



State of Wisconsin
2005 - 2006 LEGISLATURE

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LRB-3798/PA
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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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1 AN ACT *to repeal* 20.435 (4) (u), 20.435 (4) (v), 149.10 (2m), 149.10 (10), 149.12
2 (3) (c), 149.14 (3) (c) 2., 149.14 (4c), 149.14 (5) (d), 149.14 (5) (e), 149.14 (5m),
3 149.14 (6) (a), 149.14 (8), 149.142 (1) (b), 149.142 (2), 149.144, 149.145, 149.146
4 (2) (am), 149.146 (2) (b), 149.15, 149.16, 149.165 (4), 149.17 (2), 149.17 (4),
5 149.175, 149.20, 149.25 and 149.40; *to renumber* 149.14 (3) (p) and 149.14 (6)
6 (b); *to renumber and amend* 149.12 (2) (f), 149.14 (4m), 149.142 (1) (a) and
7 149.146 (2) (a); *to consolidate, renumber and amend* 149.146 (1) (a) and (b);
8 *to amend* 1.12 (1) (b), 13.172 (1), 13.62 (2), 13.94 (1) (b), 13.94 (1) (g), 13.95
9 (intro.), 16.002 (2), 16.004 (4), 16.004 (5), 16.004 (12) (a), 16.045 (1) (a), 16.15
10 (1) (ab), 16.41 (4), 16.417 (1) (a), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a)
11 1., 16.70 (2), 16.72 (2) (e) (intro.), 16.72 (2) (f), 16.75 (1m), 16.75 (8) (a) 1., 16.75
12 (8) (a) 2., 16.75 (9), 16.765 (1), 16.765 (2), 16.765 (4), 16.765 (5), 16.765 (6),
13 16.765 (7) (intro.), 16.765 (7) (d), 16.765 (8), 16.85 (2), 16.865 (8), 25.55 (3), 71.21
14 (4), 71.26 (1) (be), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2) (a) 10., 76.67 (2), 77.54 (9a)
15 (a), 77.92 (4), 101.055 (2) (a), 101.177 (1) (d), chapter 149 (title), 149.10 (intro.),

1 149.10 (2), 149.10 (2j) (a) 3., 149.10 (2t) (c), 149.10 (3), 149.10 (3e), 149.10 (7),
2 149.10 (8), 149.10 (9), 149.115, 149.12 (1) (intro.), 149.12 (1) (a), 149.12 (1m),
3 149.12 (3) (a), 149.13 (1), 149.13 (3) (a), 149.13 (3) (b), 149.13 (4), 149.14 (1) (a),
4 149.14 (2) (a), 149.14 (3) (intro.), 149.14 (3) (c) 3., 149.14 (3) (c) 3., 149.14 (3) (d),
5 149.14 (3) (e), 149.14 (3) (m), 149.14 (3) (o), 149.14 (4) (d), 149.14 (4) (m), 149.14
6 (5) (b), 149.14 (5) (c), 149.14 (7) (b), 149.14 (7) (c), 149.165 (1), 149.165 (2) (a)
7 (intro.), 149.165 (2) (a) 1., 149.165 (2) (a) 2., 149.165 (2) (a) 3., 149.165 (2) (a) 4.,
8 149.165 (2) (a) 5., 149.165 (2) (bc), 149.165 (3) (a), 149.165 (3) (b) (intro.),
9 149.165 (3m), 149.17 (1), 149.18, 230.03 (3), 230.80 (4), 601.41 (1), 601.415 (12),
10 601.64 (1), 601.64 (3) (a), 601.64 (3) (c), 601.64 (4), 613.03 (4), 632.785 (title) and
11 895.65 (1) (c); **to repeal and recreate** 149.11, 149.14 (3) (b), 149.14 (3) (c) 1.,
12 149.14 (4), 149.14 (5) and 149.143; and **to create** 13.94 (1) (dh), 20.145 (5), 25.55
13 (1), 25.55 (2), 70.11 (41m), 71.07 (5g), 71.10 (4) (cp), 71.28 (5g), 71.30 (3) (dm),
14 71.47 (5g), 71.49 (1) (dm), 76.655, subchapter I (title) of chapter 149 [precedes
15 149.10], 149.10 (1), 149.105, subchapter II (title) of chapter 149 [precedes
16 149.11], 149.12 (2) (f) 2., 149.12 (2) (g), 149.12 (4) and (5), 149.14 (3) (f), 149.141,
17 subchapter III of chapter 149 [precedes 149.40], subchapter IV of chapter 149
18 [precedes 149.60] and 631.20 (2) (f) of the statutes; **relating to:** the Health
19 Insurance Risk-Sharing Plan; creating the Health Insurance Risk-Sharing
20 Plan Authority; a health benefit program for persons eligible for tax credits for

1 payment of premiums; an income and franchise tax credit for Health Insurance
2 Risk-Sharing Plan assessments; and making an appropriation.

Analysis by the Legislative Reference Bureau

~~This is a preliminary draft. An analysis will be provided in a later version.~~

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

3 **SECTION 1.** 1.12 (1) (b) of the statutes is amended to read:

4 1.12 (1) (b) “State agency” means an office, department, agency, institution of
5 higher education, the legislature, a legislative service agency, the courts, a judicial
6 branch agency, an association, society, or other body in state government which that
7 is created or authorized to be created by the constitution or by law, for which
8 appropriations are made by law, excluding the Health Insurance Risk-Sharing Plan
9 Authority.

10 **SECTION 2.** 13.172 (1) of the statutes is amended to read:

11 13.172 (1) In this section, “agency” means an office, department, agency,
12 institution of higher education, association, society, or other body in state
13 government created or authorized to be created by the constitution or any law, which
14 that is entitled to expend moneys appropriated by law, including the legislature and
15 the courts, and any authority created in subch. III of ch. 149 or in ch. 231, 233, or 234.

16 **SECTION 3.** 13.62 (2) of the statutes is amended to read:

17 13.62 (2) “Agency” means any board, commission, department, office, society,
18 institution of higher education, council, or committee in the state government, or any
19 authority created in subch. III of ch. 149 or in ch. 231, 232, 233, 234, or 237, except
20 that the term does not include a council or committee of the legislature.

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1 **SECTION 4.** 13.94 (1) (b) of the statutes is amended to read:

2 13.94 (1) (b) Audit the records of every state department, board, commission,
3 independent agency, or authority, excluding the Health Insurance Risk-Sharing
4 Plan Authority, at least once each 5 years and audit the records of other departments
5 as defined in sub. (4) when the state auditor deems it advisable or when he or she is
6 so directed and, in conjunction therewith, reconcile the records of the department
7 audited with those of the department of administration. Audits of the records of a
8 county, city, village, town, or school district may be performed only as provided in par.
9 (m). Within 30 days after completion of any such audit, the bureau shall file with the
10 chief clerk of each house of the legislature, the governor, the department of
11 administration, the legislative reference bureau, the joint committee on finance, the
12 legislative fiscal bureau, and the department audited, a detailed report thereof,
13 including its recommendations for improvement and efficiency and including
14 specific instances, if any, of illegal or improper expenditures. The chief clerks shall
15 distribute the report to the joint legislative audit committee, the appropriate
16 standing committees of the legislature, and the joint committee on legislative
17 organization.

