

Clearinghouse Rule 96-010



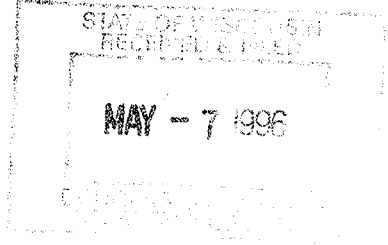
State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson
Governor

Josephine W. Musser
Commissioner



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STATE OF WISCONSIN

OFFICE OF THE COMMISSIONER OF INSURANCE

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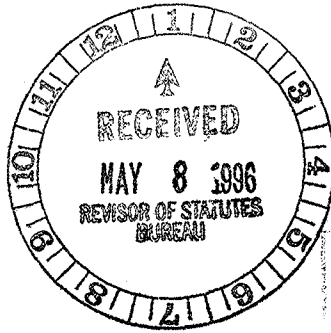
I, Josephine W. Musser, Commissioner of Insurance and custodian of the official records, certify that the annexed rule affecting Section Ins 18.13 (5), Wis. Adm. Code, relating to creating a network of providers for the health insurance risk-sharing plan who will provide services at a discount greater than that which is already mandated by statute, is duly approved and adopted by this Office on May 6, 1996.

I further certify that I have compared this copy with the original on file in this Office and that it is a true copy of the original, and the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 121 East Wilson Street, Madison, Wisconsin, on May 6, 1996.

Josephine W. Musser
Josephine W. Musser
Commissioner of Insurance

7-1-96
96-010



STATE OF WISCONSIN
RECEIVED & FILED

MAY - 7 1996

ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

CREATING A RULE

To create s. Ins 18.13 (5), Wis. Adm. Code, relating to creating a network of providers for the health insurance risk-sharing plan who will provide services at a discount greater than that which is already mandated by statute.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 619.11, 619.14 (5) (d), 619.15 (5), 619.17 (4) (a), 227.11, and 227.24, Stats.

Statutes interpreted: s. 619.17 (4) (a), Stats.

Chapter 619, Stats., provides for the funding of the health insurance risk-sharing plan through premiums paid by policyholders and assessments on the insurance industry. Benefits are mandated by s. 619.14, Stats. Section 619.14 (5) (d), Stats., allows the board to establish different deductible amounts, a different coinsurance percentage, and different covered costs and deductible aggregate amounts from those specified in accordance with cost-containment provisions established by the commissioner under s. 619.17 (4) (a), Stats. This rule promulgated under that section provides for

cost-containment provisions in addition to those already found in the statutes and rules. This rule will allow the HIRSP board greater flexibility in negotiating contracts with health care providers to provide for services at a discount greater than that already mandated by statute. This rule is necessary to avoid a funding crisis with the necessary increase in assessments and premiums beyond that which is instituted each year when the contract and policy is renewed.

SECTION 1. Ins 18.13 (5) is created to read:

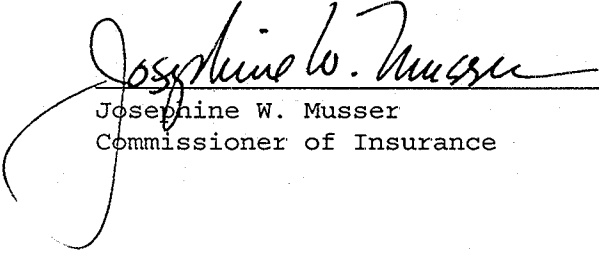
Ins 18.13 (5) PROVIDER NETWORK COST CONTAINMENT PROVISIONS.

(a) The board may direct the plan administrator to contract with a network or networks of providers at discounts greater than those mandated by s. 619.15 (3) (e), Stats., and the board may establish different deductible amounts, a different coinsurance percentage, and different covered costs and deductible aggregate amounts from those specified in s. 619.14 (5) (a) to (c), Stats., for utilization of non-network providers.

(b) The board may establish a copayment schedule for services provided by non-network providers that is different from that established for network providers.

SECTION 2. EFFECTIVE DATE. This rule will take effect on the first day of the first month beginning after publication, as provided in s. 227.22 (2) (Intro.), Stats.

Dated at Madison, Wisconsin, this 6 day of May 1996


Josephine W. Musser
Commissioner of Insurance