AN ACT to repeal 632.89 (2) (a) 2., 632.89 (2) (b), 632.89 (2) (c) 2., 632.89 (2) (d) 2., 632.89 (2) (dm) 2., 632.89 (3m), 632.89 (6) and 632.89 (7); to renumber 632.89 (2m), 632.89 (4) and 632.89 (5); to renumber and amend 632.89 (2) (a) 1., 632.89 (2) (c) 1., 632.89 (2) (d) 1., 632.89 (2) (dm) 1. and 632.89 (2) (e); to amend 40.51 (8), 40.51 (8m), 46.10 (8) (d), 46.10 (14) (a), 49.345 (8) (d), 49.345 (14) (a), 66.0137 (4), 120.13 (2) (g), 185.981 (4t), 185.983 (1) (intro.), 301.12 (8) (d), 301.12 (14) (a), 632.89 (title) and 632.89 (2) (title); to repeal and recreate 632.89 (1) (b), 632.89 (1) (em), 632.89 (4) (title) and 632.89 (5) (title); to create 111.91 (2) (qm), 609.71, 632.89 (1) (at), 632.89 (3), 632.89 (3c), 632.89 (3f), 632.89 (3p), 632.89 (4) (b), 632.89 (5) (a) (title) and 632.89 (5) (c) of the statutes; relating to health insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems; providing an exemption from emergency rule procedures; and granting rule−making authority.

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

SECTION 1. 40.51 (8) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

40.51 (8) Every health care coverage plan offered by the state under sub. (6) shall comply with ss. 631.89, 631.90, 631.93 (2), 631.95, 632.72 (2), 632.746 (1) to (8) and (10), 632.747, 632.748, 632.83, 632.835, 632.85, 632.853, 632.855, 632.87 (3) to (6), 632.885, 632.89, 632.895 (5m) and (8) to (17), and 632.896.

SECTION 2. 40.51 (8m) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

40.51 (8m) Every health care coverage plan offered by the group insurance board under sub. (7) shall comply with ss. 631.95, 632.746 (1) to (8) and (10), 632.747, 632.748, 632.83, 632.835, 632.85, 632.853, 632.855, 632.885, 632.89, and 632.895 (11) to (17).

SECTION 3. 46.10 (8) (d) of the statutes is amended to read:

46.10 (8) (d) After due regard to the case and to a spouse and minor children who are lawfully dependent on the property for support, compromise or waive any portion of any claim of the state or county for which a person specified under sub. (2) is liable, but not any claim payable by an insurer under s. 632.89 (2) or (2m) (4m) or by any other 3rd party.

SECTION 4. 46.10 (14) (a) of the statutes is amended to read:

46.10 (14) (a) Except as provided in pars. (b) and (c), liability of a person specified in sub. (2) or s. 46.03 (18) for inpatient care and maintenance of persons under 18 years of age at community mental health centers, a county mental health complex under s. 51.08, the centers for the developmentally disabled, the Mendota Mental Health Institute, and the Winnebago Mental Health Institute or care and maintenance of persons under 18 years of age in residential, nonmedical facilities such as group homes, foster homes, treatment foster homes, subsidized guardianship homes, residential care centers for children.
and youth, and juvenile correctional institutions is determined in accordance with the cost–based fee established under s. 46.03 (18). The department shall bill the liable person up to any amount of liability not paid by an insurer under s. 632.89 (2) or (2m) (4m) or by other 3rd–party benefits, subject to rules that include formulas governing ability to pay promulgated by the department under s. 46.03 (18). Any liability of the patient not payable by any other person terminates when the patient reaches age 18, unless the liable person has prevented payment by any act or omission.

Section 5. 49.345 (8) (d) of the statutes is amended to read:

49.345 (8) (d) After due regard to the case and to a spouse and minor children who are lawfully dependent on the property for support, compromise or waive any portion of any claim of the state or county for which a person specified under sub. (2) is liable, but not any claim payable by an insurer under s. 632.89 (2) or (2m) (4m) or by any other 3rd party.