18 **SECTION 5.** 13.94 (1) (dh) of the statutes is created to read:

19 13.94 (1) (dh) Notwithstanding par. (b), annually conduct a financial audit of
20 the Health Insurance Risk-Sharing Plan under subch. II of ch. 149 and file copies
21 of each audit report under this paragraph with the distributees specified in par. (b).

22 **SECTION 6.** 13.94 (1) (g) of the statutes is amended to read:

23 13.94 (1) (g) Require each state department, board, commission, independent
24 agency, or authority, excluding the Health Insurance Risk-Sharing Plan Authority,
25 to file with the bureau on or before September 1 of each year a report on all

1 receivables due the state as of the preceding June 30 which were occasioned by
2 activities of the reporting unit. The report may also be required of other
3 departments, except counties, cities, villages, towns, and school districts. The report
4 shall show the aggregate amount of such receivables according to fiscal year of origin
5 and collections thereon during the fiscal year preceding the report. The state auditor
6 may require any department to file with the bureau a detailed list of the receivables
7 comprising the aggregate amounts shown on the reports prescribed by this
8 paragraph.

9 **SECTION 7.** 13.95 (intro.) of the statutes, as affected by 2005 Wisconsin Act 25,
10 is amended to read:

11 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be
12 known as the “Legislative Fiscal Bureau” headed by a director. The fiscal bureau
13 shall be strictly nonpartisan and shall at all times observe the confidential nature
14 of the research requests received by it; however, with the prior approval of the
15 requester in each instance, the bureau may duplicate the results of its research for
16 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director’s
17 designated employees shall at all times, with or without notice, have access to all
18 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
19 Health Insurance Risk-Sharing Plan Authority, and the Fox River Navigational
20 System Authority, and to any books, records, or other documents maintained by such
21 agencies or authorities and relating to their expenditures, revenues, operations, and
22 structure.

23 **SECTION 8.** 16.002 (2) of the statutes is amended to read:

24 16.002 (2) “Departments” means constitutional offices, departments, and
25 independent agencies and includes all societies, associations, and other agencies of

1 state government for which appropriations are made by law, but not including
2 authorities created in subch. III of ch. 149 and in chs. 231, 232, 233, 234, 235, and
3 237.

4 **SECTION 9.** 16.004 (4) of the statutes is amended to read:

5 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the
6 department as the secretary designates may enter into the offices of state agencies
7 and authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, and
8 237, and may examine their books and accounts and any other matter ~~which~~ that in
9 the secretary's judgment should be examined and may interrogate the agency's
10 employees publicly or privately relative thereto.

11 **SECTION 10.** 16.004 (5) of the statutes is amended to read:

12 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
13 authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, and 237,
14 and their officers and employees, shall cooperate with the secretary and shall comply
15 with every request of the secretary relating to his or her functions.

16 **SECTION 11.** 16.004 (12) (a) of the statutes is amended to read:

17 16.004 (12) (a) In this subsection, "state agency" means an association,
18 authority, board, department, commission, independent agency, institution, office,
19 society, or other body in state government created or authorized to be created by the
20 constitution or any law, including the legislature, the office of the governor, and the
21 courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,
22 the Health Insurance Risk-Sharing Plan Authority, and the Fox River Navigational
23 System Authority.

24 **SECTION 12.** 16.045 (1) (a) of the statutes is amended to read:

1 16.045 (1) (a) “Agency” means an office, department, independent agency,
2 institution of higher education, association, society, or other body in state
3 government created or authorized to be created by the constitution or any law, which
4 that is entitled to expend moneys appropriated by law, including the legislature and
5 the courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
6 232, 233, 234, 235, or 237.

7 **SECTION 13.** 16.15 (1) (ab) of the statutes is amended to read:

8 16.15 (1) (ab) “Authority” has the meaning given under s. 16.70 (2), but
9 excludes the University of Wisconsin Hospitals and Clinics Authority and the Health
10 Insurance Risk-Sharing Plan Authority.

11 **SECTION 14.** 16.41 (4) of the statutes is amended to read:

12 16.41 (4) In this section, “authority” means a body created under subch. III of
13 ch. 149 or under ch. 231, 233, 234, or 237.

14 **SECTION 15.** 16.417 (1) (a) of the statutes is amended to read:

15 16.417 (1) (a) “Agency” means an office, department, independent agency,
16 institution of higher education, association, society, or other body in state
17 government created or authorized to be created by the constitution or any law, which
18 that is entitled to expend moneys appropriated by law, including the legislature and
19 the courts, but not including an authority or the body created under subch. III of ch.
20 149.

21 **SECTION 16.** 16.52 (7) of the statutes is amended to read:

22 16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency
23 which that is authorized to maintain a contingent fund under s. 20.920 may establish
24 a petty cash account from its contingent fund. The procedure for operation and
25 maintenance of petty cash accounts and the character of expenditures therefrom

1 shall be prescribed by the secretary. In this subsection, “agency” means an office,
2 department, independent agency, institution of higher education, association,
3 society, or other body in state government created or authorized to be created by the
4 constitution or any law, ~~which~~ that is entitled to expend moneys appropriated by law,
5 including the legislature and the courts, but not including an authority created in
6 subch. III of ch. 149 or in ch. 231, 233, 234, or 237.

7 **SECTION 17.** 16.528 (1) (a) of the statutes is amended to read:

8 16.528 (1) (a) “Agency” means an office, department, independent agency,
9 institution of higher education, association, society, or other body in state
10 government created or authorized to be created by the constitution or any law, ~~which~~
11 that is entitled to expend moneys appropriated by law, including the legislature and
12 the courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
13 233, 234, or 237.

14 **SECTION 18.** 16.53 (2) of the statutes is amended to read:

15 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
16 invoice, the agency shall notify the sender of the invoice within 10 working days after
17 it receives the invoice of the reason it is improperly completed. In this subsection,
18 “agency” means an office, department, independent agency, institution of higher
19 education, association, society, or other body in state government created or
20 authorized to be created by the constitution or any law, ~~which~~ that is entitled to
21 expend moneys appropriated by law, including the legislature and the courts, but not
22 including an authority created in subch. III of ch. 149 or in ch. 231, 233, 234, or 237.

23 **SECTION 19.** 16.54 (9) (a) 1. of the statutes is amended to read:

24 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,
25 institution of higher education, association, society or other body in state

1 government created or authorized to be created by the constitution or any law, which
2 is entitled to expend moneys appropriated by law, including the legislature and the
3 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
4 233, 234, or 237.

