

2007 DRAFTING REQUEST

Bill

Received: **02/01/2007**

Received By: **pkahler**

Wanted: **As time permits**

Identical to LRB:

For: **Marlin Schneider (608) 266-0215**

By/Representing: **Mike S.**

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: **Rep.Schneider@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Require health insurers to issue policies to anyone who applies

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 04/20/2007	jdye 04/26/2007		_____			
/P1			sherritz 04/26/2007	_____	cduerst 04/26/2007		
/1	pkahler 04/30/2007	bkraft 05/07/2007	rschluet 05/07/2007	_____	lparisi 05/07/2007	mbarman 05/08/2007	

FE Sent For:

none

<END>

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/?	pkahler 04/20/2007	jdyer 04/26/2007		_____			
/P1			sherritz 04/26/2007	_____	cduerst 04/26/2007		
/1	pkahler 04/30/2007	bkraft 05/07/2007	rschluet 05/07/2007	_____	lparisi 05/07/2007		

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/?	pkahler 04/20/2007	jdyer 04/26/2007					
/P1		5/09 bjb/1	sherritz 04/26/2007		cduerst 04/26/2007		

FE Sent For:

<END>

Can
Jacket "1"

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/?	pkahler	PI 4/26 jld	sh 4/26	sh-ym 4/26			

FE Sent For:

<END>

Mike S. - Martin Schneider

1-9

prohibit health insurance companies
from not issuing on basis of
preexist conditions

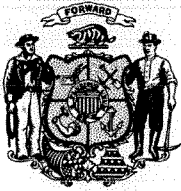
prohibit ~~not issuing~~
↳ not issuing because of
preexisting conditions
guaranteed issue

all group + individual policies

did not ask:

what about preex exclusions for a

period of time?



JLD

PI

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

LPS -
check
auto
refs

In note
(in 4-20)

gen cat

1 AN ACT *relating to*: prohibiting a health insurer from denying coverage under
2 a group or individual health benefit plan on the basis of a *preexisting* condition.

Analysis by the Legislative Reference Bureau

Under current law, an insurer may not refuse to insure an individual because of a mental or physical disability except when the refusal is based on sound actuarial principles or actual or reasonably anticipated experience. Current law requires an insurer that offers health insurance to employers with 50^v or fewer employees (small employers^v) to provide coverage to any small employer that applies for coverage and to accept for enrollment any eligible individual who applies for enrollment during the period in which he or she first becomes eligible to enroll. Also under current law, an insurer that offers a group health benefit plan to an employer is required to offer coverage under the plan to all of the employer's eligible employees (generally, employees who work at least 30^v hours per week) and their dependents. This requirement also applies to self-insured^v health plans of the state and municipalities and school districts. In addition, current law prohibits an insurer from establishing rules for the eligibility of any individual to enroll in an employer's group health benefit plan on the basis of a number of health status-related factors, including medical condition, claims experience, and genetic information. *STET*

This bill prohibits an insurer that offers group or individual health insurance policies or plans from refusing to provide coverage to any individual, including a

dependent, on the basis of a medical condition that existed before the individual's proposed enrollment in such a policy or plan. ✓

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

1 **SECTION 1.** 628.34 (3) (b) [✓] of the statutes is amended to read:

2 628.34 (3) (b) No insurer may refuse to insure or refuse to continue to insure,
3 or limit the amount, extent, or kind of coverage available to an individual, or charge
4 an individual a different rate for the same coverage because of a mental or physical
5 disability except when the refusal, limitation, or rate differential is based on either
6 sound actuarial principles supported by reliable data or actual or reasonably
7 anticipated experience, subject to ss. 632.746 to ~~632.7495~~ 632.7497. ✓

8 History: 1975 c. 371, 421; 1979 c. 89, 109, 313, 355; 1991 [✓] M. 279; 1995 a. 289; 1997 a. 27, 237.

8 **SECTION 2.** 632.7497 of the statutes is created to read:

9 **632.7497 Prohibiting denial of coverage on basis of preexisting**
10 **condition under group or individual health insurance.** (1) In this [✓] section,
11 “disability insurance policy” has the meaning given in s. 632.895 (1) (a). ✓

12 (2) (a) An insurer that offers group disability insurance policies may not refuse
13 to provide coverage under a group disability insurance policy or a certificate of group
14 disability insurance to any individual, including an individual who is a dependent,
15 based wholly or partially on a medical condition of the individual that existed before
16 the proposed commencement of the individual's coverage under the policy or
17 certificate. ✓

