

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0690/3dn
RAC:lmk:jf

January 11, 2005

Rep. Schneider:

Per your instructions, the bill provides that domestic partners of all employees of the Board of Regents of the University of Wisconsin (UW) System are to be covered under the state employee health care coverage program, not in a program established and offered by the UW System. In reviewing the bill, please note the following:

1. The Group Insurance Board, by rule and contract, establishes and administers the state employee health insurance program; the UW System is not involved at all in this program. The Group Insurance Board bargains with insurers to provide individual and family coverage for all state employees across all state agencies and most state authorities. To date, there has been no provision in the contract or a promulgated rule that treats employees of one state agency differently from employees of another state agency. This bill will require that the Group Insurance Board administer a program that defines family coverage one way for one state agency, and another way for a different state agency. You may wish to speak with the Group Insurance Board (or the Department of Employee Trust Funds) regarding any issues affecting the contracting of this differential treatment or the implementation of this provision.
2. The bill covers all UW System employees, not just faculty and academic staff. This may present some difficulty in implementation. Please note that most classified UW System employees are in collective bargaining units that also consist of employees from other state agencies. Since health insurance benefits are mandatory subjects of bargaining under the State Employment Labor Relations Act (SELRA), it is unclear how this change in the law will interact with SELRA. More directly, it is uncertain whether this change in law with respect to family insurance coverage under the state employee health care plan will actually be implemented in the way you envision unless it is agreed to in the collective bargaining process. The way to ensure that it is implemented in the way you envision is to make the definition of "dependent" under s. 40.02 (20) a prohibited subject of bargaining. Another alternative is to limit the bill's coverage to faculty and academic staff, who are not included under SELRA.
3. An alternative to the provisions of the bill is to provide domestic partner benefits outside of the state employee health care program and instead direct the Board of Regents of the UW System to procure health insurance coverage for the domestic partners of their faculty and academic staff. For example, the Board of Regents is now

currently authorized to provide certain employee benefits to some of its employees that are not offered other state employees, such as deferred tax annuities for all of its employees or a pension plan for its football coaches. In this way, you can target those employees whose health insurance options you are trying to expand without altering the terms or operations of the larger state employee health insurance program.

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