

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: 06/21/2001

Received By: **champra**

Wanted: **Soon**

Identical to LRB:

For: **Spencer Black (608) 266-7521**

By/Representing: **Susan McMurray**

This file may be shown to any legislator: **NO**

Drafter: **champra**

May Contact:

Addl. Drafters: **kahlepj**

Subject: **Employ Pub - miscellaneous
Insurance - health**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Black@legis.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

private employer health care coverage program

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/1			jfrantze 06/22/2001	_____	lrb_docadmin 06/22/2001	lrb_docadmin 06/22/2001	

FE Sent For:

<END>

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1?	champra	11 hmh 6/21/01	6/2	Selp 6/30			

FE Sent For:

<END>

Assembly Democrat Budget Amendment Requests

Request Number: 106
(not LRB number)

Agency:

Description: Fully fund Private Employer Health Care Plan (see JFC motion)

Attachments:

Cost (if known): \$1.5 million GPR

Contact person: Susan McMurray, 266-7521, Representative Black's Office

RAC

101317

EMPLOYEE TRUST FUNDS

Private Employer Health Care Coverage Plan Statutory Modifications
And Funding

Motion:

Move to incorporate the provisions of 2001 Senate Bill 81 that make statutory language changes to the operation of the Private Employer Health Care Coverage program. Further, provide ETF with \$1,097,600 GPR in 2001-02 and \$794,500 GPR in 2002-03 for administrative and marketing support of the program.

Note:

The motion would incorporate the provision of SB 81 that would do the following: (1) authorize ETF to subcontract both marketing and maintenance of a toll-free telephone number through the administrator; (2) authorize the Private Employer Health Care Coverage Board to determine the manner in which rates will be made available to employers and employees and delete the requirement for annual publication of the rates; (3) clarify that the minimum number of hours an employee must work to be eligible for coverage under the program is 30 hours per week, unless individual health plans agree to a lower standard; (4) clarify that the minimum employer contribution toward coverage will be 50% of the lowest single premium rate available for that employee's coverage; remove the requirement that employers pay no more than 100% of the lowest cost plan's premium; (5) clarify that agents must be "listed" with each health plan offering coverage under the program; authorize the Board to establish additional agent training; and (6) remove the requirement to display agent commissions on the first page of policies sold under the program.

The motion would appropriate funding for general staff and administrative support for the 3.5 GPR positions currently authorized for the program (\$257,100 GPR in 2001-02 and \$257,400 GPR in 2002-03); actuarial and legal services (\$406,000 GPR in 2001-02 and \$153,900 GPR in 2002-03); and marketing efforts (\$434,500 GPR in 2001-02 and \$383,200 GPR in 2002-03).

[Change to Base: \$1,892,100 GPR]

[Change to Bill: \$1,892,100 GPR]

EMPLOYEE TRUST FUNDS

Private Employer Health Care Coverage Program Staff Funding
For the 2001-02 Fiscal Year Only

Motion:

Move to provide \$211,100 GPR in 2001-02 only for salaries, fringe benefits and associated supplies and services for the current staff of the Private Employer Health Care Coverage program.

Note:

Currently the program has 2.5 FTE filled positions. There is no base level funding under ETF to support these positions during the 2001-03 biennium. Of the amounts provided for these positions in 2001-02 only, \$163,700 GPR would support salary and fringe benefits costs and \$47,400 GPR would fund the associated supplies and services costs.

[Change to Base: \$211,100 GPR]

[Change to Bill: \$211,100 GPR]

Cassa

Fully Fund the request of the Private
Employer Health Care Coverage Program
106 for \$1,494,900.00

The JFC gave them \$211,100.00
The difference to be made up from the
single sales ~~tax~~ factor

Leads?

EMPLOYEE TRUST FUNDS

**1. PRIVATE EMPLOYER HEALTH CARE COVERAGE PLAN
STATUTORY MODIFICATIONS AND FUNDING**

	Chg. to JFC
GPR	\$1,264,800

Provide \$1,000,000 in 2001-02 and \$264,800 in 2002-03 for the Private Employer Health Care Coverage program to support: (a) legal and actuarial consulting services and marketing and promotional activities for the program (\$1,000,000); and (b) salaries, fringe benefits and associated supplies and services costs for 3.5 FTE existing staff in the Department's Office of Private Employer Health Care Coverage (\$264,800). Stipulate that before the funds could be used for legal and actuarial services and for marketing and promotional activities, the Department would be required to seek additional funding from the federal government, foundations and other private sources. Specify that any of the GPR-funded amounts expended for legal and actuarial services and for marketing and promotional activities must be reimbursed from program fees by June 30, 2007.

