



State of Wisconsin
2017 - 2018 LEGISLATURE

LRBa2106/1
TJD:emw

**SENATE AMENDMENT 1,
TO SENATE BILL 770**

February 13, 2018 - Offered by JOINT COMMITTEE ON FINANCE.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 5, line 6: after that line insert:

3 **“SECTION 3c.** 49.45 (23) (a) of the statutes is amended to read:

4 49.45 (23) (a) The department shall request a waiver from the secretary of the
5 federal department of health and human services to permit the department to
6 conduct a demonstration project to provide health care coverage to adults who are
7 under the age of 65, who have family incomes not to exceed ~~100~~ 133 percent of the
8 poverty line ~~before application of the 5 percent income disregard under 42 CFR~~
9 ~~435.603 (d), except as provided in s. 49.471 (4g),~~ and who are not otherwise eligible
10 for medical assistance under this subchapter, the Badger Care health care program
11 under s. 49.665, or Medicare under 42 USC 1395 et seq.

12 **SECTION 3d.** 49.471 (1) (cr) of the statutes is created to read:

1 49.471 (1) (cr) “Enhanced federal medical assistance percentage” means a
2 federal medical assistance percentage described under 42 USC 1396d (y) or (z).

3 **SECTION 3e.** 49.471 (4) (a) 4. b. of the statutes is amended to read:

4 49.471 (4) (a) 4. b. ~~The Except as provided in sub. (4g), the individual’s family~~
5 ~~income does not exceed 100 133 percent of the poverty line before application of the~~
6 ~~5 percent income disregard under 42 CFR 435.603 (d).~~

7 **SECTION 3f.** 49.471 (4g) of the statutes is created to read:

8 49.471 (4g) MEDICAID EXPANSION; FEDERAL MEDICAL ASSISTANCE PERCENTAGE. (a)
9 For services provided to individuals described under sub. (4) (a) 4. and s. 49.45 (23),
10 the department shall comply with all federal requirements to qualify for the highest
11 available enhanced federal medical assistance percentage. The department shall
12 submit any amendment to the state medical assistance plan, request for a waiver of
13 federal Medicaid law, or other approval request required by the federal government
14 to provide services to the individuals described under sub. (4) (a) 4. and s. 49.45 (23)
15 and qualify for the highest available enhanced federal medical assistance
16 percentage.

17 (b) If the department does not qualify for an enhanced federal medical
18 assistance percentage, or if the enhanced federal medical assistance percentage
19 obtained by the department is lower than printed in federal law as of July 1, 2013,
20 for individuals eligible under sub. (4) (a) 4. or s. 49.45 (23), the department shall
21 submit to the joint committee on finance a fiscal analysis comparing the cost to
22 maintain coverage for adults who are not pregnant and not elderly with family
23 incomes up to 133 percent of the poverty line to the cost of limiting eligibility to those
24 adults with family incomes up to 100 percent of the poverty line. The department
25 may reduce income eligibility for adults who are not pregnant and not elderly from

1 family incomes of up to 133 percent of the poverty line to family incomes of up to 100
2 percent of the poverty line only if this reduction in income eligibility levels is
3 approved by the joint committee on finance.”.

4 **2.** Page 8, line 18: delete lines 18 to 25.

5 **3.** Page 12, line 12: after that line insert:

6 “(i) To continue receiving reinsurance payments, an eligible health carrier shall
7 apply any savings to the carrier resulting from the healthcare stability plan to
8 reducing premium rates for individual enrollees purchasing coverage on the
9 individual market.”.

10 **4.** Page 13, line 1: after “REPORTS.” insert “(a)”.

11 **5.** Page 13, line 5: after that line insert:

12 “(b) Annually, the commissioner shall submit to the joint committee on finance
13 a report of an actuarial study regarding the reinsurance rates under the healthcare
14 stability plan under this subchapter.”.

15 **6.** Page 13, line 12: delete the material beginning with “, any possible” and
16 ending with “state” on line 13.

17 **7.** Page 13, line 20: after that line insert:

18 “**SECTION 10d.** 625.02 (1) of the statutes is renumbered 625.02 (1m).

19 **SECTION 10f.** 625.02 (1j) of the statutes is created to read:

20 625.02 (1j) “Health insurance” has the meaning given in s. 632.745 (12).

21 **SECTION 10h.** 625.03 (1m) (intro.) of the statutes is amended to read:

22 625.03 (1m) (intro.) This Except as specifically provided otherwise in this
23 chapter, this chapter applies to all kinds and lines of direct insurance written on risks

1 or operations in this state by any insurer authorized to do business in this state,
2 except:

3 **SECTION 10j.** 625.13 (1) of the statutes is amended to read:

4 625.13 (1) FILING PROCEDURE. Except as provided in sub. (2) and s. 625.25 (2)
5 (a), every authorized insurer and every rate service organization licensed under s.
6 625.31 which has been designated by any insurer for the filing of rates under s.
7 625.15 (2) shall file with the commissioner all rates and supplementary rate
8 information and all changes and amendments thereof made by it for use in this state
9 within 30 days after they become effective.

10 **SECTION 10m.** 625.15 (2) of the statutes is amended to read:

11 625.15 (2) RATE FILING. An insurer may discharge its obligation under s. 625.13
12 (1) or 625.25 (2) (a) by giving notice to the commissioner that it uses rates and
13 supplementary rate information prepared by a designated rate service organization,
14 with such information about modifications thereof as is necessary fully to inform the
15 commissioner. The insurer's rates or proposed rates and supplementary rate
16 information shall be those filed from time to time by the rate service organization,
17 including any amendments or proposed amendments thereto as filed, subject,
18 however, to the modifications filed by the insurer.

