

STATE OF WISCONSIN
Senate Journal
Ninety–Fifth Regular Session

WEDNESDAY, November 13, 2002

The Chief Clerk makes the following entries under the above date.

PETITIONS AND COMMUNICATIONS

**State of Wisconsin
Committee on Senate Organization**

November 11, 2002

The Honorable, The Senate:

Pursuant to Senate Rule 20(2)(a) and (b), we have appointed Senator Fred Risser to the Joint Committee on Finance and removed Senator Plache.

With regards to members of the minority party, appointments are made based on nominations made by that caucus.

Sincerely,

FRED A. RISSER
Co–Chair

RUSSELL DECKER
Co–Chair

**State of Wisconsin
Department of Natural Resources**

October 31, 2002

The Honorable, The Senate:

In fulfillment of the requirements under s. 299.80(16), Wisconsin State Statutes, I am submitting to you a copy of the Environmental Cooperation Pilot Program 2002 Progress Report. Please distribute as appropriate. I am also providing a copy of the Report to the Governor and to the Honorable Chief Clerk of the Assembly

For more information on the Environmental Cooperation Pilot Program or additional copies of this report, please contact Mark McDermid at (608) 267-3125, or visit our web site at <http://www.dnr.state.wi.us/org/caer/cea/>.

Sincerely,

DARRELL BAZZELL
Secretary

**State of Wisconsin
Legislative Audit Bureau**

November 8, 2002

The Honorable, The Legislature:

At the request of the Department of Health and Family Services, we have completed a financial audit of the Health Insurance Risk-Sharing Plan (HIRSP) for fiscal year (FY) 2000-01. HIRSP provides medical insurance for approximately 15,300 policyholders who are unable to obtain coverage in the private market. We have provided an unqualified opinion on HIRSP's financial statements and have followed up on issues raised in prior audits.

One of these issues relates to HIRSP's financial stability. Recent actions taken to implement an accrual-based funding approach in response to our prior audit recommendations will help to address an accounting deficit of \$8.2 million. However, increasing enrollment and claims costs will present continuing challenges to the future management and funding of HIRSP. Enrollment increased 27.1 percent and claims costs increased 24.2 percent during FY 2001–02.

Second, in earlier audits we reported on the overpayment of prescription drug claims for prescriptions dispensed from July 1998 through January 2001. The Department has taken several steps to prevent additional overpayments and to improve its pharmacy claims process, including implementing an on-line processing system and separating drug coinsurance provisions. The Department also took steps to recover the \$5.2 million of overpayments we identified. However, as part of the 2001-03 Budget Reform Act, the Legislature directed the Department to discontinue its recovery efforts. As a result, the overpayments remain a cost that is shared by policyholders, insurers, and other health care providers.

Concerns identified during the current audit suggest that the Department needs to remain diligent in improving its financial management. Inadequate procedures and communication regarding claims data and the actuarial process led to an estimate of actuarial loss liabilities that was materially in error in HIRSP's financial statements. Further, ongoing billing problems suggest that the Department needs to increase its monitoring of administrative billings by the plan administrator, EDS.

We appreciate the courtesy and cooperation extended to us by the Department and the plan administrator for HIRSP. A response from the Department is Appendix 2.

Sincerely,

JANICE MUELLER
State Auditor

**State of Wisconsin
Department of Administration**

October 25, 2002

The Honorable, The Legislature:

This report is transmitted as required by sec. 20.002(11)(f) of the Wisconsin Statutes, (for distribution to the appropriate standing committees under sec. 13.172(3) Stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of September 2002.

On September 1, 2002, the **General Fund** cash balance was negative \$151.6 million. The negative balance continued until September 13, 2002, when the balance closed at a positive \$74.5 million. On September 16, 2002, the **General Fund** cash balance again fell negative, and closed at a monthly low balance

of negative \$292.6 million. The negative balance continued until September 20, 2002, when the balance closed at a positive \$24.4 million. The negative balance was due to the difference in the timing of revenues and expenditures.

The General Fund's negative cash balances were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority.

Sincerely,

GEORGE LIGHTBOURN
Secretary

Referred to the joint committee on **Finance.**

**State of Wisconsin
Committee on Senate Organization**

November 12, 2002

The Honorable, The Senate:

Pursuant to Senate Rule 20(2)(a) and (b), we have appointed Senator Kimberly Plache to the Joint Committee on Finance and removed Senator Fred Risser.

With regards to members of the minority party, appointments are made based on nominations made by that caucus.

Sincerely,

FRED A. RISSER
Co-Chair

RUSSELL DECKER
Co-Chair

Failed to pass pending partial vetoes notwithstanding the objections of the Governor pursuant to Joint Rule 82.

**Senate Bill 9
Senate Bill 55**

ADVICE AND CONSENT OF THE SENATE

**State of Wisconsin
Office of the Governor**

November 1, 2002

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint OSBORNE, KATHRYN M., of Madison, as a member of the Board of Nursing, to serve for the interim term ending July 1, 2003.

Sincerely,

SCOTT MCCALLUM
Governor

Read and referred to committee on **Health, Utilities, Veterans and Military Affairs.**

**State of Wisconsin
Office of the Governor**

November 1, 2002

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint GLADNEY, NICHOLE M., of Milwaukee, as a member of the Judicial Commission, to serve for the term ending August 1, 2005.

Sincerely,

SCOTT MCCALLUM
Governor

Read and referred to committee on **Judiciary, Consumer Affairs, and Campaign Finance Reform.**

**State of Wisconsin
Office of the Governor**

November 1, 2002

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint ZWADZICH, JOHN J., of Fitchburg, as a member of the Deferred Compensation Board, to serve for the term ending July 1, 2006.

Sincerely,

SCOTT MCCALLUM
Governor

Read and referred to committee on **Labor and Agriculture.**

**State of Wisconsin
Office of the Governor**

November 1, 2002

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint MCCABE, JOHN, of Hayward, as a member of the Snowmobile Recreation Council, to serve for the term ending July 1, 2005.

Sincerely,

SCOTT MCCALLUM
Governor

Read and referred to committee on **Environmental Resources.**

**REFERRALS AND RECEIPT OF
COMMITTEE REPORTS CONCERNING
PROPOSED ADMINISTRATIVE RULES**

The committee on **Economic Development and Corrections** reports and recommends:

Senate Clearinghouse Rule 02-093

Relating to adult field supervision.

No action taken.

Robert Jauch
Chairperson