



STATE OF WISCONSIN

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## Department of Employee Trust Funds

Eric O. Stanchfield  
*Secretary*  
801 West Badger Road  
P.O. Box 7931  
Madison, WI 53707-7931

### PROGRESS REPORT Office of Private Employer Health Care Coverage

Contact: Phil Borden, Director  
Phone: 608-261-0731  
E-mail: phillip.borden@etf.state.wi.us  
or  
A.B. Orlik, Program Manager  
Phone: 608-261-0140  
E-mail: ab.orlik@etf.state.wi.us

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#### First Quarter 2001 Highlights

- Bipartisan Bill (2001 SB 81) Introduced; 13.10 Request Submitted
- Staff Provide Informational Session for Legislators
- Senate Health Committee Recommends Confirmation of Board Members

#### Bipartisan Bill (2001 SB 81) Introduced; 13.10 Request Submitted

Senate Bill 81 was introduced on March 9, 2001, with bipartisan support. The bill is designed to address both structural and short-term funding needs of the Private Employer Health Care Coverage Program (program) and was drafted based on recommendations from program staff.

Most of the structural issues identified by program staff and incorporated into SB 81 were raised as barriers by prospective administrators who declined to respond to the program's request for proposals last December. In brief, the legislation:

- Shifts health plan contracting responsibility from the administrator to the Department of Employee Trust Funds (DETF).
- Clarifies that DETF may contract with the administrator for marketing services and/or maintenance of a toll-free number for public information.
- Allows the Private Employer Health Care Coverage Board (PEHCC Board) to determine the most appropriate means to publish program rates.
- Specifies that employers may offer coverage to employees working fewer than 30 hours per week only to the extent permitted by participating health plans.
- Clarifies that employers must contribute a minimum of 50% of the lowest single coverage rate for that employee; employers may choose to contribute more.
- Clarifies that agents must be "listed" with participating carriers (as current law stipulates) and authorizes the PEHCC Board to approve agent training criteria.
- Transfers \$141,600 GPR from the existing administrator grant appropriation to DETF to provide actuarial and legal services and to continue operations of the program for the remainder of this fiscal year.

Although the bill authorizes no new spending, it does transfer spending authority to DETF for a portion of the grant earmarked for a private-sector administrator. Due to the fiscal effect of this provision, DETF asked that the Governor issue an emergency statement to allow consideration of the bill prior to passage of the 2001-03 biennial budget. The Governor has not thus far acted on this request. A public hearing was held on SB 81 on March 12, but no action was taken by the committee.

As a result, DETF has filed a s. 13.101 request to the Joint Committee on Finance on behalf of the program to secure actuarial and legal assistance in developing and negotiating contracts with insurers in the state.

### **Staff Provide Informational Session for Legislators**

DETF and program staff held a well-attended informational session at the Capitol on Wednesday, March 14. The briefing was designed to provide legislators and legislative staff with an overview of the program's progress and additional detail on the components of 2001 SB 81. It also was an opportunity for legislators to meet with DETF and program staff face-to-face and ask questions about the program. The PowerPoint presentation used at the briefing is attached for your reference.

### **Senate Health Committee Recommends Confirmation of Board Members**

Three members of the PEHCC Board appeared before the Senate Committee on Health, Utilities, Veterans & Military Affairs on Wednesday, March 14. The committee recommended confirmation of Kenneth Conger, Public Representative; Gary Meier, Public Representative; and Christopher Queram, Employer Representative. Board members DeWayne Bierman, Insurer Representative, and James Janes, Employer Representative, will appear before the committee on March 21.

The PEHCC Board will next meet at 1:00 p.m. on Tuesday, May 1, 2001 at Mortenson Matzelle & Meldrum, Inc., 3313 West Beltline Highway in Madison. On the agenda: Discussion of proposed legislative revisions to the program, an update on funding requests, and a review of progress to date. Minutes and other materials from previous Board meetings may be requested from Gina Fischer, Board Coordinator, 608-266-1652 or [gina.fischer@etf.state.wi.us](mailto:gina.fischer@etf.state.wi.us).

### **Progress Reports Will Continue**

The Office of Private Employer Health Care Coverage will continue to provide periodic e-mail updates. If you or your staff have further questions, please feel free to contact the program staff identified at the top of this update or Pam Henning, Employee Trust Funds Director of Legislation and Planning, at 608-267-2929.

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