19 **SECTION 10p.** 625.21 (1) of the statutes is amended to read:

20 625.21 (1) RULE INSTITUTING DELAYED EFFECT. If the commissioner finds that
21 competition is not an effective regulator of the rates charged or that a substantial
22 number of companies are competing irresponsibly through the rates charged, or that
23 there are widespread violations of this chapter, in any kind or line of insurance or
24 subdivision thereof or in any rating class or rating territory, he or she may
25 promulgate a rule requiring that in the kind or line of insurance or subdivision

1 thereof or rating class or rating territory comprehended by the finding any
2 subsequent changes in the rates or supplementary rate information be filed with the
3 commissioner at least 15 days before they become effective. The commissioner may
4 extend the waiting period for not to exceed 15 additional days by written notice to
5 the filer before the first 15-day period expires. This subsection does not apply to
6 health insurance, which is subject to s. 625.25 (2) (a).

7 **SECTION 10r.** 625.22 (1) of the statutes is amended to read:

8 625.22 (1) ORDER IN EVENT OF VIOLATION. If the commissioner finds after a
9 hearing that a rate or proposed rate is not in compliance with s. 625.11, the
10 commissioner shall order that its use be discontinued, or that it may not be used, for
11 any policy issued or renewed after a date specified in the order.

12 **SECTION 10t.** 625.22 (3) of the statutes is amended to read:

13 625.22 (3) APPROVAL OF SUBSTITUTED RATE. ~~Within~~ Except for rates for health
14 insurance, which is subject to s. 625.25 (2) (a), within one year after the effective date
15 of an order under sub. (1), no rate promulgated to replace a disapproved one may be
16 used until it has been filed with the commissioner and not disapproved within 30
17 days thereafter.

18 **SECTION 10w.** 625.23 of the statutes is amended to read:

19 **625.23 Special restrictions on individual insurers.** The commissioner
20 may by order require that a particular insurer file any or all of its rates and
21 supplementary rate information 15 days prior to their effective date, if and to the
22 extent that he or she finds, after a hearing, that the protection of the interests of its
23 insureds and the public in this state requires closer supervision of its rates because
24 of the insurer's financial condition or rating practices. The commissioner may extend
25 the waiting period for any filing for not to exceed 15 additional days by written notice

1 to the insurer before the first 15-day period expires. A filing not disapproved before
2 the expiration of the waiting period shall be deemed to meet the requirements of this
3 chapter, subject to the possibility of subsequent disapproval under s. 625.22. This
4 section does not apply to an insurer with respect to rates for health insurance, which
5 is subject to s. 625.25 (2) (a).

6 **SECTION 10y.** 625.25 of the statutes is created to read:

7 **625.25 Rates for health insurance. (1) DEFINITIONS.** In this section:

8 (a) “Group health benefit plan” has the meaning given in s. 632.745 (9).

9 (b) “Health benefit plan” has the meaning given in s. 632.745 (11).

10 (c) “Insurer” has the meaning given in s. 632.745 (15).

11 (d) “Large group market” has the meaning given in s. 632.745 (17).

12 (e) “Small group market” has the meaning given in s. 632.745 (26).

13 **(2) FILING OF RATES; HEARING.** (a) Every insurer, and every rate service
14 organization licensed under s. 625.31 that has been designated by any insurer for the
15 filing of rates under s. 625.15 (2), shall file with the commissioner all proposed rates
16 and supplementary rate information, and all proposed changes and amendments to
17 rates and supplementary rate information, for use in this state for any health benefit
18 plan offered by the insurer before the proposed rates or changes to rates become
19 effective. An insurer may not use a proposed rate or change to a rate until it has been
20 filed with and approved by the commissioner. Unless the commissioner holds a
21 hearing on the proposed rate or change to a rate, a proposed rate or change to a rate
22 is approved if the commissioner does not disapprove the proposed rate or change
23 within 30 days after filing, or within a 30-day extension of that period ordered by the
24 commissioner prior to the expiration of the first 30 days. The requirement under this
25 paragraph applies with respect to rates and changes to rates for all health benefit

1 plans, including individual health benefit plans, group health benefit plans offered
2 in the small group market, and group health benefit plans offered in the large group
3 market, that have not gone into effect by the effective date of this paragraph [LRB
4 inserts date].

5 (b) If any proposed change to a rate filed under par. (a) increases the existing
6 rate by more than 10 percent of that rate, the commissioner shall hold a public
7 hearing before approving or disapproving the proposed change to the rate.

8 (c) The commissioner may disapprove a proposed rate or change to a rate filed
9 under par. (a) that the commissioner determines is not justified based on underlying
10 medical costs.

11 **(3) PUBLICATION OF INCREASES, NEGOTIATED RATES.** (a) The commissioner shall
12 publish on the office's Internet site, in a format that is readily understandable by
13 members of the public, all rate changes filed under sub. (2) (a) that increase an
14 existing rate by any amount and that are approved.

15 (b) If the commissioner approves a rate increase after holding a hearing under
16 sub. (2) (b) and the insurer justified the rate increase based on increased medical
17 costs, the commissioner shall publish on the office's Internet site, in a format that is
18 readily understandable by members of the public, the discounted payment rates the
19 insurer has negotiated with each of the insurer's provider networks.

20 **(4) NOTICE OF RATE INCREASE TO INSURED.** If the commissioner approves a rate
21 increase filed under sub. (2) (a), the insurer shall provide notice of the rate increase
22 to each insured under the health benefit plan at least 60 days before the rate increase
23 goes into effect.”.

24 **8.** Page 14, line 4: after that line insert:

