

2003 DRAFTING REQUEST

Bill

Received: **02/07/2003**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Council - JLC 6-0922**

By/Representing: **Russ Whitesel**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health**

Extra Copies:

Submit via email: **YES**

Requester's email: **russ.whitesel@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Treatment of prescription drug costs under AODA coverage

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 02/07/2003	kfollett 02/12/2003	rschluet 02/12/2003	_____			S&L
	pkahler 02/12/2003			_____			
/P1			rschluet 02/14/2003	_____	sbasford 02/14/2003		S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	pkahler 02/25/2003	kfollett 02/25/2003	jfrantze 02/26/2003	_____	sbasford 02/26/2003		S&L
/2	pkahler 02/26/2003	kfollett 02/26/2003	jfrantze 02/26/2003	_____	lemery 02/26/2003	lemery 03/12/2003	

FE Sent For:

A+ intro

<END>

2003 DRAFTING REQUEST

Bill

Received: **02/07/2003**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Council - JLC 6-0922**

By/Representing: **Russ Whitesel**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health**

Extra Copies:

Submit via email: **YES**

Requester's email: **russ.whitesel@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Treatment of prescription drug costs under AODA coverage

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 02/07/2003	kfollett 02/12/2003	rschlue 02/12/2003	_____			S&L
	pkahler 02/12/2003			_____			
/P1			rschlue 02/14/2003	_____	sbasford 02/14/2003		S&L

For Senate per Russ

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	pkahler 02/25/2003	kfollett 02/25/2003	jfrantze 02/26/2003	_____	sbasford 02/26/2003		S&L
/2	pkahler 02/26/2003	kfollett 02/26/2003	jfrantze 02/26/2003	_____	lemery 02/26/2003		

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: **02/07/2003**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Council - JLC 6-0922**

By/Representing: **Russ Whitesel**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health**

Extra Copies:

Submit via email: **YES**

Requester's email: **russ.whitesel@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Treatment of prescription drug costs under AODA coverage

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 02/07/2003	kfollett 02/12/2003	rschluet 02/12/2003	_____			S&L
	pkahler 02/12/2003			_____			
/P1		12 kjf 2/26	rschluet 02/14/2003	_____	sbasford 02/14/2003		S&L
			2/25	Self 2/25			

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	pkahler 02/25/2003	kfollett 02/25/2003	jfrantze 02/26/2003	_____	sbasford 02/26/2003		

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: **02/07/2003**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Council - JLC 6-0922**

By/Representing: **Russ Whitesel**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health**

Extra Copies:

Submit via email: **YES**

Requester's email: **russ.whitesel@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Treatment of prescription drug costs under AODA coverage

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 02/07/2003 pkahler 02/12/2003	kfollett 02/12/2003	rschluet 02/12/2003	_____	_____	_____	S&L
/P1		11 kjf 2/25	rschluet 02/14/2003	_____	sbasford 02/14/2003	_____	
			J 2/26	J/Pg 2/26			

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: 02/07/2003

Received By: pkahler

Wanted: Soon

Identical to LRB:

For: Legislative Council - JLC 6-0922

By/Representing: Russ Whitesel

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Insurance - health

Extra Copies:

Submit via email: YES

Requester's email: russ.whitesel@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Treatment of prescription drug costs under AODA coverage

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	1 P1 2/12 KJF	LC conversion 				
----	---------	------------------	---	---	--	--	--

<END>

2-13-3

FE Sent For:

1 **AN ACT** to create 632.89 (1) (b) and 632.89 (6) and (7) of the statutes; **relating to:**
 2 treatment of prescription drug costs, diagnostic testing, and payments under
 3 mandated coverage of mental health and alcoholism and other drug abuse problems.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the joint legislative council’s special committee on mental health parity.

This draft provides that the statutory limits on coverage for nervous or mental disorders or for alcoholism and other drug abuse problems do not include those costs incurred for related prescription drugs or diagnostic testing. The draft includes a definition of the term “diagnostic testing” and authorization for the department of health and family services to specify by administrative rule the services included in the term diagnostic testing.

The draft also provides that the statutory coverage limits apply to the actual payments or reimbursement in cases where those amounts are less than the amounts initially charged by the provider.

Finally, the draft provides that if an insurance policy contains a provision that is inconsistent with the new provisions, the new requirements will first apply on the date the policy is renewed.

4 **SECTION 1.** 632.89 (1) (b) of the statutes is created to read:

5 632.89 (1) (b) “Diagnostic testing” includes those procedures utilized to exclude the
 6 existence of conditions other than a nervous or mental disorder or alcoholism or other drug
 7 abuse problem.

8 **SECTION 2.** 632.89 (6) and (7) of the statutes are created to read:

9 632.89 (6) **PRESCRIPTION DRUGS AND DIAGNOSTIC TESTING.** Costs incurred for
 10 prescription drugs or diagnostic testing shall not be included in the coverage amounts
 11 specified in sub. (2).

1 (7) TREATMENT OF COSTS. The coverage amounts specified in sub. (2) apply to actual
2 payments or reimbursements made by an insurer if those amounts are less than the amounts
3 charged by a provider.

4 **SECTION 3. Initial applicability.**

5 (1) If an insurance policy that is in effect on the effective date of this subsection contains
6 a provision that is inconsistent with the treatment of section 632.89 (6) and (7) of the statutes,
7 the treatment of section 632.89 (6) and (7) of the statutes first applies to that insurance policy
8 on the date on which it is renewed.

9 **SECTION 4. Rule-Making.**

10 (1) The department of health and family services may specify, by rule, the testing
11 procedures included in "diagnostic testing" under s. 632.89 (1), stats.

12

(END)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1978

PL
...rs
PJK
kjf

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SOON
(2-12)
D-note

1 AN ACT ^{general}; relating to: treatment of prescription drug costs, diagnostic testing,
 2 and payments under mandated coverage of mental ~~health~~ ^{insurance} and alcoholism and
 3 other drug abuse problems, ^{treatment for nervous and disorders} and granting rule-making authority

Analysis by the Legislative Reference Bureau

Insert A →

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This ~~draft~~ ^{bill} was prepared for the joint legislative council's special committee on mental health parity.

This ~~draft~~ ^{bill} provides that the statutory limits on coverage for nervous or mental disorders or for alcoholism and other drug abuse problems do not include those costs incurred for related prescription drugs or diagnostic testing. The ~~draft~~ ^{bill} includes a definition of the term "diagnostic testing" and authorization for the department of health and family services to specify by administrative rule the services included in the term diagnostic testing.

The ~~draft~~ ^{bill} also provides that the statutory coverage limits apply to the actual payments or reimbursement in cases where those amounts are less than the amounts initially charged by the provider.

Finally, the ~~draft~~ ^{bill} provides that if an insurance policy contains a provision that is inconsistent with the new provisions, the new requirements will first apply on the date the policy is renewed.

bill

bill

1 SECTION 1. 632.89 (1) (b) of the statutes is created to read:

2 632.89 (1) (b) "Diagnostic testing" ^{means} ~~includes those~~ procedures ^{used} utilized to exclude
3 the existence of conditions other than ^a nervous or mental disorder ^s or alcoholism or
4 other drug abuse problem.

5 SECTION 2. 632.89 (6) and (7) of the statutes are created to read:

6 632.89 (6) PRESCRIPTION DRUGS AND DIAGNOSTIC TESTING. Costs incurred for
7 prescription drugs or diagnostic testing ~~shall not be included in~~ ^(a) the coverage
8 amounts specified in sub. (2). ^{shall not include}

9 (7) TREATMENT OF COSTS. The coverage amounts specified in sub. (2) apply to
10 actual payments or reimbursements made by an insurer if ~~those~~ ^{the payment or reimbursement} amounts are less
11 than the amounts charged by a provider.

12 SECTION 3. Initial applicability.

13 (1) If an insurance policy that is in effect on the effective date of this subsection
14 contains a provision that is inconsistent with the treatment of section 632.89 (6) ~~and~~ ^{or}
15 (7) of the statutes, the treatment of section 632.89 (6) ~~and~~ ^{or} (7) of the statutes ^{first}
16 applies to that insurance policy on the date on which it is renewed.

