



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBs0135/1
PJK:kjf:cph

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2003 ASSEMBLY BILL 362**

September 9, 2003 – Offered by COMMITTEE ON INSURANCE.

1 **AN ACT** *to renumber and amend* 632.895 (6); *to amend* 632.81; and *to create*
2 632.895 (6) (b) of the statutes; **relating to:** coverage of prescription drugs for
3 the treatment of diabetes under Medicare supplement policies.

Analysis by the Legislative Reference Bureau

Under current law, health insurance policies that cover expenses for the treatment of diabetes are required to provide coverage for the installation and use of an insulin infusion pump, for all other equipment and supplies used in the treatment of diabetes, including insulin and other prescription medication, and for diabetic self-management education programs. The required coverage may be subject to any exclusions, limitations, deductibles, and coinsurance provisions that apply generally under the policy or plan, with the exception that insulin infusion pump coverage may be limited to the purchase of one pump per year.

Medicare supplement policies are required by administrative rule to provide coverage for at least 80% of the charges for prescription drugs after a drug deductible of no more than \$6,250 per calendar year. The requirement applies to coverage of prescription drugs for the treatment of diabetes, also. This substitute amendment provides that coverage of prescription medication for the treatment of diabetes under

a Medicare supplement policy may not be subject to any deductibles, copayments, or coinsurance.

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

1 **SECTION 1.** 632.81 of the statutes is amended to read:

2 **632.81 Minimum standards for certain disability policies.** The Subject
3 to s. 632.895 (6) (b), the commissioner may by rule establish minimum standards for
4 benefits, claims payments, marketing practices, compensation arrangements, and
5 reporting practices for medicare Medicare supplement policies, medicare Medicare
6 replacement policies, and long-term care insurance policies. The Except as provided
7 in s. 632.895 (6) (b), the commissioner may by rule exempt from the minimum
8 standards certain types of coverage, if the commissioner finds the exemption is not
9 adverse to the interests of policyholders and certificate holders.

10 **SECTION 2.** 632.895 (6) of the statutes is renumbered 632.895 (6) (intro.) and
11 amended to read:

12 **632.895 (6) EQUIPMENT AND SUPPLIES FOR TREATMENT OF DIABETES.** (intro.) Every
13 disability insurance policy which that provides coverage of expenses incurred for
14 treatment of diabetes shall provide coverage for expenses incurred by the
15 installation and use of an insulin infusion pump, coverage for all other equipment
16 and supplies, including insulin or any other prescription medication, used in the
17 treatment of diabetes, and coverage of diabetic self-management education
18 programs. Coverage required under this subsection shall be subject to the same
19 exclusions, limitations, deductibles, and coinsurance provisions of the policy as other
20 covered expenses, except ~~that insulin~~ as follows:

