State of Wisconsin LRB–3936/2
1997 – 1998 LEGISLATURE RAC&PJK:kmg&kaf:hh

1997 ASSEMBLY BILL 816

February 24, 1998 – Introduced by Representatives AINSWORTH, BOCK, HAHN, HASENOHRL, MUSSER, OWENS, ROBSON, SKINDRUD, SPRINGER and TRAVIS, cosponsored by Senators DARLING and DRZEWIECKI. Referred to Committee on Insurance, Securities and Corporate Policy.

AN ACT ***to amend*** 40.51 (1); and ***to create*** 20.515 (1) (g) and 40.515 of the statutes; **relating to:** the purchase of health care coverage by certain individuals through the group insurance board, granting rule–making authority and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the group insurance board, attached to the department of employe trust funds (DETF), is required to contract on behalf of the state for the purpose of providing health care coverage to state employes. Many other public sector employers may also participate in programs offered by the group insurance board to provide health care coverage for their employes.

This bill provides that, beginning on January 1, 1999, any individual in this state who is not otherwise eligible for health care coverage under any group insurance board plan may elect to receive coverage under any health care coverage plan offered to state employes by paying to DETF the full cost of the required premiums. The bill also specifies several conditions that must be met by any individual seeking health care coverage under the state plan and authorizes DETF to establish preexisting condition exclusions for individuals who elect to receive coverage under the state plan.

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:

SECTION 1. 20.515 (1) (g) of the statutes is created to read:

20.515 **(1)** (g) *Benefit and coverage payments; private sector health care coverage.* All moneys received from individuals under s. 40.515 who elect to be included in a health care coverage plan under s. 40.51 (6), for the payment of benefits and the cost of administering benefits for the individuals.

SECTION 2. 40.51 (1) of the statutes is amended to read:

40.51 **(1)** The procedures and provisions pertaining to enrollment, premium transmitted and coverage of eligible employes and individuals eligible for health care coverage under s. 40.515 for health care benefits shall be established by contract or rule except as otherwise specifically provided by this chapter.

SECTION 3. 40.515 of the statutes is created to read:

40.515 Health care coverage for individuals who are not eligible employes. (1) In this section:

(a) "Employer" means any person doing business or operating an organization in this state, but who is not an employer, as defined in s. 40.02 (28).

(b) "Preexisting condition" means a condition, whether physical or mental, regardless of the cause of the condition, for which medical advice, diagnosis, care or treatment was recommended or received within the 6–month period immediately preceding the individual's election under sub. (2).

(2) Beginning on January 1, 1999, any individual in this state, who is not otherwise eligible for health care coverage under this subchapter, may elect coverage under any health care coverage plan offered under s. 40.51 (6) subject to all of the following conditions:

(a) The individual is a resident of this state.

(b) The individual pays to the department the full cost of the required premiums.

(c) The individual is not eligible for health care coverage for which his or her employer is paying or would pay at least 80% of the cost of the coverage.

(d) If the individual has terminated health care coverage under this section, the individual may not again receive any health care coverage under this section for a period of 12 months from the date of termination.

(3) The department shall establish preexisting condition exclusions for individuals who elect to receive health care coverage under sub. (2), but any such preexisting condition exclusion may not exceed the maximum period permitted under s. 632.746.

(END)