



D-Note
State of Wisconsin
2007-2008 LEGISLATURE

LRB604711
LRB-2885/P2
PJK/RAC/MES:jld:pg

Today

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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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SB40* *d-note*

1 **AN ACT to repeal** 40.05 (4) (ar), 609.01 (7), 609.10, 609.20 (1m) (c), 609.20 (1m)
2 (d), 628.36 (4) (b) 1., 628.36 (4) (b) 2. and 628.36 (4) (b) 3.; **to renumber and**
3 **amend** 40.51 (6) and 62.61; **to amend** 13.172 (1), 13.48 (13) (a), 13.62 (2), 13.95
4 (intro.), 16.002 (2), 16.004 (4), 16.004 (5), 16.004 (12) (a), 16.045 (1) (a), 16.41
5 (4), 16.417 (1) (a), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.70 (2),
6 16.765 (1), 16.765 (2), 16.765 (4), 16.765 (5), 16.765 (6), 16.765 (7) (intro.),
7 16.765 (7) (d), 16.765 (8), 16.85 (2), 16.865 (8), 40.05 (4) (ag) (intro.), 40.05 (4)
8 (b), 40.05 (4) (be), 40.51 (1), 40.51 (2), 40.51 (7), 40.51 (8), 40.51 (8m), 40.52 (1)
9 (intro.), 40.52 (2), 40.98 (2) (a) 1., 49.473 (2) (c), 49.68 (3) (d) 1., 49.683 (3), 49.685
10 (6) (b), 49.686 (5), 59.52 (11) (c), 60.23 (25), 66.0137 (4), 66.0137 (4m) (b),
11 66.0137 (5), 71.26 (1) (be), 77.54 (9a) (a), 100.45 (1) (dm), 111.70 (1) (dm), 111.70
12 (4) (cm) 8s., 120.13 (2) (b), 120.13 (2) (g), 230.03 (3), 285.59 (1) (b), 628.36 (4) (a)
13 (intro.), 632.87 (5), 632.895 (10) (a), 632.895 (11) (a) (intro.), 632.895 (11) (c) 1.,
14 632.895 (11) (d) and 632.895 (14) (b); and **to create** 13.94 (1) (dj), 13.94 (1s) (c)
15 5., 16.004 (7d), 16.004 (7h), 20.855 (4m), 25.17 (1) (gd), 25.775, 40.05 (4) (a) 4.,

1 40.05 (4g) (d), 40.51 (6) (b), 40.52 (1m), 62.61 (1) (b), 70.11 (41p), 109.075 (9),
 2 111.91 (2) (pt), 149.12 (2) (em), chapter 260, 632.895 (8) (f) 4., ~~632.895 (9) (d) 4.,~~
 3 632.895 (10) (b) 6., ~~632.895 (11) (e) 3. and 632.895 (14) (d) 7.~~ of the statutes;
 4 **relating to:** the establishment of the Wisconsin Health Care Plan, granting
 5 rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

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

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

7 13.172 (1) In this section, "agency" means an office, department, agency,
 8 institution of higher education, association, society, or other body in state
 9 government created or authorized to be created by the constitution or any law, that
 10 is entitled to expend moneys appropriated by law, including the legislature and the
 11 courts, and any authority created in subch. II of ch. 114 or subch. III of ch. 149 or in
 12 ch. 231, 233, or 234, or 260.

13 **SECTION 2.** 13.48 (13) (a) of the statutes is amended to read:

14 13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or
 15 facility that is constructed for the benefit of or use of the state, any state agency,
 16 board, commission or department, the University of Wisconsin Hospitals and Clinics
 17 Authority, the Fox River Navigational System Authority, the Healthy Wisconsin
 18 Authority, or any local professional baseball park district created under subch. III
 19 of ch. 229 if the construction is undertaken by the department of administration on
 20 behalf of the district, shall be in compliance with all applicable state laws, rules,
 21 codes and regulations but the construction is not subject to the ordinances or

Insert 2-12 ✓

→ #. Page 5, line 6: after that line insert: ✓
 8h ← ③

Insert 3-5

1 regulations of the municipality in which the construction takes place except zoning,
2 including without limitation because of enumeration ordinances or regulations
3 relating to materials used, permits, supervision of construction or installation,
4 payment of permit fees, or other restrictions. ” ✓

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

6 13.62 (2) "Agency" means any board, commission, department, office, society,
7 institution of higher education, council, or committee in the state government, or any
8 authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233,
9 234, or 237, or 260, except that the term does not include a council or committee of
10 the legislature.

after that line insert
Page 15, line 8: after that line insert:

11 SECTION 13.94 (1) (dj) of the statutes is created to read:

12 13.94 (1) (dj) Annually, conduct a financial audit of the Wisconsin Health Care
13 Plan under ch. 260 and file copies of each audit report under this paragraph with the
14 distributees specified in par. (b).

15 SECTION 13.94 (1s) (c) 5. of the statutes is created to read:

16 13.94 (1s) (c) 5. The Healthy Wisconsin Authority for the cost of the audit under
17 sub. (1) (dj). ” ✓

Insert 3-18

18 SECTION 6. 13.95 (intro.) of the statutes is amended to read.

19 ~~13.95 Legislative fiscal bureau.~~ (intro.) There is created a bureau to be
20 known as the "Legislative Fiscal Bureau" headed by a director. The fiscal bureau
21 shall be strictly nonpartisan and shall at all times observe the confidential nature
22 of the research requests received by it, however, with the prior approval of the
23 requester in each instance, the bureau may duplicate the results of its research for
24 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's
25 designated employees shall at all times, with or without notice, have access to all

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1 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
 2 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,
 3 the Healthy Wisconsin Authority, and the Fox River Navigational System Authority,
 4 and to any books, records, or other documents maintained by such agencies or
 5 authorities and relating to their expenditures, revenues, operations, and structure.

✓ Insert 4-6

6 SECTION 7. 16.002 (2) of the statutes is amended to read:

7 16.002 (2) "Departments" means constitutional offices, departments, and
 8 independent agencies and includes all societies, associations, and other agencies of
 9 state government for which appropriations are made by law, but not including
 10 authorities created in subch. II of ch. 114 or subch. III of ch. 149 and in chs. 231, 232,
 11 233, 234, 235, and 237, and 260.

12 SECTION 8. 16.004 (4) of the statutes is amended to read:

13 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the
 14 department as the secretary designates may enter into the offices of state agencies
 15 and authorities created under subch. II of ch. 114 or subch. III of ch. 149 and under
 16 chs. 231, 233, 234, and 237, and 260, and may examine their books and accounts and
 17 any other matter that in the secretary's judgment should be examined and may
 18 interrogate the agency's employees publicly or privately relative thereto.

19 SECTION 9. 16.004 (5) of the statutes is amended to read:

20 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
 21 authorities created under subch. II of ch. 114 or subch. III of ch. 149 and under chs.
 22 231, 233, 234, and 237, and 260, and their officers and employees, shall cooperate
 23 with the secretary and shall comply with every request of the secretary relating to
 24 his or her functions.

after that line insert

#. Page 25, line 19: after that line insert:

(SECTION 10. 16.004 (7d) of the statutes is created to read:

71d ← (B)

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1 16.004 (7d) CONTAINMENT OF HEALTH CARE COSTS. In consultation with the board
2 of the Healthy Wisconsin Authority, the secretary shall establish, by rule, a program
3 to contain health care costs in this state during any year in which the board
4 determines that health care costs increase at a rate exceeding the national average
5 of medical inflation, as defined in s. 260.01 (4).

6 SECTION 16.004 (7h) of the statutes is created to read:

7 16.004 (7h) EMPLOYER ASSESSMENTS TO THE HEALTHY WISCONSIN TRUST FUND.

8 The secretary shall establish a methodology for allocating employer assessments
9 among state agencies to pay the Healthy Wisconsin trust fund for the operation and
10 funding of the Wisconsin Health Care Plan under ch. 260. State agencies shall pay,
11 from appropriations used to fund fringe benefit costs of state employees, to the
12 Healthy Wisconsin trust fund amounts determined by the secretary.

13 SECTION 12. 16.004 (12) (a) of the statutes is amended to read:

14 16.004 (12) (a) In this subsection, "state agency" means an association,
15 authority, board, department, commission, independent agency, institution, office,
16 society, or other body in state government created or authorized to be created by the
17 constitution or any law, including the legislature, the office of the governor, and the
18 courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,
19 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan
20 Authority, the Healthy Wisconsin Authority, and the Fox River Navigational System
21 Authority.

22 SECTION 13. 16.045 (1) (a) of the statutes is amended to read:

23 16.045 (1) (a) "Agency" means an office, department, independent agency,
24 institution of higher education, association, society, or other body in state
25 government created or authorized to be created by the constitution or any law, that

Insert 5-13

Insert 5-22

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71 L ← B

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1 is entitled to expend moneys appropriated by law, including the legislature and the
2 courts, but not including an authority created in subch. II of ch. 114 or subch. III of
3 ch. 149 or in ch. 231, 232, 233, 234, 235, or 237, or 260.

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

5 16.41 (4) In this section, "authority" means a body created under subch. II of
6 ch. 114 or subch. III of ch. 149 or under ch. 231, 233, 234, or 237, or 260.

Page 29, line 18: after that line insert:

7 SECTION 16. 16.417 (1) (a) of the statutes is amended to read:

^ 80hr

8 16.417 (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, that
11 is entitled to expend moneys appropriated by law, including the legislature and the
12 courts, but not including an authority or the body created under subch. III of ch. 149
13 or under ch. 260.

Insert 6-14-

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

15 16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency
16 that is authorized to maintain a contingent fund under s. 20.920 may establish a
17 petty cash account from its contingent fund. The procedure for operation and
18 maintenance of petty cash accounts and the character of expenditures therefrom
19 shall be prescribed by the secretary. In this subsection, "agency" means an office,
20 department, independent agency, institution of higher education, association,
21 society, or other body in state government created or authorized to be created by the
22 constitution or any law, that is entitled to expend moneys appropriated by law,
23 including the legislature and the courts, but not including an authority created in
24 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, or 237, or 260.

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

1 16.528 (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, that
4 is entitled to expend moneys appropriated by law, including the legislature and the
5 courts, but not including an authority created in subch. II of ch. 114 or subch. III of
6 ch. 149 or in ch. 231, 233, 234, or 237, or 260.

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

8 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
9 invoice, the agency shall notify the sender of the invoice within 10 working days after
10 it receives the invoice of the reason it is improperly completed. In this subsection,
11 "agency" means an office, department, independent agency, institution of higher
12 education, association, society, or other body in state government created or
13 authorized to be created by the constitution or any law, that is entitled to expend
14 moneys appropriated by law, including the legislature and the courts, but not
15 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
16 231, 233, 234, or 237, or 260.

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

18 16.54 (9) (a) 1. "Agency" means an office, department, independent agency,
19 institution of higher education, association, society or other body in state
20 government created or authorized to be created by the constitution or any law, which
21 is entitled to expend moneys appropriated by law, including the legislature and the
22 courts, but not including an authority created in subch. II of ch. 114 or subch. III of
23 ch. 149 or in ch. 231, 233, 234, or 237, or 260.

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

1 16.70 (2) "Authority" means a body created under subch. II of ch. 114 or subch.
2 III of ch. 149 or under ch. 231, 232, 233, 234, 235, ~~or 237,~~ or 260.

3 **SECTION 21.** 16.765 (1) of the statutes is amended to read:

4 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and
5 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
6 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the
7 Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment
8 Corporation shall include in all contracts executed by them a provision obligating the
9 contractor not to discriminate against any employee or applicant for employment
10 because of age, race, religion, color, handicap, sex, physical condition, developmental
11 disability as defined in s. 51.01 (5), sexual orientation as defined in s. 111.32 (13m),
12 or national origin and, except with respect to sexual orientation, obligating the
13 contractor to take affirmative action to ensure equal employment opportunities.

14 **SECTION 22.** 16.765 (2) of the statutes is amended to read:

15 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
16 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
17 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the
18 Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment
19 Corporation shall include the following provision in every contract executed by them:
20 "In connection with the performance of work under this contract, the contractor
21 agrees not to discriminate against any employee or applicant for employment
22 because of age, race, religion, color, handicap, sex, physical condition, developmental
23 disability as defined in s. 51.01 (5), sexual orientation or national origin. This
24 provision shall include, but not be limited to, the following: employment, upgrading,
25 demotion or transfer; recruitment or recruitment advertising; layoff or termination;

1 rates of pay or other forms of compensation; and selection for training, including
2 apprenticeship. Except with respect to sexual orientation, the contractor further
3 agrees to take affirmative action to ensure equal employment opportunities. The
4 contractor agrees to post in conspicuous places, available for employees and
5 applicants for employment, notices to be provided by the contracting officer setting
6 forth the provisions of the nondiscrimination clause”.

7 **SECTION 23.** 16.765 (4) of the statutes is amended to read:

8 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and
9 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
10 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the
11 Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment
12 Corporation shall take appropriate action to revise the standard government
13 contract forms under this section.

14 **SECTION 24.** 16.765 (5) of the statutes is amended to read:

15 16.765 (5) The head of each contracting agency and the boards of directors of
16 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
17 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
18 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the
19 Bradley Center Sports and Entertainment Corporation shall be primarily
20 responsible for obtaining compliance by any contractor with the nondiscrimination
21 and affirmative action provisions prescribed by this section, according to procedures
22 recommended by the department. The department shall make recommendations to
23 the contracting agencies and the boards of directors of the University of Wisconsin
24 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
25 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,

1 the Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment
2 Corporation for improving and making more effective the nondiscrimination and
3 affirmative action provisions of contracts. The department shall promulgate such
4 rules as may be necessary for the performance of its functions under this section.

5 **SECTION 25.** 16.765 (6) of the statutes is amended to read:

6 16.765 (6) The department may receive complaints of alleged violations of the
7 nondiscrimination provisions of such contracts. The department shall investigate
8 and determine whether a violation of this section has occurred. The department may
9 delegate this authority to the contracting agency, the University of Wisconsin
10 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
11 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,
12 the Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment
13 Corporation for processing in accordance with the department's procedures.

14 **SECTION 26.** 16.765 (7) (intro.) of the statutes is amended to read:

15 16.765 (7) (intro.) When a violation of this section has been determined by the
16 department, the contracting agency, the University of Wisconsin Hospitals and
17 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
18 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the
19 Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment
20 Corporation, the contracting agency, the University of Wisconsin Hospitals and
21 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
22 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the
23 Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment
24 Corporation shall:

25 **SECTION 27.** 16.765 (7) (d) of the statutes is amended to read:

1 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
2 further violations of this section and to report its corrective action to the contracting
3 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River
4 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
5 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, or the
6 Bradley Center Sports and Entertainment Corporation.

7 **SECTION 28.** 16.765 (8) of the statutes is amended to read:

8 16.765 (8) If further violations of this section are committed during the term
9 of the contract, the contracting agency, the Fox River Navigational System Authority,
10 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan
11 Authority, the Healthy Wisconsin Authority, or the Bradley Center Sports and
12 Entertainment Corporation may permit the violating party to complete the contract,
13 after complying with this section, but thereafter the contracting agency, the Fox
14 River Navigational System Authority, the Wisconsin Aerospace Authority, the
15 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,
16 or the Bradley Center Sports and Entertainment Corporation shall request the
17 department to place the name of the party on the ineligible list for state contracts,
18 or the contracting agency, the Fox River Navigational System Authority, the
19 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,
20 the Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment
21 Corporation may terminate the contract without liability for the uncompleted
22 portion or any materials or services purchased or paid for by the contracting party
23 for use in completing the contract.

24 **SECTION 29.** 16.85 (2) of the statutes is amended to read:

1 16.85 (2) To furnish engineering, architectural, project management, and other
2 building construction services whenever requisitions therefor are presented to the
3 department by any agency. The department may deposit moneys received from the
4 provision of these services in the account under s. 20.505 (1) (lc) or in the general
5 fund as general purpose revenue — earned. In this subsection, “agency” means an
6 office, department, independent agency, institution of higher education, association,
7 society, or other body in state government created or authorized to be created by the
8 constitution or any law, which is entitled to expend moneys appropriated by law,
9 including the legislature and the courts, but not including an authority created in
10 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, or 237, or 260.

11 **SECTION 30.** 16.865 (8) of the statutes is amended to read:

12 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
13 proportionate share of the estimated costs attributable to programs administered by
14 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
15 may charge premiums to agencies to finance costs under this subsection and pay the
16 costs from the appropriation on an actual basis. The department shall deposit all
17 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
18 Costs assessed under this subsection may include judgments, investigative and
19 adjustment fees, data processing and staff support costs, program administration
20 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
21 subsection, “agency” means an office, department, independent agency, institution
22 of higher education, association, society, or other body in state government created
23 or authorized to be created by the constitution or any law, that is entitled to expend
24 moneys appropriated by law, including the legislature and the courts, but not

1 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
2 231, 232, ~~233~~, 234, 235, or 237, or 260.

3 SECTION 31. 20.005 (3) (schedule) of the statutes: at the appropriate place,
4 insert the following amounts for the purposes indicated:

5 2007-08 2008-09

6 **20.855 Miscellaneous appropriations**

#. Page 279, line 1: before that line insert: ✓

7 (4m) WISCONSIN HEALTH CARE PLAN

8 (s) Healthy Wisconsin Authority SEG S -0- -0-) ✓

#. Page 396, line 12: after that line insert:

9 " SECTION 20.855 (4m) of the statutes is created to read:

573h ← (B)

10 20.855 (4m) WISCONSIN HEALTH CARE PLAN. (s) *Healthy Wisconsin Authority.*

11 From the Healthy Wisconsin trust fund, a sum sufficient to pay the Healthy

12 Wisconsin Authority for the operation and funding of the Wisconsin Health Care

13 Plan under ch. 260.

#. Page 449, line 19: after that line insert:

#. Page 436, line 20: after that line insert:

14 " SECTION 25.17 (1) (a) of the statutes is created to read:

678h ← (B) Lge

15 25.17 (1) Healthy Wisconsin trust fund (s. 25.775). "

16 " SECTION 25.775 of the statutes is created to read:

698h ← (B) Lge

17 **25.775 Healthy Wisconsin trust fund.** (1) There is established a separate,

18 nonlapsible trust fund designated as the Healthy Wisconsin trust fund, consisting

19 of all moneys appropriated or transferred to or deposited in the fund. "

#. Page 485, line 17: after that line insert:

20 " SECTION 40.05 (4) (a) 4. of the statutes is created to read:

765cb ← (B)

21 40.05 (4) (a) 4. This paragraph does not apply to any insured employee or

22 retired insured employee who receives health care coverage under the Wisconsin

23 Health Care Plan under ch. 260.

24 SECTION 40.05 (4) (ag) (intro.) of the statutes is amended to read:

765db ← (B)

1 withheld exceeds the annuity payment. Upon conversion of an employee's unused
2 sick leave to credits under this paragraph or par. (bf), the employee or, if the employee
3 is deceased, the employee's surviving insured dependents may initiate deductions
4 from those credits or may elect to delay initiation of deductions from those credits,
5 but only if the employee or surviving insured dependents are covered by a
6 comparable health insurance plan or policy during the period beginning on the date
7 of the conversion and ending on the date on which the employee or surviving insured
8 dependents later elect to initiate deductions from those credits. If an employee or an
9 employee's surviving insured dependents elect to delay initiation of deductions from
10 those credits, an employee or the employee's surviving insured dependents may only
11 later elect to initiate deductions from those credits during the annual enrollment
12 period under par. (be). A health insurance plan or policy is considered comparable
13 if it provides hospital and medical benefits that are substantially equivalent to the
14 ~~standard health insurance plan established under s. 40.52 (1)~~ benefits provided
15 under the Wisconsin Health Care Plan under ch. 260.

16 SECTION ~~39.~~ 40.05 (4) (be) of the statutes is amended to read:

17 40.05 (4) (be) The department shall establish an annual enrollment period
18 during which an employee or, if the employee is deceased, an employee's surviving
19 insured dependents may elect to initiate or delay continuation of deductions from the
20 employee's sick leave credits under par. (b). An employee or surviving insured
21 dependent may elect to continue or delay continuation of such deductions any
22 number of times. If an employee or surviving insured dependent has initiated the
23 deductions but later elects to delay continuation of the deductions, the employee or
24 surviving insured dependent must be covered by a comparable health insurance plan
25 or policy during the period beginning on the date on which the employee or surviving

1 insured dependent delays continuation of the deductions and ending on the date on
2 which the employee or surviving insured dependent later elects to continue the
3 deductions. A health insurance plan or policy is considered comparable if it provides
4 hospital and medical benefits that are substantially equivalent to the standard
5 ~~health insurance plan established under s. 40.52 (1) benefits provided under the~~
6 Wisconsin Health Care Plan under ch. 260.

7 SECTION ~~40.~~ 40.05 (4g) (d) of the statutes is created to read:

8 40.05 (4g) (d) This subsection shall not apply to an eligible employee who is
9 receiving health care coverage under the Wisconsin Health Care Plan under ch. 260
10 while on active duty in the U.S. armed forces.

11 SECTION ~~40.~~ 40.51 (1) of the statutes is amended to read:

12 40.51 (1) The procedures and provisions pertaining to enrollment, premium
13 transmitted and coverage of eligible employees for health care benefits shall be
14 established by contract or rule except as otherwise specifically provided by this
15 chapter. Notwithstanding subs. (6) and (7), an eligible employee who is covered
16 under the Wisconsin Health Care Plan under ch. 260 may not receive coverage under
17 this subchapter for any coverage provided the employee under ch. 260.

18 SECTION ~~40.~~ 40.51 (2) of the statutes is amended to read:

19 40.51 (2) Except as provided in subs. (10), (10m), (11) and (16), any eligible
20 employee may become covered by group health insurance benefits under this
21 subchapter by electing coverage within 30 days of being hired, to be effective as of
22 the first day of the month which begins on or after the date the application is received
23 by the employer, or by electing coverage prior to becoming eligible for any employer
24 contribution towards the premium cost as provided in s. 40.05 (4) (a) to be effective
25 upon becoming eligible for employer contributions. ~~An eligible employee who is not~~

1 insured, but who is eligible for an employer contribution under s. 40.05 (4) (ag) 1.,
2 may elect coverage prior to becoming eligible for an employer contribution under s.
3 40.05 (4) (ag) 2., with the coverage to be effective upon becoming eligible for the
4 increase in the employer contribution. Any employee who does not so elect at one of
5 these times, or who subsequently cancels the insurance, shall not thereafter become
6 insured unless the employee furnishes evidence of insurability satisfactory to the
7 insurer, at the employee's own expense or obtains coverage subject to contractual
8 waiting periods. The method to be used shall be specified in the health insurance
9 contract.

10 SECTION 42. 40.51 (6) of the statutes is renumbered 40.51 (6) (a) and amended
11 to read: *765 Kb ← (B)*

12 40.51 (6) (a) This state shall offer to all of its eligible employees described in
13 subs. (10), (10m), and (16) at least 2 insured or uninsured health care coverage plans
14 providing substantially equivalent hospital and medical benefits, including a health
15 maintenance organization or a preferred provider plan, if those health care plans are
16 determined by the group insurance board to be available in the area of the place of
17 employment and are approved by the group insurance board. The group insurance
18 board shall place each of the plans into one of 3 tiers established in accordance with
19 standards adopted by the group insurance board. The tiers shall be separated
20 according to the employee's share of premium costs.

21 SECTION 42. 40.51 (6) (b) of the statutes is created to read:

22 40.51 (6) (b) The state may offer to its employees coverage for health care
23 benefits not provided to the employees under the Wisconsin Health Care Plan under
24 ch. 260. *765 Lb ← (B)*

25 SECTION 42. 40.51 (7) of the statutes is amended to read: *765 Nb ← (B)*

1 40.51 (7) Any employer, other than the state, may offer to all of its employees
2 ~~a health care coverage plan~~ coverage for health care benefits not provided to the
3 employees under the Wisconsin Health Care Plan under ch. 260 through a program
4 offered by the group insurance board. Notwithstanding sub. (2) and ss. 40.05 (4) and
5 40.52 (1), the department may by rule establish different eligibility standards or
6 contribution requirements for such employees and employers and may by rule limit
7 the categories of employers, other than the state, which may be included as
8 participating employers under this subchapter.

9 SECTION ~~45~~ 40.51 (8) of the statutes is amended to read:

10 40.51 (8) Every health care coverage plan offered by the state under sub. (6)
11 (a) shall comply with ss. 631.89, 631.90, 631.93 (2), 631.95, 632.72 (2), 632.746 (1) to
12 (8) and (10), 632.747, 632.748, 632.83, 632.835, 632.85, 632.853, 632.855, 632.87 (3)
13 to (6), 632.895 (5m) and (8) to (14), and 632.896.

14 SECTION ~~45~~ 40.51 (8m) of the statutes is amended to read:

15 40.51 (8m) Every health care coverage plan offered by the group insurance
16 board under ~~sub.~~ subs. (6) (b) and (7) shall comply with ss. 631.89, 631.90, 631.93 (2),
17 631.95, 632.72 (2), 632.746 (1) to (8) and (10), 632.747, 632.748, 632.83, 632.835,
18 632.85, 632.853, 632.855, and 632.895 (11) to (14) 632.87 (3) to (6).

19 SECTION ~~45~~ 40.52 (1) (intro.) of the statutes is amended to read:

20 40.52 (1) (intro.) The group insurance board shall establish by contract a
21 standard health insurance plan in which all insured employees shall participate
22 except as otherwise provided in this chapter. The Except as provided in sub. (1m),
23 the standard plan shall provide:

24 SECTION ~~45~~ 40.52 (1m) of the statutes is created to read:

765 sb ← (3)
↑
letters

1 40.52 (1m) The standard health insurance plan described under sub. (1) shall
2 not provide employees any health care coverage that the employees receive under the
3 Wisconsin Health Care Plan under ch. 260.

4 SECTION ~~50~~⁷⁶⁵⁺⁶ 40.52 (2) of the statutes is amended to read:

5 40.52 (2) Health insurance benefits under this subchapter shall be integrated,
6 with exceptions determined appropriate by the group insurance board, with benefits
7 under federal plans for hospital and health care for the aged and disabled and with
8 benefits provided under the Wisconsin Health Care Plan under ch. 260. Exclusions
9 and limitations with respect to benefits and different rates may be established for
10 persons eligible under federal plans for hospital and health care for the aged and
11 disabled in recognition of the utilization by persons within the age limits eligible
12 under the federal program and for employees who receive benefits under the
13 Wisconsin Health Care Plan under ch. 260. The plan may include special provisions
14 for spouses and other dependents covered under a plan established under this
15 subchapter where one spouse is eligible under federal plans for hospital and health
16 care for the aged or under the Wisconsin Health Care Plan under ch. 260 but the
17 others are not eligible because of age or other reasons. As part of the integration, the
18 department may, out of premiums collected under s. 40.05 (4), pay premiums for the
19 federal health insurance.

20 SECTION ~~51~~^{765ub} 40.98 (2) (a) 1. of the statutes is amended to read:

21 40.98 (2) (a) 1. The department shall design an actuarially sound health care
22 coverage program for employers that includes more than one group health care
23 coverage plan and that provides coverage beginning not later than January 1, 2001.
24 The health care coverage program shall be known as the "Private Employer Health
25 Care Purchasing Alliance". In designing the health care coverage program, the

1 department shall consult with the office of the commissioner of insurance and may
2 consult with the departments of commerce and health and family services. The
3 health care coverage program may not be implemented until it is approved by the
4 board. The health care coverage program shall not provide employees any health
5 care coverage that the employees receive under the Wisconsin Health Care Plan

6 under ch. 260.) ✓ after that line insert:
7 # Page 750, line 18: after line insert:
" SECTION 49.473 (2) (c) of the statutes is amended to read:
L 1608h ← ③

8 49.473 (2) (c) The woman is not covered under the Wisconsin Health Care Plan
9 under ch. 260 and is not eligible for any other health care coverage that qualifies as
10 creditable coverage in 42 USC 300gg (c), excluding the coverage specified in 42 USC

11 300gg (c) (1) (F). " # Page 763, line 2: after sect line insert:
12 " SECTION 49.68 (3) (d) 1. of the statutes is amended to read:
L 1645d ← ③

13 49.68 (3) (d) 1. No aid may be granted under this subsection unless if the
14 recipient has no other form of aid available from the federal medicare Medicare
15 program, from private health, accident, sickness, medical, and or hospital insurance
16 coverage, from the Wisconsin Health Care Plan under ch. 260, or from other health
17 care coverage specified by rule under s. 49.687 (1m). If insufficient aid is available
18 from other sources and if the recipient has paid an amount equal to the annual
19 medicare Medicare deductible amount specified in subd. 2., the state shall pay the
20 difference in cost to a qualified recipient. If at any time sufficient federal or private
21 insurance aid or other health care coverage becomes available during the treatment
22 period, state aid under this subsection shall be terminated or appropriately reduced.
23 Any patient who is eligible for the federal medicare Medicare program shall register
24 and pay the premium for medicare Medicare medical insurance coverage where
25 permitted, and shall pay an amount equal to the annual medicare Medicare

INSERT 20-11 ✓

1 deductible amounts required under 42 USC 1395e and 1395L (b), prior to becoming
2 eligible for state aid under this subsection.

3 SECTION 52. 49.683 (3) of the statutes is amended to read:

4 49.683 (3) No payment shall be made under this section for any portion of
5 medical care costs that are payable under any state, federal, or other health care
6 coverage program, including the Wisconsin Health Care Plan under ch. 260 or a
7 health care coverage program specified by rule under s. 49.687 (1m), or under any
8 grant, contract, or other contractual arrangement.

9 SECTION 52. 49.685 (6) (b) of the statutes is amended to read:

10 49.685 (6) (b) Reimbursement shall not be made under this section for any
11 blood products or supplies that are not purchased from or provided by a
12 comprehensive hemophilia treatment center, or a source approved by the treatment
13 center. Reimbursement shall not be made under this section for any portion of the
14 costs of blood products or supplies that are payable under any other state, federal,
15 or other health care coverage program under which the person is covered, including
16 the Wisconsin Health Care Plan under ch. 260 or a health care coverage program
17 specified by rule under s. 49.687 (1m), or under any grant, contract, or other
18 contractual arrangement.

19 SECTION 52. 49.686 (5) of the statutes is amended to read:

20 49.686 (5) REIMBURSEMENT LIMITATION. Reimbursement may not be made under
21 this section for any portion of the costs of AZT, the drug pentamidine or any drug
22 approved for reimbursement under sub. (4) (c) which are payable by an insurer, as
23 defined in s. 600.03 (27), or under the Wisconsin Health Care Plan under ch. 260.

24 SECTION 52. 59.52 (11) (c) of the statutes is amended to read:

#. Page 823, line 9: *insert line insert:*
after that line insert

1846h ← (B)

✓

1 59.52 (11) (c) *Employee insurance.* Provide for individual or group hospital,
2 surgical and life insurance for county officers and employees and for payment of
3 premiums for county officers and employees. A county may elect to provide health
4 care benefits not provided under the Wisconsin Health Care Plan under ch. 260 to
5 its officers and employees and a county with at least 100 employees may elect to
6 provide health care benefits not provided under the Wisconsin Health Care Plan
7 under ch. 260 on a self-insured basis to its officers and employees. A county and one
8 or more cities, villages, towns, or other counties that together have at least 100
9 employees may jointly provide health care benefits not provided under the Wisconsin
10 Health Care Plan under ch. 260 to their officers and employees on a self-insured
11 basis. Counties that elect to provide health care benefits not provided under the
12 Wisconsin Health Care Plan under ch. 260 on a self-insured basis to their officers
13 and employees shall be subject to the requirements set forth under s. 120.13 (2) (c)

14 to (e) and (g).
15

15 #. Page 827, line 3: after that line insert:
" SECTION 60.23 (25) of the statutes is amended to read:
L 1858 h ← (B)

16 60.23 (25) SELF-INSURED HEALTH PLANS. Provide health care benefits not
17 provided under the Wisconsin Health Care Plan under ch. 260 to its officers and

18 employees on a self-insured basis, subject to s. 66.0137 (4).
19 #. Page 832, line 12: after that line insert:
" SECTION 62.61 of the statutes is renumbered 62.61 (1) (intro.) and amended
L 1873 j ← (B)

19 " SECTION 62.61 of the statutes is renumbered 62.61 (1) (intro.) and amended
20 to read:

21 62.61 (1) (intro.) The common council of a 1st class city may, by ordinance or
22 resolution, provide do any of the following:

23 (a) Provide for, including the payment of premiums of, general hospital,
24 surgical and group insurance for ~~both active and~~ retired city officers and city

1 employees and their respective dependents in private companies, ~~or may, by~~
2 ~~ordinance or resolution, elect.~~

3 (c) Elect to offer to all of its employees a health care coverage plan through a
4 program offered by the group insurance board under ch. 40. Municipalities which
5 that elect to participate under s. 40.51 (7) are subject to the applicable sections of ch.
6 40 instead of this section.

7 (2) Contracts for insurance under this section may be entered into for active
8 officers and employees separately from contracts for retired officers and employees.
9 Appropriations may be made for the purpose of financing insurance under this
10 section. Moneys accruing to a fund to finance insurance under this section, by
11 investment or otherwise, may not be diverted for any other purpose than those for
12 which the fund was set up or to defray management expenses of the fund or to
13 partially pay premiums to reduce costs to the city or to persons covered by the
14 insurance, or both.

15 SECTION 60. 62.61 (1) (b) of the statutes is created to read:

16 62.61 (1) (b) Subject to s. 260.37, provide for, including the payment of
17 premiums of, group health insurance for active city officers and city employees and
18 their respective dependents.

19 SECTION 61. 66.0137 (4) of the statutes is amended to read:

20 66.0137 (4) SELF-INSURED HEALTH PLANS. If a city, including a 1st class city, or
21 a village provides health care benefits not provided under the Wisconsin Health Care
22 Plan under ch. 260 under its home rule power, or if a town provides health care
23 benefits not provided under the Wisconsin Health Care Plan under ch. 260, to its
24 officers and employees on a self-insured basis, the self-insured plan shall comply
25 with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747

1873K ← (B)

#. Page 832, line 17: after that line insert:
"that"

61. 66.0137 (4) ← (B)
1874K ← (B)

1 (3), 632.85, 632.853, 632.855, 632.87 (4), (5), and (6), ~~632.895 (9) to (14)~~, 632.896, and
2 767.513 (4).

3 SECTION ~~62~~ 66.0137 (4m) (b) of the statutes is amended to read:
L 1874 N ← (C)

4 66.0137 (4m) (b) A political subdivision and one or more other political
5 subdivisions, that together have at least 100 employees, may jointly provide health
6 care benefits not provided under the Wisconsin Health Care Plan under ch. 260 to
7 their officers and employees on a self-insured self-insured basis.

8 SECTION ~~63~~ 66.0137 (5) of the statutes is amended to read:
L 1874 ← (B)

9 66.0137 (5) HOSPITAL, ACCIDENT, AND LIFE INSURANCE. The Subject to s. 260.37,
10 the state or a local governmental unit may provide for the payment of premiums for
11 hospital, surgical and other health and accident insurance and life insurance for
12 employees and officers and their spouses and dependent children. A local
13 governmental unit may also provide for the payment of premiums for hospital and
14 surgical care for its retired employees. In addition, a local governmental unit may,
15 by ordinance or resolution, elect to offer to all of its employees a health care coverage
16 plan through a program offered by the group insurance board under ch. 40. A local
17 governmental unit that elects to participate under s. 40.51 (7) is subject to the
18 applicable sections of ch. 40 instead of this subsection. " " ✓

19 SECTION ~~64~~ 70.11 (41p) of the statutes is created to read:
*#. Page 844, line 14: after that line insert:
L 1934 C ← (B)*

20 70.11 (41p) HEALTHY WISCONSIN AUTHORITY. All property owned by the Healthy
21 Wisconsin Authority, provided that use of the property is primarily related to the
22 purposes of the authority. " " ✓ *that line insert*

23 SECTION ~~65~~ 71.26 (1) (be) of the statutes is amended to read:
*#. Page 923, line 2: after that line insert:
L 2021 P ← (D)*

24 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin
25 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan

1 Authority, and of the Healthy Wisconsin Authority, of the Fox River Navigational

2 System Authority, and of the Wisconsin Aerospace Authority. ") ✓

#. Page 1128, line 25: after that line insert:

3 SECTION 65. 77.54 (9a) (a) of the statutes is amended to read:
L 2356d ← (B)

4 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin

5 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Health

6 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the

7 Fox River Navigational System Authority. ") ✓

#. Page 1210, line 10: after that line insert:

8 SECTION 65. 100.45 (1) (dm) of the statutes is amended to read:
L 2606p ← (B)

9 100.45 (1) (dm) "State agency" means any office, department, agency,

10 institution of higher education, association, society or other body in state

11 government created or authorized to be created by the constitution or any law which

12 is entitled to expend moneys appropriated by law, including the legislature and the

13 courts, the Wisconsin Housing and Economic Development Authority, the Bradley

14 Center Sports and Entertainment Corporation, the University of Wisconsin

15 Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities

16 Authority, the Wisconsin Aerospace Authority, and the Fox River Navigational

17 System Authority, ^{line} and the Healthy Wisconsin Authority. ") ✓

#. Page 1223, line 12: after that line insert:

18 SECTION 65. 109.075 (9) of the statutes is created to read:
L 2651p ← (B)

19 109.075 (9) This section does not apply to an employer that ceases providing

20 health care benefits to its employees because the employees are covered under the

21 Wisconsin Health Care Plan under ch. 260. ") ✓

#. Page 1228, line 9: after that line insert:

22 SECTION 69. 111.70 (1) (dm) of the statutes is amended to read:
L 2664d ← (B)

23 111.70 (1) (dm) "Economic issue" means salaries, overtime pay, sick leave,

24 payments in lieu of sick leave usage, vacations, clothing allowances in excess of the

25 actual cost of clothing, length-of-service credit, continuing education credit, shift

1 premium pay, longevity pay, extra duty pay, performance bonuses, health insurance
 2 coverage of benefits not provided under the Wisconsin Health Care Plan under ch.
 3 260, life insurance, dental insurance, disability insurance, vision insurance,
 4 long-term care insurance, worker's compensation and unemployment insurance,
 5 social security benefits, vacation pay, holiday pay, lead worker pay, temporary
 6 assignment pay, retirement contributions, supplemental retirement benefits,
 7 severance or other separation pay, hazardous duty pay, certification or license
 8 payment, limitations on layoffs that create a new or increased financial liability on
 9 the employer and contracting or subcontracting of work that would otherwise be
 10 performed by municipal employees in the collective bargaining unit with which there

11 is a labor dispute. *is. ✓*
#. Para 1228, line 17: after that line insert: ✓

12 SECTION 111.70 (4) (cm) 8s. of the statutes is amended to read:

13 111.70 (4) (cm) 8s. *2668D-2677 ← 6* 'Forms for determining costs.' The commission shall
 14 prescribe forms for calculating the total increased cost to the municipal employer of
 15 compensation and fringe benefits provided to school district professional employees.
 16 The cost shall be determined based upon the total cost of compensation and fringe
 17 benefits provided to school district professional employees who are represented by
 18 a labor organization on the 90th day before expiration of any previous collective
 19 bargaining agreement between the parties, or who were so represented if the
 20 effective date is retroactive, or the 90th day prior to commencement of negotiations
 21 if there is no previous collective bargaining agreement between the parties, without
 22 regard to any change in the number, rank or qualifications of the school district
 23 professional employees. For purposes of such determinations, any cost increase that
 24 is incurred on any day other than the beginning of the 12-month period commencing
 25 with the effective date of the agreement or any succeeding 12-month period

1 commencing on the anniversary of that effective date shall be calculated as if the cost
 2 increase were incurred as of the beginning of the 12-month period beginning on the
 3 effective date or anniversary of the effective date in which the cost increase is
 4 incurred. For the purpose of determining if a municipal employer has maintained
 5 current fringe benefits under sub. (1) (nc) 1. a., the commission shall consider the
 6 municipal employer to have maintained its health care coverage benefit if the
 7 municipal employer provides health care coverage to its school district professional
 8 employees though the Wisconsin Health Care Plan under ch. 260. In each collective
 9 bargaining unit to which subd. 5s. applies, the municipal employer shall transmit
 10 to the commission and the labor organization a completed form for calculating the
 11 total increased cost to the municipal employer of compensation and fringe benefits
 12 provided to the school district professional employees covered by the agreement as
 13 soon as possible after the effective date of the agreement.