17 SECTION 4. Rule-Making.

18 ^{fix component text} (b) The department of health and family services may specify, by rule, the
19 testing procedures ^{included in} "diagnostic testing" under s. 632.89(1), ^{to which par. (a) applies} stat.
20

(END)

whichever is inconsistent,

note

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1978/ins

PI
.....RS
PJL

INSERT A

Under current law, a group health insurance policy (called a "disability insurance policy" in the statutes) that provides coverage of any inpatient hospital services must cover those services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of the lesser of: 1) the expenses of 30 days of inpatient services; or 2) \$7,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, \$6,300 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage of any outpatient hospital services, it must cover those services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$2,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, \$1,800 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage of any inpatient or outpatient hospital services, it must cover the cost of transitional treatment arrangements (services, specified by rule by the commissioner of insurance, that are provided in a less restrictive manner than inpatient services but in a more intensive manner than outpatient services) for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$3,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, \$2,700 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage for both inpatient and outpatient hospital services, the total coverage for all types of treatment for nervous and mental disorders and alcoholism and other drug abuse problems is not required to exceed \$7,000, or the equivalent benefits measured in services rendered, in a policy year.

This bill specifies that the minimum coverage limits required for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems shall not include costs incurred for prescription drugs and diagnostic testing. Diagnostic testing is defined in the bill as those procedures used to exclude the existence of conditions other than nervous or mental disorders or alcoholism or other drug abuse problems, and the Department of Health and Family Services is authorized to specify, by rule, the diagnostic testing procedures that are not included under the coverage limits. The bill also provides that, if an insurer pays less than a provider charges, the required minimum coverage limits apply to the amount actually paid by the insurer rather than to the amount charged by the provider.

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

(END OF INSERT A)

The

the amount that

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1978/7dn ^{PI}

PJK: ^{WRS}

lyf

Date

Russ:

I changed the rule-making provision. Since the authority to make the rules is ongoing, I placed it in the statutes in s. 632.89 (6) (b), within the same subsection as the use of the term "diagnostic testing." I modified the wording of the rule-making provision, consistent with the purpose of the definition of "diagnostic testing," which is for determining what services are not included in the AODA coverage limits. If these changes are agreeable to you, you may need to change your NOTE somewhat, since it connects the rules with the definition.

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-1978/P1dn
PJK:kjf:rs

February 12, 2003

Russ:

I changed the rule-making provision. Since the authority to make the rules is ongoing, I placed it in the statutes in s. 632.89 (6) (b), within the same subsection as the use of the term "diagnostic testing." I modified the wording of the rule-making provision, consistent with the purpose of the definition of "diagnostic testing," which is for determining what services are not included in the AODA coverage limits. If these changes are agreeable to you, you may need to change your NOTE somewhat, since it connects the rules with the definition.

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

per Russ Whitesel

2-25

move analysis into NOTE -

replace 2 middle paragraphs

of current NOTE



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1978/1

PJK:kjf:rs

rmis run

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*by
Fri 2-28*

Legen

1 AN ACT to create 632.89 (1) (b) and 632.89 (6) and (7) of the statutes; relating
2 to: treatment of prescription drug costs, diagnostic testing, and payments
3 under mandated insurance coverage of treatment for nervous and mental
4 disorders and alcoholism and other drug abuse problems, and granting
5 rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, a group health insurance policy (called a "disability insurance policy" in the statutes) that provides coverage of any inpatient hospital services must cover those services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of the lesser of: 1) the expenses of 30 days of inpatient services; or 2) \$7,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, \$6,300 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage of any outpatient hospital services, it must cover those services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$2,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, \$1,800 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage of any inpatient or outpatient hospital services, it must cover the cost of transitional treatment arrangements (services, specified by rule by the commissioner of insurance, that are provided in a less restrictive manner than

*move to p. 2
insert
NOTE
LPS: change
component to
note: pref*

(make this language part of the JLC NOTE instead of an analysis) ↓

LPS: what is left in analysis should be 2 sentences: both initial incident - both starting with further information

Insert NOTE cont'd

inpatient services but in a more intensive manner than outpatient services) for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$3,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, \$2,700 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage for both inpatient and outpatient hospital services, the total coverage for all types of treatment for nervous and mental disorders and alcoholism and other drug abuse problems is not required to exceed \$7,000, or the equivalent benefits measured in services rendered, in a policy year.

Ⓐ This bill specifies that the minimum coverage limits required for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems do not include costs incurred for prescription drugs and diagnostic testing. Diagnostic testing is defined in the bill as procedures used to exclude the existence of conditions other than nervous or mental disorders or alcoholism or other drug abuse problems. The Department of Health and Family Services is authorized to specify, by rule, the diagnostic testing procedures that are not included under the coverage limits. Ⓐ The bill also provides that, if an insurer pays less than the amount that a provider charges, the required minimum coverage limits apply to the amount actually paid by the insurer rather than to the amount charged by the provider.

