

CR 88-143

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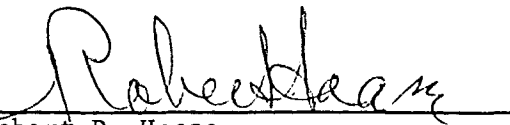
STATE OF WISCONSIN )  
OFFICE OF THE COMMISSIONER OF INSURANCE )

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Robert D. Haase, Commissioner of Insurance and custodian of the official records of said Office, do hereby certify that the annexed order amending, repealing and recreating, and creating a rule relating to the Health Insurance Risk Sharing Plan (HIRSP) eligibility criteria, deductible reductions available to low-income HIRSP policyholders, and HIRSP cost-containment standards was issued by this Office January 13, 1989.

I further certify that said copy has been compared by me with the original on file in this Office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name in the City of Madison, State of Wisconsin, this 13th day of January 1989.

  
Robert D. Haase  
Commissioner of Insurance

STATE OF WISCONSIN  
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DOUGLAS LA FOLLETTE  
SECRETARY OF STATE

4-1-89

ORDER OF THE COMMISSIONER OF INSURANCE

AMENDING, REPEALING AND RECREATING, AND CREATING A RULE

To amend Ins 18.05 (3), and 18.12 (title), (1) to (4), (5) (a) (title), (intro.), 1 and 2, (b), and (c); to repeal and recreate s. Ins 18.05 (1); and to create Ins 18.12 (5) (a) 2 b and 18.13 relating to the Health Insurance Risk-Sharing Plan (HIRSP) eligibility criteria, deductible reductions available to low-income HIRSP policyholders, and HIRSP cost containment standards.

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ANALYSIS PREPARED BY THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 619.04 (10), and 619.17 (4) (a), Stats.

Statutes interpreted: ss. 619.12, 619.14 (5) (a), 619.165, 619.17 (4) (a), and 632.785 (2), Stats.

The purpose of this rule is to update various provisions in Chapter Ins 18 of the Wisconsin Administrative Code so that these provisions conform to applicable Wisconsin Statutes. A few inconsistencies have arisen between the statutes and rules, particularly after recent modifications were made to the statutes. The rule also establishes cost containment measures for the Health Insurance Risk Sharing Plan (HIRSP).

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The rule deletes language in the current rule that repeats eligibility criteria established by s. 619.12, Stats. The rule now refers to the criteria established by that statute.

The rule establishes cost containment provisions for HIRSP. These services are preadmission and concurrent review of hospital admissions, pretreatment and concurrent review of outpatient services, and case management.

The rule also contains provisions concerning the deductible reduction now available to low-income Plan participants. This is a type of subsidy to low-income participants that pays for a portion of the deductible under HIRSP. The rule describes the schedules upon which the deductible reductions are based, the process to follow in order to apply for a deductible reduction, refunds available to policyholders entitled to a reduction, the right to have the board review a denial of a deductible reduction, and the effective date of the deductible reductions to new and existing policies under the Plan.

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SECTION 1. Ins 18.05 (1) is repealed and recreated to read:

Ins 18.05 (1) The administering carrier shall certify as eligible any resident as defined in s. 619.10 (9), Stats., upon written receipt from the plan applicant of evidence of any of the eligibility criteria set forth in s. 619.12 (1), Stats.

SECTION 2. Ins 18.05 (3) is amended to read:

Ins 18.05 (3) Any person denied coverage under the plan or whose coverage is terminated by the administering carrier is entitled to a review by the board under the grievance procedures established by the board under

s. 619.15 (3) (a), Stats. Persons denied the premium or deductible reductions under s. ~~Ins 18.12~~ 18.12 are entitled to a review under this section.

SECTION 3. Ins 18.12 (title), (1) to (4), and (5) (a) (title), (intro.), 1 and 2 are amended to read:

Ins 18.12 (title) PREMIUM AND DEDUCTIBLE REDUCTIONS FOR LOW-INCOME POLICYHOLDERS.

(1) The purpose of this section is to interpret and implement ~~ss.~~ ss. 619.14 (5) (a) and 619.165, Stats.

(2) Applicants for coverage under the plan may apply for the ~~premium-reduction~~ reductions under this section. Persons covered under the plan shall reapply annually.

(3) (title) SCHEDULE OF PREMIUM AND DEDUCTIBLE REDUCTIONS. The schedule of premium reductions is set forth in s. 619.165, Stats. The schedule of deductible reductions is set forth in s. 619.14 (5) (a), Stats. Premium and deductible reductions are based on ~~that-schedule~~ these schedules and on the availability of funds as appropriated under s. 20.145 (7), Stats.

(4) An application for premium and deductible reduction is not complete until a Supplemental Application for Premium and Deductible Reduction form or a completed Wisconsin Homestead Credit Schedule H is submitted to the administrator of the plan. ~~If-the-month-of-application-is-January-through-June,-then-the-Supplemental-Application-for-Premium-Reduction-or-Schedule-H-shall-be-based-on-financial-information-from-the-second-prior-calendar-year.-- If-application-is-made-during-the-months-from-July-through-December-financial-information-from-the-prior-calendar-year-shall-be-used.~~ An application for

the premium and deductible reduction shall be accompanied by or preceded by an application to the plan.