Section 6. 49.345 (14) (a) of the statutes is amended to read:

49.345 (14) (a) Except as provided in pars. (b) and (c), liability of a person specified in sub. (2) or s. 49.32 (1) for care and maintenance of persons under 18 years of age in residential, nonmedical facilities such as group homes, foster homes, treatment foster homes, subsidized guardianship homes, and residential care centers for children and youth is determined in accordance with the cost–based fee established under s. 49.32 (1). The department shall bill the liable person up to any amount of liability not paid by an insurer under s. 632.89 (2) or (2m) (4m) or by other 3rd–party benefits, subject to rules that include formulas governing ability to pay established by the department under s. 49.32 (1). Any liability of the person not payable by any other person terminates when the person reaches age 18, unless the liable person has prevented payment by any act or omission.

Section 7. 66.0137 (4) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

66.0137 (4) Self–insured health plans. If a city, including a 1st class city, or a village provides health care benefits under its home rule power, or if a town provides health care benefits, to its officers and employees on a self–insured basis, the self–insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4), (5), and (6), 632.885, 632.89, 632.895 (9) to (17), 632.896, and 767.513 (4).

Section 8. 111.91 (2) (qm) of the statutes is created to read:

111.91 (2) (qm) The requirements under s. 632.89 relating to coverage of treatment for nervous and mental disorders and alcoholism and other drug problems.

Section 9. 120.13 (2) (g) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

120.13 (2) (g) Every self–insured plan under par. (b) shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4), (5), and (6), 632.885, 632.89, 632.895 (9) to (17), 632.896, and 767.513 (4).

Section 10. 185.981 (4t) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

185.981 (4t) A sickness care plan operated by a cooperative association is subject to ss. 252.14, 631.17, 631.89, 631.95, 632.72 (2), 632.745 to 632.749, 632.85, 632.853, 632.855, 632.87 (2m), (3), (4), (5), and (6), 632.885, 632.89, 632.895 (10) to (17), and 632.897 (10) and chs. 149 and 155.

Section 11. 185.983 (1) (intro.) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41, 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.17, 631.89, 631.93, 631.95, 632.72 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.85, 632.853, 632.855, 632.87 (2m), (3), (4), (5), and (6), 632.885, 632.89, 632.895 (5) and (9) to (17), 632.896, and 632.897 (10) and chs. 609, 630, 635, 645, and 646, but the sponsoring association shall:

Section 12. 301.12 (8) (d) of the statutes is amended to read:

301.12 (8) (d) After due regard to the case and to a spouse and minor children who are lawfully dependent on the property for support, compromise or waive any portion of any claim of the state or county for which a person specified under sub. (2) is liable, but not any claim payable by an insurer under s. 632.89 (2) or (2m) (4m) or by any other 3rd party.

Section 13. 301.12 (14) (a) of the statutes is amended to read:

301.12 (14) (a) Except as provided in pars. (b) and (c), liability of a person specified in sub. (2) or s. 301.03 (18) for care and maintenance of persons under 17 years of age in residential, nonmedical facilities such as group homes, foster homes, treatment foster homes, residential care centers for children and youth and juvenile correctional institutions is determined in accordance with the cost–based fee established under s. 301.03 (18). The department shall bill the liable person up to any amount of liability not paid by an insurer under s. 632.89 (2) or (2m) (4m) or by other 3rd–party benefits, subject to rules that include formulas governing ability to pay promulgated by the department under s. 301.03 (18). Any liability of the person not payable by any other person terminates when the resident reaches age 17, unless the liable person has prevented payment by any act or omission.

Section 14. 609.71 of the statutes is created to read:

609.71 Coverage of alcoholism and other diseases.

Defined network plans are subject to s. 632.89.
Minimum coverage Coverage of transitional treatment arrangements. If a group or blanket disability insurance policy issued by an insurer health benefit plan or a self-insured health plan provides coverage of any inpatient hospital treatment or any outpatient treatment, the policy plan shall provide coverage for transitional treatment arrangements for the treatment of conditions under par. (a) 1. as provided in subd. 2.

SECTION 28. 632.89 (2) (dm) 2. of the statutes is repealed.

