



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2003 Wisconsin Act 101 [2003 Senate Bill 204]	Health Benefit Purchasing Cooperative Pilot Project
2003 Acts: www.legis.state.wi.us/2003/data/acts/	Act Memos: www.legis.state.wi.us/lc/act_memo/act_memo.htm

2003 Wisconsin Act 101 authorizes a health benefit purchasing cooperative pilot project. Under the pilot project, one nonstock health benefit purchasing cooperative (cooperative) may be organized before January 1, 2008, in each of five geographic areas of the state. The five areas must be designated, by order, by the Commissioner of Insurance after consultation with the Wisconsin Federation of Cooperatives. A geographic area may overlap with one or more other geographic areas.

A cooperative may be organized by one or more persons. ("Person" is defined in the Act as any corporation, limited liability company, partnership, cooperative under ch. 185, Stats., association, trade or labor organization, city, village, town, county, or self-employed individual.) Any person that does business in, is located in, has a principal office in, or resides in the geographic area in which a cooperative is organized may be a member of that cooperative if the person meets the cooperative's membership criteria and pays membership fees. However, a cooperative may limit membership of self-employed individuals through the membership criteria established in its bylaws, as long as the criteria are applied in the same manner to all self-employed individuals.

The purpose of a cooperative is to provide health care benefits to an individual who is a member of the cooperative, to officers and eligible employees of a member of the cooperative, and to eligible dependents of such individuals. A cooperative negotiates a contract with an insurer authorized to do business in Wisconsin in one or more lines of insurance that includes health insurance. The contract must be for a term of three years. The risk of all of the members is pooled; the members are actively involved in designing the benefit options; and the members purchase their health care benefits from the same insurer.

Each cooperative member must pay to the cooperative an amount determined by the cooperative that is not less than the member's applicable premium for the 36th month of coverage. If a member withdraws from the cooperative before the end of the contract term, the cooperative may retain, as a

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents.

penalty, an amount specified by the cooperative that is not less than the premium that the member paid for the 36th month of coverage.

Each cooperative must annually submit to the Legislature and to the Commissioner of Insurance a report on the significant findings from the project that includes, at a minimum, available information on: (a) the effect on health care coverage premiums in its geographic area; (b) the extent to which the cooperative has had an impact on the number of uninsureds in its geographic area; and (c) the degree to which health care consumers were involved in developing and implementing the health benefit purchasing arrangement.

The Act authorizes state agencies to seek federal or private funding to support the activities of the pilot project.

Effective Date: December 30, 2003.

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