

## Chapter Grp 20

## STATE HEALTH INSURANCE COVERAGE

Grp 20.01	Effective date	Grp 20.13	Coverage during employment gaps
Grp 20.02	Coverage	Grp 20.14	Coverage of retired employes
Grp 20.03	Alternative health insurance coverage	Grp 20.15	Retired employe coverage limited
Grp 20.04	Selection of coverage on or after the effective date	Grp 20.16	Continued coverage of spouses
Grp 20.05	Coverage of new employes	Grp 20.17	Coverage during appeal from removal or discharge
Grp 20.06	Initial premiums	Grp 20.18	Coverage of employes, annuitants, and dependents eligible for Medicare
Grp 20.07	Deferred coverage	Grp 20.19	Use of accumulated leave to pay health insurance premiums
Grp 20.08	Dual-choice enrollment periods		
Grp 20.09	Termination of coverage		
Grp 20.10	Conversion rights		
Grp 20.11	Coverage of spouses		
Grp 20.12	Coverage of children		

Note: Chapter Grp 20 as it existed on December 31, 1977 was repealed and a new chapter Grp 20 was created effective January 1, 1978.

**Grp 20.01 Effective date.** The group health insurance program provided by chapter 211, Laws of 1959, shall be effective April 1, 1960.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.02 Coverage.** The standard health insurance plan established pursuant to s. 40.14 and 40.16, Stats., shall be the basic hospital expense, the surgical and medical expense and major medical expense coverages. This section shall not include alternate health care plans provided under Grp 20.03.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.03 Alternative health insurance coverage.** The board may provide for comprehensive prepaid group practice plans or other type of health maintenance organization plans at premium rates that may be different than those established for the standard health insurance plan but such plans shall be optional with each eligible employe. The dollar amount of state contribution toward premium shall be the same as that provided toward the standard health insurance plan, but not to exceed the total premium rate. Each eligible employe may obtain such coverage by enrolling pursuant to the procedures established under Grp 20.04 or 20.05. No employe may change from one plan to another plan except during the enrollment periods established by the board.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.04 Selection of coverage on or after the effective date.**  
 (1) Each eligible employe defined pursuant to s. 40.11 (2), Stats., shall be covered if the employe completes the application form provided by the director and such application is received by the employing department within 31 days after becoming eligible.

(2) (a) Such coverage shall be effective on the first day of the calendar month which begins on or after the date the application form is received by the employing department.

Register, December, 1977, No. 264  
 Group Insurance

(b) Employees eligible for and insured with single coverage only, may change to family coverage effective on the date of change to family status if an application is received by the employing department within 31 days of the date of such change.

(3) Any state employee who was insured under the state health insurance program at the time of being called into active military service, shall be entitled to coverage upon resumption of state employment subject to the following:

(a) If state employment is resumed within 90 days after release from military service, and

(b) If the application for such coverage is filed with the employing department within 31 days after the return to state employment.

(c) Those state employees who were insured individually and became eligible for family coverage between the period of being called into service and their return, may elect family coverage without waiting periods for pre-existing conditions.

(d) Coverage shall be effective on the date employment was resumed. A full month's premium shall be required if the effective date of coverage occurs between the first and the fifteenth day of the month, if the effective date is between the sixteenth and the end of any month, the premium for that part month shall be waived.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.05 Coverage of new employees.** Any person who has not completed the qualifying period and is eligible for health insurance pursuant to s. 40.21, Stats., may be enrolled providing an application for such coverage is received by the employing department within 31 days of the date of employment. Employees who do not elect coverage under this section must wait to elect coverage pursuant to Grp 20.04 upon completion of the qualifying period.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.06 Initial premiums.** When coverage becomes effective a multiple deduction of premium may be required initially to make premium payments current, unless proper payment is otherwise made.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.07 Deferred coverage.** Any eligible employee, other than an annuitant, who does not elect to be covered during the enrollment periods provided under Grp 20.04 or 20.05 may be insured under the standard health coverage at a later date if the employee qualifies for state contribution toward premium and submits an application to the employing department. Coverage shall be effective the first day of the calendar month which begins on or after the date the application is received by the employing department. Coverage for persons becoming insured under this section shall be subject to those provisions of the group contract which pertain to waiting periods for pre-existing conditions. The provisions of this section shall not be applicable to alternate plans provided under Grp 20.03.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

