

# State of Wisconsin



2015 Senate Bill 687

Date of enactment: **March 1, 2016**  
Date of publication\*: **March 2, 2016**

## 2015 WISCONSIN ACT 215

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

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

**SECTION 1.** 46.284 (2) (br) of the statutes is created to read:

46.284 (2) (br) 1. The department may contract with a county or long-term care district to operate a care management organization outside the geographic area of that county or long-term care district.

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

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

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

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

1. Create a nonstock, nonprofit corporation under ch. 181 or a service insurance corporation under ch. 613. Before creating a nonstock, nonprofit corporation or a service insurance corporation that will provide services under the family care benefit, the governmental entity

shall submit to the department the proposed articles of incorporation for review and approval. If the department does not disapprove the articles of incorporation within 30 days of the date of submission to the department, the articles of incorporation are considered approved. If the department disapproves the articles of incorporation, the department shall provide specific reasons for the disapproval and recommendations regarding how the articles may be amended to cure the defect.

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

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

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

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

d. A certification by the department under sub. (3).

(c) Upon approval of the department and the commissioner of insurance under par. (b) 2., the department shall notify enrollees of the care management organiza-

\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

tion regarding the transfer of the contract to the corporation created under par. (b) 1. and shall inform enrollees of their rights and responsibilities in accordance with any requirements of the federal department of health and human services.

**SECTION 3.** 46.2895 (2) of the statutes is renumbered 46.2895 (2) (a) and amended to read:

46.2895 (2) (a) ~~A- Except as provided in par. (b) or (c),~~ a long-term care district's jurisdiction is the geographical area of the county or counties that created the long-term care district and the geographic area of the reservation of, or lands held in trust for, any tribe or band that created the long-term care district.

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

46.2895 (2) (b) A long-term care district may apply to the department for a contract to operate a care management organization under s. 46.284 in an area outside the geographic boundary of the county or counties that created the long-term care district.

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

46.2895 (2) (c) If the department awards a contract to a long-term care district to operate a care management organization outside the geographic area of the counties that created the long-term care district, any county that is newly served by the care management organization and is outside the geographic area of the counties that created the long-term care district may join the existing long-term care district at the discretion of the long-term care district's board, provided the newly served county adopts a resolution that authorizes the county to join the long-term care district. A county served by a care management organization operated by a long-term care district to which the county does not belong shall cooperate with and may not impede the operation of the care management organization.

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

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

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

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

of administration, the secretary of health services, and the secretary of revenue.

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

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

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

46.2895 (4) (p) If awarded a contract by the department to operate a care management organization outside its geographic boundaries as described in sub. (2) (b) or (c), determine whether to add new counties, tribes, or bands into the long-term care district.

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

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

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

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

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

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

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

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

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

46.2895 (4r) **TRANSFER OF ENROLLEES.** Upon approval of the department and the commissioner of insurance under sub. (4) (r), the department shall notify

enrollees of the care management organization operated by the long-term care district regarding the transfer of the contract to the corporation created under sub. (4) (q) and shall inform enrollees of their rights and responsibilities in accordance with any requirements of the federal department of health and human services.

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

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

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

46.2895 (13) DISSOLUTION. Subject to the performance of the contractual obligations of a long-term care district and if first approved by the secretary of the department, the long-term care district may be dissolved by the joint action of the long-term care district board and each county or tribe or band that created the long-term care district and has not withdrawn or been removed from the district under sub. (14). If a long-term care district that is created by one county or tribe or band is dissolved,

the property and assets of the district shall be transferred ~~to the county or tribe or band that created it~~ to the department. If a long-term care district is created by more than one county or tribe or band, all of the counties or tribes or bands that created the district and that have not withdrawn or been removed from the district under sub. (14) shall ~~agree on the apportioning of the long-term care district's property before the district may be dissolved~~ transfer the property and assets of the district to the department. If the long-term care district operates a care management organization under s. 46.284, disposition of any remaining funds in the risk reserve under s. 46.284 (5) ~~(e)~~ (d) shall be made under the terms of the district's contract with the department.

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

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