



## 1995 SENATE BILL 220

May 30, 1995 - Introduced by Senators PANZER, BUETTNER, JAUCH, ANDREA and RISSER, cosponsored by Representatives BOCK, HANDRICK, SKINDRUD, ROBSON, BALDUS, BOYLE, GROBSCHMIDT, GRONEMUS, LA FAVE and PLOMBON. Referred to Committee on Insurance.

1 **AN ACT to amend** 40.51 (8), 60.23 (25), 66.184, 111.70 (1) (a), 120.13 (2) (g),  
2 185.981 (4t), 185.983 (1) (intro.) and 632.89 (2) (a) 1.; and **to create** 40.52 (1)  
3 (c), 111.70 (4) (m), 111.91 (2) (k), 632.89 (6) and 632.895 (11) of the statutes;  
4 **relating to:** requiring insurance coverage of certain mental disorders.

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### *Analysis by the Legislative Reference Bureau*

Under current law, a group health insurance policy (called a "disability insurance policy" in the statutes) that provides coverage of any inpatient hospital services must provide coverage of inpatient hospital services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of at least the first \$7,000 minus a copayment of up to 10% or the first 30 days of inpatient services, whichever is less. If a group health insurance policy provides coverage of any outpatient hospital services, it must provide coverage of outpatient hospital services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of at least the first \$2,000 minus a copayment of up to 10%. If a group health insurance policy provides coverage of any inpatient or outpatient hospital services, it must provide coverage of transitional services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of at least the first \$3,000 minus a copayment of up to 10%. (Transitional services are services, specified by rule by the commissioner of insurance, that are provided in a less restrictive manner than inpatient services but in a more intensive manner than outpatient services.) If a group health insurance policy provides coverage for both inpatient and outpatient hospital services, the total coverage for all types of treatment for nervous and mental disorders and alcoholism and other drug abuse problems need not exceed \$7,000 in a policy year.

This bill exempts certain severe mental disorders from the limitations of that law and requires group and individual health insurance policies, including those

offered by the state, and self-insured health plans of the state, counties, cities, villages, towns and school districts to provide the same coverage of inpatient or outpatient hospital services or day treatment medical services for the treatment of those mental disorders as is provided under the policy or plan for the treatment of other conditions. No exclusions, limitations, copayments or deductibles may be applied to those mental disorders that are not generally applicable to other conditions. The 5 mental disorders to which the bill applies are schizophrenia, bipolar disorder, major depression, obsessive-compulsive disorder and panic disorder.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 40.51 (8) of the statutes is amended to read:

2           40.51 (8) Every health care coverage plan offered by the state under sub. (6)  
3 shall comply with ss. 631.89, 631.90, 631.93 (2), 632.72 (2), 632.87 (3) to (5), 632.895  
4 (5m) and (8) to ~~(10)~~ (11) and 632.896.

5           **SECTION 2.** 40.52 (1) (c) of the statutes is created to read:

6           40.52 (1) (c) The coverage required under s. 632.895 (11).

7           **SECTION 3.** 60.23 (25) of the statutes is amended to read:

8           60.23 (25) SELF-INSURED HEALTH PLANS. Provide health care benefits to its  
9 officers and employes on a self-insured basis if the self-insured plan complies with  
10 ss. 631.89, 631.90, 631.93 (2), 632.87 (4) and (5), 632.895 (9) and (11) and 632.896.

11           **SECTION 4.** 66.184 of the statutes is amended to read:

12           **66.184 Self-insured health plans.** If a city, including a 1st class city, or a  
13 village provides health care benefits under its home rule power, or if a town provides  
14 health care benefits, to its officers and employes on a self-insured basis, the  
15 self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),

1 632.87 (4) and (5), 632.895 (9) ~~and (10)~~ to (11), 632.896, 767.25 (4m) (d) and 767.51  
2 (3m) (d).

