



## 2005 ASSEMBLY BILL 959

January 31, 2006 - Introduced by Representatives ZEPNICK, SINICKI, GRIGSBY, FIELDS, VRUWINK, SEIDEL, CULLEN, BENEDICT, TURNER, PARISI, POCAN, POPE-ROBERTS, BERCEAU, BOYLE, HEBL and BLACK, cosponsored by Senators MILLER, COGGS, HANSEN, ERPENBACH and RISSER. Referred to Committee on Insurance.

1     **AN ACT to create** 20.435 (4) (c), 20.435 (4) (jk) and 49.67 of the statutes; **relating**  
2           **to:** health insurance coverage for children, extending the time limit for  
3           emergency rule procedures, providing an exemption from emergency rule  
4           procedures, requiring the exercise of rule-making authority, and making  
5           appropriations.

---

### *Analysis by the Legislative Reference Bureau*

Currently, the Department of Health and Family Services (DHFS) administers the Medical Assistance (MA) and Badger Care programs to provide comprehensive health care coverage to program enrollees. Generally, children under the age of six whose family income does not exceed 185 percent of the federal poverty level (FPL) and children over age six whose family income does not exceed 100 percent of the FPL are eligible for MA. Also certain disabled or blind children are eligible for MA. Children, regardless of age, whose family income does not exceed 185 percent of FPL and who do not have access to an employer-subsidized health insurance plan for which the employer subsidizes at least 80 percent of the cost are generally eligible for Badger Care. (Family income may increase up to 200 percent of FPL before a family already enrolled in Badger Care loses eligibility). Badger Care enrollees with family income in excess of 150 percent of the FPL must pay a monthly premium. The benefits under MA and Badger Care include: physician services; early periodic screening, diagnosis, and treatment; inpatient and outpatient hospital services; dental services; optometrist or optician services; mental health services; and prescription and over-the-counter drugs.

**ASSEMBLY BILL 959**

This bill requires DHFS to administer a program (All Kids) to provide health care coverage to certain children under the age of 19 regardless of the child's family income. A child is eligible if he or she is a resident of Wisconsin; if he or she is not eligible for MA or Badger Care; if he or she is not a resident of an institution for mental diseases or an inmate of a public institution; and if he or she satisfies at least one of the following health care coverage conditions: 1) the child has been without health insurance coverage for a period of time established by DHFS (at least six months upon program implementation, incrementally increasing to at least 12 months); 2) the child's parent lost access to affordable employer-sponsored health insurance for the child as a result of job loss; 3) the child is a newborn without access to affordable employer-sponsored health insurance; or 4) the child lost eligibility for MA or Badger Care in the previous 12 months.

The bill authorizes DHFS to establish cost-sharing requirements for enrollees including monthly premiums (based on family income), copayments, or coinsurance. If a required monthly premium is not timely paid, the child is terminated from All Kids and is not eligible to reenroll for at least three months.

The benefits under All Kids are the same as the benefits under MA, except that All Kids does not cover nonemergency transportation services. However, the bill authorizes DHFS to subsidize a health insurance plan for an enrollee rather than providing the MA benefits if the subsidy is cost-effective. Further, the bill authorizes DHFS to provide a limited package of health care benefits to children who satisfy all of the eligibility criteria except the health care coverage conditions and are either enrolled in a high-deductible health insurance plan or a health insurance plan that does not cover all of the benefits covered under All Kids. The bill creates a general purpose revenue appropriation and a program revenue appropriation to fund benefits under the All Kids program.

Under the bill, the All Kids program is effective January 1, 2007. The bill requires DHFS to promulgate emergency rules for the program.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

---

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

- 1           **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
2 the following amounts for the purposes indicated:



**ASSEMBLY BILL 959****SECTION 4**

1 (b) The child is not eligible to receive benefits under s. 49.45 or 49.665.

2 (c) The child is not a resident of an institution for mental diseases, as defined  
3 in s. 49.43 (6m).

4 (d) The child is not an inmate of a public institution, as defined in 42 CFR  
5 435.1009.

6 (e) At the time of eligibility determination, any of the following applies:

7 1. The child has been without health insurance coverage for a period  
8 established by the department by rule that is not less than 6 months during the first  
9 month of operation of the program under this section, 7 months during the 2nd  
10 month of operation, 8 months during the 3rd month of operation, 9 months during  
11 the 4th month of operation, 10 months during the 5th month of operation, 11 months  
12 during the 6th month of operation, and 12 months for any month after the 6th month  
13 of operation.

14 2. As a result of losing employment, the child's parent lost access to affordable  
15 employer-sponsored health insurance coverage for the child and the parent remains  
16 without access to affordable employer-sponsored health insurance coverage for the  
17 child.

