

1987 Wisconsin Act 177

AN ACT to create 601.423 of the statutes, relating to requiring the commissioner of insurance to prepare social and financial impact reports for bills that mandate health insurance coverages.

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

SECTION 1. 601.423 of the statutes is created to read:

601.423 Social and financial impact reports. (1)

DEFINITION. In this section, "health insurance mandate" means a statute of this state which requires an insurance policy, plan or contract to do any of the following:

(a) Permit a person insured under the policy, plan or contract to obtain treatment or services from a particular type of health care provider, including, but not limited to, requiring a health maintenance organization, preferred provider plan, limited service health organization or other plan to select a particular type of health care provider for participation in the plan.

(b) Provide coverage for the treatment of a particular disease, condition or other health care need.

(c) Provide coverage of a particular type of health care treatment or service, or of equipment, supplies or drugs used in connection with a health care treatment or service.

(d) Provide coverage for particular persons because of their relation to the insured or legal status with respect to the insured, or for any other reason.

(2) **PREPARATION OF REPORT.** The commissioner shall submit a report on the social and financial impact of any health insurance mandate, contained in any bill affecting an insurance policy, plan or contract, to the presiding officer of that house of the legislature in which the bill is introduced. At the discretion of the presiding officer, any such report may be printed and distributed as are amendments.

(3) **CONTENTS OF REPORT.** (a) *Social impact factors.* Any report prepared under sub. (2) shall assess to the extent possible all of the following social impact fac-

tors which are relevant to the type of health insurance mandate created, expanded or continued by the bill:

1. The portion of this state's residents who use the treatments or services covered by the health insurance mandate.

2. The extent to which individuals under subd. 1 use these treatments or services.

3. The availability of insurance coverage for these treatments or services.

4. The number of persons who would be eligible for coverage under the health insurance mandate, and the availability of insurance coverage for these persons without the health insurance mandate.

(b) *Financial impact factors.* Any report prepared under sub. (2) shall assess to the extent possible all of the following financial impact factors which are relevant to the type of health insurance mandate created, expanded or continued by the bill:

1. Whether the health insurance mandate may increase or decrease the costs of the treatments or services covered by the health insurance mandate.

2. Whether the health insurance mandate would increase the use of the treatments or services covered by the health insurance mandate.

3. Whether any increased use under subd. 2 would substitute for more expensive treatments or services.

4. The impact of the health insurance mandate on total costs of health care in this state.

5. Whether the health insurance mandate may increase the administrative costs to insurance companies and the premium costs to policyholders.

SECTION 2. Initial applicability. This act first applies to bills that are introduced beginning in the 1989 session of the legislature.