



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRBs0448/1  
TJD:all

**SENATE SUBSTITUTE AMENDMENT 3,  
TO ASSEMBLY BILL 365**

December 4, 2018 - Offered by Senators CRAIG and KAPENGA.

1     **AN ACT** *to repeal* 177.075 (3); *to renumber and amend* 71.07 (5g) (b), 71.07 (5g)  
2           (c) 1., 71.28 (5g) (b), 71.28 (5g) (c) 1., 71.47 (5g) (b), 71.47 (5g) (c) 1., 76.655 (2)  
3           and 76.655 (3) (a); *to amend* 1.12 (1) (b), 13.172 (1), 13.62 (2), 13.95 (intro.),  
4           16.002 (2), 16.004 (4), 16.004 (5), 16.004 (12) (a), 16.045 (1) (a), 16.15 (1) (ab),  
5           16.41 (4), 16.417 (1) (a), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.70  
6           (2), 16.72 (2) (e) (intro.), 16.72 (2) (f), 16.75 (1m), 16.75 (8) (am) and (bm), 16.75  
7           (9), 16.765 (1), 16.765 (2), 16.765 (4), 16.765 (5), 16.765 (6), 16.765 (7) (intro.),  
8           16.765 (7) (d), 16.765 (8), 16.85 (2), 16.865 (8), 25.50 (1) (d), 71.07 (5g) (a), 71.07  
9           (5g) (c) 3., 71.07 (5g) (d) 2., 71.26 (1) (be), 71.28 (5g) (a), 71.28 (5g) (c) 3., 71.28  
10          (5g) (d) 2., 71.47 (5g) (a), 71.47 (5g) (c) 3., 71.47 (5g) (d) 2., 76.655 (1), 76.655 (3)  
11          (b), 76.655 (5), 77.54 (9a) (a), 101.055 (2) (a), 230.03 (3), 230.80 (4), 230.90 (1)  
12          (c), 601.41 (1), 601.415 (12), 601.64 (1), 601.64 (3) (a), 601.64 (3) (c), 601.64 (4),  
13          632.7495 (4) (c) and 646.01 (1) (a) 2. k.; and *to create* 13.94 (1) (dj), 13.94 (1s)

1 (c) 2m., 25.17 (63m), 40.02 (54) (n), 71.07 (5g) (b) 2., 71.07 (5g) (c) 1. b., 71.28 (5g)  
2 (b) 2., 71.28 (5g) (c) 1. b., 71.47 (5g) (b) 2., 71.47 (5g) (c) 1. b., 76.655 (2) (b), 76.655  
3 (3) (a) 2., 613.03 (5), 631.20 (1) (c) 5m., 631.20 (2) (g), 631.36 (7) (c), 632.784 and  
4 chapter 656 of the statutes; **relating to:** the Health Insurance Risk-Sharing  
5 Plan Authority, short-term health insurance, and requiring the exercise of  
6 rule-making authority.

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

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

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

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

15 13.172 (1) In this section, “agency” means an office, department, agency,  
16 institution of higher education, association, society, or other body in state  
17 government created or authorized to be created by the constitution or any law, that  
18 is entitled to expend moneys appropriated by law, including the legislature and the  
19 courts, and any authority created in subch. II of ch. 114 or subch. III of ch. 656 or in  
20 ch. 231, 233, 234, 238, or 279.

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

22 13.62 (2) “Agency” means any board, commission, department, office, society,  
23 institution of higher education, council, or committee in the state government, or any

1 authority created in subch. II of ch. 114 or subch. III of ch. 656 or in ch. 231, 232, 233,  
2 234, 237, 238, or 279, except that the term does not include a council or committee  
3 of the legislature.

4 **SECTION 4.** 13.94 (1) (dj) of the statutes is created to read:

5 13.94 (1) (dj) Annually, conduct a financial audit of the Health Insurance  
6 Risk-Sharing Plan under subch. II of ch. 656 and file copies of each audit report  
7 under this paragraph with the distributees specified in par. (b).

8 **SECTION 5.** 13.94 (1s) (c) 2m. of the statutes is created to read:

9 13.94 (1s) (c) 2m. The Health Insurance Risk-Sharing Plan Authority for the  
10 cost of the audit under sub. (1) (dj).

11 **SECTION 6.** 13.95 (intro.) of the statutes is amended to read:

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

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

1           16.002 (2) “Departments” means constitutional offices, departments, and  
2 independent agencies and includes all societies, associations, and other agencies of  
3 state government for which appropriations are made by law, but not including  
4 authorities created in subch. II of ch. 114 or subch. III of ch. 656 or in ch. 231, 232,  
5 233, 234, 237, 238, or 279.

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

7           16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the  
8 department as the secretary designates may enter into the offices of state agencies  
9 and authorities created under subch. II of ch. 114 and subch. III of ch. 656 and under  
10 chs. 231, 233, 234, 237, 238, and 279, and may examine their books and accounts and  
11 any other matter that in the secretary’s judgment should be examined and may  
12 interrogate the agency’s employees publicly or privately relative thereto.

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

14           16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and  
15 authorities created under subch. II of ch. 114 and subch. III of ch. 656 and under chs.  
16 231, 233, 234, 237, 238, and 279, and their officers and employees, shall cooperate  
17 with the secretary and shall comply with every request of the secretary relating to  
18 his or her functions.

19           **SECTION 10.** 16.004 (12) (a) of the statutes is amended to read:

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

1 Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic  
2 Development Corporation, and the Fox River Navigational System Authority.

3 **SECTION 11.** 16.045 (1) (a) of the statutes is amended to read:

4 16.045 (1) (a) “Agency” means an office, department, independent agency,  
5 institution of higher education, association, society, or other body in state  
6 government created or authorized to be created by the constitution or any law, that  
7 is entitled to expend moneys appropriated by law, including the legislature and the  
8 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
9 ch. 656 or in ch. 231, 232, 233, 234, 237, 238, or 279.

10 **SECTION 12.** 16.15 (1) (ab) of the statutes is amended to read:

11 16.15 (1) (ab) “Authority” has the meaning given under s. 16.70 (2), but  
12 excludes the University of Wisconsin Hospitals and Clinics Authority, the Health  
13 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation  
14 Authority, and the Wisconsin Economic Development Corporation.

15 **SECTION 13.** 16.41 (4) of the statutes is amended to read:

16 16.41 (4) In this section, “authority” means a body created under subch. II of  
17 ch. 114 or subch. III of ch. 656 or under ch. 231, 233, 234, 237, 238, or 279.

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

19 16.417 (1) (a) “Agency” means an office, department, independent agency,  
20 institution of higher education, association, society, or other body in state  
21 government created or authorized to be created by the constitution or any law, that  
22 is entitled to expend moneys appropriated by law, including the legislature and the  
23 courts, but not including an authority or a body created under subch. III of ch. 656.

24 **SECTION 15.** 16.52 (7) of the statutes is amended to read:

1           16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency  
2 that is authorized to maintain a contingent fund under s. 20.920 may establish a  
3 petty cash account from its contingent fund. The procedure for operation and  
4 maintenance of petty cash accounts and the character of expenditures therefrom  
5 shall be prescribed by the secretary. In this subsection, “agency” means an office,  
6 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, that 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. 656 or in ch. 231, 233, 234, 237, 238, or 279.

11           **SECTION 16.** 16.528 (1) (a) of the statutes is amended to read:

12           16.528 (1) (a) “Agency” means an office, department, independent agency,  
13 institution of higher education, association, society, or other body in state  
14 government created or authorized to be created by the constitution or any law, that  
15 is entitled to expend moneys appropriated by law, including the legislature and the  
16 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
17 ch. 656 or in ch. 231, 233, 234, 237, 238, or 279.

18           **SECTION 17.** 16.53 (2) of the statutes is amended to read:

19           16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed  
20 invoice, the agency shall notify the sender of the invoice within 10 working days after  
21 it receives the invoice of the reason it is improperly completed. In this subsection,  
22 “agency” means an office, department, independent agency, institution of higher  
23 education, association, society, or other body in state government created or  
24 authorized to be created by the constitution or any law, that is entitled to expend  
25 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. 656 or in ch.  
2 231, 233, 234, 237, 238, or 279.

3 **SECTION 18.** 16.54 (9) (a) 1. of the statutes is amended to read:

4 16.54 (9) (a) 1. "Agency" means an office, department, independent agency,  
5 institution of higher education, association, society or other body in state  
6 government created or authorized to be created by the constitution or any law, which  
7 is entitled to expend moneys appropriated by law, including the legislature and the  
8 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
9 ch. 656 or in ch. 231, 233, 234, 237, 238, or 279.

10 **SECTION 19.** 16.70 (2) of the statutes is amended to read:

11 16.70 (2) "Authority" means a body created under subch. II of ch. 114 or subch.  
12 III of ch. 656 or under ch. 231, 232, 233, 234, 237, or 279.

13 **SECTION 20.** 16.72 (2) (e) (intro.) of the statutes is amended to read:

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

25 **SECTION 21.** 16.72 (2) (f) of the statutes is amended to read:

1           16.72 (2) (f) In writing specifications under this subsection, the department,  
2 any other designated purchasing agent under s. 16.71 (1), and each authority other  
3 than the University of Wisconsin Hospitals and Clinics Authority, the Health  
4 Insurance Risk-Sharing Plan Authority, and the Lower Fox River Remediation  
5 Authority shall incorporate requirements relating to the recyclability and ultimate  
6 disposition of products and, wherever possible, shall write the specifications so as to  
7 minimize the amount of solid waste generated by the state, consistent with the  
8 priorities established under s. 287.05 (12). All specifications under this subsection  
9 shall discourage the purchase of single-use, disposable products and require,  
10 whenever practical, the purchase of multiple-use, durable products.

11           **SECTION 22.** 16.75 (1m) of the statutes is amended to read:

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



1           **SECTION 23.** 16.75 (8) (am) and (bm) of the statutes are amended to read:

2           16.75 (8) (am) The department, any other designated purchasing agent under  
3 s. 16.71 (1), any agency making purchases under s. 16.74, and each authority other  
4 than the University of Wisconsin Hospitals and Clinics Authority, the Health  
5 Insurance Risk-Sharing Plan Authority, and the Lower Fox River Remediation  
6 Authority shall, to the extent practicable, make purchasing selections using  
7 specifications developed under s. 16.72 (2) (e) to maximize the purchase of materials  
8 utilizing recycled materials and recovered materials.

