

1987 Assembly Bill 384

Date of enactment: **April 22, 1988**  
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## 1987 Wisconsin Act 356

AN ACT *to amend* subchapter IV (title) of chapter 40, 40.51 (title) and 40.52 (title); and *to create* 40.02 (25) (bm), 40.02 (40m), 40.02 (54m), 40.03 (6) (h), 40.05 (4m) and 40.55 of the statutes, *relating to* long-term care insurance coverage for state employes and annuitants who were state employes and their spouses and parents and granting rule-making authority.

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

SECTION 2. 40.02 (25) (bm) of the statutes is created to read:

40.02 (25) (bm) For the purpose of long-term care insurance, in addition to any state annuitant under s. 40.02 (54m), any employe of the state who received a salary or wages in the previous calendar year, and any participant who was at one time employed by the state

who receives a lump sum payment under s. 40.25 (1) which would have been an immediate annuity if paid as an annuity, if the employe is a resident of this state and meets all of the requirements for an immediate annuity including filing of an application, whether or not final administrative action has been taken.

SECTION 3. 40.02 (40m) of the statutes is created to read:

40.02 (40m) "Long-term care insurance" means insurance that provides coverage both for an extended stay in a nursing home and for home health services for a person with a chronic condition. The insurance may also provide coverage for other services that assist the insured person in living outside a nursing home including but not limited to adult day care and continuing care retirement communities.

SECTION 4. 40.02 (54m) of the statutes is created to read:

40.02 (54m) "State annuitant" means a person receiving a retirement annuity, beneficiary annuity or a disability annuity from this state's retirement system who at one time received a salary or wages from this state and who is a resident of this state.

SECTION 5. 40.03 (6) (h) of the statutes is created to read:

40.03 (6) (h) Shall, on behalf of the state, offer as provided in s. 40.55 long-term care insurance policies, subject to the following conditions:

1. For purposes of this paragraph only, pars. (a) 2, (b), (e), (f) and (g) do not apply.

2. For purposes of this section, the offering by the state of long-term health insurance policies shall constitute a group insurance plan under par. (a) 1.

SECTION 6. 40.05 (4m) of the statutes is created to read:

40.05 (4m) **LONG-TERM CARE INSURANCE PREMIUMS.** For any long-term care insurance policies provided under s. 40.55, the entire premium shall be paid as a deduction under s. 40.06 (1) (a) from an employee's earnings or a state annuitant's annuity, except that if an eligible employe is not on a state payroll or receives earnings that are insufficient to cover premium payments or a state annuitant receives an annuity that is not sufficient to cover premium payments, the eligible employe or state annuitant shall make premium pay-

ments directly to the insurer. There shall be no employer contributions.

SECTION 7. Subchapter IV (title) of chapter 40 of the statutes is amended to read:

CHAPTER 40  
SUBCHAPTER IV  
**HEALTH AND LONG-TERM**  
CARE BENEFITS

SECTION 8. 40.51 (title) of the statutes is amended to read:

**40.51 (title) Health care coverage.**

SECTION 9. 40.52 (title) of the statutes is amended to read:

**40.52 (title) Health care benefits.**

SECTION 10. 40.55 of the statutes is created to read:

**40.55 Long-term care coverage.** (1) The state shall offer, through the group insurance board, to all eligible employes under s. 40.02 (25) (bm) and to all state annuitants all long-term care insurance policies which have been approved for sale in this state by the office of the commissioner of insurance and which have been approved for offering under rules promulgated by the group insurance board if the insurer requests that the policy be offered and the state shall also allow an eligible employe or a state annuitant to purchase those policies for his or her spouse or parent.

(2) For any long-term care policy offered through the group insurance board, the insurer may impose underwriting considerations in determining which persons to cover and what premiums to charge.

(4) The group insurance board may charge a fee to each insurer whose policy is offered under this section, but the fee may not exceed the direct costs incurred by the group insurance board in offering the policy.