

CR 86-154

CERTIFICATE

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

**RECEIVED**

NOV 12 1986  
9:00am  
Revisor of Statutes  
Bureau

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 repeal and amendment of rules relating to the group health insurance program administered by the Department of Employee Trust Funds, were duly approved by the Employee Trust Funds, Teachers Retirement and Wisconsin Retirement Boards and adopted by this department on November 10, 1986.

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 10<sup>th</sup> day of November, 19 86.

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

1-1-87

ORDER OF THE DEPARTMENT OF EMPLOYE TRUST FUNDS  
REPEALING AND AMENDING RULES

To repeal ETF 10.63 (1) (a), Chapter Grp 1, and Chapter Grp 20; to repeal and recreate ETF 10.01 (2); and to create Chapter ETF 40, relating to the group health insurance program administered by the Department of Employee Trust Funds.

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Analysis Prepared by the Department of Employee Trust Funds

Section 40.03 (6) (b), Stats., as amended by 1985 Wis. Act. 29, now requires that "The terms of the group insurance under this paragraph shall be determined by contract . . .". This rule order relating to group health insurance, together with the simultaneous amendment of the contract between the health insurance carriers and the Group Insurance Board, incorporates into the contract those provisions which, pursuant to s. 40.03 (6), Stats., appropriately belong in the contract. The repeal and recreation of ETF 10.01 (2) expands the definition of dependent to make it applicable to health insurance as well as life insurance. ETF 40.01 clarifies that any insured dependent, including a child, is eligible to continue health insurance coverage upon the death of an insured employe or annuitant.

Small businesses are not affected by these rules.

This rule order is being promulgated pursuant to the authority vested in the Secretary of the Department of Employee Trust Funds by s. 40.03 (2) (i), Stats., and interpret ss. 40.02 (20), 40.02 (25) (b) 3, 40.03 (6) (b), 40.51 and 40.52, Stats.

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Pursuant to the authority vested in the secretary of the department of employe trust funds by s. 40.03 (2) (i), Stats., the secretary of the department of employe trust funds hereby repeals, repeals and recreates and creates rules interpreting ss. 40.02 (20), 40.02 (25) (b) 3, 40.03 (6) (b), 40.51 and 40.52, Stats., as follows:

SECTION 1. ETF 10.01 (2) is repealed and recreated to read:

ETF 10.01 (2) "Dependent" means:

(a) For life insurance purposes, an employe's spouse and an employe's unmarried child, including natural child, stepchild, adopted child and a child in an adoptive placement under s. 48.837 (1), Stats., who is dependent upon the employe for at least 50% of support and maintenance and who is:

1. More than 14 days of age, but under the age of 19,
2. Age 19 or over but less than age 25 if a full-time student, or
3. Age 19 or older and incapable of self-support because of a physical or mental disability which is expected to be of long-continued or indefinite duration.

(b) For health insurance purposes, an employe's spouse and an employe's unmarried child who is dependent upon the employe or the employe's former spouse for at least 50% of support and maintenance. In this paragraph, "child" includes a natural child, stepchild, adopted child, child in an adoptive placement under s. 48.837 (1), Stats., and a legal ward who became a legal ward of the employe or the employe's former spouse prior to age 19, and who is:

1. Under the age of 19,
2. Age 19 or over but less than age 25 if a full-time student, or
3. Age 19 or older and incapable of self-support because of a physical or mental disability which is expected to be of long-continued or indefinite duration.

SECTION 2. ETF 10.63 (1) (a) is repealed.

SECTION 3. Chapter ETF 40 is created to read:

Chapter ETF 40  
HEALTH CARE BENEFITS

ETF 40.01 CONTINUED COVERAGE OF A DEPENDENT. (1) A surviving insured dependent of an employe or annuitant who was covered under the health care coverage program at the time of his or her death shall continue coverage, either single or family, if within 90 days after the death of the insured employe or annuitant, the department receives an application for health care coverage from the surviving dependent.

(2) Coverage under this section shall be effective on the first day of the calendar month following the date of death of the insured employe or annuitant.

