



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Assembly Bill 683

**Assembly
Amendment 1**

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Assembly Bill 683 makes a number of changes in the statutes that relate to health plans operated by cooperative associations. Current law refers to the associations as “cooperative sickness care associations”; the bill refers to them as “cooperative health care associations.”

Under current law, cooperative associations may be organized exclusively to establish and operate nonprofit sickness care plans for their members and dependents. The bill modifies this to state that cooperative associations may be organized “primarily” for that purpose and allows the plans to be for their members, their members’ dependents, and others. The amendment deletes the reference to “others.”

Current law allows a cooperative association to operate for the purpose of establishing voluntary nonprofit health, dental, or vision care plans. The bill modifies this to state that cooperative associations may be organized for that “primary” purpose and may include “additional programs.” The amendment deletes the term “additional programs.”

Current law states that a contract by a cooperative association may not provide for the payment of any cash, indemnity, or other material benefit by that association to the subscriber or the subscriber’s estate on account of death, illness, or injury, nor be in any way related to the payment of such a benefit by any other agency. The bill deletes this restriction. The amendment restores the first part of this restriction but strikes the language “nor be in any way related to the payment of any such benefit by any other agency. In addition, the amendment creates a new provision that states that a cooperative association may make a payment in cash, indemnity, or other material benefit for a purpose that is incidental to its plans, including for the purpose of administering coordination of benefits.

Current law includes an enumeration of statutes to which sickness care plans operated by a cooperative association are subject. The bill adds two new statutory references. The amendment

includes references to additional statutes to which health care plans operated by a cooperative association are subject.

Legislative History

The Assembly Committee on Health and Healthcare Reform recommended adoption of Assembly Amendment 1, and passage of the bill as amended, both by votes of Ayes, 12; Noes, 0.

RNS:jal