

1987 Senate Bill 337

Date of enactment: March 31, 1988

Date of publication: April 7, 1988

1987 Wisconsin Act 195

AN ACT to repeal 632.89 (1) (f), 632.89 (3) and 632.89 (6) (title); to renumber and amend 632.89 (6); to amend 632.89 (2) (a), (b) and (c) 1 and 2. (intro.) and b, 632.89 (2) (d), 632.895 (4) (a) and 632.895 (6); and to create 632.89 (1) (em), 632.89 (2) (e) and 632.89 (3m) of the statutes, relating to mandatory insurance policy coverage of mental disorders and alcohol and other drug problems, and diabetes.

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

SECTION 1. 632.89 (1) (em) of the statutes is created to read:

632.89 (1) (em) "Policy year" means any period of time as defined by the group or blanket disability insurance policy that does not exceed 12 consecutive months.

SECTION 2. 632.89 (1) (f) of the statutes is repealed.

SECTION 3. 632.89 (2) (a), (b) and (c) 1 and 2. (intro.) and b of the statutes are amended to read:

632.89 (2) (a) *Conditions covered.* 1. A group or blanket disability insurance policy, joint contract or other contract issued by an insurer shall provide coverage of nervous and mental disorders and alcoholism and other drug abuse problems if required by and as provided in pars. (b) to (d) (e).

2. Except as provided in pars. (b) to (d) (e), coverage of conditions under subd. 1 by a policy or contract may not be subject to exclusions or limitations that are not generally applicable to other conditions covered under the policy or contract.

(b) *Minimum coverage of inpatient and outpatient treatment.* 1. Except as provided in subd. 2, if a group or blanket disability insurance policy, joint contract or other contract issued by an insurer provides coverage of inpatient hospital services and outpatient services, then the policy or contract shall provide coverage in every policy year as provided in pars. (c) and (d) except that the total coverage under the policy or contract for a policy year need not exceed \$7,000 or, if the coverage is provided by a predetermined payment health care plan health maintenance organiza-

tion, as defined in s. 609.01 (2), the equivalent benefits measured in services rendered.

2. The amount under subd. 1 may be reduced if the policy or contract is written in combination with major medical coverage to the extent that results in combined coverage complying with subd. 1.

(c) 1. If a group or blanket disability insurance policy, joint contract or other contract issued by an insurer provides coverage of any inpatient hospital treatment, the policy or contract shall provide coverage for inpatient hospital services for the treatment of conditions under par. (a) 1 as provided in subd. 2.

2. (intro.) Except as provided in par. (b), a policy or contract under subd. 1 shall provide coverage in every policy year for not less than the lesser of the following:

b. The first \$7,000 minus a copayment of up to 10% unless the coverage is provided by a predetermined payment health care plan health maintenance organization, as defined in s. 609.01 (2), in which case the first \$6,300 or the equivalent benefits measured in services rendered.

SECTION 4. 632.89 (2) (d) of the statutes is amended to read:

632.89 (2) (d) *Minimum coverage of outpatient services.* 1. If a group or blanket disability insurance policy, joint contract or other contract issued by an insurer provides coverage of any outpatient treatment, the policy or contract shall provide coverage for outpatient services for the treatment of conditions under par. (a) 1 as provided in subd. 2.

2. Except as provided in par. (b), a policy or contract under subd. 1 shall provide coverage in every policy year for not less than the first \$1,000 minus a copayment of up to 10% for outpatient services unless the coverage is provided by a predetermined payment

~~health care plan~~ health maintenance organization, as defined in s. 609.01 (2), in which case the first \$900 or the equivalent benefits measured in services rendered.

SECTION 4m. 632.89 (2) (e) of the statutes is created to read:

632.89 (2) (e) *Exclusion*. This subsection does not apply to a health care plan offered by a limited service health organization, as defined in s. 609.01 (3).

SECTION 5. 632.89 (3) of the statutes is repealed.

SECTION 6. 632.89 (3m) of the statutes is created to read:

632.89 (3m) *ISSUANCE OF POLICY*. Every group or blanket disability insurance policy subject to sub. (2) shall include a definition of "policy year".

SECTION 6f. 632.89 (6) (title) of the statutes is repealed.

SECTION 6g. 632.89 (6) of the statutes is renumbered 632.895 (4) (d) and amended to read:

632.895 (4) (d) The department of health and social services may by rule impose reasonable standards for the treatment of kidney diseases required to be covered under ~~s. 632.895 (4)~~ this subsection, which shall not be inconsistent with or less stringent than applicable federal standards.

SECTION 6r. 632.895 (4) (a) of the statutes is amended to read:

632.895 (4) (a) Every disability insurance policy which provides hospital treatment coverage on an expense incurred basis shall provide coverage for hospital inpatient and outpatient kidney disease treat-

ment, which may be limited to dialysis, transplantation and donor-related services, in an amount not less than \$30,000 annually, as defined by the department of health and social services under ~~s. 632.89 (6)~~ par. (d).

SECTION 7. 632.895 (6) of the statutes is amended to read:

632.895 (6) *EQUIPMENT AND SUPPLIES FOR TREATMENT OF DIABETES*. Every disability insurance policy which provides coverage of expenses incurred for treatment of diabetes shall provide until December 31, 1988, and may provide thereafter coverage for expenses incurred by the installation and use of an insulin infusion pump or other equipment or supplies, including insulin, in the treatment of diabetes and shall provide until December 31, 1988, and may provide thereafter coverage of diabetic self-management education programs. Coverage required under this subsection shall be subject to the same deductible and coinsurance provisions of the policy as other covered expenses, except that insulin infusion pump coverage may be limited to the purchase of one pump per year and the insurer may require the insured to use a pump for 30 days before purchase.

SECTION 8. **Initial applicability**. The treatment of section 632.89 (1) (em) and (3m) of the statutes first applies to group or blanket disability insurance policies issued or renewed on the effective date of this SECTION.