create the draft.

Please contact me if you have any questions or desire any additional information. I can be reached at 6-8777.

Jon Kranz

<< File: Suggested Items for Statutory Changes in Current State Employee HI Program.doc >>



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1757/2 3
RAC:kjf&cjs:jf

Today

RMR
stays

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10 the employee or prohibit the group insurance board from providing other plans as
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18 an amount equal to 50% of the employer contribution under subd. 2.

19 2. For eligible employees not specified in subd. 1., 80% of the gross premium
20 for the standard health insurance plan offered under s. 40.52 (1) for state employees
21 who elect coverage under s. 40.52 (1); and 80% of the gross premium of the lowest

Insert 2-19

1 available coverage option under each of the health insurance plans offered under s.
2 40.51 (6) for state employees who elect coverage under s. 40.51 (6).

3 SECTION 3. 40.51 (6) of the statutes is repealed and recreated to read:

4 40.51 (6) Beginning on January 1, 2004, the state shall offer to all of its
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6 hospital and medical benefits and with different premiums, deductibles, and
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8 as one of the 3 health insurance plans provided to state employees. Annually, the
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14 employees for health care coverage for the period that begins on January 1, 2004.

15 (END)

insert
3-11

sections 40.03(6)(c),

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1757/3ins
RAC:.....

Insert Analysis:

Under current law, the state is required to offer to all of its employees at least two insured or uninsured health care coverage plans providing substantially equivalent hospital and medical benefits, including a health maintenance organization or a preferred provider plan. The bill provides that, beginning on January 1, 2004, the state shall place each of the plans into one of three tiers established in accordance with standards adopted by the Group Insurance Board (GIB). The tiers must be separated according to the employee's share of premium costs.

In addition, unless otherwise provided in collective bargaining agreements for represented state employees and the state's compensation plan for nonrepresented state employees, the state is required to pay 90% of the gross premium for the standard health insurance plan offered to state employees by the GIB or 105% of the gross premium of other qualifying health insurance plans offered by GIB, but not more than the total amount of the premium. This bill requires the state to pay 80% of the average premium cost of plans offered in the tier with the lowest employee premium cost) but retains the requirement that these amounts are subject to applicable collective bargaining agreements and the state's compensation plan.

Insert 2-12:

SECTION 1. 40.03 (6) (c) of the statutes is amended to read:

40.03 (6) (c) Shall not enter into any agreements to modify or expand group insurance coverage in a manner which conflicts with this chapter or rules of the department or materially affects the level of premiums required to be paid by the state or its employees, or the level of benefits to be provided, under any group insurance coverage. This restriction shall not be construed to prevent modifications required by law, prohibit the group insurance board from modifying the standard plan to establish a more cost effective benefit plan design or providing optional insurance coverages as alternatives to the standard insurance coverage when any excess of required premium over the premium for the standard coverage is paid by

*regardless of the plan
selected by the employee*

the employee or prohibit the group insurance board from providing other plans as authorized under par. (b).

History: 1981 c. 96 ss. 24, 32; 1981 c. 386; 1983 a. 247; 1985 a. 29; 1985 a. 332 ss. 53, 251 (1); 1987 a. 356; 1989 a. 31, 166, 323; 1991 a. 116, 141, 152, 269; 1993 a. 16; 1995 a. 302, 414; 1997 a. 27; 1999 a. 9; 2001 a. 16.

Insert 2-19:

regardless of the plan selected by the employee

no 9

80% of the average premium cost of plans offered in the tier with the lowest employee premium cost under s. 40.51 (6).

Insert 3-11:

SECTION 2. 40.51 (6) of the statutes is amended to read:

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

History: 1981 c. 96; 1983 a. 27; 1985 a. 29; 1987 a. 27, 107, 356; 1987 a. 403 s. 256; 1989 a. 31, 93, 121, 129, 182, 201, 336, 359; 1991 a. 39, 70, 113, 152, 269, 315, 1993 a. 450, 481; 1995 a. 289; 1997 a. 27, 155, 202, 237, 252; 1999 a. 32, 95, 115, 155; 2001 a. 16, 38, 104.

