



# State of Wisconsin


LEGISLATIVE REFERENCE BUREAU

## **RESEARCH APPENDIX -** **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 02/18/2008 (Per: PJK)





### Appendix A

 The 2007 drafting file for LRB-3630/1

has been copied/added to the drafting file for

## **2007 LRB-4105**

 The attached 2007 draft was incorporated into the new 2007 draft listed above. For research purposes, this cover sheet and the attached drafting file were copied, and added, as a appendix, to the new 2007 drafting file. If introduced this section will be scanned and added, as a separate appendix, to the electronic drafting file folder.

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**2007 DRAFTING REQUEST**

**Bill**

Received: 12/10/2007

Received By: pkahler

Wanted: As time permits

Identical to LRB:

For: Frank Lasee (608) 266-9870

By/Representing: Mary Jan Rosenak

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact: Dan Schwartzner

Addl. Drafters:

Subject: Insurance - health

Extra Copies:

Submit via email: YES

Requester's email: Rep.Lasee@legis.wisconsin.gov

Carbon copy (CC:) to:

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Add "shock loss" claims to requirement to provide claims experience

---

**Instructions:**

See Attached

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**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 12/11/2007	jdye 12/13/2007		_____			
/1			pgreensl 12/13/2007	_____	lparisi 12/13/2007	sbasford 02/14/2008	

FE Sent For:

<END>

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1/?	pkahler	1/12 13jw	12/18 PK	12/13 PK			
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FE Sent For:

<END>

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

Don Schwartz

Joyce Kiel, Mayra  
Rosevalle

shock loss → claims that exceed a certain  
set amount

aggregate includes shock loss

want a breakdown

description of claims over \$10,000

(employer can take for  
highly only)

*[Handwritten initials]*

---

**From:** Dan Schwartzer [mailto:dan@ewahu.org]  
**Sent:** Wednesday, December 05, 2007 1:33 PM  
**To:** 'Rep.lasee@legis.wisconsin.gov'  
**Subject:** Legislation

Hi Frank,

Not sure if you recall all of the provisions of WAHU's reform health care reform plan, but one measure included a claims data provision. The issue involves the right of an employer to request claims data from their insurance company when they are trying to competitively shop for coverage. Right now, if an employer that has over 50 employees requests claims experience, their existing insurance company is required to provide aggregate claims data. This would be the total number of claims (in dollar volume) that the insurer has paid on the employer's behalf, as well as a ratio to the total premium received by the insurer.

While this data is important for insurers in determining the proposal they would give to the employer, the law is outdated and should also include shock loss claims. These are claims on individuals that exceed a certain dollar threshold. Without shock loss claims data, many insurers are either not providing a competitive quote, or they are rating the plan higher than it might otherwise have to be. In order to remove one of the barriers for employers to competitively shop for insurance, we are proposing that the current law to provide claims data be expanded to include shock loss claims.

Below is a quick overview of what we are trying to accomplish. We would like to ask if you would be willing to be the lead author of the bill. I would be happy to meet you to answer any questions you have. Let me know.

Thanks

Dan Schwartzer  
WAHU

## CLAIMS DATA LEGISLATION

The proposed legislation would affect all licensed insurance companies, both domestic and foreign, and health maintenance organizations that issue or administer group health benefit plans in the State of Wisconsin, as defined in s.632.745 (9). This legislation would not apply to group insurance policies of the following types: accident only; credit; dental; vision; Medicare supplement; long term care; or disability income.

From information available, companies should provide loss history information to the group health benefit plan within thirty (30) days of a written request. Reports need not be provided more often than twice annually. At a minimum, groups have a right to expect loss history information from current and former insurers, administrators or health maintenance organizations for any group covering two (2) or more individuals. These reports should be current and available to the group health benefit plan for three (3) years after termination of a policy.

The loss history information provided to the group health plan must include at least the following information based on a calendar year, policy year, or renewal period:

1. Total premium received;
2. Total incurred claims;
3. Total paid claims;
4. Total pending claims; and
5. Description of any large or catastrophic claims exceeding ten thousand dollars (\$10,000). This legislation acknowledges that there are privacy issues to be considered in providing this information. Information should be provided in a format that does not disclose personally identifiable health information unless there is authority to do so.

This legislation would require compliance, with applicable penalties for non-compliance

keep at 50 emp under  
just add "shock loss" to  
632.717 as current law

by description → diagnosis  
may need to add → does not abrogate  
of confidentiality  
requirements

**HCC Life Insurance Company** (HCC Life) is proud to notify our clients of more successful legislation benefiting the self-funded industry. Georgia law (O.C.G.A. 33-30-13.1) was recently modified to require that insurers furnish claims experience within the 30 days of the policyholder's request:

*All insurers shall furnish, regardless of the rating methodology used, claims experience to group policyholders within 30 days of any policyholder's request unless such information has been furnished to the group policyholder within the preceding six months. Such claims experience shall be furnished for all groups of 51 or more covered employees, members, or enrollees, not including dependents, and shall include, but shall not be limited to:*

*(A) Earned premiums separated by policy year for at least the last two policy years, if applicable;*

*(B) Total paid claims and total incurred claims, inclusive of any high amount or pooled claims, including both capitated and noncapitated expenses set forth in the same manner as premiums; and*

*(C) Any amounts in excess of the individual pooling or stop loss point applicable to the group.*





State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-3630/A

PJK:A:....

Jld

~~PRELIMINARY DRAFT NOT READY FOR INTRODUCTION~~

(- 12-11)

gen cat

1 AN ACT relating to: providing descriptions of claims that exceed \$10,000.

*Analysis by the Legislative Reference Bureau*

Under current law, an insurer is required, at the request of a policyholder of a group health insurance policy or an employer that provides health care coverage to its employees through a multiple-employer trust, to provide the policyholder or employer with the policyholder's or employer's aggregate group health claims experience for the current policy period and for up to two immediately preceding periods. The information need not be provided unless the policyholder or employer provides coverage for at least 50 individuals. This bill requires an insurer, when providing health claims experience information to a policyholder or employer, to include at the request of the policyholder or employer a separate description of any large or catastrophic claims exceeding \$10,000 that are included in the policyholder's or employer's aggregate health claims experience.

\*

group

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

2 SECTION 1. 632.797 (1) (a) of the statutes is amended to read:

3 632.797 (1) (a) Except as provided in subs. (2) and (3), an insurer shall provide  
4 the policyholder of a group or blanket disability insurance policy, or an employer that  
5 provides health care coverage to its employees through a multiple-employer trust,

1 with the policyholder's or the employer's aggregate group health claims experience  
 2 for the current policy period, and for up to 2 policy periods immediately preceding the  
 3 current policy period if the insurer provided coverage during those periods, upon  
 4 request from the policyholder or employer. As part of the information required under  
 5 this paragraph, an insurer shall, if a policyholder or employer so requests, include  
 6 a separate description of any large or catastrophic claims exceeding \$10,000 that are  
 7 included in the policyholder's or employer's aggregate group health claims  
 8 experience.

History: 1993 a. 448.

9 **SECTION 2. Initial applicability.**

10 (1) This act first applies to requests for aggregate group health claims  
 11 experience that are made on the effective date of this subsection.

12 (END)

*or a higher amount at the  
 request of the policyholder or  
 employer,*

**Parisi, Lori**

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**From:** Rosenak, Mary Jan  
**Sent:** Wednesday, February 13, 2008 4:55 PM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 07-3630/1 Topic: Add

Jacket for the Assembly! Thanks.

*Mary Jan Rosenak*

Research Assistant  
Office of State Representative Frank Lasee  
Second Assembly District  
105 West - State Capitol  
608-266-9870



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LEGISLATIVE REFERENCE BUREAU

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State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-3630/1  
PJK:jld:pg

**2007 BILL**

1 **AN ACT to amend** 632.797 (1) (a) of the statutes; **relating to:** providing  
2 descriptions of claims that exceed \$10,000.

---

***Analysis by the Legislative Reference Bureau***

Under current law, an insurer is required, at the request of a policyholder of a group health insurance policy or an employer that provides health care coverage to its employees through a multiple-employer trust, to provide the policyholder or employer with the policyholder's or employer's aggregate group health claims experience for the current policy period and for up to two immediately preceding periods. The information need not be provided unless the policyholder or employer provides coverage for at least 50 individuals. This bill requires an insurer, when providing health claims experience information to a policyholder or employer, to include at the request of the policyholder or employer a separate description of any large or catastrophic claims exceeding \$10,000 that are included in the policyholder's or employer's aggregate group health claims experience.

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**BILL**

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4 current policy period if the insurer provided coverage during those periods, upon  
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6 this paragraph, an insurer shall, if a policyholder or employer so requests, include  
7 a separate description of any large or catastrophic claims exceeding \$10,000, or a  
8 higher amount at the request of the policyholder or employer, that are included in  
9 the policyholder's or employer's aggregate group health claims experience.

**SECTION 2. Initial applicability.**

10  
11 (1) This act first applies to requests for aggregate group health claims  
12 experience that are made on the effective date of this subsection.

13 (END)