

Wisconsin

Wisconsin Insurance Commission
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Summary of Important Regulations

MEWA Regulations	No
TPA Regulations	Yes
Stop-Loss Regulations	No
UR Regulations	No

NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	Wis. Admin. Code § Ins. 3.17	None
Comprehensive Health Ins. Cost Containment Model Act	None	None
Standardized Health Claims Form Model Regulation	Wis. Admin. Code § Ins. 3.65	Wis. Stat. § 632.725; Wis. Admin. Code §§ Ins. 3.60, 3.651
Small Employer Health Insurance Availability Model Law	None	Wis. Stat. §§ 635.01 to 635.19
Model Regulation To Eliminate Unfair Sex Discrimination	Wis. Admin. Code § Ins. 6.55	None
Health Information Privacy Model Law	None	Wis. Stat. § 610.70
Preferred Provider Arrangements Model Law	None	Wis. Stat. § 609.20; § 628.36(2)(a); Wis. Admin. Code § Ins. 3.48
Utilization Review Model Law	None	None
Managed Care Plan Network Adequacy Model Law	None	None
Third Party Administrator Law	None	Wis. Stat. §§ 633.01 to 633.17
Stop-loss Insurance Model Law	None	None

NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	None	Wis. Admin. Code § Ins. 6.62
Standard Group Health Model Law	None	None
Group Health Insurance Mandatory Conversion Law	None	Wis. Stat. § 632.897; Wis. Admin. Code §§ Ins. 3.41 to 3.45
Group Coverage Discontinuance/ Replacement Model Regulation	Wis. Admin. Code § Ins. 6.51	None
Premium Rates and Renewability of Coverage-Small Groups	Wis. Stat. §§ 635.01 to 635.31	None
Group Coordination of Benefits Model Law	Wis. Admin. Code § Ins. 3.40	None
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	None
Group Health Mandatory Drug/ Alcohol Dependency Law	None	Wis. Stat. § 632.89
Model Newborn Children's Law	Wis. Stat. § 632.895	Wis. Admin. Code § Ins. 3.38

Health Examination Benefits Availability Law	None	None
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NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	None
Agents and Brokers Licensing Model Law	None	Wis. Stat. §§ 628.01 to 628.12; §§ 628.51 to 628.81
MEWA Licensing Model Law	None	Wis. Admin. Code § Ins. 6.62
Managing General Agents Law	Wis. Admin. Code §§ Ins. 42.01 to 42.07	None
Health Maintenance Organization Model Law	None	Wis. Stat. §§ 609.91 to 609.98; § 628.36
Insurance Information and Privacy Protection Law	None	None
Unfair Trade Practices Law	None	Wis. Stat. §§ 628.31 to 628.46; Wis. Admin. Code § Ins. 6.68
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	Wis. Admin. Code § Ins. 6.67	Wis. Stat. § 628.34
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of	None	Wis. Admin. Code §§ Ins. 6.67

Total or Partial Blindness

NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	None
Unfair Claims Settlement Practices Law	Wis. Admin. Code § 6.11	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	None
Private Employer Workers' Compensation Group Self-Insurance Model Law	None	None
Public Employee Workers' Compensation Group Self-Insurance Model Law	None	None
Twenty Four Hour Coverage Pilot Project Model Law	None	None

State-Mandates

Benefits That Must Be Covered

- Alcoholism treatment
- Breast reconstruction
- Childhood immunizations
- Dental anesthesia
- Diabetic supplies, education
- Drug abuse treatment
- Emergency services
- Home health care
- Kidney disease
- Mammography screening
- Mental health, general
- Newborn care
- Second medical and surgical opinion
- TMJ disorders
- Well-child care

Benefits That Must Be Offered

None

Persons Who Must Be Allowed Coverage

- Continuation/dependents
- Continuation/employees
- Conversion to non-group
- Grandchildren
- Handicapped dependents
- Newborns

Providers Who Must Be Covered

- Chiropractors
- Dentists
- Nurse Practitioners
- Optometrists
- Osteopaths

- Pharmacists
- Podiatrists

Coordination of Benefits

- Birthday Rule? Yes
- Divorced/Separated Rule? Yes
- Joint Custody Rule? Yes
- Active v. Inactive Rule? Yes
- Longer v. Shorter Rule? Yes
- Managed Care Rule? Yes
- COBRA Rule? Yes
- Preservation Rule? No

Patient's Bill of Rights Legislation

None

High Risk Health Pool

Yes – capped at 200%

External Grievance System

Yes – all health care plans

Basis of Filing Grievance

Medical necessity

Status of Decision of Grievance Panel

Binding on both parties

Prompt Payment of Health Claim Requirement

Yes - 30 days

Miscellaneous

Home health services and disability insurance policies must provide coverage for:

- Hospital inpatient and outpatient kidney disease treatment, which may be limited to dialysis, transplantation, and donor-related services in an amount not less than \$3,000 annually, if the program provides hospital treatment coverage on an expense-incurred basis.
- The usual and customary fees for home health care, if the policy covers expenses incurred for inpatient hospital care; the maximum weekly benefit for such coverage need not exceed the usual and customary weekly cost for care in a skilled nursing facility.
- Skilled nursing care for at least 30 days to patients who enter a licensed skilled nursing care facility within 24 hours after discharge from a general hospital, if the policy provides coverage for hospital care. This may be subject to a deductible that applies to hospital care coverage provided by the policy.
- A minimum of 90 days continuous coverage of costs for tuberculosis charges, including both inpatient care and outpatient dispensary charges or fees, if the policy includes hospital or medical expenses coverage.

- Equipment and supplies for the treatment of diabetes.
- Maternity coverage for all persons covered under the policy, if maternity coverage is provided in the policy.
- Wisconsin is one of two states which allow for the states to pay COBRA premiums. The other is Tennessee. Wisconsin will subsidize coverage for a state resident who has an HIV infection and a family income that does not exceed 200% of the federal poverty level with respect to his family size.
- Wisconsin law requires health insurers to maintain the privacy of an individual's medical history to the terms of the individual's written authorization.
- Wisconsin law provides that health care plans and certain self-insured health plans may not require prior authorization for the provision of emergency medical services.

MEWA Regulation

Wisconsin does not regulate MEWAs.

TPA Regulations

Wisconsin enacted a TPA registration statute to be effective October 1, 1991.¹

- Requires resident and nonresident TPAs to register.
 - Application fee \$100 (nonrefundable); renewal fee \$100; annual renewal on August 1.
 - Bonds are required. There are two levels of bonds.
1. Administrators who collect premiums or employee contributions on behalf of any principal, or commingles funds belonging to more than one principal, the performance bond should be in the greater amount of \$25,000 or 10% of the total amount of projected premiums, charges, and claims funds the administrator expects to handle on behalf of residents of the state during the fiscal year following the year for which a financial statement is submitted, not to exceed \$500,000.
 2. Administrators who maintain separate fiduciary accounts for each plan do not commingle funds of more than one plan, and do not collect premiums or employee contributions on behalf of the principals, are not eligible for a lower bonding requirement. This new bonding requirement is subject to a minimum of \$15,000 or 5% of projected claim funds, whichever is greater, up to a maximum bond of \$250,000.
 3. Presently, applicants only need to submit a sworn statement certifying that they meet the above requirements. In the future, the form of the certification may be changed.
 4. Administrators who have already submitted an application need not complete the revised application form. If a bond was already purchased and you are now eligible for the lower amount, you may furnish the Insurance Department with a rider identifying the new amount.
- Documents or financial reports from TPAs:
 1. Biographical information
 2. Financial statement
 3. Certification.

Stop-Loss Regulation

Wisconsin is reported to require a \$5,000 minimum specific by Department *position*.

Utilization Review Regulations

Not regulated.

Miscellaneous

Small Group Reform

None

MSA Legislation

Who May Establish	Employer or self-employed individual
Tax Treatment	Contributions and interest accrued in the MSA are tax-exempt
Policy Deductible	\$1,500 – 3,000 minimax
Max. Annual Deposit	\$2,000 per individual, \$2,000 spouse \$1,000 each dependent child
Non-Medical Withdrawals	10% withdrawal penalty prior to age 59 1/2
Eligible Medical Expenses	Tracks IRC §213

State Premium Taxes

Commercial insurers are taxed at 2%.; Blue Cross is not taxed. HMOs are not taxed by premium, but do pay a state franchise tax.

Continuation of Coverage and Conversion of Benefits

Wisconsin requires group health policies to allow the following individuals to continue coverage or convert to individual policies upon termination of their group coverage, provided that they were covered by the policy for the three months preceding the date of termination:

- Former spouses who lose coverage due to divorce or marriage annulment.
- Group members who lose eligibility for coverage, except members who were terminated for misconduct.
- Spouses and dependents who lose their group coverage due to death of an employee.

Providing Claims Experience

Wisconsin requires an insurer to provide aggregate claims experience data upon request from a policyholder or employer who provides coverage for at least 50 individuals (exclusive of dependents) for the current policy period. The insurer is required to provide the requested health claims experience data no later than 30 days after receiving a request from the policyholder or employer.

Self-Funded School District Plans

Counties and school districts may self-fund if singly or combined they have at least 100 employees. Plans covering less than 1,000 employees must have stop-loss insurance written on an incurred basis.

Endnotes

¹Wisc. Stat. §§ 633.01 *et seq.*