9           (bm) Each agency and authority other than the University of Wisconsin  
10 Hospitals and Clinics Authority, the Health Insurance Risk-Sharing Plan Authority,  
11 and the Lower Fox River Remediation Authority shall ensure that the average  
12 recycled or recovered content of all paper purchased by the agency or authority  
13 measured as a proportion, by weight, of the fiber content of paper products purchased  
14 in a fiscal year, is not less than 40 percent of all purchased paper.

15           **SECTION 24.** 16.75 (9) of the statutes is amended to read:

16           16.75 (9) The department, any other designated purchasing agent under s.  
17 16.71 (1), any agency making purchases under s. 16.74, and any authority other than  
18 the University of Wisconsin Hospitals and Clinics Authority, the Health Insurance  
19 Risk-Sharing Plan Authority, and the Lower Fox River Remediation Authority  
20 shall, to the extent practicable, make purchasing selections using specifications  
21 prepared under s. 16.72 (2) (f).

22           **SECTION 25.** 16.765 (1) of the statutes is amended to read:

23           16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and  
24 Clinics Authority, the Health Insurance Risk-Sharing Plan Authority, the Fox River  
25 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox

1 River Remediation Authority, the Wisconsin Economic Development Corporation,  
2 and the Bradley Center Sports and Entertainment Corporation shall include in all  
3 contracts executed by them a provision obligating the contractor not to discriminate  
4 against any employee or applicant for employment because of age, race, religion,  
5 color, handicap, sex, physical condition, developmental disability as defined in s.  
6 51.01 (5), sexual orientation as defined in s. 111.32 (13m), or national origin and,  
7 except with respect to sexual orientation, obligating the contractor to take  
8 affirmative action to ensure equal employment opportunities.

9 **SECTION 26.** 16.765 (2) of the statutes is amended to read:

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

1 to be provided by the contracting officer setting forth the provisions of the  
2 nondiscrimination clause”.

3 **SECTION 27.** 16.765 (4) of the statutes is amended to read:

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

10 **SECTION 28.** 16.765 (5) of the statutes is amended to read:

11 16.765 (5) The head of each contracting agency and the boards of directors of  
12 the University of Wisconsin Hospitals and Clinics Authority, the Health Insurance  
13 Risk-Sharing Plan Authority, the Fox River Navigational System Authority, the  
14 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the  
15 Wisconsin Economic Development Corporation, and the Bradley Center Sports and  
16 Entertainment Corporation shall be primarily responsible for obtaining compliance  
17 by any contractor with the nondiscrimination and affirmative action provisions  
18 prescribed by this section, according to procedures recommended by the department.  
19 The department shall make recommendations to the contracting agencies and the  
20 boards of directors of the University of Wisconsin Hospitals and Clinics Authority,  
21 the Health Insurance Risk-Sharing Plan Authority, the Fox River Navigational  
22 System Authority, the Wisconsin Aerospace Authority, the Lower Fox River  
23 Remediation Authority, the Wisconsin Economic Development Corporation, and the  
24 Bradley Center Sports and Entertainment Corporation for improving and making  
25 more effective the nondiscrimination and affirmative action provisions of contracts.

1 The department shall promulgate such rules as may be necessary for the  
2 performance of its functions under this section.

3 **SECTION 29.** 16.765 (6) of the statutes is amended to read:

4 16.765 (6) The department may receive complaints of alleged violations of the  
5 nondiscrimination provisions of such contracts. The department shall investigate  
6 and determine whether a violation of this section has occurred. The department may  
7 delegate this authority to the contracting agency, the University of Wisconsin  
8 Hospitals and Clinics Authority, the Health Insurance Risk-Sharing Plan Authority,  
9 the Fox River Navigational System Authority, the Wisconsin Aerospace Authority,  
10 the Lower Fox River Remediation Authority, the Wisconsin Economic Development  
11 Corporation, or the Bradley Center Sports and Entertainment Corporation for  
12 processing in accordance with the department's procedures.

13 **SECTION 30.** 16.765 (7) (intro.) of the statutes is amended to read:

14 16.765 (7) (intro.) When a violation of this section has been determined by the  
15 department, the contracting agency, the University of Wisconsin Hospitals and  
16 Clinics Authority, the Health Insurance Risk-Sharing Plan Authority, the Fox River  
17 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox  
18 River Remediation Authority, the Wisconsin Economic Development Corporation, or  
19 the Bradley Center Sports and Entertainment Corporation, the contracting agency,  
20 the University of Wisconsin Hospitals and Clinics Authority, the Health Insurance  
21 Risk-Sharing Plan Authority, the Fox River Navigational System Authority, the  
22 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the  
23 Wisconsin Economic Development Corporation, or the Bradley Center Sports and  
24 Entertainment Corporation shall:

25 **SECTION 31.** 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 Health  
4 Insurance Risk-Sharing Plan Authority, the Fox River Navigational System  
5 Authority, the Wisconsin Aerospace Authority, the Lower Fox River Remediation  
6 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center  
7 Sports and Entertainment Corporation.

8           **SECTION 32.** 16.765 (8) of the statutes is amended to read:

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

1 for the uncompleted portion or any materials or services purchased or paid for by the  
2 contracting party for use in completing the contract.

3 **SECTION 33.** 16.85 (2) of the statutes is amended to read:

4 16.85 (2) To furnish engineering, architectural, project management, and other  
5 building construction services whenever requisitions therefor are presented to the  
6 department by any agency. The department may deposit moneys received from the  
7 provision of these services in the account under s. 20.505 (1) (kc) or in the general  
8 fund as general purpose revenue — earned. In this subsection, “agency” means an  
9 office, department, independent agency, institution of higher education, association,  
10 society, or other body in state government created or authorized to be created by the  
11 constitution or any law, which is entitled to expend moneys appropriated by law,  
12 including the legislature and the courts, but not including an authority created in  
13 subch. II of ch. 114 or subch. III of ch. 656 or in ch. 231, 233, 234, 237, 238, or 279.

14 **SECTION 34.** 16.865 (8) of the statutes is amended to read:

15 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a  
16 proportionate share of the estimated costs attributable to programs administered by  
17 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department  
18 may charge premiums to agencies to finance costs under this subsection and pay the  
19 costs from the appropriation on an actual basis. The department shall deposit all  
20 collections under this subsection in the appropriation account under s. 20.505 (2) (k).  
21 Costs assessed under this subsection may include judgments, investigative and  
22 adjustment fees, data processing and staff support costs, program administration  
23 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this  
24 subsection, “agency” means an office, department, independent agency, institution  
25 of higher education, association, society, or other body in state government created

1 or authorized to be created by the constitution or any law, that is entitled to expend  
2 moneys appropriated by law, including the legislature and the courts, but not  
3 including an authority created in subch. II of ch. 114 or subch. III of ch. 656 or in ch.  
4 231, 232, 233, 234, 237, 238, or 279.

5 **SECTION 35.** 25.17 (63m) of the statutes is created to read:

6 25.17 **(63m)** If requested by the Health Insurance Risk-Sharing Plan  
7 Authority, invest funds of the Health Insurance Risk-Sharing Plan Authority in the  
8 state investment fund.

9 **SECTION 36.** 25.50 (1) (d) of the statutes is amended to read:

10 25.50 **(1)** (d) “Local government” means any county, town, village, city, power  
11 district, sewerage district, drainage district, town sanitary district, public inland  
12 lake protection and rehabilitation district, local professional baseball park district  
13 created under subch. III of ch. 229, long-term care district under s. 46.2895, local  
14 professional football stadium district created under subch. IV of ch. 229, local  
15 cultural arts district created under subch. V of ch. 229, public library system, school  
16 district or technical college district in this state, any commission, committee, board  
17 or officer of any governmental subdivision of this state, any court of this state, other  
18 than the court of appeals or the supreme court, or any authority created under s.  
19 114.61, 231.02, 233.02, ~~or 234.02,~~ or 656.41.

20 **SECTION 37.** 40.02 (54) (n) of the statutes is created to read:

21 40.02 **(54)** (n) The Health Insurance Risk-Sharing Plan Authority.

22 **SECTION 38.** 71.07 (5g) (a) of the statutes is amended to read:

23 71.07 **(5g)** (a) *Definitions.* In this subsection, “claimant” means a partner,  
24 limited liability company member, or tax-option corporation shareholder who files

1 a claim under this subsection and who is a partner, member, or shareholder of an  
2 entity that is an insurer, as defined in s. 149.10 (5), 2011 stats., or in s. 656.01 (17).

3 **SECTION 39.** 71.07 (5g) (b) of the statutes is renumbered 71.07 (5g) (b) 1. and  
4 amended to read:

5 71.07 (5g) (b) 1. Subject to the limitations provided under this subsection, for  
6 taxable years beginning after December 31, 2005, and before January 1, 2015, a  
7 claimant may claim as a credit against the taxes imposed under s. 71.02 an amount  
8 that is equal to the amount of the assessment under s. 149.13, 2011 stats., that the  
9 claimant paid in the claimant's taxable year, multiplied by the percentage  
10 determined under par. (c) 1. a.

11 **SECTION 40.** 71.07 (5g) (b) 2. of the statutes is created to read:

12 71.07 (5g) (b) 2. Subject to the limitations provided under this subsection, for  
13 taxable years beginning after December 31, 2018, a claimant may claim as a credit  
14 against the taxes imposed under s. 71.02 an amount that is equal to the amount of  
15 the assessment under s. 656.15 that the claimant paid in the claimant's taxable year,  
16 multiplied by the percentage determined under par. (c) 1. b.

