



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-5491/1
TJD:ahe/wlj/klm

2019 SENATE BILL 763

January 29, 2020 - Introduced by Senators KOYENGA, ERPENBACH, FEYEN, MILLER, NASS and OLSEN, cosponsored by Representatives NYGREN, KOLSTE, MAGNAFICI, HORLACHER, SARGENT, WICHGERS, DITTRICH and FELZKOWSKI. Referred to Committee on Health and Human Services.

1 **AN ACT to renumber and amend** 146.905 (1); **to amend** 146.905 (2); and **to**
2 **create** 146.905 (1g) and 146.905 (3) of the statutes; **relating to:** allowing
3 discounts for prompt payment of health care fees.

Analysis by the Legislative Reference Bureau

This bill specifies that discounts for prompt payment do not violate prohibitions on reducing certain fees for health care services. Under current state law, a health care provider is prohibited from reducing or offering to reduce coinsurance or a deductible of an individual covered under a health insurance policy that is required under the terms of the policy, unless paying the amount would be an undue financial hardship to the individual. This bill specifies as exempt from that and any other state law prohibitions a discount offered by a health care provider to an individual covered under a health insurance policy if the discount satisfies all of the following: the health care provider offers the discount for prompt payment without regard to the reason for the individual seeking the product or service; the amount of the discount bears a reasonable relationship to the amount that the health care provider avoids in collection costs by prompt payment; the health care provider notifies the issuer of the health insurance policy of the prompt payment discount policy but, unless required by law, does not publicly advertise the discount; and the health care provider does not shift the cost of the discount to any other payer or, except as allowed

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by law, include the discount in an agreement with a third-party payer. Health insurance policies are referred to as disability insurance policies in the bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 146.905 (1) of the statutes is renumbered 146.905 (1r) and amended
2 to read:

3 146.905 **(1r)** Except as provided in sub. (2), a health care provider, ~~as defined~~
4 ~~in s. 146.81 (1) (a) to (p)~~, that provides a service or a product to an individual with
5 coverage under a disability insurance policy, ~~as defined in s. 632.895 (1) (a)~~, may not
6 reduce or eliminate or offer to reduce or eliminate coinsurance or a deductible
7 required under the terms of the disability insurance policy.

8 **SECTION 2.** 146.905 (1g) of the statutes is created to read:

9 146.905 **(1g)** In this section:

10 (a) “Disability insurance policy” has the meaning given in s. 632.895 (1) (a).

11 (b) “Health care provider” has the meaning given in s. 146.81 (1) (a) to (p).

12 **SECTION 3.** 146.905 (2) of the statutes is amended to read:

13 146.905 **(2)** Subsection ~~(1)~~ (1r) does not apply if payment of the total fee would
14 impose an undue financial hardship on the individual receiving the service or
15 product.

16 **SECTION 4.** 146.905 (3) of the statutes is created to read:

17 146.905 **(3)** It is not a violation of sub. (1r), s. 628.34, or any other provision of
18 state law for a health care provider to discount a fee owed by an individual who is
19 covered under a disability insurance policy if all of the following are satisfied:

20 (a) The health care provider does all of the following:

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1 1. Offers the discount for prompt payment for products or services but without
2 regard to the individual's reason for seeking the product or service for which the
3 payment is being made.

4 2. Notifies the issuer of the disability insurance policy of the prompt payment
5 discount policy of the health care provider.

6 3. Provides a discount in an amount that bears a reasonable relationship to the
7 amount that the health care provider avoids in collection costs by prompt payment.

8 (b) The health care provider does not do any of the following:

9 1. Shift the cost of the discount to any other individual or payer.

10 2. Include the discount in a price reduction agreement with a 3rd-party payer,
11 except as allowed under state or federal law.

12 3. Unless required by law, publicly advertise the discount.

13

(END)