

Health Care/Reform

AB 100 – Pre-Existing Conditions Exclusions

Rep. Richards

Summary of Bill ([as amended](#)):

Assembly Bill 100 makes changes to individual health insurance coverage; pre-existing condition exclusions, modifications at renewal and directs OCI to develop a uniform application standard. Specifically:

Currently insurers have a 2 yr. pre-existing exclusion period for individual health coverage, AB 100 limits this period to 1 yr.

In addition, AB 100 imposes a 1 yr. limit on the look-back period that an insurer may use to investigate for the existence of a pre-existing condition. Presently, there is no limitation.

Also, AB 100 replaces the current standard used by insurers (the “prudent person”) when determining whether or not a pre-existing condition was present prior to the application for coverage. The Bill requires that an “objective standard” be used, thus only allowing conditions that an individual received medical advice, diagnosis, care or treatment be counted as “pre-existing.”

Finally, the Commissioner of Insurance is directed to develop a uniform application for individual coverage.

Assembly Amendment 1 to AB 100 - Affects short-term bridge policies; specifically the look-back period, it excludes pre-existing conditions. Additionally, the amendment restricts the definition of a pre-existing condition for this type of policy and reduces the time-frame for which a pre-existing condition may be imposed. Also, the amendment retains the change to a 12 month maximum period for pre-existing condition exclusions for individual disability insurance policies, but keeps current law (2 years) for other policies, such as disability income. [ASA 1 to AB 100 adopted 8 - 3, Vukmir, Rhoades & Nygren voting No, Stone & Strachota were absent]

Fiscal Effect:

No fiscal estimate was required for Assembly Bill 100.

Supporting Arguments:

- Assembly Bill 100 is more or less a result of anecdotal evidence, seeking to improve coverage and access to care in the name of consumer protection. AB 100 aims to modify/change the purported “tools” used by the industry to unfairly treat individuals, such as:
 - Denying coverage after determining the presence of a pre-existing condition that may have existed during an individual’s lifetime;
 - Non renewal/continuation of a policy after the discovery of a pre-existing condition for which there was no diagnosis prior to issuing the policy;
 - Taking advantage of an onerous and confusing application process; AB 100 would simplify this process.

Opposition Arguments:

- Assembly Bill 100 is part of an over-all strategy to **directly attack the private health insurance industry** by imposing restrictions & driving up the cost of coverage. The ultimate goal of this effort is to make government not only the cost-effective option, but the only option for individual coverage.

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Key Supporters:

Rep. Richards (author); Senator Vinehout (author); Sean Dilweg, Insurance Commissioner; Robert Kraig, Citizen Action of Wisconsin; Bobby Peterson, ABC for Health; Matt Krumenauer, Cooperative Network; Melissa Duffy, Farmers Health Cooperative of Wisconsin; Jeremy Levin, Rural Wisconsin Health Cooperative; Phillip Neuenfeldt, Wisconsin State AFL-CIO; Stephanie Bloomingdale, Wisconsin Federation of Nurses and Health Professionals; Gina Dennik-Champion, Wisconsin Nurses Association. Wisconsin Independent Businesses registered with the Ethics Board in favor of AB 100.

Key Opponents:

No one testified or registered against AB100, and no one registered against it with the Ethics Board.

Committee Vote:

On April 15th, 2009, the Assembly Committee on Health and Health Care Reform recommended passage of AB100, as amended, on a vote of 8-3. [Vukmir, Rhoades & Nygren voted No; Stone & Strachota were absent.]

Staff Author of Bill Summary

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