



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2007 Wisconsin Act 39**  
[2007 Senate Bill 226]

**Changes to the Health Insurance  
Risk-Sharing Plan**

Under *current law*, the Health Insurance Risk-Sharing Plan (HIRSP) Authority administers HIRSP, which provides health insurance coverage for persons who are covered under Medicare because they are disabled, persons who have tested positive for human immunodeficiency virus (HIV), persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition, and persons who do not currently have health insurance coverage, but who were covered under certain types of health insurance coverage (creditable coverage) for at least 18 months in the past. HIRSP is funded by premiums paid by covered persons, insurer assessments, and provider payment discounts.

2007 Wisconsin Act 39 makes the following changes to HIRSP and the HIRSP Authority:

1. *Currently*, to receive payment under HIRSP, all providers of services and articles must be certified to provide those services and articles under the Medical Assistance (MA) program.

*Act 39* makes an exception from this requirement for prescription drugs that are provided by a network of pharmacies that are approved by the HIRSP Authority Board of Directors. In addition, Act 39 authorizes the HIRSP Authority to certify providers on a temporary basis to provide services or articles to HIRSP enrollees. These providers would not be certified to provide services and articles under MA; they would have to be licensed to provide the services or articles that they are providing to HIRSP enrollees but not necessarily licensed in this state; and the certification could be done retroactively after the services or articles were provided.

2. *Currently*, payments to providers must consist of the allowable charges for services and articles under MA with an enhancement determined by the HIRSP Authority. The adjustments must take into account provider discounts.

*Act 39* requires payments to providers to consist of usual and customary payment rates, determined by the HIRSP Authority, with adjustments that take into account provider discounts.

---

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

3. Under *current law*, HIRSP enrollees with incomes below a specified level who are covered under certain HIRSP coverage options are eligible for premium and deductible subsidies.

*Act 39* makes all persons with coverage under HIRSP with incomes below that specified level eligible for the premium and deductible subsidies.

4. For HIRSP enrollees who receive premium subsidies, *current law* describes the amount of the reduction in an enrollee's premium in terms of requiring an enrollee's regular HIRSP premium to be reduced to a specified percentage of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as HIRSP.

*Act 39* changes the way the premium reduction is described by establishing discounts, so that an enrollee's regular premium is reduced by a specified percentage of the premium, such as 30% or 20%.

5. Under *current law*, with certain exceptions, anyone who is eligible for certain types of health care coverage provided by an employer is ineligible for coverage under HIRSP.

*Act 39* authorizes the HIRSP Authority Board to specify other exceptions, subject to the approval of the Commissioner of Insurance.

6. Under current law, as enacted by the budget bill, 2007 Wisconsin Act 20, the amount of any premium subsidy that would have been paid under HIRSP on behalf of an enrollee who terminates coverage under HIRSP and obtains coverage under an MA demonstration project providing health care benefits for low-income childless adults, must be transferred to the Department of Health and Family Services (DHFS) for use for that demonstration project.

*Act 39* removes the requirement that any moneys be transferred from HIRSP to DHFS for the MA demonstration project.

*Effective Date:* Act 39 took effect on December 25, 2007.

*Prepared by:* Don Salm, Senior Staff Attorney

April 7, 2008

DLS:jb;wu