17 **SECTION 41.** 71.07 (5g) (c) 1. of the statutes is renumbered 71.07 (5g) (c) 1. a.  
18 and amended to read:

19 71.07 (5g) (c) 1. a. The department of revenue, in consultation with the office  
20 of the commissioner of insurance, shall determine the percentage under par. (b) 1.  
21 for each claimant for each taxable year. The percentage shall be equal to \$5,000,000  
22 divided by the aggregate assessment under s. 149.13, 2011 stats., except that for  
23 taxable years beginning after December 31, 2013, and before January 1, 2015, the  
24 percentage shall be equal to \$1,250,000 divided by the aggregate assessment under  
25 s. 149.13, 2011 stats., and shall not exceed 100 percent. The office of the



1 commissioner of insurance shall provide to each claimant that participates in the  
2 cost of administering the plan the aggregate assessment at the time that it notifies  
3 the claimant of the claimant's assessment. The aggregate amount of the credit under  
4 ~~this subsection par. (b) 1.~~ and ss. 71.28 (5g) (b) 1., 71.47 (5g) (b) 1., and 76.655 (2) (a)  
5 for all claimants participating in the cost of administering the plan under ch. 149,  
6 2011 stats., shall not exceed \$5,000,000 in each fiscal year.

7 **SECTION 42.** 71.07 (5g) (c) 1. b. of the statutes is created to read:

8 71.07 **(5g)** (c) 1. b. The department of revenue, in consultation with the office  
9 of the commissioner of insurance, shall determine the percentage under par. (b) 2.  
10 for each claimant for each taxable year. The percentage shall be equal to \$1,250,000  
11 divided by the aggregate assessment under s. 656.15 and shall not exceed 100  
12 percent. The office of the commissioner of insurance shall provide to each claimant  
13 that participates in the cost of administering the plan the aggregate assessment at  
14 the time that it notifies the claimant of the claimant's assessment. The aggregate  
15 amount of the credit under par. (b) 2. and ss. 71.28 (5g) (b) 2., 71.47 (5g) (b) 2., and  
16 76.655 (2) (b) for all claimants participating in the cost of administering the plan  
17 under ch. 656, shall not exceed \$5,000,000 in each fiscal year.

18 **SECTION 43.** 71.07 (5g) (c) 3. of the statutes is amended to read:

19 71.07 **(5g)** (c) 3. The amount of any credits that a claimant is awarded under  
20 ~~this subsection par. (b) 1.~~ for taxable years beginning after December 31, 2005, and  
21 before January 1, 2008, may first be claimed against the tax imposed under this  
22 subchapter for taxable years beginning after December 31, 2007, and in the manner  
23 determined by the department of revenue.

24 **SECTION 44.** 71.07 (5g) (d) 2. of the statutes is amended to read:

1           71.07 (5g) (d) 2. No credit may be claimed under ~~this subsection~~ par. (b) 1. for  
2 taxable years beginning after December 31, 2014. Credits under this subsection for  
3 taxable years that begin before January 1, 2015, may be carried forward to taxable  
4 years that begin after December 31, 2014.

5           **SECTION 45.** 71.26 (1) (be) of the statutes is amended to read:

6           71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin  
7 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan  
8 Authority, of the Fox River Navigational System Authority, of the Wisconsin  
9 Economic Development Corporation, and of the Wisconsin Aerospace Authority.

10          **SECTION 46.** 71.28 (5g) (a) of the statutes is amended to read:

11          71.28 (5g) (a) *Definitions.* In this subsection, “claimant” means an insurer, as  
12 defined in s. 149.10 (5), 2011 stats., or in s. 656.01 (17), who files a claim under this  
13 subsection.

14          **SECTION 47.** 71.28 (5g) (b) of the statutes is renumbered 71.28 (5g) (b) 1. and  
15 amended to read:

16          71.28 (5g) (b) 1. Subject to the limitations provided under this subsection, for  
17 taxable years beginning after December 31, 2005, and before January 1, 2015, a  
18 claimant may claim as a credit against the taxes imposed under s. 71.23 an amount  
19 that is equal to the amount of assessment under s. 149.13, 2011 stats., that the  
20 claimant paid in the claimant’s taxable year, multiplied by the percentage  
21 determined under par. (c) 1. a.

22          **SECTION 48.** 71.28 (5g) (b) 2. of the statutes is created to read:

23          71.28 (5g) (b) 2. Subject to the limitations provided under this subsection, for  
24 taxable years beginning after December 31, 2018, a claimant may claim as a credit  
25 against the taxes imposed under s. 71.23 an amount that is equal to the amount of

1 the assessment under s. 656.15 that the claimant paid in the claimant's taxable year,  
2 multiplied by the percentage determined under par. (c) 1. b.

3 **SECTION 49.** 71.28 (5g) (c) 1. of the statutes is renumbered 71.28 (5g) (c) 1. a.  
4 and amended to read:

5 71.28 (5g) (c) 1. a. The department of revenue, in consultation with the office  
6 of the commissioner of insurance, shall determine the percentage under par. (b) 1.  
7 for each claimant for each taxable year. The percentage shall be equal to \$5,000,000  
8 divided by the aggregate assessment under s. 149.13, 2011 stats., except that for  
9 taxable years beginning after December 31, 2013, and before January 1, 2015, the  
10 percentage shall be equal to \$1,250,000 divided by the aggregate assessment under  
11 s. 149.13, 2011 stats., and shall not exceed 100 percent. The office of the  
12 commissioner of insurance shall provide to each claimant that participates in the  
13 cost of administering the plan the aggregate assessment at the time that it notifies  
14 the claimant of the claimant's assessment. The aggregate amount of the credit under  
15 ~~this subsection par. (b) 1.~~ and ss. 71.07 (5g) (b) 1., 71.47 (5g) (b) 1., and 76.655 (2) (a)  
16 for all claimants participating in the cost of administering the plan under ch. 149,  
17 2011 stats., shall not exceed \$5,000,000 in each fiscal year.

18 **SECTION 50.** 71.28 (5g) (c) 1. b. of the statutes is created to read:

19 71.28 (5g) (c) 1. b. The department of revenue, in consultation with the office  
20 of the commissioner of insurance, shall determine the percentage under par. (b) 2.  
21 for each claimant for each taxable year. The percentage shall be equal to \$1,250,000  
22 divided by the aggregate assessment under s. 656.15 and shall not exceed 100  
23 percent. The office of the commissioner of insurance shall provide to each claimant  
24 that participates in the cost of administering the plan the aggregate assessment at  
25 the time that it notifies the claimant of the claimant's assessment. The aggregate

1 amount of the credit under par. (b) 2. and ss. 71.07 (5g) (b) 2., 71.47 (5g) (b) 2., and  
2 76.655 (2) (b) for all claimants participating in the cost of administering the plan  
3 under ch. 656, shall not exceed \$5,000,000 in each fiscal year.

4 **SECTION 51.** 71.28 (5g) (c) 3. of the statutes is amended to read:

5 71.28 (5g) (c) 3. The amount of any credits that a claimant is awarded under  
6 ~~this subsection~~ par. (b) 1. for taxable years beginning after December 31, 2005, and  
7 before January 1, 2008, may first be claimed against the tax imposed under this  
8 subchapter for taxable years beginning after December 31, 2007, and in the manner  
9 determined by the department of revenue.

10 **SECTION 52.** 71.28 (5g) (d) 2. of the statutes is amended to read:

11 71.28 (5g) (d) 2. No credit may be claimed under ~~this subsection~~ par. (b) 1. for  
12 taxable years beginning after December 31, 2014. Credits under this subsection for  
13 taxable years that begin before January 1, 2015, may be carried forward to taxable  
14 years that begin after December 31, 2014.

15 **SECTION 53.** 71.47 (5g) (a) of the statutes is amended to read:

16 71.47 (5g) (a) *Definitions.* In this subsection, "claimant" means an insurer, as  
17 defined in s. 149.10 (5), 2011 stats., or s. 656.01 (17), who files a claim under this  
18 subsection.

19 **SECTION 54.** 71.47 (5g) (b) of the statutes is renumbered 71.47 (5g) (b) 1. and  
20 amended to read:

21 71.47 (5g) (b) 1. Subject to the limitations provided under this subsection, for  
22 taxable years beginning after December 31, 2005, and before January 1, 2015, a  
23 claimant may claim as a credit against the taxes imposed under s. 71.43 an amount  
24 that is equal to the amount of assessment under s. 149.13, 2011 stats., that the

1 claimant paid in the claimant's taxable year, multiplied by the percentage  
2 determined under par. (c) 1. a.

3 **SECTION 55.** 71.47 (5g) (b) 2. of the statutes is created to read:

4 71.47 (5g) (b) 2. Subject to the limitations provided under this subsection, for  
5 taxable years beginning after December 31, 2018, a claimant may claim as a credit  
6 against the taxes imposed under s. 71.43 an amount that is equal to the amount of  
7 the assessment under s. 656.15 that the claimant paid in the claimant's taxable year,  
8 multiplied by the percentage determined under par. (c) 1. b.

9 **SECTION 56.** 71.47 (5g) (c) 1. of the statutes is renumbered 71.47 (5g) (c) 1. a.  
10 and amended to read:

11 71.47 (5g) (c) 1. a. The department of revenue, in consultation with the office  
12 of the commissioner of insurance, shall determine the percentage under par. (b) 1.  
13 for each claimant for each taxable year. The percentage shall be equal to \$5,000,000  
14 divided by the aggregate assessment under s. 149.13, 2011 stats., except that for  
15 taxable years beginning after December 31, 2013, and before January 1, 2015, the  
16 percentage shall be equal to \$1,250,000 divided by the aggregate assessment under  
17 s. 149.13, 2011 stats., and shall not exceed 100 percent. The office of the  
18 commissioner of insurance shall provide to each claimant that participates in the  
19 cost of administering the plan the aggregate assessment at the time that it notifies  
20 the claimant of the claimant's assessment. The aggregate amount of the credit under  
21 ~~this subsection~~ par. (b) 1. and ss. 71.07 (5g) (b) 1., 71.28 (5g) (b) 1., and 76.655 (2) (a)  
22 for all claimants participating in the cost of administering the plan under ch. 149,  
23 2011 stats., shall not exceed \$5,000,000 in each fiscal year.