5 **SECTION 20.** 16.70 (2) of the statutes is amended to read:

6 16.70 (2) “Authority” means a body created under subch. III of ch. 149 or under
7 ch. 231, 232, 233, 234, 235, or 237.

8 **SECTION 21.** 16.72 (2) (e) (intro.) of the statutes is amended to read:

9 16.72 (2) (e) (intro.) In writing the specifications under this subsection, the
10 department and any other designated purchasing agent under s. 16.71 (1) shall
11 incorporate requirements for the purchase of products made from recycled materials
12 and recovered materials if their use is technically and economically feasible. Each
13 authority other than the University of Wisconsin Hospitals and Clinics Authority
14 and the Health Insurance Risk-Sharing Plan Authority, in writing specifications for
15 purchasing by the authority, shall incorporate requirements for the purchase of
16 products made from recycled materials and recovered materials if their use is
17 technically and economically feasible. The specifications shall include requirements
18 for the purchase of the following materials:

19 **SECTION 22.** 16.72 (2) (f) of the statutes is amended to read:

20 16.72 (2) (f) In writing specifications under this subsection, the department,
21 any other designated purchasing agent under s. 16.71 (1), and each authority other
22 than the University of Wisconsin Hospitals and Clinics Authority and the Health
23 Insurance Risk-Sharing Plan Authority shall incorporate requirements relating to
24 the recyclability and ultimate disposition of products and, wherever possible, shall
25 write the specifications so as to minimize the amount of solid waste generated by the

1 state, consistent with the priorities established under s. 287.05 (12). All
2 specifications under this subsection shall discourage the purchase of single-use,
3 disposable products and require, whenever practical, the purchase of multiple-use,
4 durable products.

5 **SECTION 23.** 16.75 (1m) of the statutes is amended to read:

6 16.75 (1m) The department shall award each order or contract for materials,
7 supplies or equipment on the basis of life cycle cost estimates, whenever such action
8 is appropriate. Each authority other than the University of Wisconsin Hospitals and
9 Clinics Authority and the Health Insurance Risk-Sharing Plan Authority shall
10 award each order or contract for materials, supplies or equipment on the basis of life
11 cycle cost estimates, whenever such action is appropriate. The terms, conditions and
12 evaluation criteria to be applied shall be incorporated in the solicitation of bids or
13 proposals. The life cycle cost formula may include, but is not limited to, the
14 applicable costs of energy efficiency, acquisition and conversion, money,
15 transportation, warehousing and distribution, training, operation and maintenance
16 and disposition or resale. The department shall prepare documents containing
17 technical guidance for the development and use of life cycle cost estimates, and shall
18 make the documents available to local governmental units.

19 **SECTION 24.** 16.75 (8) (a) 1. of the statutes is amended to read:

20 16.75 (8) (a) 1. The department, any other designated purchasing agent under
21 s. 16.71 (1), any agency making purchases under s. 16.74, and each authority other
22 than the University of Wisconsin Hospitals and Clinics Authority and the Health
23 Insurance Risk-Sharing Plan Authority shall, to the extent practicable, make
24 purchasing selections using specifications developed under s. 16.72 (2) (e) to

1 maximize the purchase of materials utilizing recycled materials and recovered
2 materials.

3 **SECTION 25.** 16.75 (8) (a) 2. of the statutes is amended to read:

4 16.75 (8) (a) 2. Each agency and authority other than the University of
5 Wisconsin Hospitals and Clinics Authority and the Health Insurance Risk-Sharing
6 Plan Authority shall ensure that the average recycled or recovered content of all
7 paper purchased by the agency or authority measured as a proportion, by weight, of
8 the fiber content of paper products purchased in a fiscal year, is not less than 40%
9 of all purchased paper.

10 **SECTION 26.** 16.75 (9) of the statutes is amended to read:

11 16.75 (9) The department, any other designated purchasing agent under s.
12 16.71 (1), any agency making purchases under s. 16.74, and any authority other than
13 the University of Wisconsin Hospitals and Clinics Authority and the Health
14 Insurance Risk-Sharing Plan Authority shall, to the extent practicable, make
15 purchasing selections using specifications prepared under s. 16.72 (2) (f).

16 **SECTION 27.** 16.765 (1) of the statutes is amended to read:

17 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and
18 Clinics Authority, the Fox River Navigational System Authority, the Health
19 Insurance Risk-Sharing Plan Authority, and the Bradley Center Sports and
20 Entertainment Corporation shall include in all contracts executed by them a
21 provision obligating the contractor not to discriminate against any employee or
22 applicant for employment because of age, race, religion, color, handicap, sex, physical
23 condition, developmental disability as defined in s. 51.01 (5), sexual orientation as
24 defined in s. 111.32 (13m), or national origin and, except with respect to sexual

1 orientation, obligating the contractor to take affirmative action to ensure equal
2 employment opportunities.

3 **SECTION 28.** 16.765 (2) of the statutes is amended to read:

4 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
5 Clinics Authority, the Fox River Navigational System Authority, the Health
6 Insurance Risk-Sharing Plan Authority, and the Bradley Center Sports and
7 Entertainment Corporation shall include the following provision in every contract
8 executed by them: “In connection with the performance of work under this contract,
9 the contractor agrees not to discriminate against any employee or applicant for
10 employment because of age, race, religion, color, handicap, sex, physical condition,
11 developmental disability as defined in s. 51.01 (5), sexual orientation or national
12 origin. This provision shall include, but not be limited to, the following: employment,
13 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
14 termination; rates of pay or other forms of compensation; and selection for training,
15 including apprenticeship. Except with respect to sexual orientation, the contractor
16 further agrees to take affirmative action to ensure equal employment opportunities.
17 The contractor agrees to post in conspicuous places, available for employees and
18 applicants for employment, notices to be provided by the contracting officer setting
19 forth the provisions of the nondiscrimination clause”.

20 **SECTION 29.** 16.765 (4) of the statutes is amended to read:

21 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and
22 Clinics Authority, the Fox River Navigational System Authority, the Health
23 Insurance Risk-Sharing Plan Authority, and the Bradley Center Sports and
24 Entertainment Corporation shall take appropriate action to revise the standard
25 government contract forms under this section.

1 **SECTION 30.** 16.765 (5) of the statutes is amended to read:

2 16.765 (5) The head of each contracting agency and the boards of directors of
3 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
4 Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority,
5 and the Bradley Center Sports and Entertainment Corporation shall be primarily
6 responsible for obtaining compliance by any contractor with the nondiscrimination
7 and affirmative action provisions prescribed by this section, according to procedures
8 recommended by the department. The department shall make recommendations to
9 the contracting agencies and the boards of directors of the University of Wisconsin
10 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
11 Health Insurance Risk-Sharing Plan Authority, and the Bradley Center Sports and
12 Entertainment Corporation for improving and making more effective the
13 nondiscrimination and affirmative action provisions of contracts. The department
14 shall promulgate such rules as may be necessary for the performance of its functions
15 under this section.

