



Wisconsin Benefit Planning, Inc.

Your Health, Life & Retirement Specialists

315 E. Front St., P.O. Box 1089, Minocqua, WI 54548

Phone: (715) 356-2300 or Toll Free: 866-521-3386

Fax: (715) 356-7974

2009 New Wisconsin Legislation

The Wisconsin Legislature was active earlier this year and passed several laws that will require changes in the benefits of the health plans we offer and some of our practices. This is a short summary of each of those laws to help you communicate those changes with your individual and employer clients (except Medicare supplement). Since these are state laws, they do not impact non-governmental self funded health plans.

Benefit Mandates¹

Autism Mandate

There are two types of autism therapy that will now be covered for individuals with autism, Asperger's syndrome or pervasive developmental disorder not otherwise classified. Intensive therapy is behavioral therapy that insurers must cover at least 30-35 hours per week. Insurers must pay for at least \$50,000 per year for a maximum of 4 years. Once intensive autism therapy is completed, or in cases where an individual does not use intensive therapy, insurers must cover at least \$25,000 per year of non-intensive therapy. The dollar amounts will be adjusted annually to reflect the cost of living by the Office of the Commissioner of Insurance. Insurers are only required to provide coverage for therapy that is evidenced based.

The therapy must be prescribed by a physician and provided by a psychiatrist, psychologist, licensed clinical social worker, outpatient mental health clinic, occupational therapist or speech therapist. There will be qualifications that these providers must have in order to provide therapy covered by the mandate or supervise paraprofessionals or professionals that work with them.

OCI is currently drafting a regulation interpreting the law with the assistance of insurers, autism therapy providers, parents of autistic children and legislators. The regulation is expected to be issued in emergency form before the end of September.

This law goes into effect on November 1, 2009 and will apply to policies sold or renewed after that date.

Contraceptive Coverage

All health plans that cover prescription drugs must provide coverage for contraceptives prescribed by a health care provider and the outpatient consultations, examinations, procedures and medical services. Employers will no longer be able to opt out of the coverage for religious, moral or other reasons.

Expanded Dependent Coverage

Dependent coverage for a child of the insured must now continue until, at a minimum, the date (a) the child is age 27 or older; (b) the child marries; or (c) the child has other health coverage and the premium for that other coverage is less than the premium that is charged by the parent's plan for the dependent. Full-time student status, which is the standard requirement in most health plans for continued coverage, will generally no longer apply. There is also a right for unmarried children who are fulltime students and are called to active duty in the military prior to age 27 to come back on their parents plans when they return to full-time student status. Coverage would continue until the child is no longer a full-time student.

This law goes into effect on January 1, 2010 and will apply to policies sold or renewed after that date.

1 Collectively bargained plans are generally not required to comply with any of the new benefit mandates until the date the collective bargaining agreement is renegotiated. This law goes into effect on January 1, 2010 and will apply to policies sold or renewed after that date.



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Hearing Aid and Cochlear Implant Coverage

Insurers will now be required to cover hearing aids and cochlear implants for children under the age of 18. In the case of hearing aids, insurers will have to cover the cost of one hearing aid per ear. Coverage can be limited such that the insurer only covers the purchase of a hearing aid no more than every 3 years.

This law goes into effect on January 1, 2010 and will apply to policies sold or renewed after that date.

Mental Health Mandate

Wisconsin has a mental health mandate that applies to group health plans, including self-funded governmental plans, and requires coverage of outpatient therapy when provided by certain providers. That list of providers has been expanded to include licensed clinical social workers, marriage and family therapists and professional counselors. Also, the Federal Mental Health Parity law will impact benefits for employers with 51 or more employees.

This law went into effect on July 1, 2009 and will apply to policies sold or renewed after that date.

Pre-existing Condition Exclusions

This law changes what is considered a pre-existing condition for our individual policies. Under current law, a pre-existing condition is one that the individual received a diagnosis or treatment for prior to the effective date or one that the individual had symptoms of that would have caused a prudent person to seek care for. Under the new law, insurers will not be able to consider a person's symptoms as a pre-existing condition. Also, the look-back period will be 12 months for all individual policies, including short-term.

Many short-term policies provide that illnesses or injuries incurred during a prior policy period will be considered pre-existing when an insured takes out a new policy. That will no longer be allowed. Instead, if an insured takes out back-to-back short term policies with the same insurer without a gap in coverage of more than 63 days, insurers will be required to aggregate the coverage for purposes of determining whether a condition is pre-existing.

This law goes into effect on January 1, 2010 and will apply to policies sold or renewed after that date.

Other Administrative Changes

Independent Review

Effective on July 1, 2009, insureds will no longer be required to pay \$25 as part of their request for an independent external review. Also, once OCI issues regulations, insureds will be able to request an independent review of an insurer's pre-existing condition determination (group and individual plans) and an insurer's decision to rescind an individual policy.

Individual Insurance Premium Tax Deductions

Wisconsin enacted a law that allowed for premiums for individual policies to be deducted on a person's income tax. The percentage of the premium allowed to be deducted was to be phased in over a 4 year period, so that the 100% premium deduction would not occur until 2011 (in 2008 there is a 10% deduction, in 2009 there is a 25% deduction, in 2010 a 45% deduction and 2011 a 100% deduction). The new law will delay the implementation of that tax deduction so that in 2009 and 2010 there is a 10% deduction, in 2011 a 25% deduction, in 2012 a 45% deduction and in 2013 a 100% deduction.



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Right to Change Policies at Renewal

At the time of renewal, insurers must permit the insured to either (a) modify his or her existing coverage by electing an optional higher deductible, if any, under the member's plan; or (b) change his or her coverage to any of the following, if available:

- A different but comparable individual plan offered by the insurer;
- An individual plan offered by the insurer that has more limited benefits; or
- An individual plan offered by the insurer with higher deductibles.

To the extent an insured switches policies, insurers must give the individual credit for any pre-existing condition exclusion waiting period served under the prior policy. For any new or modified coverage offered under this provision, insurers will be prohibited from rating for health status.

Insurers will be required to send annual notices informing individuals of their right to switch coverage. The notices must be sent between 60-90 days prior to renewal.

This law goes into effect on January 1, 2010 and will apply to policies sold or renewed after that date.

Uniform Individual Application

OCI is required to develop a uniform application for the individual market. The application cannot exceed 10 pages in length and once it is developed, insurers will be required to use it.

m:group health folder/group binder new & renewal info/oct 09 renewal binder docs/wi health law changes

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