SECTION 29. 632.89 (2) (e) of the statutes is renumbered 632.89 (5) (b) and amended to read:

43. 632.89 (5) (b) Exclusion Certain health care plans. This subsection section does not apply to a health care plan offered by a limited service health organization, as defined in s. 609.01 (3), or by a preferred provider plan, as defined in s. 609.01 (4), that is not a defined network plan, as defined in s. 609.01 (1b).

SECTION 30. 632.89 (2m) of the statutes is renumbered 632.89 (4m).

SECTION 31. 632.89 (3) of the statutes is created to read:

632.89 (3) Limitations. For a group health benefit plan and a self-insured health plan that provide coverage of the treatment of nervous and mental disorders and alcoholism and other drug abuse problems, and for an individual health benefit plan that provides coverage of the treatment of nervous and mental disorders or alcoholism and other drug abuse problems, the exclusions and limitations; deductibles; copayments; coinsurance; annual and lifetime payment limitations; out-of-pocket limits; out-of-network charges; day, visit, or appointment limits; limitations regarding referrals to nonphysician providers and treatment programs; and duration or frequency of coverage limits under the plan may be no more restrictive for coverage of the treatment of nervous and mental disorders or alcoholism and other drug abuse problems than the most common or frequent type of treatment limitations applied to substantially all other coverage under the plan. The plan shall include in any overall deductible amount or annual or lifetime limit or out-of-pocket limit for the plan, expenses incurred for the treatment of nervous and mental disorders or alcoholism and other drug abuse problems.

SECTION 32. 632.89 (3c) of the statutes is created to read:

632.89 (3c) Exemption for cost increase. (a) Notwithstanding sub. (3), an employer that provides health care coverage for its employees through a group health benefit plan or a self-insured health plan that provides coverage of the treatment of nervous and mental disorders and alcoholism and other drug abuse problems may elect for the employer’s plan to be exempt from the requirements under sub. (3) during the plan year following any plan year in which, as a result of the requirements under sub. (3), there is an increase under the plan in the
employer’s total cost of coverage for the treatment of physical conditions and nervous and mental disorders and alcoholism and other drug abuse problems by a percentage that exceeds either of the following:

1. Two percent in the first plan year in which the requirements apply.
2. One percent in any plan year after the first plan year in which the requirements apply.

(b) A cost increase specified under par. (a) may not be determined until the employer’s group health benefit plan or self-insured health plan has complied with the requirements under sub. (3) for at least the first 6 months of the plan year for which the increase is to be determined. The cost increase shall be determined, and certified, by a qualified actuary, as defined in s. 623.06 (1c). A copy of the actuary’s determination, and all underlying documentation that the actuary relied on in making the determination, shall be filed with and, in accordance with rules promulgated by the commissioner, retained by the insurer issuing the group health benefit plan or by the self-insured health plan.

(c) A group health benefit plan or a self–insured health plan that qualifies for an exemption under par. (a) and for which the employer providing coverage under the plan has elected for the plan to be exempt from the requirements under sub. (3) during a plan year shall promptly notify all enrollees under the plan.

(d) Regardless of a cost increase as specified in par. (a), an employer may elect for the employer’s plan to continue to be subject to the requirements under sub. (3). If an employer elects for the employer’s plan to be exempt from the requirements under sub. (3), during the plan year in which it is exempt the group health benefit plan or self–insured health plan shall comply with the coverage requirements under s. 632.89 (2) (a) to (dm), 2007 stats.

SECTION 33. 632.89 (3f) of the statutes is created to read:

632.89 (3f) Exemption for small employers. (a) Notwithstanding sub. (3), an employer that provides health care coverage for its employees through a group health benefit plan that provides coverage of the treatment of nervous and mental disorders and alcoholism and other drug abuse problems may elect for the employer’s plan to be exempt from the requirements under sub. (3) during a plan year if, on the first day of the plan year, the employer will have fewer than 10 eligible employees, as defined in s. 632.745 (5).

(b) A group health benefit plan that qualifies for an exemption under par. (a) and for which the employer providing coverage under the plan has elected for the plan to be exempt from the requirements under sub. (3) during a plan year shall promptly notify all enrollees under the employer’s plan. During the plan year in which it is exempt from the requirements under sub. (3), the group health benefit plan shall comply with the coverage requirements under s. 632.89 (2) (a) to (dm), 2007 stats.

SECTION 34. 632.89 (3m) of the statutes is repealed.

SECTION 35. 632.89 (3p) of the statutes is created to read:

632.89 (3p) Availability of plan information. A group health benefit plan and a self–insured health plan that provide coverage of the treatment of nervous and mental disorders and alcoholism and other drug abuse problems, and an individual health benefit plan that provides coverage of the treatment of nervous and mental disorders or alcoholism and other drug abuse problems, shall, upon request, make available to any current or potential insured, participant, beneficiary, or contracting provider the criteria for determining medical necessity under the plan with respect to that coverage. If a group health benefit plan or a self–insured health plan that provides coverage of the treatment of nervous and mental disorders and alcoholism and other drug abuse problems denies any particular insured, participant, or beneficiary coverage for services for that treatment, or if an individual health benefit plan that provides coverage of the treatment of nervous and mental disorders or alcoholism and other drug abuse problems denies any particular insured coverage for services for that treatment, the plan shall, upon request, make the reason for the denial available to the insured, participant, or beneficiary, in addition to complying with s. 632.857, if applicable.

SECTION 36. 632.89 (4) (title) of the statutes is repealed and recreated to read:

632.89 (4) (title) Rules.

SECTION 37. 632.89 (4) of the statutes is renumbered 632.89 (4) (a).

SECTION 38. 632.89 (4) (b) of the statutes is created to read:

632.89 (4) (b) 1. The commissioner shall promulgate rules for the administration of this section, including rules that specify the information that must be provided in the notices under subs. (3c) (c) and (3f) (b) and the manner in which the notices must be given, that specify who is responsible for the actuarial study and determination under sub. (3c) (b), and that specify retention requirements for the determination and underlying documentation. In promulgating the rules, the commissioner shall follow, as a minimum standard, any relevant federal regulations or guidelines that are in effect.

2. Using the procedure under s. 227.24, the commissioner may promulgate the rules under subd. 1. for the period before the effective date of any permanent rules promulgated under subd. 1., but not to exceed the period authorized under s. 227.24 (1) (c) and (2). Notwithstanding s. 227.24 (1) (a), (2) (b), and (3), the commissioner is not required to provide evidence that promulgating a rule under this subdivision as an emergency rule is necessary for the preservation of the public peace, health, safety, or
welfare and is not required to make a finding of emergency for a rule promulgated under this subdivision.

 SECTION 39. 632.89 (5) (title) of the statutes is repealed and recreated to read:

 632.89 (5) (title) Exclusions.

 SECTION 40. 632.89 (5) of the statutes is renumbered 632.89 (5) (a).

 SECTION 41. 632.89 (5) (a) (title) of the statutes is created to read:

 632.89 (5) (a) (title) Medicare.

 SECTION 42. 632.89 (5) (c) of the statutes is created to read:

 632.89 (5) (c) Coverage of autism treatment. This section does not apply to coverage of treatment for autism spectrum disorder, as defined in s. 632.895 (12m) (a) 1., to which s. 632.895 (12m) applies.

 SECTION 43. 632.89 (6) of the statutes is repealed.

 SECTION 44. 632.89 (7) of the statutes is repealed.

 SECTION 45. Initial applicability.

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

   (a) Except as provided in paragraphs (b) and (c), health benefit plans that are issued or renewed, and governmental self−insured health plans that are extended, modified, or renewed, on the effective date of this paragraph.

   (b) Health benefit plans covering employees who are affected by a collective bargaining agreement containing provisions inconsistent with this act that are issued or renewed 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.

   (c) Governmental self−insured health plans covering employees who are affected by a collective bargaining agreement containing provisions inconsistent with this act that are established, extended, modified, or renewed 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.

 SECTION 46. Effective date.

 (1) This act takes effect on the first day of the 7th month beginning after publication.