14 SECTION ~~72~~. 111.91 (2) (pt) of the statutes is created to read:

15 111.91 (2) (pt) Health care coverage of employees under the Wisconsin Health

16 Care Plan under ch. 260. ⁷¹

#. Page 1241, line 22: ^{that} after 2680j ← B
 17 ((SECTION ~~72~~. 120.13 (2) (b) of the statutes is amended to read:

18 120.13 (2) (b) Provide health care benefits not provided under the Wisconsin

19 Health Care Plan under ch. 260 on a self-insured basis to the employees of the school
 20 district if the school district has at least 100 employees. In addition, any 2 or more
 21 school districts which together have at least 100 employees may jointly provide
 22 health care benefits not provided under the Wisconsin Health Care Plan under ch.
 23 260 on a self-insured basis to employees of the school districts.

24 SECTION ~~72~~. 120.13 (2) (g) of the statutes is amended to read:

2737h ← B

1 120.13 (2) (g) Every self-insured plan under par. (b) shall comply with ss.

2 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3),

3 632.85, 632.853, 632.855, 632.87 (4), (5), and (6), 632.895 (9) to (14), 632.896, and

4 767.513 (4).
11 ✓

#. Page 1260, line 13: after that line insert:

5 " SECTION 149.12 (2) (em) of the statutes is created to read:

6 149.12 (2) (em) No person who is eligible for coverage under the Wisconsin

7 Health Care Plan under ch. 260 is eligible for coverage under the plan under this

8 chapter.
11 ✓

9 **SECTION 75.** 230.03 (3) of the statutes is amended to read:

10 230.03 (3) "Agency" means any board, commission, committee, council, or

11 department in state government or a unit thereof created by the constitution or

12 statutes if such board, commission, committee, council, department, unit, or the

13 head thereof, is authorized to appoint subordinate staff by the constitution or

14 statute, except a legislative or judicial board, commission, committee, council,

15 department, or unit thereof or an authority created under subch. II of ch. 114 or

16 subch. III of ch. 149 or under ch. 231, 232, 233, 234, 235, or 237, or 260. "Agency" does

17 not mean any local unit of government or body within one or more local units of

18 government that is created by law or by action of one or more local units of

19 government.

#. Page 1327, line 2: after that line insert:

20 " SECTION Chapter 260 of the statutes is created to read:

21 **CHAPTER 260**
30696 ← (B)

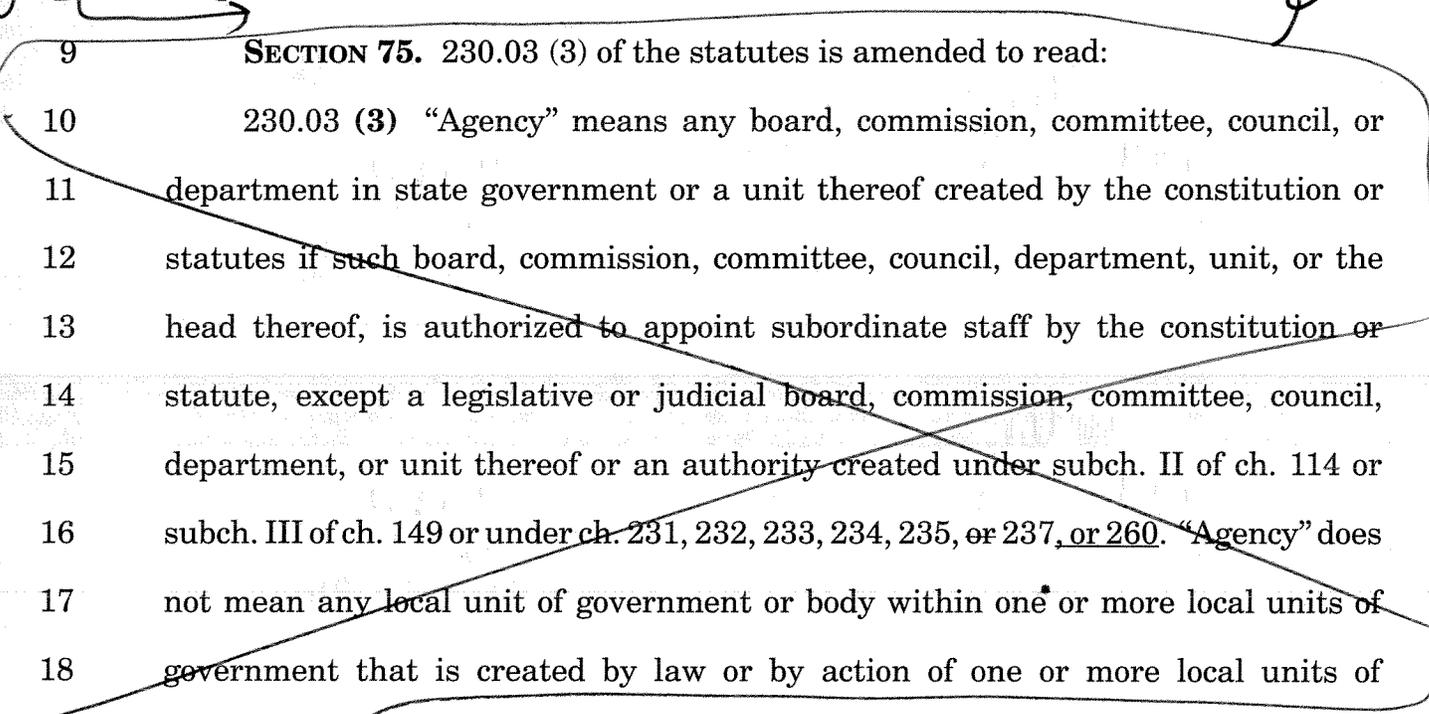
22 **WISCONSIN HEALTH CARE PLAN**

23 **260.01 Definitions.** In this chapter:

24 (1) "Authority" means the Healthy Wisconsin Authority.

25 (2) "Board" means the board of directors of the authority.

Insert 28-8



1 (3) "Health care network" means a provider-driven, coordinated group of
2 health care providers comprised of primary care physicians, medical specialists,
3 physician assistants, nurses, clinics, one or more hospitals, and other health care
4 providers and facilities, including providers and facilities that specialize in mental
5 health services and alcohol or other drug abuse treatment.

6 (4) "Medical inflation" means changes in the consumer price index for all
7 consumers, U.S. city average, for the medical care group, including medical care
8 commodities and medical care services, as determined by the U.S. department of
9 labor.

10 (5) "Plan" means the Wisconsin Health Care Plan.

