



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2009 Assembly Bill 100**

**Assembly  
Amendment 1**

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*Assembly Bill 100* makes a number of changes in the laws relating to individual health benefit plans. First, it requires the Commissioner of Insurance to prescribe, by rule, uniform questions and the format for applications, which may not exceed 10 pages in length, for individual major medical health insurance policies. Second, at the time of coverage renewal under an individual health benefit plan, the insurer, at the request of the insured individual, must do either of the following: (1) modify the benefits or deductible level, or both, under the plan that is being renewed; or (2) provide coverage to the insured individual under a different but comparable individual plan offered by the insurer, without subjecting the individual to additional underwriting. Third, the bill states that an individual health insurance policy may not define a preexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within 12 months before the effective date of coverage. In addition, the bill modifies the period for which a preexisting condition may be excluded by the individual policy, decreasing it from two years to 12 months.

*Assembly Amendment 1* makes the following changes in the bill:

- Current law provides that, with certain exceptions, an insurer is not required to renew individual health benefit plan coverage that is marketed and designed to provide short-term coverage as a bridge between coverages. Assembly Amendment 1 modifies this to provide that the insurer is not required to renew individual health plan coverage that complies with all of the following: (1) the coverage is marketed and designed to provide short-term coverage as a bridge between coverages; (2) the coverage has a term of not more than 12 months; (3) the coverage term aggregated with all consecutive periods of the insurer's coverage of the insured by individual plans not required to be renewed does not exceed 18 months (coverage periods are consecutive if there are no more than 63 days between the coverage periods); and (4) the plan complies with rules promulgated by the Commissioner of Insurance governing disclosures related to, and standards for, the sale of individual short-term health benefit plans that an insurer is not required to renew.

- The amendment retains the change from two years to 12 months as the maximum period for a preexisting condition exclusion for individual disability insurance policies, but retains the two years in current law for other policies (e.g., disability income policies).
- In the provision dealing with the look-back period in determining whether a condition is a preexisting condition, the amendment excludes short-term policies described above in the first bullet point. In addition, in describing such a condition within 12 months before the effective date of coverage, the amendment deletes the phrase “for which medical advice was given or treatment was recommended by or received from a physician” and substitutes “, whether physical or mental, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received” within 12 months before the effective date of coverage.
- For short-term policies described in the first bullet point above, the amendment provides that the policy may not define a preexisting condition more restrictively than a condition, whether physical or mental, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received before the effective date of coverage. In addition, the amendment requires that the policy reduce the length of time during which a preexisting condition exclusion may be imposed by the aggregate of the insured’s consecutive periods of coverage under the insurer’s individual short-term policies; coverage periods are consecutive if there are no more than 63 days between the coverage periods.

### **Legislative History**

The Assembly Committee on Health and Healthcare Reform recommended adoption of Assembly Amendment 1 and passage of the bill as amended, both by votes of Ayes, 8; Noes, 3.

RNS:jal