



**WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO**

2007 Senate Bill 88

**Assembly Substitute
Amendment 2**

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Current law does not require that health insurance policies or self-insured health plans established by certain governmental bodies (self-insured governmental health plans) provide coverage for hearing aids or cochlear implants.

Assembly Substitute Amendment 2 to 2007 Senate Bill 88 does the following with respect to group and individual health insurance policies and self-insured governmental health plans:

- Requires coverage of hearing aids and cochlear implants for children under 11 years of age who are certified as deaf or hearing impaired -- subject to the provisions described below.
- Coverage for hearing aids is not required to exceed the cost of one hearing aid per ear more often than once every three years.
- Coverage may be subject to any cost-sharing provisions, limitations, or exclusions that generally apply under the policy or plan, other than a preexisting condition exclusion. The exception is that an individual health insurance policy may impose a one-year preexisting condition exclusion for cochlear implants. If the preexisting condition exclusion would have applied but for the prohibition in the substitute amendment, special provisions may apply if the coverage is discontinued in the first year, as discussed below.
- For group health insurance policies and self-insured governmental health plans: *if* the preexisting condition exclusion would have applied to prohibit coverage of a **hearing aid or cochlear implant** received by a child within the **first year** of the effective date of coverage under the policy or plan, the policy or plan must provide coverage as noted above but may require that benefits paid for the hearing aid or cochlear implant be **reimbursed if the coverage is discontinued in that first year**. However, reimbursement cannot be required if the child's coverage is discontinued either because the employer discontinued coverage or

because the child's parent was terminated or laid off from the employment through which the parent received coverage.

- For individual health insurance policies for cochlear implants: a one-year preexisting condition exclusion may be applied.
- For individual health insurance policies for hearing aids: if the preexisting condition exclusion would have applied to prohibit coverage of a *hearing aid* received by a child within the *first year* of the effective date of coverage under the policy, the policy must provide coverage as noted above but may require that benefits paid for the hearing aid be *reimbursed if the coverage is discontinued in that first year*.
- If an individual health insurance policy denies coverage for hearing aids or cochlear implants for a child under age 11 (for example, because coverage is limited to one hearing aid per ear not more than once every three years or because the preexisting condition exclusion may apply for one year for cochlear implants), the policy must advise the child's family of the availability of coverage for hearing aids and cochlear implants under the BadgerCare Plus Standard Plan (not the BadgerCare Plus Benchmark Plan which does not provide such coverage). (The substitute amendment does not amend current law with respect to the BadgerCare Plus Program; rather, it requires that information be provided about it.)
- Specifies that these provisions do not apply to limited scope benefit plans, long-term care policies, policies covering only certain specified diseases, or Medicare supplement or replacement policies.
- ***Effective Date; Initial Applicability Provision*** -- Provides that the act takes effect on the first day of the seventh month beginning after publication. However, the provisions in the substitute amendment, in general, apply only to health insurance policies or self-insured governmental health plans that are established, extended, modified, or renewed on or after the effective date -- with special provisions applying if the policy is inconsistent with a collective bargaining agreement.

Legislative History

Senate Bill 88 was introduced by Senator Lassa and others; cosponsored by Representative Schneider and others. Senator Lassa offered Senate Substitute Amendment 1 which was recommended for adoption by the Senate Committee on Transportation and Tourism on a vote of Ayes, 7; Noes, 0. The committee recommended passage of the bill, as amended, on a vote of Ayes, 6; Noes, 1. The Senate adopted the substitute amendment and passed the bill on a voice vote.

Assembly Substitute Amendment 2 to the bill was offered by the Assembly Committee on Insurance. The committee unanimously recommended adoption of Assembly Substitute Amendment 2. The committee recommended concurrence, as amended, on a vote of Ayes, 10; Noes, 2.