18 3. The child is a newborn and affordable private or employer-sponsored health  
19 insurance coverage is not available for the child.

20 4. The child lost eligibility for benefits under s. 49.45 or 49.665 within the 12  
21 months before applying for benefits under this section.

22 **(4) ENROLLMENT DURATION.** A child who is determined to be eligible under sub.  
23 (3) remains eligible for 12 months except if sub. (3) (a), (c), or (d) no longer applies  
24 or if a monthly premium required under sub. (6) is not timely paid. A child for whom

**ASSEMBLY BILL 959**

1 the monthly premium is not timely paid is ineligible to reenroll in the program under  
2 this section for 3 months.

3 **(5) BENEFITS.** (a) Except as provided in par. (b), the benefits under this section  
4 are the same as those described under s. 49.46 (2), except that nonemergency  
5 transportation services are not covered under this section.

6 (b) As an alternative to providing the benefits under par. (a), the department  
7 may subsidize the cost of health insurance coverage for a child, including  
8 employer-sponsored coverage, if paying the subsidy is cost-effective.

9 **(6) COST SHARING.** (a) Except as provided in par. (b), a child receiving benefits  
10 under sub. (5) (a) is subject to any copayment, coinsurance, or monthly premium  
11 established by the department. The department shall determine copayment,  
12 coinsurance, and monthly premium amounts on a sliding scale based on family  
13 income.

14 (b) The department may not require a copayment for the benefit described  
15 under s. 49.46 (2) (a) 2.

16 (c) A child enrolled in a privately sponsored health plan as provided under sub.  
17 (5) (b) is subject to the cost-sharing provisions stated in the plan.

18 **(7) ALTERNATIVES.** Notwithstanding subs. (3) (e) and (5), if cost-effective, the  
19 department may, as an alternative to the benefits under sub. (5), provide a limited  
20 package of the services under sub. (5) (a) to a child who satisfies the eligibility criteria  
21 under sub. (3) (a), (b), (c), and (d) and is enrolled in a high-deductible health  
22 insurance plan or a health insurance plan that does not cover all of the benefits under  
23 sub. (5) (a).

24 **(8) INFORMATION ABOUT APPLICANTS AND ENROLLEES.** (a) In this subsection:

25 1. "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

**ASSEMBLY BILL 959**

1           2. “Insurer” has the meaning given in s. 600.03 (27)

2           (b) An insurer that issues or delivers a disability insurance policy that provides  
3 coverage to a resident of this state shall provide to the department, upon the  
4 department’s request, information contained in the insurer’s records that the  
5 department needs to verify the eligibility of program applicants and enrollees under  
6 this section.

7           (c) Upon requesting an insurer to provide the information under par. (b), the  
8 department shall enter into a written agreement with the insurer that satisfies all  
9 of the following:

10           1. Identifies in detail the information to be disclosed.

11           2. Includes provisions that adequately safeguard the confidentiality of the  
12 information to be disclosed.

13           (d) 1. An insurer shall provide the information requested under par. (b) within  
14 180 days after receiving the department’s request if it is the first time that the  
15 department has requested the insurer to disclose information under this subsection.

16           2. An insurer shall provide the information requested under par. (b) within 30  
17 days after receiving the department’s request if the department has previously  
18 requested the insurer to disclose information under this subsection.

19           3. If an insurer fails to comply with subd. 1. or 2., the department may notify  
20 the commissioner of insurance and the commissioner of insurance may initiate  
21 enforcement proceedings against the insurer under s. 601.41 (4) (a).

22           **SECTION 5. Nonstatutory provisions.**

23           (1) **EMERGENCY RULES.** Using the procedure under section 227.24 of the statutes,  
24 the department of health and family services shall promulgate the rules required  
25 under section 49.67 (2) (b) of the statutes, as created by this act. Notwithstanding

**ASSEMBLY BILL 959**

1 section 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this  
2 subsection remain in effect until the effective date of the permanent rules  
3 promulgated under section 49.67 (2) of the statutes, as created by this act, or until  
4 January 1, 2008, whichever is sooner. Notwithstanding section 227.24 (1) (a), (2) (b),  
5 and (3) of the statutes, the department is not required to provide evidence that  
6 promulgating a rule under this subsection as an emergency rule is necessary for the  
7 preservation of the public peace, health, safety, or welfare and is not required to  
8 provide a finding of emergency for a rule promulgated under this subsection.

9 **SECTION 6. Effective dates.** This act takes effect on the day after publication,  
10 except as follows:

11 (1) The treatment of section 49.67 (2) (b) of the statutes and SECTION 5 (1) of this  
12 act take effect on the day after publication.

13

(END)