16 **SECTION 31.** 16.765 (6) of the statutes is amended to read:

17 16.765 (6) The department may receive complaints of alleged violations of the
18 nondiscrimination provisions of such contracts. The department shall investigate
19 and determine whether a violation of this section has occurred. The department may
20 delegate this authority to the contracting agency, the University of Wisconsin
21 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
22 Health Insurance Risk-Sharing Plan Authority, or the Bradley Center Sports and
23 Entertainment Corporation for processing in accordance with the department's
24 procedures.

25 **SECTION 32.** 16.765 (7) (intro.) of the statutes is amended to read:

1 16.765 (7) (intro.) When a violation of this section has been determined by the
2 department, the contracting agency, the University of Wisconsin Hospitals and
3 Clinics Authority, the Fox River Navigational System Authority, the Health
4 Insurance Risk-Sharing Plan Authority, or the Bradley Center Sports and
5 Entertainment Corporation, the contracting agency, the University of Wisconsin
6 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
7 Health Insurance Risk-Sharing Plan Authority, or the Bradley Center Sports and
8 Entertainment Corporation shall:

9 **SECTION 33.** 16.765 (7) (d) of the statutes is amended to read:

10 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
11 further violations of this section and to report its corrective action to the contracting
12 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River
13 Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority,
14 or the Bradley center sports and entertainment corporation Center Sports and
15 Entertainment Corporation.

16 **SECTION 34.** 16.765 (8) of the statutes is amended to read:

17 16.765 (8) If further violations of this section are committed during the term
18 of the contract, the contracting agency, the Fox River Navigational System Authority,
19 the Health Insurance Risk-Sharing Plan Authority, or the Bradley Center Sports
20 and Entertainment Corporation may permit the violating party to complete the
21 contract, after complying with this section, but thereafter the contracting agency, the
22 Fox River Navigational System Authority, the Health Insurance Risk-Sharing Plan
23 Authority, or the Bradley Center Sports and Entertainment Corporation shall
24 request the department to place the name of the party on the ineligible list for state
25 contracts, or the contracting agency, the Fox River Navigational System Authority,

1 the Health Insurance Risk-Sharing Plan Authority, or the Bradley Center Sports
2 and Entertainment Corporation may terminate the contract without liability for the
3 uncompleted portion or any materials or services purchased or paid for by the
4 contracting party for use in completing the contract.

5 **SECTION 35.** 16.85 (2) of the statutes is amended to read:

6 16.85 (2) To furnish engineering, architectural, project management, and other
7 building construction services whenever requisitions therefor are presented to the
8 department by any agency. The department may deposit moneys received from the
9 provision of these services in the account under s. 20.505 (1) (kc) or in the general
10 fund as general purpose revenue — earned. In this subsection, “agency” means an
11 office, department, independent agency, institution of higher education, association,
12 society, or other body in state government created or authorized to be created by the
13 constitution or any law, which is entitled to expend moneys appropriated by law,
14 including the legislature and the courts, but not including an authority created in
15 subch. III of ch. 149 or in ch. 231, 233, 234, or 237.

16 **SECTION 36.** 16.865 (8) of the statutes is amended to read:

17 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
18 proportionate share of the estimated costs attributable to programs administered by
19 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
20 may charge premiums to agencies to finance costs under this subsection and pay the
21 costs from the appropriation on an actual basis. The department shall deposit all
22 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
23 Costs assessed under this subsection may include judgments, investigative and
24 adjustment fees, data processing and staff support costs, program administration
25 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this

1 subsection, "agency" means an office, department, independent agency, institution
2 of higher education, association, society, or other body in state government created
3 or authorized to be created by the constitution or any law, which that is entitled to
4 expend moneys appropriated by law, including the legislature and the courts, but not
5 including an authority created in subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235,
6 or 237.

7 SECTION 37. 20.145 (5) of the statutes is created to read:

8 20.145 (5) HEALTH INSURANCE RISK-SHARING PLAN. (g) *Insurer assessments.* All
9 moneys received in insurer assessments under s. 149.13, to be transferred to the
10 Health Insurance Risk-Sharing Plan fund. *under s. 149.11 (2)*

11 (m) *Federal grants for high risk pool.* All moneys received from the federal
12 government in high risk pool grants, to be transferred to the Health Insurance
13 Risk-Sharing Plan fund. *under s. 149.11 (2)*

14 SECTION 38. 20.435 (4) (u) of the statutes is repealed.

15 SECTION 39. 20.435 (4) (v) of the statutes is repealed.

16 SECTION 40. 25.55 (1) of the statutes is created to read:

17 25.55 (1) All federal moneys transferred from the appropriation account under
18 s. 20.145 (5) (m).

19 SECTION 41. 25.55 (2) of the statutes is created to read:

20 25.55 (2) The moneys transferred under 2005 Wisconsin Act (this act),
21 section 170 (1).

22 SECTION 42. 25.55 (3) of the statutes is amended to read:

23 25.55 (3) Insurer assessments under ~~ch. 149~~ s. 149.13, transferred from the
24 appropriation account under s. 20.145 (5) (g).

25 SECTION 43. 70.11 (41m) of the statutes is created to read:

*Plan Authority under subch. III of ch. 149 for deposit in
paid to the Health Insurance Risk-Sharing Plan*

Insert 16-24

1 70.11 (41m) HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY. All property
2 owned by the Health Insurance Risk-Sharing Plan Authority, provided that use of
3 the property is primarily related to the purposes of the authority.

4 **SECTION 44.** 71.07 (5g) of the statutes is created to read:

5 71.07 (5g) HEALTH INSURANCE RISK-SHARING PLAN ASSESSMENTS CREDIT. (a)
6 *Definitions.* In this subsection, “claimant” means a partner, limited liability
7 company member, or tax-option corporation shareholder who files a claim under this
8 subsection and who is a partner, member, or shareholder of an entity that is an
9 insurer, as defined in s. 149.10 (5).

10 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
11 taxable years beginning after December 31, 2005, a claimant may claim as a credit
12 against the taxes imposed under s. 71.02 an amount that is equal to a percentage of
13 the amount of the assessment under s. 149.13 that the claimant paid in the taxable
14 year, ~~as determined under par. (e).~~ ^{begins} calendar year in which the
claimant's

15 (c) *Limitations.* 1. The department of revenue, in consultation with the office
16 of the commissioner of insurance, shall determine the percentage under par. (b) for
17 each claimant for each taxable year so that the amount of the credit awarded to all
18 claimants under this subsection and ss. 71.28 (5g), 71.47 (5g), and 76.655 is as close
19 as practicable to \$5,000,000 in each fiscal year.

20 2. Partnerships, limited liability companies, and tax-option corporations may
21 not claim the credit under this subsection, but the eligibility for, and the amount of,
22 the credit are based on their payment of amounts described under par. (b). A
23 partnership, limited liability company, or tax-option corporation shall compute the
24 amount of credit that each of its partners, members, or shareholders may claim and
25 shall provide that information to each of them. Partners, members of limited liability

Insert 18-2

1 companies, and shareholders of tax-option corporations may claim the credit in
2 proportion to their ownership interests.

3 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
4 s. 71.28 (4), applies to the credit under this subsection.

5 **SECTION 45.** 71.10 (4) (cp) of the statutes is created to read:

6 71.10 (4) (cp) Health Insurance Risk-Sharing Plan assessments credit under
7 s. 71.07 (5g).

8 **SECTION 46.** 71.21 (4) of the statutes is amended to read:

9 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
10 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), ~~and (5b)~~, and (5g) and passed
11 through to partners shall be added to the partnership's income.

12 **SECTION 47.** 71.26 (1) (be) of the statutes is amended to read:

13 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin
14 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan
15 Authority, and of the Fox River Navigational System Authority.

16 **SECTION 48.** 71.26 (2) (a) of the statutes is amended to read:

17 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
18 the gross income as computed under the Internal Revenue Code as modified under
19 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
20 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
21 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
22 under this paragraph at the time that the taxpayer first claimed the credit plus the
23 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
24 (1ds), (1dx), (3g), (3n), (3t), ~~and (5b)~~, (5g) and not passed through by a partnership,
25 limited liability company, or tax-option corporation that has added that amount to

1 the partnership's, limited liability company's, or tax-option corporation's income
2 under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or other
3 disposition of assets the gain from which would be wholly exempt income, as defined
4 in sub. (3) (L), if the assets were sold or otherwise disposed of at a gain and minus
5 deductions, as computed under the Internal Revenue Code as modified under sub.
6 (3), plus or minus, as appropriate, an amount equal to the difference between the
7 federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or
8 otherwise disposed of in a taxable transaction during the taxable year, except as
9 provided in par. (b) and s. 71.45 (2) and (5).

10 **SECTION 49.** 71.28 (5g) of the statutes is created to read:

11 71.28 (5g) HEALTH INSURANCE RISK-SHARING PLAN ASSESSMENTS CREDIT. (a)

12 *Definitions.* In this subsection, "claimant" means an insurer, as defined in s. 149.10
13 (5), who files a claim under this subsection.

14 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
15 taxable years beginning after December 31, 2005, a claimant may claim as a credit
16 against the taxes imposed under s. 71.23 an amount that is equal to a percentage of
17 the amount of assessment under s. 149.13 that the claimant paid in the taxable year,

18 as determined under par. (c) 1. begins

calendar year in which
the claimant's

19 (c) *Limitations.* 1. The department of revenue, in consultation with the office
20 of the commissioner of insurance, shall determine the percentage under par. (b) for
21 each claimant for each taxable year so that the amount of the credit awarded to all
22 claimants under this subsection and ss. 71.07 (5g), 71.47 (5g), and 76.655 is as close
23 as practicable to \$5,000,000 in each fiscal year.

24 2. Partnerships, limited liability companies, and tax-option corporations may
25 not claim the credit under this subsection, but the eligibility for, and the amount of,

1 the credit are based on their payment of amounts described under par. (b). A
2 partnership, limited liability company, or tax-option corporation shall compute the
3 amount of credit that each of its partners, members, or shareholders may claim and
4 shall provide that information to each of them. Partners, members of limited liability
5 companies, and shareholders of tax-option corporations may claim the credit in
6 proportion to their ownership interests.

7 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
8 sub. (4), applies to the credit under this subsection.

9 **SECTION 50.** 71.30 (3) (dm) of the statutes is created to read:

10 71.30 (3) (dm) Health Insurance Risk-Sharing Plan assessments credit under
11 s. 71.28 (5g).

12 **SECTION 51.** 71.34 (1) (g) of the statutes is amended to read:

13 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
14 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
15 (3n), (3t), ~~and (5b)~~, and (5g) and passed through to shareholders.

16 **SECTION 52.** 71.45 (2) (a) 10. of the statutes is amended to read:

17 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
18 computed under s. 71.47 (1dd) to (1dx), (3n), ~~and (5b)~~, and (5g) and not passed
19 through by a partnership, limited liability company, or tax-option corporation that
20 has added that amount to the partnership's, limited liability company's, or
21 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of
22 credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

23 **SECTION 53.** 71.47 (5g) of the statutes is created to read:

INSERT
20-6

1 71.47 (5g) HEALTH INSURANCE RISK-SHARING PLAN ASSESSMENTS CREDIT. (a)
2 *Definitions.* In this subsection, “claimant” means an insurer, as defined in s. 149.10
3 (5), who files a claim under this subsection.

4 (b) *Filing claims.* Subject to the limitations provided under this subsection, for
5 taxable years beginning after December 31, 2005, a claimant may claim as a credit
6 against the taxes imposed under s. 71.43 an amount that is equal to a percentage of
7 the amount of assessment under s. 149.13 that the claimant paid in the taxable year.

8 ~~as determined under par. (c) 1.~~ *1. begins* calendar year in which
the claimant ⁵

9 (c) *Limitations.* 1. The department of revenue, in consultation with the office
10 of the commissioner of insurance, shall determine the percentage under par. (b) for
11 each claimant for each taxable year so that the amount of the credit awarded to all
12 claimants under this subsection and ss. 71.07 (5g), 71.28 (5g), and 76.655 is as close
13 as practicable to \$5,000,000 in each fiscal year.

14 2. Partnerships, limited liability companies, and tax-option corporations may
15 not claim the credit under this subsection, but the eligibility for, and the amount of,
16 the credit are based on their payment of amounts described under par. (b). A
17 partnership, limited liability company, or tax-option corporation shall compute the
18 amount of credit that each of its partners, members, or shareholders may claim and
19 shall provide that information to each of them. Partners, members of limited liability
20 companies, and shareholders of tax-option corporations may claim the credit in
21 proportion to their ownership interests.

22 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
23 s. 71.28 (4), applies to the credit under this subsection.

24 **SECTION 54.** 71.49 (1) (dm) of the statutes is created to read:

INSERT
21-21

calendar year in which the claimant's

1 71.49 (1) (dm) Health Insurance Risk-Sharing Plan assessments credit under
2 s. 71.47 (5g).

3 SECTION 55. 76.655 of the statutes is created to read:

4 **76.655 Health Insurance Risk-Sharing Plan assessments credit. (1)**

5 DEFINITIONS. In this section, "claimant" means an insurer, as defined in s. 149.10 (5),
6 who files a claim under this section.

