



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-4597/en  
CMH:klm

## 2015 SENATE BILL 687

1     **AN ACT** *to renumber and amend* 46.2895 (2); *to amend* 46.2895 (3) (b) 5.,  
2           46.2895 (13) and 600.01 (1) (b) 10. b.; and *to create* 46.284 (2) (br), 46.284 (4m),  
3           46.2895 (2) (b), 46.2895 (2) (c), 46.2895 (3) (e), 46.2895 (4) (o), 46.2895 (4) (p),  
4           46.2895 (4) (q), 46.2895 (4) (r), 46.2895 (4r) and 46.2895 (6) (cm) of the statutes;  
5     **relating to:** long-term care districts and care management organizations.

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*Analysis by the Legislative Reference Bureau*

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

6           **SECTION 1.** 46.284 (2) (br) of the statutes is created to read:  
7           46.284 (2) (br) 1. The department may contract with a county or long-term care  
8           district to operate a care management organization outside the geographic area of  
9           that county or long-term care district.

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1           2. The department may award contracts under this paragraph to one or more  
2 entities certified under sub. (3) to operate a care management organization within  
3 a county or geographic area.

4           **SECTION 2.** 46.284 (4m) of the statutes is created to read:

5           46.284 (4m) CREATING CORPORATION. (a) In this subsection, “governmental  
6 entity” means a political subdivision, as defined in s. 16.99 (3d), or a subunit of a  
7 political subdivision.

8           (b) A governmental entity that has a contract under sub. (2) may do all of the  
9 following:

10           1. Create a nonstock, nonprofit corporation under ch. 181 or a service insurance  
11 corporation under ch. 613. Before creating a nonstock, nonprofit corporation or a  
12 service insurance corporation that will provide services under the family care  
13 benefit, the governmental entity shall submit to the department the proposed  
14 articles of incorporation for review and approval. If the department does not  
15 disapprove the articles of incorporation within 30 days of the date of submission to  
16 the department, the articles of incorporation are considered approved. If the  
17 department disapproves the articles of incorporation, the department shall provide  
18 specific reasons for the disapproval and recommendations regarding how the articles  
19 may be amended to cure the defect.

20           2. With approval of the department and office of the commissioner of insurance,  
21 assign any of the following to a corporation created under subd. 1.:

22           a. The governmental entity’s assets and liabilities relating to providing the  
23 family care benefit, including operating capital funds, risk reserve funds, solvency  
24 funds, or other special reserve funds required by the department or the office of the  
25 commissioner of insurance.

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- 1           b. A contract with the department as described in sub. (2).
- 2           c. A permit issued by the office of the commissioner of insurance under ch. 648.
- 3           d. A certification by the department under sub. (3).
- 4           (c) Upon approval of the department and the commissioner of insurance under
- 5 par. (b) 2., the department shall notify enrollees of the care management
- 6 organization regarding the transfer of the contract to the corporation created under
- 7 par. (b) 1. and shall inform enrollees of their rights and responsibilities in accordance
- 8 with any requirements of the federal department of health and human services.

9           **SECTION 3.** 46.2895 (2) of the statutes is renumbered 46.2895 (2) (a) and

10 amended to read:

11           46.2895 (2) (a) ~~A Except as provided in par. (b) or (c), a long-term care district's~~

12 jurisdiction is the geographical area of the county or counties that created the

13 long-term care district and the geographic area of the reservation of, or lands held

14 in trust for, any tribe or band that created the long-term care district.

15           **SECTION 4.** 46.2895 (2) (b) of the statutes is created to read:

16           46.2895 (2) (b) A long-term care district may apply to the department for a

17 contract to operate a care management organization under s. 46.284 in an area

18 outside the geographic boundary of the county or counties that created the long-term

19 care district.

20           **SECTION 5.** 46.2895 (2) (c) of the statutes is created to read:

21           46.2895 (2) (c) If the department awards a contract to a long-term care district

22 to operate a care management organization outside the geographic area of the

23 counties that created the long-term care district, any county that is newly served by

24 the care management organization and is outside the geographic area of the counties

25 that created the long-term care district may join the existing long-term care district

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1 at the discretion of the long-term care district's board, provided the newly served  
2 county adopts a resolution that authorizes the county to join the long-term care  
3 district. A county served by a care management organization operated by a  
4 long-term care district to which the county does not belong shall cooperate with and  
5 may not impede the operation of the care management organization.

6 **SECTION 6.** 46.2895 (3) (b) 5. of the statutes is amended to read:

7 46.2895 (3) (b) 5. Only individuals who reside within the ~~jurisdiction of area~~  
8 served by a long-term care district may serve as members of the long-term care  
9 district board.

10 **SECTION 7.** 46.2895 (3) (e) of the statutes is created to read:

11 46.2895 (3) (e) Notwithstanding sub. (1) (a) 1. c., if a long-term care district is  
12 awarded a contract with the department to operate a care management organization  
13 outside the geographic area of the county or counties that created the long-term care  
14 district, the long-term care district board may add members to the long-term care  
15 district board to represent the counties or areas newly served by the long-term care  
16 district. The long-term care district board shall file notice of the change of the  
17 long-term care district board's composition with the secretary of administration, the  
18 secretary of health services, and the secretary of revenue.

19 **SECTION 8.** 46.2895 (4) (o) of the statutes is created to read:

20 46.2895 (4) (o) If awarded a contract by the department as described in sub. (2)  
21 (b) or (c), operate a care management organization outside the geographic boundary  
22 of the long-term care district.

23 **SECTION 9.** 46.2895 (4) (p) of the statutes is created to read:

24 46.2895 (4) (p) If awarded a contract by the department to operate a care  
25 management organization outside its geographic boundaries as described in sub. (2)

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1 (b) or (c), determine whether to add new counties, tribes, or bands into the long-term  
2 care district.

3 **SECTION 10.** 46.2895 (4) (q) of the statutes is created to read:

4 46.2895 (4) (q) Notwithstanding subs. (1) to (3), create a nonstock, nonprofit  
5 corporation under ch. 181 or a service insurance corporation under ch. 613 that may  
6 succeed the long-term care district and survive the district's dissolution under sub.  
7 (13). Before creating a nonstock, nonprofit corporation or a service insurance  
8 corporation that will provide services under the family care benefit, the long-term  
9 care district shall submit to the department the proposed articles of incorporation for  
10 review and approval. If the department does not disapprove the articles of  
11 incorporation within 30 days of the date of submission to the department, the articles  
12 of incorporation are considered approved. If the department disapproves the articles  
13 of incorporation, the department shall provide specific reasons for the disapproval  
14 and recommendations regarding how the articles may be amended to cure the defect.

15 **SECTION 11.** 46.2895 (4) (r) of the statutes is created to read:

16 46.2895 (4) (r) With approval of the department and office of the commissioner  
17 of insurance, assign the following to a corporation created under par. (q):

18 1. The long-term care district's assets and liabilities, including operating  
19 capital funds, risk reserve funds, solvency funds, or other special reserve funds  
20 required by the department or the office of the commissioner of insurance.

21 2. A contract with the department as described in sub. (2) (b) or (c).

22 3. A permit issued by the office of the commissioner of insurance under ch. 648.

23 4. A certification by the department under s. 46.284 (3).

24 **SECTION 12.** 46.2895 (4r) of the statutes is created to read:

**SENATE BILL 687****SECTION 12**

1           46.2895 (4r) TRANSFER OF ENROLLEES. Upon approval of the department and the  
2 commissioner of insurance under sub. (4) (r), the department shall notify enrollees  
3 of the care management organization operated by the long-term care district  
4 regarding the transfer of the contract to the corporation created under sub. (4) (q) and  
5 shall inform enrollees of their rights and responsibilities in accordance with any  
6 requirements of the federal department of health and human services.

7           **SECTION 13.** 46.2895 (6) (cm) of the statutes is created to read:

8           46.2895 (6) (cm) Determine whether to authorize the long-term care district  
9 director to apply to the department for a contract to operate a care management  
10 organization outside the geographic boundary of the long-term care district.

11           **SECTION 14.** 46.2895 (13) of the statutes is amended to read:

12           46.2895 (13) DISSOLUTION. Subject to the performance of the contractual  
13 obligations of a long-term care district and if first approved by the secretary of the  
14 department, the long-term care district may be dissolved by the joint action of the  
15 long-term care district board and each county or tribe or band that created the  
16 long-term care district and has not withdrawn or been removed from the district  
17 under sub. (14). If a long-term care district that is created by one county or tribe or  
18 band is dissolved, the property and assets of the district shall be transferred ~~to the~~  
19 ~~county or tribe or band that created it~~ to the department. If a long-term care district  
20 is created by more than one county or tribe or band, all of the counties or tribes or  
21 bands that created the district and that have not withdrawn or been removed from  
22 the district under sub. (14) shall ~~agree on the apportioning of the long-term care~~  
23 ~~district's property before the district may be dissolved~~ transfer the property and  
24 assets of the district to the department. If the long-term care district operates a care  
25 management organization under s. 46.284, disposition of any remaining funds in the

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1 risk reserve under s. 46.284 (5) ~~(e)~~ (d) shall be made under the terms of the district's  
2 contract with the department.

3 **SECTION 14m.** 600.01 (1) (b) 10. b. of the statutes, as affected by 2015 Wisconsin  
4 Act 90, is amended to read:

5 600.01 (1) (b) 10. b. The exemption under subd. 10. a. does not apply if the  
6 services offered by the care management organization or a nonstock, nonprofit  
7 corporation under ch. 181 created under s. 46.284 (4m) or 46.2895 (4) (q) include  
8 hospital, physician or other acute health care services other than mental health and  
9 alcohol and other drug abuse treatment services.

10 (END)