Champagne, Rick

From: Kranz, Jonathan
Sent: Tuesday, February 04, 2003 9:20 AM
To: Champagne, Rick
Cc: Caucutt, Dan
Subject: FW: 1757/3

Rick,

I am forwarding the below message to you in order to verify that our intent is included in the current draft. The intent of the 80% floor is to provide a guaranteed minimum, to allow but not require the comp plan to provide a greater %, and to maintain the current system that allows the collective bargaining process to determine contributions outside of the 80% floor (either more or less than the 80%).

If the above intent is achieved in the current draft (1757/3) then no changes are necessary. Please verify.

By the way, thanks for all of your assistance and the quick turnaround. We know you're busy and appreciate all of your extra efforts.

Jon Kranz
6-8777

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

From: Korpady, Tom
Sent: Tuesday, February 04, 2003 8:26 AM
To: Timberlake, Karen - DER; Caucutt, Dan; Kranz, Jonathan
Subject: 1757/3

The latest draft of 1757 looks better except for one thing. I think that the wording under 40.05 (4) (ag) 2. should be changed to read:

"2. For eligible employees not specified in subd. 1., regardless of the plan selected by the employee, not less than 80% of the average premium cost of plans offered in the tier with the lowest employee premium cost under s. 40.51 (6)." (emphasis mine)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1757/3 4
RAC:kjf&cjs:pg

Trelay

RMR

DOA:.....Caucutt – State employee health insurance coverage and plans

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

Do Not Gen

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

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

Under current law, the state is required to offer to all of its employees at least two insured or uninsured health care coverage plans providing substantially equivalent hospital and medical benefits, including a health maintenance organization or a preferred provider plan. The bill provides that, beginning on January 1, 2004, the state shall place each of the plans into one of three tiers established in accordance with standards adopted by the Group Insurance Board (GIB). The tiers must be separated according to the employee's share of premium costs.

In addition, unless otherwise provided in collective bargaining agreements for represented state employees and the state's compensation plan for nonrepresented state employees, the state is required to pay 90% of the gross premium for the standard health insurance plan offered to state employees by the GIB or 105% of the gross premium of other qualifying health insurance plans offered by GIB, but not more than the total amount of the premium. This bill requires the state to pay 80% of the average premium cost of plans offered in the tier with the lowest employee premium cost regardless of the plan selected by the employee, but retains the requirement that these amounts are subject to applicable collective bargaining agreements and the state's compensation plan.

not less than

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.** 40.03 (6) (c) of the statutes is amended to read:

2 40.03 (6) (c) Shall not enter into any agreements to modify or expand group
3 insurance coverage in a manner which conflicts with this chapter or rules of the
4 department or materially affects the level of premiums required to be paid by the
5 state or its employees, or the level of benefits to be provided, under any group
6 insurance coverage. This restriction shall not be construed to prevent modifications
7 required by law, prohibit the group insurance board from modifying the standard
8 plan to establish a more cost effective benefit plan design or providing optional
9 insurance coverages as alternatives to the standard insurance coverage when any
10 excess of required premium over the premium for the standard coverage is paid by
11 the employee or prohibit the group insurance board from providing other plans as
12 authorized under par. (b).

13 **SECTION 2.** 40.05 (4) (ag) of the statutes is repealed and recreated to read:

14 40.05 (4) (ag) Except as otherwise provided in accordance with a collective
15 bargaining agreement under subch. I or V of ch. 111 or s. 230.12 or 233.10, the
16 employer shall pay for its currently employed insured employees:

17 1. For insured part-time employees, including those in project positions as
18 defined in s. 230.27 (1), who are appointed to work less than 1,044 hours per year,
19 an amount equal to 50% of the employer contribution under subd. 2.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1757/4
RAC:kjf&cjs:pg

DOA:.....Caucutt – State employee health insurance coverage and plans

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

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18 defined in s. 230.27 (1), who are appointed to work less than 1,044 hours per year,
19 an amount equal to 50% of the employer contribution under subd. 2.

