

2007 DRAFTING REQUEST

Bill

Received: **01/10/2007**

Received By: **chanaman**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Jablonsky**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters: **chanaman**

Subject: **Insurance - health**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Jablonsky, BB0326 -

Topic:

Procedural terminology codes and detailed explanations for restricting or terminating coverage

Instructions:

See Attached--2005 ASA1 to 2005 AB1039 (s0692/1)

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>
/?	chanaman 01/10/2007	wjackson 01/11/2007		_____			
/1			rschluet 01/11/2007	_____	sbasford 01/11/2007		
/2	pkahler 01/24/2007	lkunkel 01/24/2007	pgreensl 01/24/2007	_____	cduerst 01/24/2007		
/3	pkahler 01/29/2007	lkunkel 01/29/2007	rschluet 01/29/2007	_____	mbarman 01/29/2007		

FE Sent For:

<END>

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/1			rschluet 01/11/2007	_____	sbasford 01/11/2007		
/2	pkahler 01/24/2007	lkunkel 01/24/2007	pgreensl 01/24/2007	_____	cduerst 01/24/2007		

FE Sent For:

1/3/mk/1/29

[Handwritten signature]

<END>

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Procedural terminology codes and evaluations for insurance coverage of chiropractic treatment

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See Attached--2005 ASA1 to 2005 AB1039 (s0692/1)

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/?	chanaman 01/10/2007	wjackson 01/11/2007		_____			
/1			rschluet 01/11/2007	_____	sbasford 01/11/2007		
FE Sent For:							

Handwritten notes:
1/2/mk/24
1/24 ps
PG1 ps
<END>

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Topic:

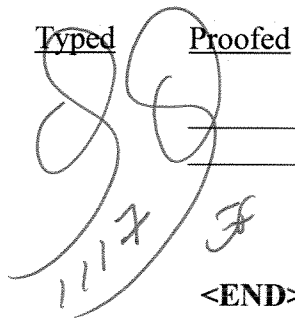
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/?	chanaman	1/10/10					
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FE Sent For:

<END>

2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Chiropractors
- Tracking Code: BB0326
- SBO team: Health/Ins
- SBO analyst: Sue Jablonsky
 - Phone: 7-9546
 - Email: Sue.Jablonsky@wisconsin.gov
- Agency acronym: OCI
- Agency number: 145

I want to include the provisions of the attached bill in the Gov's budget

Medium

For Budget

ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 1039

- Sue
- Gov/Budget
Contract

From: Tom Moore

Budget

April 25, 2006 - Offered by Representative KESTELL.

1 AN ACT *to amend* 632.875 (2) (g); and *to create* 632.726 of the statutes; **relating**
2 **to:** independent evaluations for insurance coverage of chiropractic treatment
3 and current procedural terminology codes on health insurance claim forms.

Analysis by the Legislative Reference Bureau

Under current law, an insurer may not restrict or terminate coverage for chiropractic treatment under a health insurance policy that covers chiropractic treatment except on the basis of an examination or evaluation by, or the recommendation of, a chiropractor or a peer review committee (independent evaluation). If, on the basis of an independent evaluation, the insurer restricts or terminates a patient's coverage for chiropractic treatment and the patient then becomes liable for payment of the treatment, the insurer must provide to the patient and the treating chiropractor a written statement that includes, among other things, a reasonable explanation of the factual basis for the restriction or termination of coverage. Under this substitute amendment, the written statement must provide a detailed, rather than merely reasonable, explanation of the clinical rationale, rather than the factual basis, for the restriction or termination of coverage.

Current law does not regulate the use of current procedural terminology codes (numbers on a health insurance claim form that indicate the services that a health care provider performed). This substitute amendment requires an insurer who changes the current procedural terminology code that the health care provider put

on the health insurance claim form to include on the explanation of benefits form the reason for the change and to cite the source for the change.

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

1 **SECTION 1.** 632.726 of the statutes is created to read:

2 **632.726 Current procedural terminology code changes.** (1) In this
3 section, “current procedural terminology code” means a number established by the
4 American Medical Association that a health care provider puts on a health insurance
5 claim form to describe the services that he or she performed.

6 (2) If an insurer changes a current procedural terminology code that was
7 submitted by a health care provider on a health insurance claim form, the insurer
8 shall include on the explanation of benefits form the reason for the change to the
9 current procedural terminology code and shall cite on the explanation of benefits
10 form the source for the change.

11 **SECTION 2.** 632.875 (2) (g) of the statutes is amended to read:

12 **632.875 (2) (g)** A reasonable detailed explanation of the factual basis clinical
13 rationale and of the basis in the policy, plan, or contract or in applicable law for the
14 insurer’s restriction or termination of coverage.

15 **SECTION 3. Initial applicability.**

16 (1) Except as provided in subsection (2), this act first applies to claims for
17 insurance coverage that are submitted to an insurer on the effective date of this
18 subsection.

19 (2) If a health insurance policy that is in effect on the effective date of this
20 subsection contains a provision that is inconsistent with the treatment of section
21 632.726 or 632.875 (2) (g) of the statutes, the treatment of section 632.726 or 632.875

1 (2) (g) of the statutes, whichever is applicable, first applies to that health insurance
2 policy on the date on which it is renewed.

3 (END)

DOA

2005 - 2006 LEGISLATURE

-1457/1
LRBs0692/1
PJK&CMH:jdr
WLJ

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 1039**

Lps: Please
check autoref.

April 25, 2006 - Offered by Representative KESTELL.

don't get cut

1 AN ACT *to amend* 632.875 (2) (g); and *to create* 632.726 of the statutes; **relating**
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3 and current procedural terminology codes on health insurance claim forms.

head → INSURANCE

Analysis by the Legislative Reference Bureau

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bill

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(2) If an insurer changes a current procedural terminology code that was submitted by a health care provider on a health insurance claim form, the insurer shall include on the explanation of benefits form the reason for the change to the current procedural terminology code and shall cite on the explanation of benefits form the source for the change.

SECTION 2. 632.875 (2) (g) of the statutes is amended to read:

632.875 (2) (g) A reasonable detailed explanation of the factual basis clinical rationale and of the basis in the policy, plan, or contract or in applicable law for the insurer's restriction or termination of coverage.

SECTION 3. Initial applicability.

(1) Except as provided in subsection (2), this act first applies to claims for insurance coverage that are submitted to an insurer on the effective date of this subsection.

(2) If a health insurance policy that is in effect on the effective date of this subsection contains a provision that is inconsistent with the treatment of section 632.726 or 632.875 (2) (g) of the statutes, the treatment of section 632.726 or 632.875

9325
HEALTH INSURANCE
CHIROPRACTIC TREATMENT AND CLAIM FORMS
The treatment of sections 632.726 and 632.875 (2)(g) of the statutes
paragraph (b)
AR

1 (2) (g) of the statutes, whichever is applicable, first applies to that health insurance
2 policy on the date on which it is renewed.

3 (END)

Kahler, Pam

From: Jablonsky, Sue - DOA
Sent: Tuesday, January 23, 2007 4:43 PM
To: Kahler, Pam
Subject: RE: LRB-1457

Yes the detailed explanation should apply to any denial—not just chiros. And yes it should stay in 1457

From: Kahler, Pam [<mailto:Pam.Kahler@legis.wisconsin.gov>]
Sent: Tuesday, January 23, 2007 4:09 PM
To: Jablonsky, Sue - DOA
Subject: LRB-1457

Sue:

Some time ago you mentioned expanding the application of the "detailed explanation" in LRB-1457. Do you still want that? I haven't done anything on it because I was expecting something in writing. I didn't know if it was to be included in a redraft of LRB-1457 or if it was to be a new draft by itself. If you still want it and it's part of a redraft of LRB-1457, do you still want the rest of the stuff in 1457?

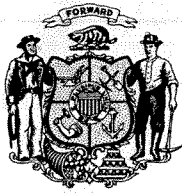
Pam

Pamela J. Kahler

Legislative Attorney

Legislative Reference Bureau

608-266-2682



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1457/1
PJK&CMH:wlj:rs

2
STAY r m is run
s/mk

DOA:.....Jablonsky, BB0326 - Procedural terminology codes and evaluations
for insurance coverage of chiropractic treatment

Dr. note
(in 1-24)

do not
you cut
the budget

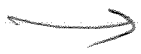
- ① AN ACT . . . relating to: independent evaluations for insurance coverage of
- ② ~~chiropractic treatment and current procedural terminology codes on health~~
- ③ ~~insurance claim forms.~~

Analysis by the Legislative Reference Bureau

INSURANCE

Under current law, an insurer may not restrict or terminate coverage for chiropractic treatment under a health insurance policy that covers chiropractic treatment except on the basis of an examination or evaluation by, or the recommendation of, a chiropractor or a peer review committee (independent evaluation). If, on the basis of an independent evaluation, the insurer restricts or terminates a patient's coverage for chiropractic treatment and the patient then becomes liable for payment of the treatment, the insurer must provide to the patient and the treating chiropractor a written statement that includes, among other things, a reasonable explanation of the factual basis for the restriction or termination of coverage. Under this bill, the written statement must provide a detailed, rather than merely reasonable, explanation of the clinical rationale, rather than the factual basis, for the restriction or termination of coverage.

Current law does not regulate the use of current procedural terminology codes (numbers on a health insurance claim form that indicate the services that a health care provider performed). This bill requires an insurer who changes the current procedural terminology code that the health care provider put on the health



insert A



insurance claim form to include on the explanation of benefits form the reason for the change and to cite the source for the change.