Register, December, 1977, No. 264  
Group Insurance

**Grp 20.08 Dual-choice enrollment periods.** The board shall establish enrollment periods by contract provisions, which shall permit eligible insured employes to obtain coverage under alternate prepaid group practice plans which may be available under Grp 20.03. The board shall provide, by contract, provisions relating to waiting periods or treatment of coinsurance or deductibles previously satisfied by the employe under the standard plan or a plan provided under Grp 20.03. Unless otherwise provided by contract the dual choice enrollment shall be held once annually in the fall of each year with coverage effective the first day of the month of January.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.09 Termination of coverage.** When an insured employe ceases to be eligible for coverage because of termination of employment or otherwise, the health insurance coverage shall end at the expiration of the period for which premiums had been paid at the time such eligibility had ceased. No refund of any such premium may be made unless the director has received a written request from such insured employe therefor not later than the 20th day of the month preceding the month for which premium has been collected or deducted.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.10 Conversion rights.** Any employe insured under either the standard health insurance plan or a prepaid plan established by the board pursuant to Grp 20.03 shall upon termination of eligibility and insurance coverage thereunder shall have the right to convert insurance coverage to a non-group plan. Such conversion rights shall be subject to the provisions of s. 40.18 (2), Stats.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.11 Coverage of spouses.** If both spouses are eligible for coverage, each may elect single coverage, but if one spouse ceases to be eligible for coverage, the spouse continuing to be eligible may change to family coverage without being subjected to any waiting periods provided by contract. However, any dependent children who are eligible for inclusion but were not previously covered shall be subject to waiting periods provided under such contract. If one eligible spouse elects family coverage, the other eligible spouse may be covered as a dependent but may not elect any other coverage. Coverage may be changed from one spouse to the other without incurring any waiting periods provided by contract.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.12 Coverage of children.** (1) Coverage is available to an employe's unmarried children (including adopted children and stepchildren) who are dependent on the employe for support and maintenance. Said children shall cease to be dependents at the end of the month in which they marry or at the end of the calendar year in which they attain the age of 19 years, whichever shall first occur.

(a) If said children shall be full-time students, as administratively defined by the board, they shall cease to be dependents at the end of the month in which they marry or at the end of the calendar year in which they cease to be full-time students or the end of the calendar

Register, December, 1977, No. 264  
Group Insurance

year in which they attain the age of 25 years, whichever shall first occur.

(b) If said children shall be, or shall become, incapable of self-support on account of a physical or mental disability which can be expected to be of long-continued or indefinite duration, and, as a result shall be dependent upon the subscriber for at least 50% of their support, they shall continue to be, or shall resume their status of, dependents regardless of age, so long as they remain so disabled and unmarried.

(2) Student status shall include any usual vacation period if the child was a full-time student at the end of the previous term. Student shall mean a person who is enrolled in an institution which provides a schedule of courses or classes and whose principal activity is the procurement of an education. Full-time status shall be as defined by the institution in which the student is enrolled.

(3) However, a child who is considered a dependent shall cease to be a dependent on the date the child qualifies for insurance coverage as an eligible state employe, pursuant to s. 40.11. (2) (a) 1., Stats.

*History:* Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.13 Coverage during employment gaps.** (1) Any insured employe may continue to be insured during any period of approved leave of absence not to exceed 3 months for which salary deductions for premium would not otherwise be made while such employe continues to be a state employe but earns no salary from the state.

(2) An insured employe may continue group coverage during such period of interruption of earnings specified in (1) if the employe has authorized a payroll deduction in an amount sufficient to pay the required employe premium for the entire period, or has otherwise made advance payment therefor.

(3) Such coverage may be extended for any employe beyond the 3 months specified in (1) but not to exceed a total of 36 months. The employe must pay the full premium including the state portion for the lesser of 3 months or the entire period of interrupted earnings. Such premium must be deducted from the employe's earnings or otherwise paid to the employing department not later than 30 days prior to the end of the period for which premiums had previously been paid.

*History:* Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.14 Coverage of retired employes.** (1) Any insured state employe who retires upon an immediate annuity or a disability annuity or who is eligible pursuant to s. 40.19 (2), Stats., shall be eligible to continue coverage. Those employes who elect a present value single cash sum annuity and application therefore is received within 90 days of termination of employment will be deemed to have met the immediate annuity requirement.

(2) Coverage for a person otherwise eligible who is entitled to and applies for an immediate annuity will be reinstated even if during any period preceding retirement, health insurance has not been in effect while no state earnings were received. Such health insurance shall be effective the first day of the month which occurs on or after the date the annuity application is approved.

Register, December, 1977, No. 264  
Group Insurance

(3) (a) Any person qualifying under the 10 year service requirement of s. 40.19 (2) shall continue to be insured only if within 60 days after termination of employment an application for continued coverage is filed with the group insurance board and premium payments are made in accordance with (5).

(b) Whenever a retirement system shall fail to promptly notify the director that a person is eligible as an annuitant for group health insurance, or if a person is erroneously omitted from a retirement system and such omission is corrected retroactively, including the payment of all required contributions for such retroactive period, the director is empowered to fix deadlines for prospective group health insurance coverage if such person would have been eligible had such error not occurred.

(4) If required to make contributions current, annuitants will pay multiple premiums initially.

(5) The director may authorize premium payments to be made in cash or directly to the insurer where circumstances require such. Failure to make required payments by the due dates established by the insurer and approved by the director shall cause insurance coverage to be cancelled.