24 **SECTION 57.** 71.47 (5g) (c) 1. b. of the statutes is created to read:

1           71.47 (5g) (c) 1. b. The department of revenue, in consultation with the office  
2 of the commissioner of insurance, shall determine the percentage under par. (b) 2.  
3 for each claimant for each taxable year. The percentage shall be equal to \$1,250,000  
4 divided by the aggregate assessment under s. 656.15 and shall not exceed 100  
5 percent. The office of the commissioner of insurance shall provide to each claimant  
6 that participates in the cost of administering the plan the aggregate assessment at  
7 the time that it notifies the claimant of the claimant's assessment. The aggregate  
8 amount of the credit under par. (b) 2. and ss. 71.07 (5g) (b) 2., 71.28 (5g) (b) 2., and  
9 76.655 (2) (b) for all claimants participating in the cost of administering the plan  
10 under ch. 656, shall not exceed \$5,000,000 in each fiscal year.

11           **SECTION 58.** 71.47 (5g) (c) 3. of the statutes is amended to read:

12           71.47 (5g) (c) 3. The amount of any credits that a claimant is awarded under  
13 ~~this subsection~~ par. (b) 1. for taxable years beginning after December 31, 2005, and  
14 before January 1, 2008, may first be claimed against the tax imposed under this  
15 subchapter for taxable years beginning after December 31, 2007, and in the manner  
16 determined by the department of revenue.

17           **SECTION 59.** 71.47 (5g) (d) 2. of the statutes is amended to read:

18           71.47 (5g) (d) 2. No credit may be claimed under ~~this subsection~~ par. (b) 1. for  
19 taxable years beginning after December 31, 2014. Credits under this subsection for  
20 taxable years that begin before January 1, 2015, may be carried forward to taxable  
21 years that begin after December 31, 2014.

22           **SECTION 60.** 76.655 (1) of the statutes is amended to read:

23           76.655 (1) DEFINITIONS. In this section, "claimant" means an insurer, as defined  
24 in s. 149.10 (5), 2011 stats., or in s. 656.01 (17), who files a claim under this section.

1           **SECTION 61.** 76.655 (2) of the statutes is renumbered 76.655 (2) (a) and  
2 amended to read:

3           76.655 (2) (a) *Filing claims.* Subject to the limitations provided under this  
4 section, for taxable years beginning after December 31, 2005, and before January 1,  
5 2015, a claimant may claim as a credit against the fees imposed under ss. 76.60,  
6 76.63, 76.65, 76.66 or 76.67 an amount that is equal to the amount of assessment  
7 under s. 149.13, 2011 stats., that the claimant paid in the claimant's taxable year,  
8 multiplied by the percentage determined under sub. (3) (a) 1.

9           **SECTION 62.** 76.655 (2) (b) of the statutes is created to read:

10           76.655 (2) (b) Subject to the limitations provided under this section, for taxable  
11 years beginning after December 31, 2018, a claimant may claim as a credit against  
12 the fees imposed under ss. 76.60, 76.63, 76.65, 76.66 or 76.67 an amount that is equal  
13 to the amount of assessment under s. 656.15 that the claimant paid in the claimant's  
14 taxable year, multiplied by the percentage determined under sub. (3) (a) 2.

15           **SECTION 63.** 76.655 (3) (a) of the statutes is renumbered 76.655 (3) (a) 1. and  
16 amended to read:

17           76.655 (3) (a) 1. The department of revenue, in consultation with the office of  
18 the commissioner of insurance, shall determine the percentage under sub. (2) (a) for  
19 each claimant for each taxable year. The percentage shall be equal to \$5,000,000  
20 divided by the aggregate assessment under s. 149.13, 2011 stats., except that for  
21 taxable years beginning after December 31, 2013, and before January 1, 2015, the  
22 percentage shall be equal to \$1,250,000 divided by the aggregate assessment under  
23 s. 149.13, 2011 stats., and shall not exceed 100 percent. The office of the  
24 commissioner of insurance shall provide to each claimant that participates in the  
25 cost of administering the plan the aggregate assessment at the time that it notifies

1 the claimant of the claimant's assessment. The aggregate amount of the credit under  
2 ~~this subsection sub. (2) (a)~~ and ss. 71.07 (5g) (b) 1., 71.28 (5g) (b) 1., and 71.47 (5g)  
3 (b) 1. for all claimants participating in the cost of administering the plan under ch.  
4 149, 2011 stats., shall not exceed \$5,000,000 in each fiscal year.

5 **SECTION 64.** 76.655 (3) (a) 2. of the statutes is created to read:

6 76.655 (3) (a) 2. The department of revenue, in consultation with the office of  
7 the commissioner of insurance, shall determine the percentage under sub. (2) (b) for  
8 each claimant for each taxable year. The percentage shall be equal to \$1,250,000  
9 divided by the aggregate assessment under s. 656.15 and shall not exceed 100  
10 percent. The office of the commissioner of insurance shall provide to each claimant  
11 that participates in the cost of administering the plan the aggregate assessment at  
12 the time that it notifies the claimant of the claimant's assessment. The aggregate  
13 amount of the credit under sub. (2) (b) and ss. 71.07 (5g) (b) 2., 71.28 (5g) (b) 2., and  
14 71.47 (5g) (b) 2. for all claimants participating in the cost of administering the plan  
15 under ch. 656 shall not exceed \$5,000,000 in each fiscal year.

