



2009 SENATE BILL 453

January 11, 2010 – Introduced by Senators ERPENBACH, HANSEN, JAUCH, LASSA, VINEHOUT, WIRCH and LEHMAN, cosponsored by Representatives POCAN, BENEDICT, BERCEAU, MASON, SINICKI, SOLETSKI, SHILLING, ROYS, TURNER, VRUWINK, GUNDERSON, ZEPNICK, A. OTT and HEBL. Referred to Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue.

1 **AN ACT to amend** 185.981 (4t) and 185.983 (1) (intro.); and **to create** 609.71 and
2 632.723 of the statutes; **relating to:** requiring an insurer to make payment
3 directly to a provider who provides the insurer with an assignment of benefits.

Analysis by the Legislative Reference Bureau

This bill requires an insurer that has issued a group or individual health insurance policy (each called a “disability insurance policy” in the statutes) to pay a health care provider (provider) directly for any service, item, or supply that the provider provides to an insured under the health insurance policy if: the service, item, or supply is covered under the health insurance policy; the provider is not under contract with the insurer to provide services, items, or supplies to the insurer’s insureds; and the provider provides to the insurer an assignment of benefits from the insured to the provider. The bill defines an assignment of benefits as a written instrument signed by an insured or the insured’s authorized representative that assigns to a provider the insured’s claim for payment, reimbursement, or benefits under a health insurance policy.

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

4 **SECTION 1.** 185.981 (4t) of the statutes, as affected by 2009 Wisconsin Act 28,
5 is amended to read:

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1 185.981 (4t) A sickness care plan operated by a cooperative association is
2 subject to ss. 252.14, 631.17, 631.89, 631.95, 632.72 (2), 632.723, 632.745 to 632.749,
3 632.85, 632.853, 632.855, 632.87 (2m), (3), (4), (5), and (6), 632.885, 632.895 (10) to
4 (17), and 632.897 (10) and chs. 149 and 155.

5 **SECTION 2.** 185.983 (1) (intro.) of the statutes, as affected by 2009 Wisconsin
6 Act 28, is amended to read:

7 185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be
8 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,
9 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.17, 631.89, 631.93,
10 631.95, 632.72 (2), 632.723, 632.745 to 632.749, 632.775, 632.79, 632.795, 632.85,
11 632.853, 632.855, 632.87 (2m), (3), (4), (5), and (6), 632.885, 632.895 (5) and (9) to (17),
12 632.896, and 632.897 (10) and chs. 609, 630, 635, 645, and 646, but the sponsoring
13 association shall:

14 **SECTION 3.** 609.71 of the statutes is created to read:

15 **609.71 Direct payment under assignment of benefits.** Limited service
16 health organizations, preferred provider plans, and defined network plans are
17 subject to s. 632.723.

18 **SECTION 4.** 632.723 of the statutes is created to read:

19 **632.723 Direct payment to health care provider. (1)** In this section:

20 (a) “Assignment of benefits” means a written instrument signed by an insured,
21 or the authorized representative of an insured, that assigns to a health care provider
22 the insured’s claim for payment, reimbursement, or benefits under a disability
23 insurance policy.

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

25 (c) “Health care provider” has the meaning given in s. 146.81 (1).

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1 (d) "Nonparticipating provider" means a health care provider that is not under
2 contract with the insurer to provide health care services, items, or supplies to
3 insureds of the insurer.

4 (2) An insurer issuing a group or individual disability insurance policy shall
5 pay a nonparticipating provider directly for any service, item, or supply that the
6 nonparticipating provider provides to an insured under the disability insurance
7 policy and for which there is coverage under the disability insurance policy if the
8 nonparticipating provider provides to the insurer an assignment of benefits, from the
9 insured to the nonparticipating provider. An assignment of benefits in its original
10 form or a legible photocopy or electronic facsimile copy of an assignment of benefits
11 is presumed to be valid.

SECTION 5. Initial applicability.

12 (1) Except as provided in subsection (2), this act first applies to payments for
13 services, items, and supplies that are provided on the effective date of this
14 subsection.
15

16 (2) If a disability insurance policy that is in effect on the effective date of this
17 subsection contains a provision that is inconsistent with this act, this act first applies
18 to payments under the disability insurance policy for services, items, and supplies
19 that are provided on the date on which the disability insurance policy is renewed.

20 (END)