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

Insert A

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill was prepared for the joint legislative council's special committee on mental health parity.

This bill provides that the statutory limits on coverage for nervous or mental disorders or for alcoholism and other drug abuse problems do not include those costs incurred for related prescription drugs or diagnostic testing. The bill includes a definition of the term "diagnostic testing" and authorization for the department of health and family services to specify by administrative rule the services included in the term diagnostic testing.

The bill also provides that the statutory coverage limits apply to the actual payments or reimbursement in cases where those amounts are less than the amounts initially charged by the provider.

Finally, the bill provides that if an insurance policy contains a provision that is inconsistent with the new provisions, the new requirements will first apply on the date the policy is renewed.

Insert NOTE from p 1

- 1 SECTION 1. 632.89 (1) (b) of the statutes is created to read:
- 2 632.89 (1) (b) "Diagnostic testing" means procedures used to exclude the
- 3 existence of conditions other than nervous or mental disorders or alcoholism or other
- 4 drug abuse problems.

Insert A

anal:jlcnote
→

For further information, see the ^(CS)NOTE

provided by the Joint Legislative Council
in the bill.

(end of insert A)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1978/2

PJK:kjf:jf

pmis run

2003 BILL

today

1 AN ACT *to create* 632.89 (1) (b) and 632.89 (6) and (7) of the statutes; **relating**
2 **to:** treatment of prescription drug costs, diagnostic testing, and payments
3 under mandated insurance coverage of treatment for nervous and mental
4 disorders and alcoholism and other drug abuse problems, and granting
5 rule-making authority.

Analysis by the Legislative Reference Bureau

~~For further information, see~~ the NOTE provided by the Joint Legislative Council in the bill.

For further information see the ***state and local*** 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:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill was prepared for the joint legislative council's special committee on mental health parity.

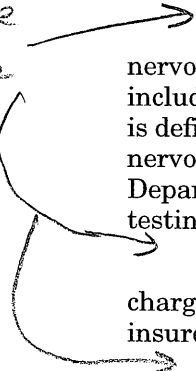
Under current law, a group health insurance policy (called a "disability insurance policy" in the statutes) that provides coverage of any inpatient hospital services must cover those services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of the lesser of: 1) the expenses of 30 days of inpatient services; or 2) \$7,000 minus the applicable cost sharing under the

This bill is explained in

BILL

policy or, if there is no cost sharing under the policy, \$6,300 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage of any outpatient hospital services, it must cover those services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$2,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, \$1,800 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage of any inpatient or outpatient hospital services, it must cover the cost of transitional treatment arrangements (services, specified by rule by the commissioner of insurance, that are provided in a less restrictive manner than inpatient services but in a more intensive manner than outpatient services) for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of \$3,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, \$2,700 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage for both inpatient and outpatient hospital services, the total coverage for all types of treatment for nervous and mental disorders and alcoholism and other drug abuse problems is not required to exceed \$7,000, or the equivalent benefits measured in services rendered, in a policy year.

*Remove
space*



This bill specifies that the minimum coverage limits required for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems do not include costs incurred for prescription drugs and diagnostic testing. Diagnostic testing is defined in the bill as procedures used to exclude the existence of conditions other than nervous or mental disorders or alcoholism or other drug abuse problems. The Department of Health and Family Services is authorized to specify, by rule, the diagnostic testing procedures that are not included under the coverage limits.

The bill also provides that, if an insurer pays less than the amount that a provider charges, the required minimum coverage limits apply to the amount actually paid by the insurer rather than to the amount charged by the provider.

Finally, the bill provides that if an insurance policy contains a provision that is inconsistent with the new provisions, the new requirements will first apply on the date the policy is renewed.

1 **SECTION 1.** 632.89 (1) (b) of the statutes is created to read:

2 632.89 (1) (b) “Diagnostic testing” means procedures used to exclude the
3 existence of conditions other than nervous or mental disorders or alcoholism or other
4 drug abuse problems.

5 **SECTION 2.** 632.89 (6) and (7) of the statutes are created to read:

6 632.89 (6) **PRESCRIPTION DRUGS AND DIAGNOSTIC TESTING.** (a) The coverage
7 amounts specified in sub. (2) shall not include costs incurred for prescription drugs
8 or diagnostic testing.

9 (b) The department of health and family services may specify, by rule, the
10 diagnostic testing procedures to which par. (a) applies.