(3) Premiums for a surviving dependent who has acted pursuant to this section shall be paid:

(a) From accumulated leave credits until exhausted, for surviving dependents of a state employe or state annuitant only; then

(b) By deductions from any annuity that the surviving dependent is receiving from the Wisconsin retirement system. If there is no annuity or the annuity is insufficient to allow premium deductions; then

(c) Directly to the insurance carrier or department.

SECTION 4. Chapter Grp 1 is repealed.

SECTION 5. Chapter Grp 20 is repealed.

The rules contained in this order shall take effect on February 1, 1987, as provided in s. 227.22 (2) (b), Stats., as renumbered by 1985 Wisconsin Act 182.

November 10, 1986  
Date

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

FISCAL ESTIMATE

AD-MBA-23 (Rev. 11/84)

- ORIGINAL
- UPDATED
- CORRECTED
- SUPPLEMENTAL

CRS or Bill No./Adm. Rule No.

Grp 1, Grp 20, ETF  
Amendment No. if Applicable

Subject

Group Health Insurance Program Administered by the Dept. of Employee Trust Funds

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

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

This proposed rule order, together with the simultaneous amendment of the contract between the health insurance carriers and the Group Insurance Board, incorporates into contract those provisions which, pursuant to s. 40.03 (6), Stats. appropriately belong in the contract.

The repeal and recreation of s. ETF 10.01 (2) expands the definition of dependent to make it applicable to the health insurance program as well as the life insurance program. Section ETF 40.01 clarifies that any insured dependent, including a child, is eligible to continue health insurance coverage upon the death of an insured employe or annuitant.

We expect this rule order to have no fiscal effect.

Long-Range Fiscal Implications

None.

Agency/Prepared by: (Name & Phone No.)

Diane M. Bass 266-5804

Dept. of Employee Trust Funds

Authorized Signature/Telephone No.

*Diane M. Bass* 266-5804

Date

6/6/86

**FISCAL ESTIMATE WORKSHEET**

1985 Session

Detailed Estimate of Annual Fiscal Effect  
AD-MBA-22 (Rev. 11/84)

ORIGINAL  UPDATED  
 CORRECTED  SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. Amendment No.  
Grp 1, Grp 20, ETF 40, etc

Subject: The Group Health Insurance Program Administered by the Depart. of Employee Trust Funds

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:

	Annualized fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
Salaries and Fringes	\$ -	\$ +
Staff Support Costs	-	+
Other State Costs	-	+
Local Assistance	-	+
Aids to Individuals or Organizations	-	+
<b>TOTAL State Costs by Category</b>	\$ - 0	\$ + 0
<b>B. State Costs by Source of Funds</b>		
GPR	\$ -	\$ +
FED	-	+
PRO PRS	-	+
SEG SEG S	-	+
<b>C. FTE Position Changes</b>	Increased Pos. + ( 0 )	Decreased Pos. - ( 0 )
<b>III. State Revenues--Complete this only when proposal will increase or decrease state revenues, such as taxes, license fees, etc.</b>	Decreased Rev.	Increased Rev.
GPR Taxes	\$ -	\$ +
GPR Earned	-	+
FED	-	+
PRO PRS	-	+
SEG SEG S	-	+
<b>TOTAL State Revenues</b>	\$ - 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	\$ (+)	None	NET Impact on Local Funds	\$ (+)	None

Agency/Prepared by: (Name & Phone No.)

Diane M. Bass 266-5804  
Department of Employee Trust Funds

Authorized Signature/Telephone No.

*Diane M. Bass* 266-5804

Date

6/6/86



State of Wisconsin \ DEPARTMENT OF EMPLOYEE TRUST FUNDS

Gary I. Gates  
Secretary

201 EAST WASHINGTON AVENUE  
P.O. BOX 7931  
MADISON, WISCONSIN 53707

November 10, 1986

IN REPLY REFER TO:

Gary Poulson  
Assistant Revisor of Statutes  
Suite 904, 30 West Mifflin Street  
Madison, WI 53703

**RECEIVED**

NOV 12 1986

Revisor of Statutes  
Bureau

Dear Gary:

RE: Clearinghouse Rule No. 86-154

Enclosed is a Certificate and two copies of An Order Repealing and Amending Rules. A certified copy of this order has been forwarded to the Secretary of State.

Sincerely,

Diane M. Bass  
Policy Analyst  
(608) 266-5804

DMB/ep tht1-11/6  
Enclosures