18 (b) An insurer that offers individual disability insurance policies may not
19 refuse to provide coverage under an individual disability insurance policy to any
20 individual, including an individual who is a dependent, based wholly or partially on

1 a medical condition of the individual that existed before the proposed
2 commencement of the individual's coverage under the policy. ✓

3 **SECTION 3.** 632.785 (1) (a) of the statutes is amended to read:

4 632.785 (1) (a) A notice of rejection or cancellation of coverage. ✓

5 History: 1979 c. 313; 1981 c. 83; 1991 a. 315; 1997 a. 27; 2005 a. 74.

6 **SECTION 4.** 632.785 (2) of the statutes is amended to read:

7 632.785 (2) Any notice issued under sub. (1) shall also state the reasons for the
rejection, termination, cancellation, or imposition of underwriting restrictions. ✓

History: 1979 c. 313; 1981 c. 83; 1991 a. 315; 1997 a. 27; 2005 a. 74.

NOTE: In a perfect world, all health insurers would comply with the prohibition
in this draft and there would be no more rejections based wholly or partially on medical
underwriting considerations. However, would you prefer to keep s. 632.785 as is, just in
case it occurs?

8 **SECTION 5. Initial applicability.**

9 (1) This act first applies to all of the following: a.r. ✓

10 (a) Except as provided in paragraph (b), disability insurance policies or
11 certificates of group disability insurance that are issued on the effective date of this
12 paragraph. ✓

13 (b) Disability insurance policies or certificates of group disability insurance
14 covering employees who are affected by a collective bargaining agreement containing
15 provisions inconsistent with this act that are issued on the earlier of the following:

16 1. The day on which the collective bargaining agreement expires. ✓

17 2. The day on which the collective bargaining agreement is extended, modified,
18 or renewed. ✓

19 (END)

D - note

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

LRB-1797^{PI}dn
PJK: ^:....

date

JLd

The protections under ss. 632.746 (10) and 632.748 apply to employer-provided group policies (including the state and municipalities) and to state and municipal self-insured health plans, although the requirements for the state and municipal plans may not be identical to what is in the statutes since those requirements are subject to rules promulgated by the secretary of employee trust funds.

The requirement in this draft applies to both individual policies and group policies because, although s. 632.746 (10) requires insurers to offer coverage under group policies to all eligible employees and s. 632.748 prohibits an insurer from establishing rules for eligibility under an employer-provided group policy based on health status-related factors, there may be some group policies that are not employer-provided. Also, there may be some situations (I do not know for sure) in which private employers provide coverage to "eligible employees" without medical underwriting and to other employees (those who work fewer than 30 hours) with medical underwriting. Let me know, however, if you want this draft limited to individual plans because you feel that group plans are adequately addressed.

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

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

LRB-1797/P1dn
PJK:jld:sh

April 26, 2007

The protections under ss. 632.746 (10) and 632.748 apply to employer-provided group policies (including the state and municipalities) and to state and municipal self-insured health plans, although the requirements for the state and municipal plans may not be identical to what is in the statutes since those requirements are subject to rules promulgated by the secretary of employee trust funds.

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

Kahler, Pam

From: Duerst, Christina
Sent: Friday, April 27, 2007 9:02 AM
To: Kahler, Pam
Subject: FW: Draft review: LRB 07-1797/P1 Topic: Require health insurers to issue policies to anyone who applies

From: Schneider, Marlin
Sent: Friday, April 27, 2007 8:53 AM
To: Duerst, Christina
Subject: RE: Draft review: LRB 07-1797/P1 Topic: Require health insurers to issue policies to anyone who applies

I don't know how to respond to the questions raised in the drafter's notes so I guess I will go with the bill as in the preliminary draft. Thank you. – Marlin Schneider

From: Duerst, Christina
Sent: Thursday, April 26, 2007 4:49 PM
To: Rep.Schneider
Subject: Draft review: LRB 07-1797/P1 Topic: Require health insurers to issue policies to anyone who applies

Following is the PDF version of draft LRB 07-1797/P1 and drafter's note.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1797/F1

PJK:jld:sh

JLK4 bjk
Kris

Note

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

(w 4-30)

please check
auto-ref. p. 3

please
re-gen cat.

1 AN ACT to amend 628.34 (3) (b), 632.785 (1) (a) and 632.785 (2); and to create
2 632.7497 of the statutes; relating to: prohibiting a health insurer from
3 denying coverage under a group or individual health benefit plan on the basis
4 of a preexisting condition.

