

CR 82-67

CERTIFICATE

RECEIVED
AUG 6 1982
10:30
Revisor of Statutes
Bureau

STATE OF WISCONSIN)
) SS
DEPARTMENT OF EMPLOYE TRUST FUNDS)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Gary I. Gates, Secretary of the Department of Employee Trust Funds, and custodian of the official records do hereby certify that the annexed rule relating to the constructive waiver of health insurance was duly approved by the Employee Trust Funds Board, Teachers Retirement Board and Wisconsin Retirement Board and was adopted by this department on August 6, 1982.

I further certify that this copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 201 East Washington Avenue, in the City of Madison, this 6th day of August, 19 82.

Gary I. Gates
Gary I. Gates, Secretary
Department of Employee Trust Funds

ORDER OF THE DEPARTMENT OF EMPLOYE TRUST FUNDS

ADOPTING RULES

To adopt Grp 20.075 relating to the constructive waiver of health insurance.

Analysis Prepared by the Department of Employee Trust Funds

This rule establishes a constructive waiver of health insurance when payments are not made, through payroll error, for an extended period of time. Extension of coverage retroactively for a period of time, which could stretch into years, introduces a potential for adverse selection against the health insurance program and increases the risk exposure to fraud. The provision is similar to s. Grp 25.075, Wis. Adm. Code, which creates a constructive waiver of state income continuation insurance.

This rule interprets s. 40.51, Stats., as created by Ch. 96, Laws of 1981.

Pursuant to authority vested in the Department of Employee Trust Funds by

s. 40.03 (2) (1), Stats., as created by Ch. 96, Laws of 1981, the

Department of Employee Trust Funds adopts a rule interpreting

s. 40.51, Stats., as created by Ch. 96, Laws of 1981, as

follows:

SECTION 1. Section Grp 20.075 of the Wisconsin Administrative

Code is created to read:

Grp 20.075 WAIVER OF COVERAGE. Any employe in active employment for whom the employe portion of premiums has not been received by the employer for a period of 12 consecutive months shall be deemed to have waived coverage. Such employe may obtain coverage only under s. Grp 20.07.

The rule contained in this order shall take effect as provided in s. 227.026 (1) (intro.), Stats.

August 6, 1982
Date

Gary I. Gates
Gary I. Gates, Secretary
Department of Employee Trust Funds

FISCAL ESTIMATE

AD-MBA-23 (Rev. 11/80)

1981 Session

LRB or Bill No./Adm. Rule No.

Grp. 20.075

Amendment No. if Applicable

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

Subject

Constructive waiver of health insurance.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

- Increase Costs - May Be Possible to Absorb Within Agency's Budget Yes No
- Decrease Costs

Local: No local government costs

- 1. Increase Costs
 - Permissive
 - Mandatory
- 2. Decrease Costs
 - Permissive
 - Mandatory

- 3. Increase Revenues
 - Permissive
 - Mandatory
- 4. Decrease Revenues
 - Permissive
 - Mandatory

5. Types of Local Governmental Units Affected:
- Towns
 - Villages
 - Cities
 - Counties
 - Others _____

Fund Sources Affected

- GPR
- FED
- PRO
- PRS
- SEG
- SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The use of a constructive waiver is consistent with the procedures used in other benefit programs. As such, this does not represent a significant change in policy and we therefore expect there to be no significant fiscal effect.

Long-Range Fiscal Implications

None

Agency

Dept. of Employee Trust Funds

Authorized Signature/Telephone No.

266-5804

Edward T. Bass

Date

3-9-82

FISCAL ESTIMATE WORKSHEET

1981 Session

Detailed Estimate of Annual Fiscal Effect
AD-MBA-22 (Rev. 11/80)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
Grp. 20.075

Amendment No.

Subject

Constructive waiver of health insurance.

I. One-time Costs or Revenue Fluctuations for State and/or Local Government (do not include in annualized fiscal effect):

None

II. Annualized Costs: Note: Treat fiscal costs like a "checkbook": increased costs reduce available funds (-); decreased costs increase available funds (+). **Annualized fiscal impact on State funds from:**

A. State Costs by Category

	Increased Costs	Decreased Costs
Salaries and Fringes	\$ -	\$ +
Staff Support Costs	-	+
Other State Costs	-	+
Local Assistance	-	+
Aids to Individuals or Organizations	-	+
TOTAL State Costs by Category	\$ - 0	\$ + 0

B. State Costs by Source of Funds

	Increased Costs	Decreased Costs
GPR	\$ -	\$ +
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+

C. FTE Position Changes

	Increased Pos.	Decreased Pos.
	+ (0)	- (0)

III. State Revenues- Complete this only when proposal will increase or decrease state revenues, such as taxes, license fees, etc.

	Decreased Rev.	Increased Rev.
GPR Taxes	\$ -	\$ +
GPR Earned	-	+
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+
TOTAL State Revenues	\$ - 0	\$ + 0

Net Annualized Fiscal Impact on State & Local Funds

State	Annual Increases	Annual Decreases	Local	Annual Increases	Annual Decreases
Total Costs	\$ -	\$ +	Total Costs	\$ -	\$ +
Total Revenues	+	-	Total Revenues	+	-
NET Impact on State Funds	\$ (+) or (-)	None	NET Impact on Local Funds	\$ (+) or (-)	None

Agency

Dept. of Employee Trust Funds

Authorized Signature/Telephone No.

James M. Bass 266-5804

Date

3-9-82



State of Wisconsin \ DEPARTMENT OF EMPLOYEE TRUST FUNDS

Gary I. Gates
Secretary

August 6, 1982

201 EAST WASHINGTON AVENUE
MADISON, WISCONSIN 53702
TELEPHONE 266-3285
AREA CODE 608

Gary Poulson
Assistant Revisor of Statutes
411 West, State Capitol
Madison, WI 53702

RECEIVED

IN REPLY REFER TO:

AUG 6 1982

Revisor of Statutes
Bureau

Dear Gary

Re Grp 20.075, Wis. Adm. Code

Enclosed is a Certificate and two copies of an Order Adopting Rules.
A certified copy of this order has also been forwarded to the Secretary
of State.

Sincerely

Diane M. Bass
Board Coordinator
(608) 266-5804

DMB/sb 5/P2