



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-3575/2
PJK&JK:jld

2015 ASSEMBLY BILL 543

November 24, 2015 - Introduced by Representatives JAGLER, BORN, R. BROOKS, CRAIG, DUCHOW, EDMING, GANNON, HORLACHER, HUTTON, JACQUE, KNODL, T. LARSON, PETERSEN, RIPP, SANFELIPPO, SPIROS, STEFFEN and VORPAGEL, cosponsored by Senators VUKMIR, KAPENGA, LEMAHIEU, STROEBEL and TIFFANY. Referred to Committee on Insurance.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT to renumber** 601.423 (1) (a), 601.423 (1) (b), 601.423 (1) (c) and 601.423
2 (1) (d); **to amend** 601.423 (1) (intro.), 601.423 (2), 601.423 (3) (a) (intro.) and
3 601.423 (3) (b) (intro.); and **to create** 13.0966, 601.423 (1) (bm) and 601.423 (1)
4 (cm) of the statutes; **relating to:** social and financial impact reports.

Analysis by the Legislative Reference Bureau

This bill expands the definition of a health insurance mandate and requires the Commissioner of Insurance (commissioner) to submit a report on the social or financial impact of any bill or amendment containing a health insurance mandate, or statement explaining the reason for not submitting such a report, before any public hearing is held or vote is taken on the bill or amendment.

Current law defines a health insurance mandate as a statute that requires an insurance policy to do any of four things: 1) permit a person to obtain treatment or services from a particular type of health care provider; 2) provide coverage for the treatment of a particular disease or condition; 3) provide coverage of a particular type of health care treatment or service, including particular drugs, supplies, or equipment; and 4) provide coverage for a particular type of person based on the person's relationship to the insured. This bill provides that a statute is also a health insurance mandate if it: 1) requires a particular benefit design under an insurance policy for the treatment of a particular disease, condition, or other health care need, for a particular type of health care treatment or service, or for the provision of equipment, supplies, or drugs used in connection with a health care treatment or

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service; or 2) imposes limits or conditions on a contract between an insurer and a health care provider.

Current law requires that, if any bill contains a health insurance mandate affecting an insurance policy, plan, or contract, the commissioner must submit to the presiding officer of the house in which the bill is introduced a report on the social and financial impact of the mandate. Current law provides that the presiding officer may require that the report be printed and distributed as are amendments, but current law does not specify a time by which the report must be submitted.

This bill requires that the commissioner submit a report if any amendment, as well as any bill, contains a health insurance mandate. The commissioner may, however, decide not to prepare a report and submit a written statement that explains the reason for not preparing a report. In that case, the chairperson of a committee to which the bill has been referred, the presiding officer of either house, or any other member of the legislature may request that the commissioner submit a report instead. The report or statement is printed as an appendix to the bill or amendment and distributed to the members of the legislature, and made available to the public, before any public hearing is held on the bill or amendment by a committee or before any vote is taken on the bill or amendment by either house of the legislature.

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

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

1 **SECTION 1.** 13.0966 of the statutes is created to read:

2 **13.0966 Review of bills or amendments establishing health insurance**
3 **mandates. (1) DEFINITIONS.** In this section:

4 (a) "Bill," except as otherwise provided, includes an amendment.

5 (b) "Office" means the office of the commissioner of insurance.

6 **(2) REPORT ON BILLS ESTABLISHING HEALTH INSURANCE MANDATES.** (a) Any bill that
7 requires a report by the office under s. 601.423 shall have that requirement noted on
8 its jacket when the jacket is prepared.

9 (b) When a bill that requires a report under s. 601.423 is introduced, the
10 legislative reference bureau shall submit a copy of the bill to the office. The office
11 shall prepare the report or, if the office decides not to prepare the report, a written

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1 statement that explains the reason for not preparing the report. If the office prepares
2 a written statement, the chairperson of a standing committee to which the bill has
3 been referred, the presiding officer of either house of the legislature, either
4 cochairperson of the joint committee on finance, or any other member of the
5 legislature may request that the office prepare a report instead, in which case the
6 office shall prepare a report.

7 (c) 1. The report or written statement prepared under this section shall be
8 printed as an appendix to the bill and shall be distributed in the same manner as
9 amendments.

10 2. The report or written statement shall be distributed, and made available to
11 the public, before any vote is taken on the bill by either house of the legislature if the
12 bill is not referred to a standing committee, or before any public hearing is held before
13 any standing committee or, if no public hearing is held, before any vote is taken by
14 the committee.

15 **SECTION 2.** 601.423 (1) (intro.) of the statutes is amended to read:

16 601.423 (1) DEFINITION. (intro.) In this section, "health insurance mandate"
17 means a statute of this state ~~which requires~~ that does any of the following:

18 (am) Requires an insurance policy, plan, or contract to do any of the following:

19 **SECTION 3.** 601.423 (1) (a) of the statutes is renumbered 601.423 (1) (am) 1.

20 **SECTION 4.** 601.423 (1) (b) of the statutes is renumbered 601.423 (1) (am) 2.

21 **SECTION 5.** 601.423 (1) (bm) of the statutes is created to read:

22 601.423 (1) (bm) Requires a particular benefit design under an insurance
23 policy, plan, or contract for the treatment of a particular disease, condition, or other
24 health care need, for a particular type of health care treatment or service, or for the

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1 provision of equipment, supplies, or drugs used in connection with a health care
2 treatment or service.

3 **SECTION 6.** 601.423 (1) (c) of the statutes is renumbered 601.423 (1) (am) 3.

4 **SECTION 7.** 601.423 (1) (cm) of the statutes is created to read:

5 601.423 (1) (cm) Imposes limits or conditions on a contract between an insurer
6 and a health care provider, as defined in s. 146.81 (1).

7 **SECTION 8.** 601.423 (1) (d) of the statutes is renumbered 601.423 (1) (am) 4.

8 **SECTION 9.** 601.423 (2) of the statutes is amended to read:

9 601.423 (2) PREPARATION OF REPORT. The commissioner shall, in the manner
10 provided under s. 13.0966, submit a report on the social and financial impact of any
11 health insurance mandate, contained in any bill or amendment affecting an
12 insurance policy, plan, or contract, or a written statement explaining the reason for
13 not preparing the report, to the presiding officer of that house of the legislature in
14 which the bill or amendment is introduced. ~~At the discretion of the presiding officer,~~
15 ~~any such report may be printed and distributed as are amendments.~~

16 **SECTION 10.** 601.423 (3) (a) (intro.) of the statutes is amended to read:

17 601.423 (3) (a) *Social impact factors.* (intro.) Any report prepared under sub.
18 (2) shall assess to the extent possible all of the following social impact factors ~~which~~
19 that are relevant to the type of health insurance mandate created, expanded, or
20 continued by the bill or amendment:

21 **SECTION 11.** 601.423 (3) (b) (intro.) of the statutes is amended to read:

22 601.423 (3) (b) *Financial impact factors.* (intro.) Any report prepared under
23 sub. (2) shall assess to the extent possible all of the following financial impact factors
24 ~~which~~ that are relevant to the type of health insurance mandate created, expanded,
25 or continued by the bill or amendment:

