



RACHAEL A. CABRAL-GUEVARA

STATE SENATOR • 19TH SENATE DISTRICT

Testimony before the Senate Committee on Insurance and Small Business

Senator Rachael Cabral-Guevara

September 21, 2023

Hello, Chairwoman Felzkowski and members of the committee. Thank you for allowing me to provide testimony on Senate Bill 362, an important bill updating Wisconsin's insurance law allowing for electronic notifications.

Current law allows health insurers and health maintenance organizations to provide electronic delivery of notices and documents to covered individuals, but only if the individual actively and affirmatively consents. This has resulted in mailed paper notices and documents to be the default communications method, increasing costs and delaying delivery for important notifications.

Many other states have enacted legislation that transitions the default paper notifications to electronic notifications. Advancements in technology make it more efficient to securely deliver insurance documents electronically and consumers have the benefit of receiving quick, reliable, and streamlined access to their plan information. Wisconsin residents already use these electronic notifications for utility bills, paying rent, and other insurance plans. This bill would bring us in line with these changing preferred ways of communication.

For those people who would prefer to continue receiving paper copies of health insurance documents, this bill requires the employer to provide an opt-out of the electronic communications. This way, those who may not have easy access to email or internet can make sure they still receive these critical notifications.

I am hopeful you will be able to support this important step in updating Wisconsin's health insurance notification requirements



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Senate Bill 362

Public Testimony

Senate Committee on Insurance and Small Business

September 21, 2023

Thank you Chair Felzkowski and members of the committee for holding this hearing on Senate Bill (SB) 362.

SB 362 updates how health insurers and Health Maintenance Organization (HMO) insurers can provide electronic delivery of notices and documents to covered individuals. Currently, health insurers and HMOs deliver notices and documents via paper delivery unless the person has signed the paperwork to receive their documents through electronic communications.

SB 362 allows electronic delivery to be the default way to receive notices and documents from a health insurer or HMO. The bill does allow the consumer to opt-out of e-delivery if they would prefer paper communication.

Advancements in technology make it more efficient to securely deliver insurance documents electronically. Wisconsin residents already have the ability to receive e-delivery for banking statements, utility bills, property and casualty insurance documents, retirement plans, etc.

By updating state law, we are modernizing the way health insurers and HMOs can provide a service like many other industries already do. Eleven states have enacted similar legislation to enhance the consumer experience by making it easier to provide notices and documents electronically while ensuring consumer privacy and security.

I appreciate your time and support for Senate Bill 362. I will now take any questions you might have.



To: Chairperson Mary Felzkowski
Members, Senate Committee on Insurance and Small Business
From: Rebecca Hogan, Lobbyist
Date: September 21, 2023
Re: Please support Senate Bill 362, relating to permitted electronic transmissions under employer-sponsored health insurance policies and plans.

The Alliance of Health Insurers (AHI) is a non-profit advocacy organization representing commercial and local health plans in Wisconsin. Our members collectively provide coverage to more than 3 million Wisconsinites through public and private insurance programs, including two-thirds of enrollees in Badger Care Plus and SSI-Medicaid (Wisconsin's Medicaid managed care programs). Member plans are dedicated to delivering affordable, high-value care to the state's commercial and Medicaid populations.

AHI would like to thank Chairperson Felzkowski for holding a hearing on SB 362 and Sen. Cabral-Guevara and Rep. Moses for introducing this bipartisan legislation.

SB 362 will facilitate delivery of electronic communications relating to employer-sponsored group health benefit plans, group health plans, and limited scope dental and vision plans. The legislation includes an annual consumer opt out, allowing for consumers to continue to receive paper notices, should they so choose. Consumers will also be given an opportunity to opt out when they are added – for example, when they are hired as a new employee – to an insurance policy or plan.

Delivery of electronic communications under SB 362 would only occur if the employer consents to electronic delivery to covered persons and only if the employer confirms the covered person routinely uses electronic communication. In addition, the covered person must be given an annual opportunity to opt out of delivery of electronic communications, should the consumer prefer to receive paper communications. Moreover, because SB 362 is limited to those receiving coverage via an employer-sponsored plan, those no longer in the workforce – such as retirees – are not impacted by this bill.

Eleven states have already enacted “paperless” delivery of such communications as the default for covered persons. Many states – including Wisconsin – allow for property and casualty insurers to communicate electronically with covered persons, with a similar opt out provision to receive paper communications.

Finally, electronic communications will continue to be covered by federal protections in the Health Insurance Portability and Accountability Act to ensure consumer privacy is respected and protected.

AHI works to improve the health and well-being of individuals, families, and communities in Wisconsin.

Please support SB 362. SB 362 will help save costs and will facilitate delivery of notices and other communications to covered lives in a modern, secure fashion.

If you have any questions after today's public hearing, please contact me at 608-258-9506.