3 **SECTION 5.** 111.70 (1) (a) of the statutes is amended to read:

4 111.70 (1) (a) "Collective bargaining" means the performance of the mutual  
5 obligation of a municipal employer, through its officers and agents, and the  
6 representatives of its employes, to meet and confer at reasonable times, in good faith,  
7 with the intention of reaching an agreement, or to resolve questions arising under  
8 such an agreement, with respect to wages, hours and conditions of employment, and  
9 with respect to a requirement of the municipal employer for a municipal employe to  
10 perform law enforcement and fire fighting services under s. 61.66, except as provided  
11 in sub. (4) (m) and s. 40.81 (3) and except that a municipal employer shall not meet  
12 and confer with respect to any proposal to diminish or abridge the rights guaranteed  
13 to municipal employes under ch. 164. The duty to bargain, however, does not compel  
14 either party to agree to a proposal or require the making of a concession. Collective  
15 bargaining includes the reduction of any agreement reached to a written and signed  
16 document. The employer shall not be required to bargain on subjects reserved to  
17 management and direction of the governmental unit except insofar as the manner  
18 of exercise of such functions affects the wages, hours and conditions of employment  
19 of the employes. In creating this subchapter the legislature recognizes that the  
20 public employer must exercise its powers and responsibilities to act for the  
21 government and good order of the municipality, its commercial benefit and the  
22 health, safety and welfare of the public to assure orderly operations and functions  
23 within its jurisdiction, subject to those rights secured to public employes by the  
24 constitutions of this state and of the United States and by this subchapter.

25 **SECTION 6.** 111.70 (4) (m) of the statutes is created to read:

1           111.70 (4) (m) *Health insurance coverage of certain mental disorders.* The  
2 municipal employer is prohibited from bargaining collectively with respect to the  
3 provision of the health insurance coverage required under s. 632.895 (11).

4           **SECTION 7.** 111.91 (2) (k) of the statutes is created to read:

5           111.91 (2) (k) The provision to employes of the health insurance coverage  
6 required under s. 632.895 (11).

7           **SECTION 8.** 120.13 (2) (g) of the statutes is amended to read:

8           120.13 (2) (g) Every self-insured plan under par. (b) shall comply with ss.  
9 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.87 (4) and (5), 632.895 (9) ~~and (10) to~~  
10 (11), 632.896, 767.25 (4m) (d) and 767.51 (3m) (d).

11           **SECTION 9.** 185.981 (4t) of the statutes is amended to read:

12           185.981 (4t) A sickness care plan operated by a cooperative association is  
13 subject to ss. 252.14, 631.89, 632.72 (2), 632.87 (2m), (3), (4) and (5), 632.895 (10) and  
14 (11) and 632.897 (10) and ch. 155.

15           **SECTION 10.** 185.983 (1) (intro.) of the statutes is amended to read:

16           185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be  
17 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,  
18 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.89, 631.93, 632.72  
19 (2), 632.775, 632.79, 632.795, 632.87 (2m), (3), (4) and (5), 632.895 (5), ~~(9) and (10)~~  
20 and (9) to (11), 632.896 and 632.897 (10), subch. II of ch. 619 and chs. 609, 630, 635,  
21 645 and 646, but the sponsoring association shall:

22           **SECTION 11.** 632.89 (2) (a) 1. of the statutes is amended to read:

23           632.89 (2) (a) 1. A Except as provided in sub. (6), a group or blanket disability  
24 insurance policy issued by an insurer shall provide coverage of nervous and mental

1 disorders and alcoholism and other drug abuse problems if required by and as  
2 provided in pars. (b) to (e).

3 **SECTION 12.** 632.89 (6) of the statutes is created to read:

4 632.89 (6) CERTAIN SEVERE MENTAL DISORDERS. This section does not apply to  
5 coverage of the mental disorders listed in s. 632.895 (11) (b).

6 **SECTION 13.** 632.895 (11) of the statutes is created to read:

7 632.895 (11) COVERAGE OF CERTAIN SEVERE MENTAL DISORDERS. (a) 1. Every  
8 disability insurance policy, and every self-insured health plan of the state or a  
9 county, city, village, town or school district, that provides coverage of inpatient  
10 hospital services shall provide coverage of the usual and customary charges for the  
11 in-hospital medical treatment, including medication, of any disorder listed in par.  
12 (b).

13 2. Every disability insurance policy, and every self-insured health plan of the  
14 state or a county, city, village, town or school district, that provides coverage of  
15 outpatient hospital services shall provide coverage of the usual and customary  
16 charges for the out-of-hospital medical treatment, including medication, of any  
17 disorder listed in par. (b).

18 3. Every disability insurance policy, and every self-insured health plan of the  
19 state or a county, city, village, town or school district, that provides coverage of  
20 medical services provided by a day treatment program shall provide coverage of the  
21 usual and customary charges for medical services provided by a day treatment  
22 program, including medication, for the treatment of any disorder listed in par. (b).

23 (b) A disability insurance policy or a self-insured health plan under par. (a)  
24 shall provide the coverage required under par. (a) for all of the following disorders:

25 1. Schizophrenia.

