



## 2007 ASSEMBLY BILL 779

February 8, 2008 - Introduced by Representatives HIXSON, GARTHWAITE, SMITH, SOLETSKI, MOLEPSKE, HRAYCHUCK, MASON, ALBERS, SHERIDAN and TURNER, cosponsored by Senators HANSEN, SCHULTZ, LEHMAN and TAYLOR. Referred to Committee on Insurance.

- 1     **AN ACT** *to amend* 635.02 (7) (b) 2.; and *to create* 185.993 and 635.02 (7) (b) 1m.  
2           of the statutes; **relating to:** student health benefit purchasing cooperatives.

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### *Analysis by the Legislative Reference Bureau*

This bill authorizes one or more nonstock student health benefit purchasing cooperatives (cooperative) to be organized in geographic areas of the state that are designated by the Commissioner of Insurance (commissioner) by order. A cooperative may be organized by one or more persons, which the bill defines as any type of business, an association, a trade or labor organization, a municipality, or an individual. Membership in a cooperative is open to any student who is enrolled full time in an accredited institution of higher learning in this state that offers at least an associate's degree, who has resided in the state for at least 12 months, who resides in the geographic area in which the cooperative is organized, who meets the membership criteria established by the cooperative in its bylaws, who agrees to remain a member for at least one year, and who pays the membership fee. A cooperative may impose a penalty against a student who does not remain a member for at least one year.

The purpose of a cooperative is to provide health care benefits to the student members and officers of the cooperative and to their dependents under one group health care policy or plan through a three-year contract with an insurer. Cooperative employees and their dependents may also be covered under the policy or plan. The health insurance risk of all cooperative members and employees who receive coverage is pooled; the members are actively involved in designing the health care benefit options offered by the insurer; and all members receive their health care

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benefits from the insurer under the group policy or plan. A student receiving health care benefits through a cooperative who loses eligibility because he or she is no longer enrolled on a full-time basis at an accredited institution of higher learning in this state may continue to receive the health care benefits for up to six months after he or she loses eligibility.

Each cooperative must submit to the legislature and to the commissioner an annual report on the progress of the student health benefit purchasing arrangement and, within a year after the end of the three-year term of the contract with the insurer, a report on the significant findings from the project, including the effects on group health care coverage premiums and the number of uninsured in the geographic area of the cooperative.

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

1           **SECTION 1.** 185.993 of the statutes is created to read:

2           **185.993 Student health benefit purchasing cooperatives. (1)**

3           DEFINITIONS. In this section:

4           (a) “Commissioner” means the commissioner of insurance.

5           (b) “Institution of higher learning” means an accredited institution of higher  
6           learning located in this state that offers at least an associate’s degree.

7           (c) “Person” means any corporation, limited liability company, partnership,  
8           cooperative, association, trade or labor organization, city, village, town, county, or  
9           individual.

10          (d) “Student” means an individual who is enrolled in an institution of higher  
11          learning on a full-time basis, as determined by the institution of higher learning.

12          **(2) ORGANIZATION AND PURPOSE.** (a) Notwithstanding s. 185.02, student health  
13          benefit purchasing cooperatives may be organized under this chapter in each of the  
14          geographic areas designated under sub. (6). Notwithstanding s. 185.043, a student  
15          health benefit purchasing cooperative may be formed by one or more persons.  
16          Notwithstanding s. 185.05 (1) (m), the articles of a student health benefit purchasing

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1 cooperative shall set forth the name and address of at least one incorporator who will  
2 act as the temporary board.

3 (b) The purpose of a student health benefit purchasing cooperative is to provide  
4 health care benefits for the individuals specified in sub. (4) (a) 1. to 3., under a single  
5 group health care policy or plan through a contract between the student health  
6 benefit purchasing cooperative and an insurer authorized to do business in this state  
7 in one or more lines of insurance that includes health insurance.

8 (c) A student health benefit purchasing cooperative shall be designed so that  
9 all of the following are accomplished:

10 1. The members and employees of the cooperative become better informed  
11 about health care trends and cost increases.

12 2. All members receive their health care benefits under the group health care  
13 policy or plan negotiated under sub. (4) (a).

14 3. The members are actively engaged in designing health care benefit options  
15 that are offered by the insurer and that meet the needs of their community.

16 4. The health insurance risk of all of the members and employees who receive  
17 coverage is pooled.

18 5. The members actively participate in health improvement decisions for their  
19 community.

20 **(3) COOPERATIVE MEMBERSHIP.** (a) Notwithstanding s. 185.11 (1), each student  
21 health benefit purchasing cooperative shall be organized on a membership basis  
22 with no capital stock.

23 (b) Any student who satisfies all of the following criteria may be a member of  
24 a student health benefit purchasing cooperative:

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1           1. The student has resided in this state for at least 12 months when he or she  
2 applies for membership.

3           2. The student resides in the geographic area in which the student health  
4 benefit purchasing cooperative is organized.

5           3. The student meets the membership criteria established by the student  
6 health benefit purchasing cooperative in its bylaws.

7           4. The student agrees to remain a member of the student health benefit  
8 purchasing cooperative for at least one year.

9           5. The student pays the membership fee.

10          (c) A student health benefit purchasing cooperative may impose a penalty  
11 against a member who withdraws from the student health benefit purchasing  
12 cooperative before the end of the year to which the student has agreed under par. (b)  
13 4.

14          (d) Each student health benefit purchasing cooperative shall file its  
15 membership criteria, as well as any amendments to the criteria, with the  
16 commissioner.

17          **(4) HEALTH CARE BENEFITS; ELIGIBILITY.** (a) The health care benefits offered by  
18 a student health benefit purchasing cooperative shall be negotiated between the  
19 student health benefit purchasing cooperative and the insurer and shall be offered  
20 in a single group health care policy or plan. The contract between the student health  
21 benefit purchasing cooperative and the insurer shall be for a term of 3 years. The  
22 insurer must offer coverage under the group health care policy or plan to all of the  
23 following:

24           1. A student who is a member or officer of the student health benefit purchasing  
25 cooperative.

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1           2. An employee of the student health benefit purchasing cooperative.

2           3. A dependent of a student under subd. 1., or of an employee under subd. 2.,  
3 who receives coverage.

4           (b) Notwithstanding par. (a) 1. and 3. and subs. (2) (b) and (3) (b), a student  
5 receiving coverage through a student health benefit purchasing cooperative who  
6 would lose eligibility for membership and coverage because he or she is no longer  
7 enrolled in an institution of higher learning on a full-time basis may continue to be  
8 a member and to receive coverage for himself or herself and his or her dependents  
9 for up to 6 months after he or she loses eligibility.

10           **(5) REQUIRED REPORTS.** Each student health benefit purchasing cooperative  
11 shall submit to the legislature under s. 13.172 (2) and to the commissioner all of the  
12 following:

13           (a) Annually, no later than September 30, a report on the progress of the  
14 student health benefit purchasing arrangement described in this section and, to the  
15 extent possible, any significant findings in the criteria under par. (b) 1. to 3.

16           (b) Within one year after the end of the term of the contract between the student  
17 health benefit purchasing cooperative and the insurer, a final report that details  
18 significant findings from the project and that includes, at a minimum, to the extent  
19 available, information on all of the following:

20           1. The extent to which the student health benefit purchasing arrangement had  
21 an impact on the number of uninsured in the geographic area in which it operated.

22           2. The effect on health care coverage premiums for groups in the geographic  
23 area in which the student health benefit purchasing arrangement operated,  
24 including groups other than the student health benefit purchasing cooperative.