7 (2) FILING CLAIMS. Subject to the limitations provided under this section, for
8 taxable years beginning after December 31, 2005, a claimant may claim as a credit
9 against the fees imposed under ss. 76.60, 76.63, 76.65, 76.66 or 76.67 an amount that
10 is equal to a percentage of the amount of assessment under s. 149.13 that the
11 claimant paid in the taxable year, ~~as determined under sub. (3).~~ *begins*

12 (3) LIMITATIONS. ^(a) The department of revenue, in consultation with the office of
13 the commissioner of insurance, shall determine the percentage under sub. (2) for
14 each claimant for each taxable year so that the amount of the credit awarded to all
15 claimants under this section and ss. 71.07 (5g), 71.28 (5g), and 71.47 (5g) is as close
16 as practicable to \$5,000,000 in each fiscal year.

17 *INSERT 22-16* (4) CARRY-FORWARD. If the credit under sub. (2) is not entirely offset against the
18 fees imposed under ss. 76.60, 76.63, 76.65, 76.66, or 76.67 that are otherwise due, the
19 unused balance may be carried forward and credited against those fees in the
20 following 15 years to the extent that it is not offset by those fees otherwise due in all
21 the years between the year in which the assessment was paid and the year in which
22 the carry-forward credit is claimed.

23 SECTION 56. 76.67 (2) of the statutes is amended to read:

24 76.67 (2) If any domestic insurer is licensed to transact insurance business in
25 another state, this state may not require similar insurers domiciled in that other

1 state to pay taxes greater in the aggregate than the aggregate amount of taxes that
2 a domestic insurer is required to pay to that other state for the same year less the
3 ~~credit~~ credits under ~~s. ss. 76.635 and 76.655~~, except that the amount imposed shall
4 not be less than the total of the amounts due under ss. 76.65 (2) and 601.93 and, if
5 the insurer is subject to s. 76.60, 0.375% of its gross premiums, as calculated under
6 s. 76.62, less offsets allowed under s. 646.51 (7) or under ~~s. ss. 76.635 and 76.655~~
7 against that total, and except that the amount imposed shall not be less than the
8 amount due under s. 601.93.

9 **SECTION 57.** 77.54 (9a) (a) of the statutes is amended to read:

10 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin
11 Hospitals and Clinics Authority, the Health Insurance Risk-Sharing Plan Authority,
12 and the Fox River Navigational System Authority.

13 **SECTION 58.** 77.92 (4) of the statutes is amended to read:

14 77.92 (4) “Net business income,” with respect to a partnership, means taxable
15 income as calculated under section 703 of the Internal Revenue Code; plus the items
16 of income and gain under section 702 of the Internal Revenue Code, including taxable
17 state and municipal bond interest and excluding nontaxable interest income or
18 dividend income from federal government obligations; minus the items of loss and
19 deduction under section 702 of the Internal Revenue Code, except items that are not
20 deductible under s. 71.21; plus guaranteed payments to partners under section 707
21 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
22 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), ~~and (5b),~~ and (5g); and
23 plus or minus, as appropriate, transitional adjustments, depreciation differences,
24 and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding
25 income, gain, loss, and deductions from farming. “Net business income,” with respect

1 to a natural person, estate, or trust, means profit from a trade or business for federal
2 income tax purposes and includes net income derived as an employee as defined in
3 section 3121 (d) (3) of the Internal Revenue Code.

4 **SECTION 59.** 101.055 (2) (a) of the statutes is amended to read:

5 101.055 (2) (a) “Agency” means an office, department, independent agency,
6 authority, institution, association, society, or other body in state government created
7 or authorized to be created by the constitution or any law, and includes the
8 legislature and the courts, but excludes the Health Insurance Risk-Sharing Plan
9 Authority.

10 **SECTION 60.** 101.177 (1) (d) of the statutes is amended to read:

11 101.177 (1) (d) “State agency” means any office, department, agency,
12 institution of higher education, association, society, or other body in state
13 government created or authorized to be created by the constitution or any law which
14 , that is entitled to expend moneys appropriated by law, including the legislature and
15 the courts, the Wisconsin Housing and Economic Development Authority, the
16 Bradley Center Sports and Entertainment Corporation, the University of Wisconsin
17 Hospitals and Clinics Authority, and the Wisconsin Health and Educational
18 Facilities Authority, but excluding the Health Insurance Risk-Sharing Plan
19 Authority.

20 **SECTION 61.** Chapter 149 (title) of the statutes is amended to read:

21 **CHAPTER 149**

22 **MANDATORY HEALTH INSURANCE**

23 **RISK-SHARING PLAN PLANS**

24 **SECTION 62.** Subchapter I (title) of chapter 149 [precedes 149.10] of the statutes
25 is created to read:

1 SECTION 70. 149.10 (3e) of the statutes is amended to read:

2 149.10 (3e) "Fund" means the ~~health insurance risk-sharing plan~~ Health

3 Insurance Risk-Sharing Plan fund, *under s. 149.11(2)*

4 SECTION 71. 149.10 (7) of the statutes is amended to read:

5 149.10 (7) "Medicare" means coverage under ~~both part A and, part B, and part~~
6 D of Title XVIII of the federal social security act, 42 USC 1395 et seq., as amended.

7 SECTION 72. 149.10 (8) of the statutes is amended to read:

8 149.10 (8) "Plan" means the health care insurance plan established and
9 administered under subchapter II of this chapter.

10 SECTION 73. 149.10 (9) of the statutes is amended to read:

11 149.10 (9) "Resident" means a person who has been legally domiciled in this
12 state for a period of at least ~~30 days~~ 3 months or, with respect to an eligible individual,
13 an individual who resides in this state. For purposes of this chapter, legal domicile
14 is established by living in this state and obtaining a Wisconsin motor vehicle
15 operator's license, registering to vote in Wisconsin, or filing a Wisconsin income tax
16 return. A child is legally domiciled in this state if the child lives in this state and if
17 at least one of the child's parents or the child's guardian is legally domiciled in this
18 state. A person with a developmental disability or another disability ~~which~~ that
19 prevents the person from obtaining a Wisconsin motor vehicle operator's license,
20 registering to vote in Wisconsin, or filing a Wisconsin income tax return, is legally
21 domiciled in this state by living in this state.

22 SECTION 74. 149.10 (10) of the statutes is repealed.

23 SECTION 75. 149.105 of the statutes is created to read:

24 **149.105 Immunity.** No cause of action of any nature may arise against, and
25 no liability may be imposed upon, the authority, plan, or board; or any agent,

1 employee, or director of any of them; or participating insurers; or the commissioner;
2 or any of the commissioner’s agents, employees, or representatives, for any act or
3 omission by any of them in the performance of their powers and duties under this
4 chapter, unless the person asserting liability proves that the act or omission
5 constitutes willful misconduct.

