

State of Wisconsin



1999 Senate Bill 417

Date of enactment: **May 12, 2000**
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1999 WISCONSIN ACT 165

AN ACT *to renumber and amend* 149.165 (2) (intro.), 149.165 (2) (a), 149.165 (2) (b), 149.165 (2) (c), 149.165 (2) (d) and 149.165 (2) (e); *to amend* 149.14 (5) (a), 149.143 (1) (b) 1. a., 149.143 (1) (b) 1. c., 149.143 (2) (a) 2., 149.143 (2m) (b) 1., 149.146 (2) (b) (intro.), 149.146 (2) (b) 1., 149.165 (1), 149.165 (3m) and 149.17 (1); and *to create* 149.14 (5m) and 149.165 (2) (bc) of the statutes; **relating to:** premium rates for coverage under the health insurance risk-sharing plan for persons who are eligible for medicare.

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

SECTION 1. 149.14 (5) (a) of the statutes is amended to read:

149.14 (5) (a) The plan shall offer a deductible in combination with appropriate premiums determined under this chapter for major medical expense coverage required under this section. For coverage offered to those persons eligible for medicare, the plan shall offer a deductible equal to the deductible charged by part A of title XVIII of the federal social security act, as amended. The deductible amounts for all other eligible persons shall be dependent upon household income as determined under s. 149.165. For eligible persons under s. 149.165 (2) (a) 1., the deductible shall be \$500. For eligible persons under s. 149.165 (2) ~~(b)~~ (a) 2., the deductible shall be \$600. For eligible persons under s. 149.165 (2) ~~(c)~~ (a) 3., the deductible shall be \$700. For eligible persons under s. 149.165 (2) ~~(d)~~ (a) 4., the deductible shall be \$800. For all other eligible persons who are not eligible for medicare, the deductible shall be \$1,000. With respect to all eligible persons, expenses used to satisfy the deductible during the last 90 days of a calendar year shall

also be applied to satisfy the deductible for the following calendar year.

SECTION 2. 149.14 (5m) of the statutes is created to read:

149.14 (5m) PREMIUM RATES. For the coverage required under this section, the premium rates charged to eligible persons with coverage under sub. (2) (b) shall be determined on the basis of the following factors:

(a) A comparison between the average per capita amount of covered expenses paid by the plan in the previous calendar year on behalf of eligible persons with coverage under sub. (2) (b) and the average per capita amount of covered expenses paid by the plan in the previous calendar year on behalf of eligible persons with coverage under sub. (2) (a).

(b) The enrollment levels of eligible persons with coverage under sub. (2) (b).

(c) Other economic factors that the department and the board consider relevant.

SECTION 3. 149.143 (1) (b) 1. a. of the statutes, as affected by [1999 Wisconsin Act 9](#), is amended to read:

149.143 (1) (b) 1. a. First, from premiums from eligible persons with coverage under s. 149.14 ~~(2)~~ (a) set at 150% of the rate that a standard risk would be charged

* Section 991.11, WISCONSIN STATUTES 1997-98: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

under an individual policy providing substantially the same coverage and deductibles as are provided under the plan and from eligible persons with coverage under s. 149.14 (2) (b) set in accordance with s. 149.14 (5m), including amounts received for premium and deductible subsidies under s. 149.144 and under the transfer to the fund from the appropriation account under s. 20.435 (4) (ah), and from premiums collected from eligible persons with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b).

SECTION 4. 149.143 (1) (b) 1. c. of the statutes, as affected by 1999 Wisconsin Act 9, is amended to read:

149.143 (1) (b) 1. c. Third, by increasing premiums from eligible persons with coverage under s. 149.14 (2) (a) to more than 150% but not more than 200% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as are provided under the plan and from eligible persons with coverage under s. 149.14 (2) (b) by a comparable amount in accordance with s. 149.14 (5m), including amounts received for premium and deductible subsidies under s. 149.144 and under the transfer to the fund from the appropriation account under s. 20.435 (4) (ah), and by increasing premiums from eligible persons with coverage under s. 149.146 in accordance with s. 149.146 (2) (b), to the extent that the amounts under subd. 1. a. and b. are insufficient to pay 60% of plan costs.

SECTION 5. 149.143 (2) (a) 2. of the statutes is amended to read:

149.143 (2) (a) 2. After making the determinations under subd. 1., by rule set premium rates for the new plan year, including the rates under s. 149.146 (2) (b), in the manner specified in sub. (1) (b) 1. a. and c. and such that a rate for coverage under s. 149.14 (2) (a) is not less than 150% nor more than 200% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as are provided under the plan.

SECTION 6. 149.143 (2m) (b) 1. of the statutes, as created by 1999 Wisconsin Act 9, is amended to read:

149.143 (2m) (b) 1. To reduce premiums in succeeding plan years as provided in sub. (1) (b) 1. b. For eligible persons with coverage under s. 149.14 (2) (a), premiums may not be reduced below 150% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as are provided under the plan.

SECTION 7. 149.146 (2) (b) (intro.) of the statutes is amended to read:

149.146 (2) (b) (intro.) The schedule of premiums for coverage under this section shall be promulgated by rule by the department, as provided in s. 149.143. The rates for coverage under this section shall be set such that they differ from the rates for coverage under s. 149.14 (2) (a) by the same percentage as the percentage difference between the following:

SECTION 8. 149.146 (2) (b) 1. of the statutes is amended to read:

149.146 (2) (b) 1. The rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under s. 149.14 (2) (a) and (5) (a).

SECTION 9. 149.165 (1) of the statutes is amended to read:

149.165 (1) Except as provided in s. 149.146 (2) (a), the department shall reduce the premiums established under s. 149.11 in conformity with ss. 149.14 (5m), 149.143 and 149.17⁷, for the eligible persons and in the manner set forth in subs. (2) and (3).

SECTION 10. 149.165 (2) (intro.) of the statutes, as affected by 1999 Wisconsin Act 9, is renumbered 149.165 (2) (a) (intro.) and amended to read:

149.165 (2) (a) (intro.) Subject to sub. (3m), if the household income, as defined in s. 71.52 (5) and as determined under sub. (3), of an eligible person with coverage under s. 149.14 (2) (a) is equal to or greater than the first amount and less than the 2nd amount listed in any of the following, the department shall reduce the premium for the eligible person to the rate shown after the amounts:

SECTION 11. 149.165 (2) (a) of the statutes is renumbered 149.165 (2) (a) 1. and amended to read:

149.165 (2) (a) 1. If equal to or greater than \$0 and less than \$10,000, to 100% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under ~~the plan s. 149.14 (2) (a) and (5) (a)~~.

SECTION 12. 149.165 (2) (b) of the statutes is renumbered 149.165 (2) (a) 2. and amended to read:

149.165 (2) (a) 2. If equal to or greater than \$10,000 and less than \$14,000, to 106.5% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under ~~the plan s. 149.14 (2) (a) and (5) (a)~~.

SECTION 13. 149.165 (2) (bc) of the statutes is created to read:

149.165 (2) (bc) Subject to sub. (3m), if the household income, as defined in s. 71.52 (5) and as determined under sub. (3), of an eligible person with coverage under s. 149.14 (2) (b) is equal to or greater than the first amount and less than the 2nd amount listed in par. (a) 1., 2., 3., 4. or 5., the department shall reduce the premium established for the eligible person by the same percentage as the department reduces, under par. (a), the premium established for an eligible person with coverage under s. 149.14 (2) (a) who has a household income specified in the same subdivision under par. (a) as the household income of the eligible person with coverage under s. 149.14 (2) (b).

SECTION 14. 149.165 (2) (c) of the statutes is renumbered 149.165 (2) (a) 3. and amended to read:

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149.165 (2) (a) 3. If equal to or greater than \$14,000 and less than \$17,000, to 115.5% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under ~~the plan s. 149.14 (2) (a) and (5) (a)~~.

SECTION 15. 149.165 (2) (d) of the statutes is renumbered 149.165 (2) (a) 4. and amended to read:

149.165 (2) (a) 4. If equal to or greater than \$17,000 and less than \$20,000, to 124.5% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under ~~the plan s. 149.14 (2) (a) and (5) (a)~~.

SECTION 16. 149.165 (2) (e) of the statutes, as created by [1999 Wisconsin Act 9](#), is renumbered 149.165 (2) (a) 5. and amended to read:

149.165 (2) (a) 5. If equal to or greater than \$20,000 and less than \$25,000, to 130% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under ~~the plan s. 149.14 (2) (a) and (5) (a)~~.

SECTION 17. 149.165 (3m) of the statutes, as created by [1999 Wisconsin Act 9](#), is amended to read:

149.165 (3m) The board may approve adjustment of the household income dollar amounts listed in sub. (2) (a) ~~to (e) 1. to 5.~~, except for the first dollar amount listed in sub. (2) (a) 1., to reflect changes in the consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor.

SECTION 18. 149.17 (1) of the statutes is amended to read:

149.17 (1) Subject to ss. ~~149.14 (5m)~~, 149.143 and 149.146 (2) (b), a rating plan calculated in accordance with generally accepted actuarial principles.
