



**STATE OF WISCONSIN**  
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 SECRETARY

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**Correspondence Memorandum**

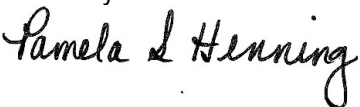
**Date:** May 10, 2021  
**To:** Group Insurance Board  
**From:** Tarna Hunter, Legislative Liaison  
**Subject:** Legislative Update

**This memo is for informational purposes only. No Board action is required.**

**2021-23 Biennial Budget**

The 2021–2023 Budget Bill, [2021 AB 68](#) and [2021 SB 111](#), were introduced by the Joint Committee on Finance (JCF) on February 16, 2021 at the request of the Governor. In its review of the budget bill, ETF has identified the following budget provisions that relate to the benefit programs overseen by the Board.

- **Participation of School Districts in GHIP** – Requires GIB to conduct a study of the potential costs and savings to school districts and current participants of mandating participation by all school districts in the state in the Group Health Insurance Program. The bill also requires GIB to submit a written report of the study to the governor and JCF by June 30, 2022. Additionally, the bill requires the Office of the Commissioner of Insurance (OCI) to create a task force (which would include the secretary of the Department of Employee Trust Funds) to develop and submit an implementation plan to the governor and JCF no later than December 31, 2022. The bill provides one-time funding of \$500,000 SEG to complete the study.
- **Health Insurance** -- Changes the date that an employee is eligible for health insurance to the first day of the second month for most state employees other than limited-term appointments.
- **Telehealth** – Requires health insurance policies and self-insured governmental health plans to cover a treatment or service that is provided through telehealth if the treatment or service is covered by the policy or plan when provided in person.

Reviewed and approved by Pam Henning, Assistant Deputy Secretary  
  
 Electronically Signed 5/10/21

Board	Mtg Date	Item #
GIB	5.12.21	14F

A policy or plan may limit its coverage to those treatments or services that are medically necessary.

The JCF took action on the budget during its first May 6 executive session. The JCF removed nearly 400 policy items that the governor included in his budget proposal from further consideration by the committee, including all provisions relating to ETF's benefit programs. The budget continues to fully fund ETF's current operations. ETF will monitor the budget bill as the JCF makes additional modifications and the budget moves through the legislative process.

### **Enacted into Law**

[2021 Wisconsin Act 9](#) requires pharmacy benefit managers to be licensed with the Commissioner of Insurance or to have an employee benefit plan manager license. It establishes certain requirements for pharmacy benefit managers and certain health plans regarding interactions with pharmacies and pharmacists. The provisions in the law regulating disclosures to consumers, cost sharing limitations and drug substitutions are already performed under the State of Wisconsin Group Health Insurance Program (GHIP) and therefore would have no impact on the program.

### **COVID-19 Related Legislation**

[2021 AB 1](#) includes the following provisions related to health insurance coverage under the GHIP:

- **Cost Sharing** – Requires health plans to provide coverage of testing, treatment and vaccines of COVID-19 without imposing any copayment or coinsurance before June 30, 2021.
- **Prescription Drug Coverage** – Prohibits requiring prior authorization for early refills of a prescription drug or otherwise restricting the period of time in which a prescription drug may be refilled and from imposing a limit on the quantity of prescription drugs that may be obtained if the quantity is no more than a 90-day supply. These prohibitions do not apply if the prescription drug is a controlled substance. The provision applies through June 30, 2021.
- **Out-of-Network Costs** – Prohibits health plans from requiring a member to pay more for a service, treatment, or supply provided by an out-of-network provider than the member would have to pay if the services were provided in-network. This prohibition applies to services received related to COVID-19 and applies if the member saw an out-of-network provider because a participating provider was not available. The prohibition is applicable until the conclusion of a national emergency declared by the U.S. President in response to COVID-19 or until June 30, 2021, whichever is earlier.

2021 AB 1 was introduced by Speaker Vos and referred to the Assembly Committee on Health. The bill was amended multiple times and sent to the Governor for his signature. On February 5, 2021, the Governor vetoed the bill.

**2021 AB 31** includes the following provisions related to health insurance coverage under the GHIP:

- **Cost Sharing** – Requires coverage of testing, treatment and vaccinations relating to COVID-19 without imposing any copayment or coinsurance before December 31, 2021.
- **Prescription Drugs Coverage** – Prohibits health plans from requiring prior authorization for early refills of a prescription drug or otherwise restricting the period of time in which a prescription drug may be refilled and from imposing a limit on the quantity of prescription drugs that may be obtained if the quantity is no more than a 90-day supply. These prohibitions do not apply if the prescription drug is a controlled substance. The provision applies through December 31, 2021.
- **Out-of-Network Costs** – Prohibits health plans from requiring a member to pay more for a service, treatment, or supply provided by an out-of-network provider than the member would have to pay if the services were provided in-network. This prohibition applies to services received related to COVID-19 and applies if the member saw an out-of-network provider because a participating provider was not available. The provision applies through December 31, 2021.
- **Healthcare Worker Cost Sharing** – Requires health plans cover frontline health care workers who have been diagnosed with or is under investigation of having COVID-19 or any other communicable disease without imposing any copayment or coinsurance. For purposes of required insurance coverage, the treatment that must be covered is any treatment that is medically necessary and reasonably related to COVID-19 or any other communicable disease or complications from COVID-19 or other communicable disease.
- **Telehealth Coverage** – Prohibits a health insurance policy or a self-insured health plan of the state or a county, city, village, town, or school district from denying coverage for a treatment or service provided through telehealth if that treatment or service is covered under the policy or plan when provided in person by a health care provider. This prohibition applies through December 31, 2021.

2021 AB 31 was introduced by Rep. Hintz and referred to the Assembly Committee on Health.

### **Other State Legislation**

[2021 SB 40](#) and [2021 AB 34](#) includes the following requirements and limitations on health insurance coverage in the event the federal Patient Protection and Affordable Care Act no longer preempts state law on the topic.

- Health plans must accept every individual in this state who applies for coverage, regardless of whether any individual or employee has a preexisting condition.
- A health plan offered on the individual or small employer market or a self-insured governmental health plan may not vary premium rates for a specific plan on any basis except age, tobacco use, area in the state, and whether the plan covers an individual or a family.
- A health benefit plan or a self-insured governmental health plan may not impose a preexisting condition exclusion.
- A health benefit plan or a self-insured governmental health plan is prohibited from imposing an annual or lifetime limit on the dollar value of benefits under the plan.
- The Affordable Care Act exempts certain plans from complying with the act's provisions. Similarly, any health benefit plan that is exempt from a provision of the Affordable Care Act is exempt from complying with the corresponding provision of this bill.

2021 SB 40 was introduced by Sen. Jacque and referred to the Senate Committee on Insurance, Licensing and Forestry. 2021 AB 34 was introduced by Rep. Magnafici and referred to the Assembly Committee on Insurance.

On March 16, 2021, the Assembly passed 2021 AB 34 (92-0). The Senate has not taken action on the bill.

I will be available at the May 12, 2021, Board meeting to answer any questions.