



## 1997 ASSEMBLY BILL 888

March 5, 1998 - Introduced by Representatives MUSSER, PORTER, OWENS, ZIEGELBAUER, BRANDEMUEHL, HASENOHRL and JENSEN. Referred to Committee on Insurance, Securities and Corporate Policy.

1     **AN ACT to create** 49.45 (24t) of the statutes; **relating to:** medical assistance  
2           accounts.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the department of health and family services (DHFS) administers the medical assistance (MA) program under which certain low-income persons are entitled to health care coverage. Currently, health services under MA are delivered either on a fee for service basis or through a health maintenance organization with which DHFS contracts.

This bill requires DHFS to submit to the cochairpersons of the joint committee on finance (committee) a plan for a medical assistance account. If the committee approves the plan, DHFS is required to seek a waiver from the secretary of the federal department of health and human services to permit DHFS to establish a medical assistance account pilot project. The bill sets out certain features that must be included in the pilot project.

Participants in the pilot project must be eligible for MA. DHFS must contract with at least 2 insurers to provide a high-deductible, catastrophic health insurance policy to each participating individual or family. DHFS must pay the premiums and annual deductible under a policy, and must establish a medical assistance account for each participant. A participant may use moneys in the account to pay for health care services. At the end of each year, a participant may leave any remaining moneys in the account to be carried over to the next year or may receive a voucher for 50% of any remaining moneys to be used for education, job training or child care.

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For further information see the *state* 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.** 49.45 (24t) of the statutes is created to read:

2           49.45 (24t) MEDICAL ASSISTANCE ACCOUNT PILOT. (a) Not later than November  
3 1, 1998, the department shall submit to the joint committee on finance a plan for a  
4 medical assistance account pilot project that meets the requirements under par. (b).  
5 If the cochairpersons of the committee do not, within 14 working days after the date  
6 of the department's submittal, notify the department that the committee has  
7 scheduled a meeting for the purpose of reviewing the proposed plan, the department  
8 shall request a waiver from the secretary of the federal department of health and  
9 human services to implement the plan and, if a federal waiver is granted and in  
10 effect, the department of health and family services shall implement the plan. If  
11 within 14 working days after the date of the department's submittal the  
12 cochairpersons of the committee notify the department that the committee has  
13 scheduled a meeting for the purpose of reviewing the proposed plan, the department  
14 shall, after the review, request a waiver from the secretary of the federal department  
15 of health and human services to implement the plan as modified, if at all, by the  
16 committee. If a waiver is granted and in effect, the department of health and family  
17 services shall implement the plan.

18           (b) To the extent permitted by federal law or waiver, the medical assistance  
19 account pilot project shall include at least all of the following elements:

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1           1. The department shall determine eligibility for participation in the pilot  
2 project from among individuals and families eligible for medical assistance.  
3 Participation by eligible individuals and families shall be on a voluntary basis.

4           2. A participant shall receive health care through coverage under a  
5 high-deductible, catastrophic health insurance policy, in conjunction with a medical  
6 assistance account.

7           3. The department shall contract with at least 2 insurers authorized to do  
8 business in this state in one or more lines of insurance, including health insurance,  
9 to provide the high-deductible, catastrophic health insurance policies to  
10 participants.

11           4. On behalf of a participant, the department shall pay the policy premiums and  
12 the annual deductibles. The premiums shall be paid directly to the insurers and the  
13 annual deductibles shall be paid directly to health care providers.

14           5. The department shall determine the benefits and the deductibles under the  
15 health insurance policies. Annual deductibles may not be less than \$500 nor more  
16 than \$1,000 for a participating individual, and may not be less than \$1,000 nor more  
17 than \$2,500 for a participating family.

18           6. On behalf of a participant, the department shall establish a medical  
19 assistance account, which may be used by the participant to pay for health care  
20 services. The department may consolidate all medical assistance accounts into one  
21 account for investment purposes.

22           7. The department shall determine the amount that will be allocated to a  
23 medical assistance account, the purposes for which moneys in the account may be  
24 used by a participant and the methods by which moneys will be deducted from an  
25 account when health care services are purchased by a participant.

