



Judith B. Robson

Wisconsin State Senator

March 1, 2000

Representative David Ward
Room 304 North
State Capitol

Dear Representative Ward:

Thank you for your letter of February 24, 2000 in which you request the Joint Committee for Review of Administrative Rules take a closer look at Clearinghouse Rule 98-183.

Clearinghouse Rule 98-183 was proposed by the Office of the Commissioner of Insurance and affects various provisions in administrative code Ins 3, 6 and 9. The rule was submitted to the legislature for review in September 1999. Both the Assembly Committee on Health and the Senate Committee on Health, Utilities, Veterans and Military Affairs asked for and received modifications to the proposed rule. Once those modifications were received, neither committee objected, in whole or in part, to the proposed rule. In January 2000, both committees relinquished their jurisdiction over the proposed rule.

In your letter, you state that the rule requires insurance companies to monitor care and track the quality of care and outcomes. You express concern that insurance companies are experienced in medical claims and reports, but not in providing medical care.

It is true that the rule does require a managed care plan to track the quality of care provided by the plan. However, this requirement in the rule is consistent with state statutes. Section 609.32 of the statutes requires managed care plans to develop comprehensive quality assurance standards. The statute requires these standards to include performance and clinical outcomes-based criteria, as well as a plan for gathering and assessing data. Section 609.32(1)(c) and (e).

The rules found in Clearinghouse Rule 98-183 are consistent with this legislative mandate.

I firmly believe that the integrity of the legislature depends on the legislature ensuring that every administrative rule accurately reflects the laws it purports to implement. Administrative rules are an extension of the law making process and only the legislature has the constitutional authority to make laws. We occasionally delegate that authority on

a limited basis to administrative agencies, but even in those cases we retain the ultimate authority to alter or suspend rules.

Last fall I unsuccessfully sought to have the JCRAR take up the issue of use-value assessments of agricultural land. I did so not on the merits, but because the administrative rule was without statutory authority. I opposed the Department of Revenue's emergency rule on use-value not because I wanted to deny family farmers much needed tax relief, but because I believed the department had overstep its authority.

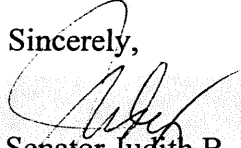
In the case of Clearinghouse Rule 98-183, I do not feel that the integrity of the legislature is being undermined by the new rule proposed by the Commissioner of Insurance. The requirements of the rule accurately reflect the requirements of the statute on which the rule is based.

Moreover, since the rule is clearly based on statutory requirements, the solution to any problems caused by requirements for quality assurance standards lies with a statutory change, not a rule change.

For these reasons, I am not inclined to have the JCRAR take up the issue of Clearinghouse Rule 98-183.

Thank you for your letter on this issue. I look forward to working with you to ensure that all Wisconsin residents have access to quality healthcare that is affordable.

Sincerely,



Senator Judith B. Robson
15th Senate District

JBR:da



David Ward

FEB 25 2000

Wisconsin State Assembly
Member: Joint Committee on Finance

February 24, 2000

Senator Judy Robson
State Capitol
Room 15 South

Representative Glenn Grothman
State Capitol
Room 15 North

To the Joint Committee for Review of Administrative Rules:

A constituent in my Assembly District recently contacted me regarding some concerns he has with Clearinghouse Rule # 98-183, revising requirements for managed care plans, preferred provider plans, and limited service health organization plans to comply with recent changes in state laws.

On behalf of my constituent, I urge you and the members of the Joint Committee for Review of Administrative Rules (JCRAR) to take a closer look at this Clearinghouse Rule. One major concern of this rule is that it requires insurance companies to monitor care and track the quality of care and outcomes. Insurance companies are not qualified in this area. They are experienced in medical claims and reports! Actual medical providers are responsible for the quality of care received.

I agree that managed care needs to be regulated but I don't feel Clearinghouse #98-183 provides the regulation to help consumers but instead hurts them as insurance companies will pull back on these particular plans.

Please share my concerns with the other members of JCRAR. If you have any questions or comments, I can be reached at (608) 266-3790. Thank you in advance for your time on this important issue!

Sincerely,

Representative David Ward
37th Assembly District

cc: Jeff Mason