11 **260.05 Creation and organization of authority.** (1) CREATION AND
12 MEMBERSHIP OF BOARD. There is created a public body corporate and politic to be
13 known as the "Healthy Wisconsin Authority." The members of the board shall consist
14 of the secretary of employee trust funds and 4 representatives from the advisory
15 committee under s. 260.49 who are health care personnel and administrators,
16 selected by the advisory committee. The secretary of employee trust funds and the
17 representatives from the advisory committee shall be nonvoting members. The
18 secretary of employee trust funds shall serve as the initial chairperson of the board
19 until such time as the board elects a chairperson from its voting membership. The
20 board shall consist of the following voting members, nominated by the governor and
21 with the advice and consent of the senate appointed, for staggered 6-year terms:

22 (a) Four members selected from a list of names submitted by statewide labor
23 or union coalitions. One of these members shall be a public employee.

1 (b) Four members selected from a list of names submitted by statewide
2 business and employer organizations. One of these members shall be a public
3 employer.

4 (c) One member selected from a list of names submitted by statewide public
5 school teacher labor organizations.

6 (d) One member selected from a list of names submitted by statewide small
7 business organizations.

8 (e) Two members who are farmers, selected from a list of names submitted by
9 statewide general farm organizations.

10 (f) One member who is a self-employed person.

11 (g) Three members selected from a list of names submitted by statewide health
12 care consumer organizations.

13 **(2) TERMS OF OFFICE; VACANCIES; QUORUM; BUSINESS.** (a) The terms of all members
14 of the board shall expire on July 1.

15 (b) Each member of the board shall hold office until a successor is appointed
16 and qualified unless the member vacates or is removed from his or her office. A
17 member who serves as a result of holding another office or position vacates his or her
18 office as a member when he or she vacates the other office or position. A member who
19 ceases to qualify for office vacates his or her office. A vacancy on the board shall be
20 filled in the same manner as the original appointment to the board for the remainder
21 of the unexpired term, if any.

22 (c) A majority of the members of the board constitutes a quorum for the purpose
23 of conducting its business and exercising its powers and for all other purposes,
24 notwithstanding the existence of any vacancies. Action may be taken by the board

1 upon a vote of a majority of the members present. Meetings of the members of the
2 board may be held anywhere within or without the state.

3 (3) BOARD MEMBER RESPONSIBILITY AS TRUSTEE. Each member of the board shall
4 be responsible for taking care that the highest level of independence and judgment
5 is exercised at all times in administering the plan and overseeing the individuals and
6 organizations selected to implement the plan.

7 (4) DUTIES. The board shall:

8 (a) Establish and administer a health care system in this state that ensures
9 that all eligible persons have access to high quality, timely, and affordable health
10 care. In establishing and administering the health care system, except as otherwise
11 provided by law, the board shall seek to attain all of the following goals:

12 1. Every resident of this state shall have access to affordable, comprehensive
13 health care services.

14 2. Health care reform shall maintain and improve choice of health care
15 providers and high quality health care services in this state.

16 3. Health care reform shall implement cost containment strategies that retain
17 and assure affordable coverage for all residents of this state.

18 (b) Establish, fund, and manage the plan as provided in this chapter.

19 (c) Appoint an executive director, who shall serve at the pleasure of the board.

20 The board may delegate to one or more of its members or its executive director any
21 powers and duties the board considers proper. The executive director shall receive
22 such compensation as may be determined by the board.

23 (d) Provide for mechanisms to enroll every eligible resident in this state under
24 the plan. Contracts entered into by the board with providers shall include provisions

1 to enroll all eligible persons at the point of service, and outreach programs to assure
2 every eligible person becomes enrolled in the plan.

3 (e) Create a program for consumer protection and a process to resolve disputes
4 with providers.

5 (f) Establish an independent and binding appeals process for resolving
6 disputes over eligibility and other determinations made by the board.

7 (g) Submit an annual report on its activities to the governor and chief clerk of
8 each house of the legislature, for distribution under s. 13.172 (2).

9 (h) Contract for annual, independent, program evaluations and financial
10 audits that measure the extent to which the plan is achieving the goals under par.

11 (a) 1. to 3. The board may not enter into a contract with the same auditor for more
12 than 6 years.

13 (i) Accept bids from health care networks in accordance with the criteria set out
14 in s. 260.30, or make payments to fee-for-service providers in accordance with s.
15 260.30. The board shall consult with the department of employee trust funds in
16 determining the most effective and efficient way of purchasing health care benefits.

17 (j) Audit health care networks and providers to determine if their services meet
18 the plan objectives and criteria under this chapter.

19 (5) POWERS. The board shall have all the powers necessary or convenient to
20 carry out the purposes and provisions of this chapter. In addition to all other powers
21 granted the board under this chapter, the board may:

22 (a) Adopt, amend, and repeal bylaws and policies and procedures for the
23 regulation of its affairs and the conduct of its business.

24 (b) Have a seal and alter the seal at pleasure.

25 (c) Maintain an office.

1 (d) Sue and be sued.

2 (e) Accept gifts, grants, loans, or other contributions from private or public
3 sources.

4 (f) Establish the authority's annual budget and monitor the fiscal management
5 of the authority.

6 (g) Execute contracts and other instruments, including contracts for any
7 professional services required for the authority.

8 (h) Employ any officers, agents, and employees that it may require and
9 determine their qualifications and compensation.

10 (i) Procure liability insurance.

11 (j) Contract for studies on issues, as identified by the board or by the advisory
12 committee under s. 260.49, that relate to the plan.

13 (k) Borrow money, as necessary on a short-term basis, to address cash flow
14 issues.

15 (L) Compel witnesses to attend meetings and to testify upon any necessary
16 matter concerning the plan.

17 (m) Issue bonds, operating notes, or other obligations.

18 **260.10 Eligibility. (1) COVERED PERSONS.** Except as provided in subs. (2) to
19 (5) and subject to sub. (6), a person is eligible to participate in the plan if the person
20 satisfies all of the following criteria:

21 (a) The person has maintained his or her place of permanent abode, as defined
22 by the board, in this state for at least 12 months.

23 (b) The person maintains a substantial presence in this state, as defined by the
24 board.

25 (c) The person is under 65 years of age.

1 (d) The person is not eligible for health care coverage from the federal
2 government or a foreign government, is not an inmate of a penal facility, as defined
3 in s. 19.32 (1e), and is not placed or confined in, or committed to, an institution for
4 the mentally ill or developmentally disabled.

5 (e) Unless a waiver requested under sub. (6) (b) has been granted and is in
6 effect, the person is not eligible for Medical Assistance under subch. IV of ch. 49 or
7 for health care coverage under the Badger Care health care program under s. 49.665.

8 **(2) GAINFULLY EMPLOYED.** If a person and the members of the person's
9 immediate family do not meet the criteria under sub. (1) (a) and (b), but do meet the
10 criteria under sub. (1) (c) to (e) and the person is gainfully employed in this state, as
11 defined by the board, the person and the members of the person's immediate family
12 are eligible to participate in the plan.

13 **(3) DEPENDENT CHILDREN.** If a child under age 18 resides with his or her parent
14 in this state but the parent does not yet meet the residency requirement under sub.
15 (1) (a), the child is eligible to participate in the plan regardless of the length of time
16 the child has resided in this state.

17 **(4) PREGNANT WOMEN.** A pregnant woman who resides in this state who does
18 not yet meet the residency requirement under sub. (1) (a) is eligible to participate in
19 the plan regardless of the length of time the pregnant woman has resided in this
20 state.

21 **(5) COLLECTIVE BARGAINING AGREEMENT.** A person who is eligible to participate
22 in the plan under sub. (1), (2), (3), or (4) and who receives health care coverage under
23 a collective bargaining agreement that is in effect on January 1, 2009, is not eligible
24 to participate in the plan until the day on which the collective bargaining agreement

1 expires or the day on which the collective bargaining agreement is extended,
2 modified, or renewed.

3 (6) WAIVER REQUEST. (a) In this subsection, "department" means the
4 department of health and family services.

5 (b) 1. The department shall develop a request for a waiver from the secretary
6 of the federal department of health and human services to provide coverage under
7 the plan to individuals who are eligible for Medical Assistance under subch. IV of ch.
8 49 in the low-income families category, as determined by the department, or for
9 health care coverage under the Badger Care health care program under s. 49.665.
10 The waiver request shall be written so as to allow the use of federal financial
11 participation to fund, to the maximum extent possible, health care coverage under
12 the plan for the individuals specified in this subdivision.

