



STATE OF WISCONSIN
Department of Employee Trust Funds

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CORRESPONDENCE MEMORANDUM

DATE: November 3, 2009
TO: Group Insurance Board
FROM: Matt Stohr, Director of Legislative Affairs, Communications and Quality Assurance
SUBJECT: Legislative Report

This memorandum is for informational purposes. No action is necessary.

At the August 25, 2009, Board meeting, we distributed a summary of the provisions included in 2009 Wisconsin Act 28 (and 2009 Wisconsin Act 14) that have an impact on the State of Wisconsin Group Health Insurance Program and other programs administered by the Department of Employee Trust Funds (ETF). This memorandum provides an update on a few bills that either have been introduced or acted on since the August meeting and will, if enacted, have an impact on health insurance programs administered by ETF.

- 2009 Senate Bill 163 and its companion bill, 2009 Assembly Bill 217, require health insurance policies and plans that cover any diagnostic or surgical procedures to cover colorectal cancer examinations and laboratory tests for any insured or enrollee who is 50 years of age or older or any insured or enrollee who is under 50 years of age and at high risk for colorectal cancer.

Senate Bill 163 passed the Senate as amended and was messaged to the Assembly. Assembly Bill 217 was referred to the Assembly Committee on Insurance and had a public hearing on September 10, 2009. As of this writing, no further action was taken.

As written, the bill is not expected to have any material fiscal effect on the state health insurance program or the local government health insurance program.

- 2009 Assembly Bill 331 would require health plans in both the state and local health insurance programs to cover the cost of orthotic and prosthetic devices that are prescribed by a physician and determined by the prescribing physician to be medically necessary. It requires coverage of professional services and supplies related to the device, including testing, fitting, maintenance and repair if determined to be medically necessary. The bill also requires that all subscribers have a choice

Reviewed and approved by Robert J. Conlin, Deputy Secretary.

Signature

Date

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of a least two providers of prosthetic devices located within 60 miles or 60 minutes of their homes.

Assembly Bill 331 was referred to the Assembly Committee on Insurance and had a public hearing on September 10, 2009. As of this writing, no further action was taken.

This bill will have a fiscal effect to the extent that it increases health insurance premiums and health care claims costs for state employees participating in the state group health insurance program. Based on information and analysis provided by the Group Insurance Board's consulting actuary, the estimated 2009 cost associated with the state health insurance program is to be between \$99,300 and \$219,780 annually. The estimated cost associated with the local program is from \$19,380 to \$42,636 annually.

- 2009 Senate Bill 354 and its companion bill, Assembly Bill 506, prohibit a pharmacist from substituting a drug product equivalent if the drug prescribed is a drug for treating epilepsy or for treating convulsions, unless the pharmacist obtains and documents the consent of the prescribing practitioner and the patient or the patient's parent, spouse, or legal guardian.

Senate Bill 354 was referred to the Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue. Assembly Bill 506 was referred to the Assembly Committee on Public Health. The committees held a joint hearing on the bills on October 22, 2009. As of this writing, no further action was taken. The Department has not been asked to provide a fiscal estimate on the bill.

- 2009 Senate Bill 362 and its companion bill, Assembly Bill 512, removes the minimum statutory requirements for in-patient, out-patient and transitional care and establishes requirements for annual mental health screenings and makes coverage under the Group Insurance Board's health insurance program subject to Wis. Stat. 632.89.

Senate Bill 362 was referred to the Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue. Assembly Bill 512 was referred to the Assembly Committee on Health and Healthcare Reform. A public hearing was held on October 28, 2009. As of this writing, no further action was taken.

The bills, if enacted, will have a fiscal impact on both the state and local health insurance programs. According to the Board's consulting actuary, the cost to the state health insurance program range from \$1.6 to \$2.4 million annually and the cost to the local program range from \$.3 to \$.4 million annually.

I will be at the November 10, 2009, meeting to answer any questions you may have about the bills listed above or any other bills that have been introduced this legislative session.