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(2) If an insurer changes a current procedural terminology code that was submitted by a health care provider on a health insurance claim form, the insurer shall include on the explanation of benefits form the reason for the change to the current procedural terminology code and shall cite on the explanation of benefits form the source for the change.

SECTION 2. 632.875 (2) (g) of the statutes is amended to read:

632.875 (2) (g) A reasonable detailed explanation of the ~~factual basis~~ clinical rationale and of the basis in the policy, plan, or contract or in applicable law for the insurer's restriction or termination of coverage.

SECTION 9325. Initial applicability; Insurance.

(1) HEALTH INSURANCE; ~~CHIROPRACTIC TREATMENT AND~~ CLAIM FORMS.

(a) Except as provided in paragraph (b), the treatment of sections 632.726 and 632.875 (2) (g) of the statutes first applies to claims for insurance coverage that are submitted to an insurer on the effective date of this paragraph.

(b) If a health insurance policy or plan that is in effect on the effective date of this paragraph contains a provision that is inconsistent with the treatment of section

Insert 2-10

restriction or termination;

632.857

US 24

632.857

1

632.726 or 632.875 (2) (g) of the statutes, the treatment of section 632.726 or 632.875

2

(2) (g) of the statutes, whichever is applicable, first applies to that health insurance

3

policy ^{or plan} on the date on which it is renewed.

4

(END)

Draft

**2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1457/2ins
PJK&CMH:wj:rs

INSERT A

not
The bill also provides that, if an insurer restricts or terminates an insured's coverage for treatment, not limited to chiropractic treatment, and as a result the insured becomes liable for the cost of the treatment, the insurer must provide on the explanation of benefits form a detailed explanation of the clinical rationale and the basis in the policy or applicable law for the restriction or termination of coverage. ✓

(END OF INSERT A)

INSERT 2-10

1 **SECTION 1.** 632.857 of the statutes is created to read:

2 **632.857 Explanation required for restriction or termination of**

3 **coverage.** ✓ If an insurer restricts or terminates an insured's coverage for the

4 treatment of a condition or complaint and, as a result, the insured becomes liable for

5 payment for his or her treatment, the insurer shall provide on the explanation of

6 benefits form a detailed explanation of the clinical rationale and of the basis in the

7 policy, plan, or contract or in applicable law for the insurer's restriction or

8 termination of coverage. ✓

(END OF INSERT 2-10)

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

LRB-1457/2dn
PJK&CMH:wj:rs

lmk

for
(date)

Sue:

For the new provision (s. 632.857) I followed the language after which it is patterned, s. 632.875 (2) (intro.). It is unclear, though whether the insured must become liable for *all* of the cost of the treatment before the insurer must provide a detailed explanation. ✓
To clarify, if you think it necessary, you could specify "all or a portion" or "all" of the cost of the treatment, depending on your intention. ✓

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

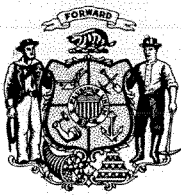
LRB-1457/2dn
PJK:wlj:pg

January 24, 2007

Sue:

For the new provision (s. 632.857) I followed the language after which it is patterned, s. 632.875 (2) (intro.). It is unclear, though, whether the insured must become liable for *all* of the cost of the treatment before the insurer must provide a detailed explanation. To clarify, if you think it necessary, you could specify "all or a portion" or "all" of the cost of the treatment, depending on your intention.

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



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1457/3

PJK&CMH:wlj&lmk:pg

r mis refer
stays

DOA:.....Jablonsky, BB0326 - Procedural terminology codes and detailed explanations for restricting or terminating coverage

D. White

do not get cut

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

Analysis by the Legislative Reference Bureau

INSURANCE

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all of

Current law does not regulate the use of current procedural terminology codes (numbers on a health insurance claim form that indicate the services that a health care provider performed). This bill requires an insurer who changes the current

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13 **coverage.** If an insurer restricts or terminates an insured's coverage for the
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15 payment for ^{all of} his or her treatment ^{for the condition or complaint} the insurer shall provide on the explanation of
16 benefits form a detailed explanation of the clinical rationale and of the basis in the
17 policy, plan, or contract or in applicable law for the insurer's restriction or
18 termination of coverage.

19 **SECTION 3.** 632.875 (2) (g) of the statutes is amended to read:

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1457/3dn
PJK:lmk:pg

January 29, 2007

Sue:

I changed this to be "all" of the cost of the treatment, per your phone message.

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



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1457/3
PJK&CMH:wlj&lmk:pg

DOA:.....Jablonsky, BB0326 - Procedural terminology codes and detailed explanations for restricting or terminating coverage

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

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