

No. 509, S.]

[Published July 15, 1947.]

CHAPTER 408.

AN ACT to create 185.25 to 185.29 of the statutes, relating to sickness care through cooperative associations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

185.25 to 185.29 of the statutes are created to read:

185.25 CO-OPERATIVE SICKNESS CARE. (1) Co-operative associations may be organized under this chapter without capital stock, exclusively to establish and operate in the state or in any county or counties therein a nonprofit plan or plans for sickness care, including hospital care, for their members and their dependents through contracts with physicians, medical societies, dentists, dental societies, hospitals and others.

(2) Such associations shall operate only on a co-operative nonprofit basis and for the purpose of establishing, maintaining and operating a voluntary nonprofit medical or dental care plan or plans or for constructing, operating and maintaining nonprofit hospitals whereby sickness or hospital care is provided at the expense of such association to such persons or groups of persons as shall become subscribers to such plan, under contracts which will entitle each such subscriber to definite medical, surgical, dental, or hospital care, appliances and supplies, by physicians and surgeons licensed and registered under section 147.175, or by dentists licensed under section 152.05 in their offices, in hospitals and in the home.

(3) No co-operative association organized for the purposes provided in sections 185.25 to 185.27 shall be prevented from contracting with any hospital in this state for the rendition of such hospital care as is included within such a plan because such hospital participates in any other such plan, or in a plan organized and operated under the provisions of section 180.32. No hospital may discriminate against any physician and surgeon or dentist with respect to the use of such hospital's facilities by reason of his participation in a sickness care plan of a co-operative.

(4) No contract by or on behalf of any such co-operative association shall provide for the payment of any cash, indemnity or other material benefit by that association to the subscriber or his estate on account of death, illness or injury, nor be in

any way related to the payment of any such benefit by any other agency, but any such association may stipulate in its plan that it will pay any nonparticipating physician and surgeon, dentist or hospital outside of its normal territory for sickness or hospital care rendered any covered member or his covered dependent who is in need of the benefits of such plan when he is outside of the territory of such association in which the benefits of such plan are normally available. Any such plan may prescribe monetary limitations with respect to such extra-territorial benefits.

(5) Every such co-operative association is hereby declared to be a charitable and benevolent corporation, and its property, real, personal and mixed, its income and property transferred to it, shall be exempt from taxation as provided in sections 70.11, 71.05, 72.04 and 72.75, and its employes shall be excluded from the provisions of chapter 108 as provided in section 108.02.

185.26 MANNER OF PRACTICING MEDICINE; PAYMENT; PROMOTIONAL EXPENSE. (1) No sickness care plan or contract issued thereunder by such cooperative association shall interfere with the manner or mode of the practice of medicine or dentistry, the relationship of physician or dentist and patient, nor the responsibility of physician or dentist patient. Any person who is covered by any such plan shall be free to choose for sickness care any medical or osteopathic physician or dentist licensed to practice in Wisconsin who has agreed to participate in such plan and abide by its terms, and no such physician or dentist shall be required to participate exclusively in any such plan. Except for professional cause, no such co-operative association shall deny to any duly licensed physician or dentist the opportunity to participate in such a plan who agrees to participate therein according to its terms.

(2) Any co-operative association operating a voluntary sickness care plan under the provisions of this chapter may pay physicians and surgeons, or dentists on a salary, per capita or fee-for-service basis to provide sickness care to members of such association. No such payment shall be made on a percentage basis of work done, nor shall any such association retain any part of the physician's or dentist's fee if a fee-for-service payment basis is used to provide members with such sickness care service. Every association shall contract only with its own members for the benefits of any plan which it operates, but any association

which operates a hospital may make the facilities thereof available to nonmembers and to nonparticipating physicians or dentists.

(3) Promotional expenses of any such association, including promotional expense for building or investment purposes, shall be limited to 5 per cent as provided in section 185.21.

185.27 REQUIREMENTS OF PLAN. (1) Every such voluntary nonprofit sickness care plan shall be exempt from the state insurance laws but the sponsoring association shall:

(a) File with the commissioner of insurance a declaration defining the organization and operation of the plan, all printed literature and specimen copies of all proposed contracts with persons covered and with participating physicians and hospitals, including all amendments thereto. The form of all such contracts and amendments shall be subject to approval by the commissioner of insurance but the commissioner may not withhold approval if the form of such contracts or changes therein comply with the provisions of sections 185.25 to 185.29.

(b) Provide for like rates, benefits, terms and conditions for all persons in the same class.

(c) Invest its funds only in property and securities approved for domestic life insurance companies.

(d) File with the commissioner of insurance, on such forms as may be prescribed by him, an annual report of its financial condition as of December 31 each year, on or before the last day of February following.

(e) Maintain sufficient reserves to discharge its obligations, having regard for the nature of its contracts and the area and number of persons covered.

(2) Every such plan shall make provision for a minimum of one physician and surgeon, or dentist to each 2,000 persons covered for medical or dental care and a minimum of 6 hospital beds for each 2,000 persons covered for hospital care.

185.28 AUTHORITY TO ENJOIN UNLAWFUL OPERATION. The books and records of any co-operative association establishing and operating any sickness care plan under the provisions of sections 185.25 to 185.27 shall at all times be subject to examination by the commissioner of insurance. If at any time the commissioner shall find that any such sickness care plan does not comply with the provisions of sections 185.25 to 185.27 the commissioner shall direct said co-operative to comply with said

provisions. In the event that any co-operative association fails to comply with such order, the commissioner may commence an action in the circuit court in the county where the principal office of said co-operative association is located for the purpose of enjoining the continued operation of said plan. If the court shall find that said co-operative association or the sickness care plan or plans being operated by it do not comply with the provisions of sections 185.25 to 185.27 in such a material manner as to jeopardize the rights of member subscribers to receive the benefits to which they are entitled, it may enjoin the continued operation of such association or plan.

185.29 INCONSISTENT PROVISIONS OF THE STATUTES. Sickness care or hospital plans operated by co-operative associations organized under this chapter shall be operated exclusively under the provisions of sections 185.25 to 185.29. Other provisions of the statutes inconsistent with any of such provisions shall not be applicable to co-operative associations or sickness care plans operated by co-operative associations pursuant to this chapter.

Approved July 11, 1947.

No. 570, S.]

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CHAPTER 409.

AN ACT to create 256.47 of the statutes, relating to recognition and enforcement through action in the courts of this state of the liability for taxes imposed by the laws of another state which extends a like comity to this state and authorizing the enforcement of taxes of this state in the courts of other states.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

256.47 of the statutes is created to read:

256.47 TAXES OF THIS STATE ENFORCED IN OTHER STATES. (1)

The courts of this state shall recognize and enforce the liability for taxes lawfully imposed by the laws of any other state which extends a like comity in respect of the liability for taxes lawfully imposed by the laws of this state, and the officials of such other state are authorized to bring action in the courts of this state for the collection of such taxes. The certificate of the