**History:** Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.15 Retired employe coverage limited.** Any person eligible under the provisions of Grp 20.14 and 20.16 who does not elect coverage, or fails to comply with the applicable provisions of Grp 20.14 and 20.16 or discontinues all coverage shall be permanently barred from future participation in the group health insurance plan.

**History:** Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.16 Continued coverage of spouses.** (1) The surviving spouse of an employe or annuitant eligible for coverage pursuant to 40.11 (2) (b), Stats., who has been covered will continue such coverage (either single or family) if within 90 days after the death of an insured employe or annuitant an application from the spouse for health insurance has been received by the director.

(2) Such insurance shall not take effect until after such application is received but shall be effective as of the earliest possible date thereafter.

(3) Premiums for a surviving spouse who has acted pursuant to Grp 20.16 (1) shall be paid:

(a) From accumulated leave credits until exhausted; then

(b) By deductions from an annuity that the surviving spouse is receiving from the state retirement system. If the annuity becomes insufficient to allow premium deductions, then

(c) Directly to the insurance carrier.

**History:** Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.17 Coverage during appeal from removal or discharge.** (1) (a) An insured employe or officer, whether in the classified or unclassified service, who has exercised a statutory or contractual right

Register, December, 1977, No. 264  
Group Insurance

of appeal from removal or discharge from his or her position or office, or who within 30 days of such removal or discharge, or of appointment to any position or office, becomes a party to legal proceedings to obtain judicial review of the legality of the removal or discharge or appointment may continue to be insured from the date of the contested removal or discharge or appointment until a final decision has been reached, provided that within 30 days of the date of removal or discharge or appointment such employe pays to the departmental representative or the director the initial payment to keep the insurance in force. The initial payment shall cover the established contribution for a 3 month period, but may be for a greater period at the option of the employe. Additional payments may be made until a determination has been reached but such additional payments shall be in 3 month increments and must be received by the employing department 30 days prior to the end of the period for which premiums were previously paid.

(b) If the final decision is adverse to the employe or officer, the date of termination of employment shall, for purposes of insurance coverage, be the end of the month in which such decision becomes final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal. Any contributions which have been paid for any period subsequent to the month in which a final decision is reached shall be refunded.

(c) The payments or contributions referred to in this section shall be the gross amount paid to the insurance carrier for the particular coverage, be the end of the month in which such decision becomes final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal. Any contributions which have been paid for any period subsequent to the month in which a final decision is reached shall be refunded.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.18 Coverage of employes, annuitants, and dependents eligible for Medicare.** (1) Each covered employe, annuitant or dependent who becomes eligible for benefits under federal plans for hospital and health care for the aged, may continue to be covered through the state group health insurance program only under the plan established pursuant to s. 40.145, Stats.

(2) Such state coverage shall be effective on the date hospital insurance benefits become available under the federal program without payment of premium.

(3) State coverage for any such person who does not enroll for the voluntary medical insurance portion of the federal program shall cease on the date federal hospital benefits would have been available.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.

**Grp 20.19 Use of accumulated leave to pay health insurance premiums.** (1) Accumulated leave credits are available to pay premiums for the retired employe and his or her insured dependents, or surviving dependents who were covered under the employe's health insurance contract at the time of the insured employe's death.

Register, December, 1977, No. 264  
Group Insurance

(2) The appointing officer shall certify to the group insurance bureau the amount of accumulated leave credit for an employe at the time of retirement, or death pursuant to s. 16.30 (2) or s. 36.30 (2), Stats. Such certification shall be made on the form provided by the director as soon as possible after the employe's termination date but not later than 60 days thereafter. The certification shall include a computation of the total amount necessary to pay health insurance premium for the retired employe or the surviving dependents of a deceased employe through the end of the calendar year. It shall be accompanied by a voucher in the amount computed on such form. The director shall credit such amount to the account of the employe or the surviving dependents of a deceased employe in the group health insurance account of the public employe trust fund created by s. 40.01 (2) (c), Stats.

(3) Prior to each subsequent calendar year the director shall certify to the employing department the amount needed to continue health insurance coverage for the ensuing calendar year or the amount of accumulated leave credit remaining, whichever is less. The appointing officer shall return such certification to the director accompanied by a voucher in the amount of the certification.

(4) Notwithstanding rule Grp 20.14 and Grp 20.16, deductions for health insurance premiums for retired employes or surviving dependents shall be paid by the director from such accumulated leave conversion credits until they are exhausted. The director shall notify the insured when such credits are exhausted and shall then arrange for continued premium deductions in accordance with rule Grp 20.14 and Grp 20.16.

(5) Separate accounts shall be maintained for accumulated leave credits of an employe and spouse. Any balance remaining in either account at the time of the death shall be transferred to the account of the surviving spouse who continues under Grp 20.16. If there are no surviving dependents, any balance shall be returned to the state department that certified the amount of accumulated leave credit to the account.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78.