Include the following statutory modifications to the program: (a) authorize ETF to subcontract both marketing and maintenance of a toll-free telephone number through the administrator; (b) authorize the Private Employer Health Care Coverage Board to determine the manner in which rates will be made available to employers and employees and delete the requirement for annual publication of the rates; (c) clarify that the minimum number of hours an employee must work to be eligible for coverage under the program is 30 hours per week, unless individual health plans agree to a lower standard; (d) clarify that the minimum employer contribution toward coverage will be 50% of the lowest single premium rate available for that employee's coverage; remove the requirement that employers pay no more than 100% of the lowest cost plan's premium; (e) clarify that agents must be "listed" with each health plan offering coverage under the program; authorize the Board to establish additional agent training; (f) remove the requirement to display agent commissions on the first page of policies sold under the program; and (g) specify that for coverage issued on or after January 1, 2002, the insurance rates charged to small employers with similar case characteristics for the same or similar benefit designs may not be different.

EMPLOYMENT RELATIONS

1. CATASTROPHIC LEAVE PROGRAM

Incorporate the provisions of SB 183/AB 398 into the budget. Under current law, the Secretary the Department of Employment Relations (DER) is authorized to establish by rule a catastrophic leave program to permit classified employees to donate certain types and amounts of their leave credits to other classified employees who have been granted an unpaid leave of absence due to a catastrophic need for which no paid leave or replacement income is available. Senate Bill 183 (and a companion bill, AB 398) would allow the Secretary of DER to establish by rule such a leave program for all state employees. These bills were introduced by the Joint Committee on Employment Relations at the request of the Secretary of DER.

EMPLOYMENT RELATIONS COMMISSION

1. ELIMINATION OF GENERAL COUNSEL POSITION

Delete \$128,800 and 1.0 position annually to reflect the elimination of the position of General Counsel at the Commission. Prohibit the Commission from designating any other employee as General Counsel.

	Chg. to JFC Funding Positions	
GPR	-\$257,600	- 1.00

2. COLLECTIVE BARGAINING TRAINING STAFF FUNDING

Delete Joint Finance provision that would have converted a portion of a Commission position associated with the supervision of labor/management cooperative training programs from GPR to PR funding. Restore \$24,800 GPR and 0.25 GPR position and delete \$24,800 PR and 0.25 PR position annually to reflect the retention of current law funding of this position. Delete \$29,800 PR in 2001-02 that would have permitted the Commission to contract

	Chg. to JFC Funding Positions	
GPR	\$49,600	0.25
PR	<u>-79,400</u>	<u>-0.25</u>
Total	-\$29,800	0.00



Sean

SDC:.....Keekhaber - CN8001, Private employer health care coverage plan

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

ADC

~~CAUCUS SENATE~~ AMENDMENT
- ASSEMBLY
TO ~~SENATE~~ SUBSTITUTE AMENDMENT 1,
- ASSEMBLY
TO 2001 SENATE BILL 55

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 258, line 3: increase the dollar amount for fiscal year 2001-02 by
3 \$264,800 to increase the authorized FTE positions for the department of employee
4 trust funds by 3.5 GPR positions to perform services relating to the purpose for which
5 the appropriation is made.

6 2. Page 258, line 4: after that line insert:

7 "(c) Payment of certain costs GPR B 1,000,000 -0-".

8 3. Page 401, line 11: after that line insert:

9 "SECTION 910s. 20.515 (2) (c) of the statutes is created to read:

1 20.515 (2) (c) *Payment of certain costs.* Biennially, the amounts in the schedule
2 for the payment of legal and actuarial services and for the marketing and promotion
3 of the private employer health care coverage program under subch. X of ch. 40. No
4 moneys may be expended from this appropriation until the condition under s. 40.98
5 (2) (h) 1. is satisfied.

6 **SECTION 910u.** 20.515 (2) (g) of the statutes is amended to read:

7 20.515 (2) (g) *Private employer health care coverage plan.* All moneys received
8 under subch. X of ch. 40 from employers who elect to participate in the private
9 employer health care coverage program under subch. X of ch. 40, for the costs of
10 designing, marketing and contracting for or providing administrative services for
11 the program and for lapsing money to the general fund as required under s. 40.98 (2)
12 (h) 2.”.

13 **4.** Page 535, line 6: after that line insert:

14 “**SECTION 1400b.** 40.98 (2) (a) 3. of the statutes is amended to read:

15 40.98 (2) (a) 3. ~~The administrator selected under subd. 2., or the department~~
16 ~~if no administrator has been selected under subd. 2.,~~ shall enter into contracts with
17 insurers who are to provide health care coverage under the health care coverage
18 program.

19 **SECTION 1400d.** 40.98 (2) (a) 4. of the statutes is amended to read:

20 40.98 (2) (a) 4. The department or the administrator selected under subd. 2.
21 shall solicit and accept bids and shall enter into a contract for marketing the health
22 care coverage program.

23 **SECTION 1400f.** 40.98 (2) (a) 5. of the statutes is amended to read:

1 40.98 (2) (a) 5. The department or the administrator selected under subd. 2.
2 shall maintain a toll-free telephone number to provide information on the health
3 care coverage program.

4 **SECTION 1400h.** 40.98 (2) (d) of the statutes is amended to read:

5 40.98 (2) (d) All insurance rates for health care coverage under the program
6 shall be ~~published annually in a single publication that is made available to~~
7 employers and employees in a manner determined by the board. The rates may be
8 listed by county or by any other regional factor that the board considers appropriate.
9 Annually, the board shall submit a report to the appropriate standing committees
10 under s. 13.172 (3) specifying the average insurance rate for health care coverage
11 under the program by county or by any other regional factor the board considers
12 appropriate.

13 **SECTION 1400i.** 40.98 (2) (h) of the statutes is created to read:

14 40.98 (2) (h) 1. Before expending any moneys from the appropriation under s.
15 20.515 (2) (c), the department shall seek funding from the federal government,
16 non-governmental organizations, and individuals for the payment of legal and
17 actuarial services and for the marketing and promotion of the health care coverage
18 program.

19 2. If the department expends any money from the appropriation under s. 20.515
20 (2) (c), the department shall lapse from the appropriation under s. 20.515 (2) (g) to
21 the general fund an amount equal to the amount expended from the appropriation
22 under s. 20.515 (2) (c). The department shall make this lapse no later than June 30,
23 2007.

24 **SECTION 1400j.** 40.98 (3) (a) of the statutes is amended to read:

1 40.98 (3) (a) Offer health care coverage under one or more plans to all of its
2 permanent employees who have a normal work week of 30 or more hours and, if
3 permitted by any plan offered by an insurer under the health care coverage program,
4 may offer health care coverage under ~~one or more plans~~ such a plan to any of its other
5 employees.

6 **SECTION 1400L.** 40.98 (3) (c) of the statutes is amended to read:

7 40.98 (3) (c) Pay for each employee at least 50% ~~but not more than 100%~~ of the
8 ~~lowest premium rate that would be~~ of the lowest premium rate for single coverage
9 that is available to the employer for that employee's coverage under the health care
10 coverage program.

11 **SECTION 1400n.** 40.98 (6) (b) of the statutes is amended to read:

12 40.98 (6) (b) An insurance agent may not sell any health care coverage under
13 the health care coverage program on behalf of an insurer unless he or she is ~~employed~~
14 ~~by the insurer or has a contract with the insurer to sell the health care coverage on~~
15 ~~behalf of~~ listed by the insurer under s. 628.11.

16 **SECTION 1400p.** 40.98 (6) (d) of the statutes is repealed and recreated to read:

17 40.98 (6) (d) The board may establish training and certification requirements
18 that an insurance agent must satisfy, in addition to any requirements under s. 628.04
19 (3), to sell health care coverage under the health care coverage program.”.

20 **5.** Page 1181, line 12: after that line insert:

21 “**SECTION 3766m.** 635.02 (4m) of the statutes is repealed.

22 **SECTION 3766p.** 635.05 (1) of the statutes is amended to read:

23 635.05 (1) Establishing restrictions on premium rates that a small employer
24 insurer may charge a small employer such that the premium rates charged to small

1 employers with similar case characteristics for the same or similar benefit design
2 characteristics ~~do not vary from the midpoint rate for those small employers by more~~
3 ~~than 35% of that midpoint rate~~ are the same.”

4 **6.** Page 1399, line 25: after that line insert:

5 “(2g) SMALL EMPLOYER INSURANCE PREMIUM RATES. The treatment of sections
6 635.02 (4m) and 635.05 (1) of the statutes first applies to health insurance policies
7 or plans that are issued or renewed on January 1, 2002.”

8 (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1317/1dn
RAC/ATK.hmh

ak

This amendment relates to Request Number 106. Please note that this amendment is identical to the Senate Democratic Caucus action on changes to the private employer health care coverage plan.

Rick A. Champagne
Senior Legislative Attorney
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FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb1317/1dn
RAC:hmh:jf

June 21, 2001

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