13 2. The department shall, not later than July 1, 2008, submit the waiver request
14 developed under subd. 1. to a special legislative committee that shall be comprised
15 of the members of the joint committee on finance and the members of the standing
16 committees of the senate and the assembly with subject matter jurisdiction over
17 health issues. The special legislative committee shall have 60 days to review and
18 comment to the department on the waiver request.

19 (c) The department may develop waiver requests to the appropriate federal
20 agencies to permit funds from federal health care services programs to be used for
21 health care coverage for persons under the plan.

22 (7) DEFINITIONS OF TERMS. For purposes of this chapter, the board shall define
23 all of the following terms:

24 (a) Place of permanent abode.

1 (b) Substantial presence this state. In defining “substantial presence in this
2 state,” the board shall consider such factors as the amount of time per year that an
3 individual is actually present in the state and the amount of taxes that an individual
4 pays in this state, except that, if the individual attends school outside of this state
5 and is under 23 years of age, the factors shall include the amount of time that the
6 individual’s parent or guardian is actually present in the state and the amount of
7 taxes that the individual’s parent or guardian pays in this state, and if the individual
8 is in active service with the U.S. armed forces outside of this state, the factors shall
9 include the amount of time that the individual’s parent, guardian, or spouse is
10 actually present in the state and the amount of taxes that the individual’s parent,
11 guardian, or spouse pays in this state.

12 (c) Immediate family.

13 (d) Gainfully employed. The definition shall include employment by persons
14 who are self-employed and persons who work on farms.

15 **260.12 Office of outreach, enrollment, and advocacy. (1) ESTABLISHMENT.**

16 The board shall establish an office of outreach, enrollment, and advocacy. The office
17 shall contract with nonprofit organizations to perform the outreach, enrollment, and
18 advocacy functions specified in this section, and to review the health care payment
19 and services records of persons who are participating, or who are eligible to
20 participate, in the plan and who have provided the office with informed consent for
21 the review. The office may not contract with any organization under this subsection
22 that provides services under the plan or that has any other conflict of interest, as
23 described in sub. (3).

24 (2) DUTIES. The office of outreach, enrollment, and advocacy shall do all of the
25 following:

1 (a) Engage in aggressive outreach to enroll eligible persons and participants
2 in their choice of health care coverage under the plan.

3 (b) Assist eligible persons in choosing health care coverage by examining cost,
4 quality, and geographic coverage information regarding their choice of available
5 networks or providers.

6 (c) Inform plan participants of the role they can play in holding down health
7 care costs by taking advantage of preventive care, enrolling in chronic disease
8 management programs if appropriate, responsibly utilizing medical services, and
9 engaging in healthy lifestyles. The office shall inform participants of networks or
10 workplaces where healthy lifestyle incentives are in place.

11 (d) At the direction of the board, establish a process for resolving disputes with
12 providers.

13 (e) Act as an advocate for plan participants having questions, difficulties, or
14 complaints about their health care services or coverage, including investigating and
15 attempting to resolve the complaint. Investigation should include, when
16 appropriate, consulting with the health care advisory committee under s. 260.49
17 regarding best practice guidelines.

18 (f) If a participant's complaint cannot be successfully resolved, inform the
19 participant of any legal or other means of recourse for his or her complaint. If the
20 complaint involves a dispute over eligibility or other determinations made by the
21 board, the participant shall be directed to the appeals process for board decisions.

22 (g) Provide information to the public, agencies, legislators, and others
23 regarding problems and concerns of plan participants and, in consultation with the
24 health care advisory committee under s. 260.49, make recommendations for
25 resolving those problems and concerns.

1 (h) Ensure that plan participants have timely access to the services provided
2 by the office.

3 **(3) CONFLICT OF INTEREST LIMITATION.** The office and its employees and
4 contractors shall not have any conflict of interest relating to the performance of their
5 duties. There is a conflict of interest if, with respect to the office's director, employees,
6 or contractors, or a person affiliated with the office's director, employees, or
7 contractors, any of the following exists:

8 (a) Direct involvement in the licensing, certification, or accreditation of a
9 health care facility, health insurer, or health care provider.

10 (b) Direct ownership interest or investment interest in a health care facility,
11 health insurer, or health care provider.

12 (c) Employment by, or participation in, the management of a health care
13 facility, health insurer, or health care provider.

14 (d) Receipt of, or having the right to receive, directly or indirectly, remuneration
15 under a compensation arrangement with a health care facility, health insurer, or
16 health care provider.

17 **260.15 Benefits. (1) GENERALLY.** The board shall establish a health care plan
18 that will take effect on January 1, 2009. The plan shall provide the same benefits
19 as those that were in effect as of January 1, 2007, under the state employee health
20 plan under s. 40.51 (6). The board may adjust the plan benefits to provide additional
21 cost-effective treatment options if there is evidence-based research that the options
22 are likely to reduce health care costs, avoid health risks, or result in better health
23 outcomes.

24 **(2) ADDITIONAL BENEFITS.** In addition to the benefit requirements under sub.
25 (1), the plan shall provide coverage for mental health services and alcohol or other

1 drug abuse treatment to the same extent as the plan covers treatment for physical
2 conditions.

3 **260.20 Cost sharing. (1) NO COST SHARING.** The plan shall cover the following
4 preventive services without any cost-sharing requirement:

5 (a) Prenatal care for pregnant women.

6 (b) Well-baby care.

7 (c) Medically appropriate examinations and immunizations for children up to
8 18 years of age.

9 (d) Medically appropriate gynecological exams, Papanicolaou tests, and
10 mammograms.

11 (e) Medically appropriate regular medical examinations for adults, as
12 determined by best practices.

13 (f) Medically appropriate colonoscopies.

14 (g) Preventive dental care.

15 (h) Other preventive services or procedures, as determined by the board, for
16 which there is scientific evidence that exemption from cost sharing is likely to reduce
17 health care costs or avoid health risks.

18 (i) Chronic care services, provided that the participant receiving the services
19 is participating in, and complying with, a chronic disease management program as
20 defined by the board.

21 **(2) COINSURANCE AND COPAYMENTS.** (a) *General copayments.* During any year,
22 a participant who is 18 years of age or older on January 1 of that year shall pay a
23 copayment of \$20 for medical, hospital, and related health care services, as
24 determined by the board.

Insert 39-20 ✓

1 (b) *Specialist provider services without referral.* A participant who receives
2 health care services from a specialist provider without a referral from his or her care
3 coordinator under the plan shall be required to pay 25 percent of the cost of the
4 services provided.

5 (c) *Inappropriate emergency room use.* Notwithstanding par. (a), a participant
6 shall pay a copayment of \$60 for inappropriate emergency room use, as determined
7 by the board.

8 (d) *Prescription drugs.* 1. All participants, regardless of age, shall pay \$5 for
9 each prescription of a generic drug that is on the formulary determined by the board.

10 2. All participants, regardless of age, shall pay \$15 for each prescription of a
11 brand-name drug that is on the formulary determined by the board.

12 3. All participants, regardless of age, shall pay \$40 for each prescription of a
13 brand-name drug that is not on the formulary determined by the board.

14 4. Notwithstanding subs. 1. to 3., no participant shall pay more for a
15 prescription drug than the actual cost of the prescription drug plus the negotiated
16 dispensing fee.

17 (e) *Adjustments by board.* Notwithstanding pars. (a) to (d), the board may
18 adjust the copayment and coinsurance amounts specified in pars. (a) to (d).

19 (b) (3) MAXIMUM AMOUNTS. Notwithstanding the ^{deductible,} coinsurance, and copayment
20 amounts in sub. (2), ^{and (3) ✓} all of the following apply: ↑

21 (a) Subject to par. (b), a participant who is 18 years of age or older on January
22 1 of a year may not be required to pay more than \$2,000 during that year in total cost
23 sharing under sub. (2). ^{and (3) ✓}

24 (b) A family consisting of 2 or more participants may not be required to pay ✓
25 more than \$3,000 during a year in total cost sharing under sub. (2). ^{and (3) ✓}