Note: ~~The~~ A person may obtain the supplemental application for premium and deductible reduction ~~may-be-obtained~~ at no charge either at the Office of the Commissioner of Insurance, P. O. Box 7873, Madison, Wisconsin 53707, 123 West Washington Avenue, or at Mutual of Omaha Insurance Company, P. O. Box 31746, Omaha, Nebraska 68131 (1-800-228-7044). The form is numbered Form ~~8116HIRSP~~ 8116HIRSP APP SUPP.

(5) (a) (title) APPLICATION DEADLINES, EFFECTIVE DATES OF REDUCTIONS, REESTABLISHING ELIGIBILITY. (intro.) New plan applicants may establish eligibility for the ~~premium-reduction~~ reductions:

(5) (a) 1. At the time of plan application. In this case, for purposes of the premium reduction, the administering carrier shall bill the applicant ~~shall-be-billed~~ the reduced premium unless the first premium payment is submitted with the application. ~~Then~~ If the first premium payment is submitted with the application, the applicant shall receive a refund of the reduced portion of the premium-shall-be-issued. Deductible reductions take effect upon issuance of the policy.

(5) (a) 2. After eligibility for the plan is established. a. If eligibility for the premium reduction is established within 31 days after the effective date of the policy, the new policyholder shall ~~be-issued~~ receive a refund of the reduced portion of the premium retroactive to the effective date of the policy. If eligibility for the reduced premium is not established within 31 days after the effective date of the policy, ~~it-shall-be-established~~ the policyholder shall receive no refund. In this case, the policyholder shall establish eligibility at least 60 days before the renewal date on which

it is to take effect, and the administering carrier shall bill the policyholder the reduced premium beginning on the renewal date.

SECTION 4. Ins 18.12 (5) (a) 2 b is created to read:

Ins 18.12 (5) (a) 2 b. If eligibility for the deductible reduction is established within 31 days after the effective date of the policy, the new policyholder shall receive a refund of a portion of the deductible paid by the policyholder prior to establishing eligibility. The amount of the refund shall be the difference between the deductible paid by the policyholder and the deductible as reduced by any reduction to which the policyholder is entitled. If eligibility is not established within 31 days after the effective date of the policy, the policyholder shall receive no refund. In this case, the policyholder shall establish eligibility at least 60 days before the policy's renewal date, and the deductible reduction shall take effect on January 1 of the year commencing after the policy's renewal date.

SECTION 5. Ins 18.12 (5) (b) and (c) are amended to read:

Ins 15.12 (5) (b) Persons who are existing policyholders as of March 31 shall apply annually by May 1 in order to be eligible for the ~~premium-reduction~~ reductions for the year beginning on July 1. ~~If~~ For premium reductions, if the application is not postmarked by May 1, then the application shall be postmarked at least 60 days prior to the policyholder's next policy renewal date in order for the corresponding premium notice to reflect the reduced premium. An existing policyholder who is first determined to be eligible for a premium reduction shall receive a refund on a pro rata basis for the time period between July 1 of each calendar year and the next

renewal date. Deductible reductions under this paragraph take place on  
January 1 of the year following establishment of eligibility. Any Under this  
subsection, the administering carrier shall treat any individual who becomes a  
policyholder after March 31 ~~shall be treated under sub--(5)~~ as a new  
policyholder.

(5) (c) Eligibility for the premium and deductible reduction  
reductions shall be reestablished annually. Once eligibility is established,  
it is effective until the following July 1 at which time eligibility for the  
following year, from July 1 to June 30, shall have been established.

SECTION 6. Ins 18.13 is created to read:

Ins 18.13 COST CONTAINMENT SERVICES. (1) PURPOSE. This section  
implements and interprets s. 619.17 (4) (a), Stats., by establishing cost  
containment provisions for the Plan.

(2) DEFINITIONS. In this section: (a) "Case management" means a  
review of the medical necessity and appropriateness of the treatment or  
procedures used in connection with specified medical conditions.

(b) "Preadmission and concurrent review of hospital admissions" means  
a review of the medical necessity and appropriateness of a hospital admission  
prior to and during a hospital stay.

(c) "Pretreatment and concurrent review of selected outpatient  
services" means a review of the medical necessity and appropriateness of a  
plan of treatment prior to and during the treatment.

(3) REQUIRED COST CONTAINMENT SERVICES. The Plan shall include the  
following cost containment services:

(a) Preadmission and concurrent review of hospital admissions;

(b) Pretreatment and concurrent review of selected outpatient services; and

(c) Case management.

(4) WRITTEN DESCRIPTION OF COST CONTAINMENT SERVICES. When a new policy is issued, a new policyholder shall receive a written description of the Plan's cost containment services and the procedures that the policyholder shall follow in order to comply with these cost containment services. Existing policyholders shall receive a written description of any change to the Plan's cost containment services or the procedures that policyholders shall follow in order to comply with these cost containment services. The existing policyholders shall receive this written description at least 30 days before the change takes effect.

EFFECTIVE DATE. As provided in s. 227.22 (2), Stats., this rule shall take effect on the first day of the month following its publication.

Dated at Madison, Wisconsin, this 13<sup>th</sup> day of January, 1989.



Robert D. Haase  
Commissioner of Insurance