Analysis by the Legislative Reference Bureau

Under current law, an insurer may not refuse to insure an individual because of a mental or physical disability except when the refusal is based on sound actuarial principles or actual or reasonably anticipated experience. Current law requires an insurer that offers health insurance to employers with 50 or fewer employees (small employers) to provide coverage to any small employer that applies for coverage and to accept for enrollment any eligible individual who applies for enrollment during the period in which he or she first becomes eligible to enroll. Also under current law, an insurer that offers a group health benefit plan to an employer is required to offer coverage under the plan to all of the employer's eligible employees (generally, employees who work at least 30 hours per week) and their dependents. This requirement also applies to self-insured health plans of the state and municipalities and school districts. In addition, current law prohibits an insurer from establishing rules for the eligibility of any individual to enroll in an employer's group health benefit plan on the basis of a number of health status-related factors, including medical condition, claims experience, and genetic information.

This bill prohibits an insurer that offers group or individual health insurance policies or plans from refusing to provide coverage to any individual, including a

dependent, on the basis of a medical condition that existed before the individual's proposed enrollment in such a policy or plan. ✓

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

1 SECTION 1. 628.34 (3) (b) of the statutes is amended to read:

2 ✓628.34 (3) (b) No insurer may refuse to insure or refuse to continue to insure,
3 or limit the amount, extent, or kind of coverage available to an individual, or charge
4 an individual a different rate for the same coverage because of a mental or physical
5 disability except when the refusal, limitation, or rate differential is based on either
6 sound actuarial principles supported by reliable data or actual or reasonably
7 anticipated experience, subject to ss. 632.746 to ~~632.7495~~ 632.7497.

8 SECTION 2. 632.7497 of the statutes is created to read:

9 ✓632.7497 **Prohibiting denial of coverage on basis of preexisting**
10 **condition under group or individual health insurance.** (1) In this section,
11 "disability insurance policy" has the meaning given in s. 632.895 (1) (a).

12 (2) (a) An insurer that offers group disability insurance policies may not refuse
13 to provide coverage under a group disability insurance policy or a certificate of group
14 disability insurance to any individual, including an individual who is a dependent,
15 based wholly or partially on a medical condition of the individual that existed before
16 the proposed commencement of the individual's coverage under the policy or
17 certificate.

18 (b) An insurer that offers individual disability insurance policies may not
19 refuse to provide coverage under an individual disability insurance policy to any
20 individual, including an individual who is a dependent, based wholly or partially on

1 a medical condition of the individual that existed before the proposed
2 commencement of the individual's coverage under the policy.

3 SECTION 3. 632.785 (1) (a) of the statutes is amended to read:

4 ✓ 632.785 (1) (a) A notice of ~~rejection or~~ cancellation of coverage.

5 SECTION 4. 632.785 (2) of the statutes is amended to read:

6 ✓ 632.785 (2) Any notice issued under sub. (1) shall also state the reasons for the
7 ~~rejection,~~ termination, cancellation, or imposition of underwriting restrictions.

*****NOTE: In a perfect world, all health insurers would comply with the prohibition in this draft and there would be no more rejections based wholly or partially on medical underwriting considerations. However, would you prefer to keep s. 632.785 as is, just in case it occurs?

8 SECTION 5. Initial applicability.

9 (1) This act first applies to all of the following:

10

(a) Except as provided in paragraph (b), disability insurance policies or certificates of group disability insurance that are issued on the effective date of this paragraph.

(b) Disability insurance policies or certificates of group disability insurance covering employees who are affected by a collective bargaining agreement containing provisions inconsistent with this act that are issued on the earlier of the following:

1. The day on which the collective bargaining agreement expires.
2. The day on which the collective bargaining agreement is extended, modified, or renewed.

(END)

Basford, Sarah

From: Schneider, Marlin
Sent: Monday, May 07, 2007 5:11 PM
To: LRB.Legal
Subject: Draft Review: LRB 07-1797/1 Topic: Require health insurers to issue policies to anyone who applies

Please Jacket LRB 07-1797/1 for the ASSEMBLY.

Basford, Sarah

From: Basford, Sarah
Sent: Tuesday, May 15, 2007 10:56 AM
To: Schoenfield, Mike
Subject: LRB -1797/1 (attached)

Attachments: 07-1797/1



07-17971.pdf (17
KB)