6 SECTION 76. Subchapter II (title) of chapter 149 [precedes 149.11] of the
7 statutes is created to read:

8 CHAPTER 149

9 SUBCHAPTER II

10 HEALTH INSURANCE RISK-SHARING

11 PLAN PROVISIONS

12 SECTION 77. 149.11 of the statutes is repealed and recreated to read:

13 149.11 Administration of plan. (1) AUTHORITY. The authority shall be
14 responsible for the operation of the plan and, subject to ss. 149.143 (2) and 149.47,
15 may enter into contracts for the plan’s administration.

16 (2) FUND. The authority shall pay the operating and administrative expenses
17 of the plan from the fund. Moneys in the fund may be expended only for the purposes
18 specified in this subsection.

19 SECTION 78. 149.115 of the statutes is amended to read:

20 149.115 Rules relating to creditable coverage. The commissioner, ~~in~~
21 ~~consultation with the department,~~ shall promulgate rules that specify how
22 creditable coverage is to be aggregated for purposes of s. 149.10 (2t) (a) and that
23 determine the creditable coverage to which s. 149.10 (2t) (b) and (d) applies. The
24 rules shall comply with section 2701 (c) of P.L. 104-191.

25 SECTION 79. 149.12 (1) (intro.) of the statutes is amended to read:

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1 149.12 (1) (intro.) Except as provided in subs. (1m) ~~and, (2), and (3)~~, the board
2 ~~or plan administrator~~ authority shall certify as eligible a person who is covered by
3 ~~medicare~~ Medicare because he or she is disabled under 42 USC 423, a person who
4 submits evidence that he or she has tested positive for the presence of HIV, antigen
5 or nonantigenic products of HIV, or an antibody to HIV, a person who is an eligible
6 individual, and any person who receives and submits any of the following based
7 wholly or partially on medical underwriting considerations within 9 months prior to
8 making application for coverage by the plan:

9 **SECTION 80.** 149.12 (1) (a) of the statutes is amended to read:

10 149.12 (1) (a) A notice of rejection of coverage from ~~one~~ 2 or more insurers.

11 **SECTION 81.** 149.12 (1m) of the statutes is amended to read:

12 149.12 (1m) The ~~board or plan administrator~~ authority may not certify a
13 person as eligible under circumstances requiring notice under sub. (1) (a) to (d) if the
14 required notices were issued by an insurance intermediary who is not acting as an
15 administrator, as defined in s. 633.01.

16 **SECTION 82.** 149.12 (2) (f) of the statutes is renumbered 149.12 (2) (f) 1. and
17 amended to read:

18 149.12 (2) (f) 1. ~~No~~ Except as provided in subd. 2., no person who is eligible for
19 medical assistance is eligible for coverage under the plan.

20 **SECTION 83.** 149.12 (2) (f) 2. of the statutes is created to read:

21 149.12 (2) (f) 2. Subdivision 1. does not apply to a person who is otherwise
22 eligible for coverage under the plan and who is eligible for only any of the following
23 types of medical assistance:

24 a. Family planning services under s. 49.45 (24r).

1 b. Care and services for the treatment of an emergency medical condition under
2 42 USC 1396b (v), as provided in s. 49.45 (27).

3 c. Medical assistance under s. 49.46 (1) (a) 15.

4 d. Ambulatory prenatal care under s. 49.465.

5 e. Medicare premium, coinsurance, and deductible payments under s. 49.46 (2)
6 (c) 2. or 3., 49.468 (1) (b) or (c), or 49.47 (6) (a) 6. b. or c.

7 f. Medicare premium payments under s. 49.46 (2) (cm), 49.468 (1m) or (2), or
8 49.47 (6) (a) 6m.

9 **SECTION 84.** 149.12 (2) (g) of the statutes is created to read:

10 149.12 (2) (g) A person is not eligible for coverage under the plan if the person
11 is eligible for any of the following:

12 1. Services under s. 46.27 (11), 46.275, 46.277, or 46.278.

13 2. Medical assistance provided as part of a family care benefit, as defined in s.
14 46.2805 (4).

15 3. Services provided under a waiver requested under 2001 Wisconsin Act 16,
16 section 9123 (16rs), or 2003 Wisconsin Act 33, section 9124 (8c).

17 4. Services provided under the program of all-inclusive care for persons aged
18 55 or older authorized under 42 USC 1396u-4.

19 5. Services provided under the demonstration program under a federal waiver
20 authorized under 42 USC 1315.

21 6. Health care coverage under the Badger Care health care program under s.
22 49.665.

23 **SECTION 85.** 149.12 (3) (a) of the statutes is amended to read:

24 149.12 (3) (a) Except as provided in pars. (b) ~~to (e)~~ and (bm), no person is eligible
25 for coverage under the plan for whom a premium, deductible, or coinsurance amount

1 is paid or reimbursed by a federal, state, county, or municipal government or agency
2 as of the first day of any term for which a premium amount is paid or reimbursed and
3 as of the day after the last day of any term during which a deductible or coinsurance
4 amount is paid or reimbursed.

5 **SECTION 86.** 149.12 (3) (c) of the statutes is repealed.

6 **SECTION 87.** 149.12 (4) and (5) of the statutes are created to read:

7 149.12 (4) Subject to subs. (1m), (2), and (3), the authority may establish
8 criteria that would enable additional persons to be eligible for coverage under the
9 plan. The authority shall ensure that any expansion of eligibility is consistent with
10 the purpose of the plan to provide health care coverage for those who are unable to
11 obtain health insurance in the private market and does not endanger the solvency
12 of the plan.

13 (5) The authority shall establish policies for determining and verifying the
14 continued eligibility of an eligible person.

15 **SECTION 88.** 149.13 (1) of the statutes is amended to read:

16 149.13 (1) Every insurer shall participate in the cost of administering the plan,
17 except the commissioner may by rule exempt as a class those insurers whose share
18 as determined under sub. (2) would be so minimal as to not exceed the estimated cost
19 of levying the assessment. The commissioner shall advise the ~~department~~ authority
20 of the insurers participating in the cost of administering the plan.

21 **SECTION 89.** 149.13 (3) (a) of the statutes is amended to read:

22 149.13 (3) (a) Each insurer's proportion of participation under sub. (2) shall be
23 determined annually by the commissioner based on annual statements and other
24 reports filed by the insurer with the commissioner. The commissioner shall assess

1 an insurer for the insurer's proportion of participation based on the total
2 assessments estimated by the department under s. 149.143 (2) (a) 3. authority.

3 **SECTION 90.** 149.13 (3) (b) of the statutes is amended to read:

4 149.13 (3) (b) If the ~~department~~ authority or the commissioner finds that the
5 commissioner's authority to require insurers to report under chs. 600 to 646 and 655
6 is not adequate to permit ~~the department~~, the commissioner or the ~~board~~ authority
7 to carry out the ~~department's~~, commissioner's or ~~board's~~ authority's responsibilities
8 under this ~~chapter~~ subchapter, the commissioner shall promulgate rules requiring
9 insurers to report the information necessary for the ~~department~~, commissioner and
10 ~~board~~ authority to make the determinations required under this ~~chapter~~ subchapter.

11 **SECTION 91.** 149.13 (4) of the statutes is amended to read:

12 149.13 (4) Notwithstanding subs. (1) to (3), the ~~department~~ authority, with the
13 agreement of the commissioner, may perform various administrative functions
14 related to the assessment of insurers participating in the cost of administering the
15 plan.

16 **SECTION 92.** 149.14 (1) (a) of the statutes is amended to read:

17 149.14 (1) (a) The plan shall offer coverage for each eligible person in an
18 annually renewable policy ~~the coverage specified in this section for each eligible~~
19 ~~person.~~ If an eligible person is also eligible for ~~medicare~~ Medicare coverage, the plan
20 shall not pay or reimburse any person for expenses paid for by ~~medicare~~ Medicare.
21 If an eligible person is eligible for a type of medical assistance specified in s. 149.12
22 (2) (f) 2., the plan shall not pay or reimburse ^{the} any person for expenses paid for by
23 Medical Assistance.

24 **SECTION 93.** 149.14 (2) (a) of the statutes is amended to read:

1 149.14 (2) (a) The plan shall provide every eligible person who is not eligible
2 for ~~medicare~~ Medicare with major medical expense coverage. Major medical expense
3 coverage offered under the plan under this section shall pay an eligible person's
4 covered expenses, subject to sub. (3) and deductible, copayment, and coinsurance
5 payments authorized under sub. (5), up to a lifetime limit of \$1,000,000 per covered
6 individual. ~~The maximum limit under this paragraph shall not be altered by the~~
7 ~~board, and no actuarially equivalent benefit may be substituted by the board.~~

8 **SECTION 94.** 149.14 (3) (intro.) of the statutes is amended to read:

9 149.14 (3) COVERED EXPENSES. (intro.) ~~Except as provided in sub. (4), except~~
10 ~~as restricted by cost containment provisions under s. 149.17 (4) and except as~~
11 ~~reduced by the department under ss. 149.143 and 149.144, covered~~ Covered expenses
12 for the coverage under this section the plan shall be the payment rates established
13 by the department under s. 149.142 authority for the services provided by persons
14 licensed under ch. 446 and certified under s. 49.45 (2) (a) 11. ~~Except as provided in~~
15 ~~sub. (4), except as restricted by cost containment provisions under s. 149.17 (4) and~~
16 ~~except as reduced by the department under ss. 149.143 and 149.144, covered~~ Covered
17 expenses for the coverage under this section the plan shall also be the payment rates
18 established by the department under s. 149.142 authority for, at a minimum, the
19 following services and articles if the service or article is prescribed by a physician
20 who is licensed under ch. 448 or in another state and who is certified under s. 49.45
21 (2) (a) 11. and if the service or article is provided by a provider certified under s. 49.45
22 (2) (a) 11.:

23 **SECTION 95.** 149.14 (3) (b) of the statutes is repealed and recreated to read:

24 149.14 (3) (b) Professional services for the diagnosis or treatment of injuries,
25 illnesses, or conditions, other than mental or dental.

1 **SECTION 96.** 149.14 (3) (c) 1. of the statutes is repealed and recreated to read:

2 149.14 (3) (c) 1. Inpatient hospital services, as defined in s. 632.89 (1) (d),
3 outpatient services, as defined in s. 632.89 (1) (e), and transitional treatment
4 arrangements, as defined in s. 632.89 (1) (f), only to the extent required under s.
5 632.89.

6 **SECTION 97.** 149.14 (3) (c) 2. of the statutes is repealed.

7 **SECTION 98.** 149.14 (3) (c) 3. of the statutes is amended to read:

8 149.14 (3) (c) 3. Subject to the limits under subd. 2. and to rules promulgated
9 by the department of health and family services under s. 149.14 (3) (c) 3., 2003 stats.,
10 services for the chronically mentally ill in community support programs operated
11 under s. 51.421.

12 **SECTION 99.** 149.14 (3) (c) 3. of the statutes, as affected by 2005 Wisconsin Act
13 ... (this act), is amended to read:

14 149.14 (3) (c) 3. Subject to the limits under subd. ~~2. and to rules promulgated~~
15 ~~by the department of health and family services under s. 149.14 (3) (c) 3., 2003 stats.~~
16 1., services for the chronically mentally ill in community support programs operated
17 under s. 51.421.

18 **SECTION 100.** 149.14 (3) (d) of the statutes is amended to read:

19 149.14 (3) (d) Drugs requiring a physician's prescription, ~~subject to sub. (4e).~~

20 **SECTION 101.** 149.14 (3) (e) of the statutes is amended to read:

21 149.14 (3) (e) ~~Services~~ For persons eligible for Medicare, services of a licensed
22 skilled nursing facility ~~for eligible persons eligible for medicare~~, to the extent
23 required by s. 632.895 (3) and for not more than an aggregate 120 days during a
24 calendar year, if the services are of the type ~~which~~ that would qualify as reimbursable
25 services under ~~medicare~~ Medicare. Coverage under this paragraph ~~which~~ that is not

1 required by s. 632.895 (3) is subject to the any deductible and coinsurance
2 requirements ~~under sub. (5) provided by the authority.~~

3 **SECTION 102.** 149.14 (3) (f) of the statutes is created to read:

4 149.14 (3) (f) Services of a home health agency, as defined in s. 50.49 (1) (a), only
5 to the extent required under s. 632.895 (2).

6 **SECTION 103.** 149.14 (3) (m) of the statutes is amended to read:

7 149.14 (3) (m) Oral surgery for excision of partially or completely unerupted,
8 impacted teeth and oral surgery with respect to the gums and other tissues of the
9 mouth when not performed in connection with the extraction or repair of teeth.

10 **SECTION 104.** 149.14 (3) (o) of the statutes is amended to read:

11 149.14 (3) (o) Transportation Emergency and other medically necessary
12 transportation provided by a licensed ambulance service to the nearest facility
13 qualified to treat ~~the~~ a covered condition.

14 **SECTION 105.** 149.14 (3) (p) of the statutes is renumbered 149.14 (3) (em).

15 **SECTION 106.** 149.14 (4) of the statutes, as affected by 2005 Wisconsin Act
16 (this act), is repealed and recreated to read:

17 149.14 (4) PLAN DESIGN. Subject to subs. (1) to (3), (5), and (6), the authority
18 shall establish the plan design, after taking into consideration the levels of health
19 insurance coverage provided in the state and medical economic factors, as
20 appropriate. Subject to subs. (1) to (3), (5), and (6), the authority shall provide benefit
21 levels, deductibles, copayment and coinsurance requirements, exclusions, and
22 limitations under the plan that the authority determines generally reflect and are
23 commensurate with comprehensive health insurance coverage offered in the private
24 individual market in the state. The authority may develop additional benefit designs
25 that are responsive to market conditions.