16 **SECTION 65.** 76.655 (3) (b) of the statutes is amended to read:

17 76.655 (3) (b) The amount of any credits that a claimant is awarded under ~~this~~  
18 ~~section sub. (2) (a)~~ for taxable years beginning after December 31, 2005, and before  
19 January 1, 2008, may first be claimed against the fees imposed under ss. 76.60,  
20 76.63, 76.65, or 76.67 for taxable years beginning after December 31, 2007, and in  
21 the manner determined by the department of revenue.

22 **SECTION 66.** 76.655 (5) of the statutes is amended to read:

23 76.655 (5) SUNSET. No credit may be claimed under ~~this section sub. (2) (a)~~ for  
24 taxable years beginning after December 31, 2014. Credits under this section for



1 taxable years that begin before January 1, 2015, may be carried forward to taxable  
2 years that begin after December 31, 2014.

3 **SECTION 67.** 77.54 (9a) (a) of the statutes is amended to read:

4 77.54 **(9a)** (a) This state or any agency thereof, the University of Wisconsin  
5 Hospitals and Clinics Authority, the Health Insurance Risk-Sharing Plan Authority,  
6 the Wisconsin Aerospace Authority, the Wisconsin Economic Development  
7 Corporation, and the Fox River Navigational System Authority.

8 **SECTION 68.** 101.055 (2) (a) of the statutes is amended to read:

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

14 **SECTION 69.** 177.075 (3) of the statutes is repealed.

15 **SECTION 70.** 230.03 (3) of the statutes is amended to read:

16 230.03 **(3)** “Agency” means any board, commission, committee, council, or  
17 department in state government or a unit thereof created by the constitution or  
18 statutes if such board, commission, committee, council, department, unit, or the  
19 head thereof, is authorized to appoint subordinate staff by the constitution or  
20 statute, except the Board of Regents of the University of Wisconsin System, a  
21 legislative or judicial board, commission, committee, council, department, or unit  
22 thereof or an authority created under subch. II of ch. 114 or subch. III of ch. 656 or  
23 under ch. 231, 232, 233, 234, 237, 238, or 279. “Agency” does not mean any local unit  
24 of government or body within one or more local units of government that is created  
25 by law or by action of one or more local units of government.

1           **SECTION 71.** 230.80 (4) of the statutes is amended to read:

2           230.80 (4) “Governmental unit” means any association, authority, board,  
3 commission, department, independent agency, institution, office, society, or other  
4 body in state government created or authorized to be created by the constitution or  
5 any law, including the legislature, the office of the governor, and the courts, excluding  
6 the Health Insurance Risk-Sharing Plan Authority. “Governmental unit” does not  
7 mean any political subdivision of the state or body within one or more political  
8 subdivisions that is created by law or by action of one or more political subdivisions.

9           **SECTION 72.** 230.90 (1) (c) of the statutes is amended to read:

10           230.90 (1) (c) “Governmental unit” means any association, authority, board,  
11 commission, department, independent agency, institution, office, society or other  
12 body in state government created or authorized to be created by the constitution or  
13 any law, including the legislature, the office of the governor and the courts.  
14 “Governmental unit” does not mean the University of Wisconsin Hospitals and  
15 Clinics Authority, the Health Insurance Risk-Sharing Plan Authority, or any  
16 political subdivision of the state or body within one or more political subdivisions  
17 which is created by law or by action of one or more political subdivisions.

18           **SECTION 73.** 601.41 (1) of the statutes is amended to read:

19           601.41 (1) DUTIES. The commissioner shall administer and enforce chs. 600 to  
20 655 and ss. 59.52 (11) (c), 66.0137 (4) and (4m), 100.203, ~~and~~ 120.13 (2) (b) to (g), and  
21 656.15 and shall act as promptly as possible under the circumstances on all matters  
22 placed before the commissioner.

23           **SECTION 74.** 601.415 (12) of the statutes is amended to read:

1           601.415 (12) HEALTH INSURANCE RISK-SHARING PLAN. The commissioner shall  
2 perform the duties specified to be performed by the commissioner in s. 149.13, 2011  
3 stats., and s. 656.15 and under 2013 Wisconsin Act 20, section 9122 (1L) (b) 8.

4           **SECTION 75.** 601.64 (1) of the statutes is amended to read:

5           601.64 (1) INJUNCTIONS AND RESTRAINING ORDERS. The commissioner may  
6 commence an action in circuit court in the name of the state to restrain by temporary  
7 or permanent injunction or by temporary restraining order any violation of chs. 600  
8 to 655 or s. 149.13, 2011 stats., or s. 656.15, any rule promulgated under chs. 600 to  
9 655, or any order issued under s. 601.41 (4). The commissioner need not show  
10 irreparable harm or lack of an adequate remedy at law in an action commenced  
11 under this subsection.

12           **SECTION 76.** 601.64 (3) (a) of the statutes is amended to read:

13           601.64 (3) (a) *Restitutionary forfeiture.* Whoever violates an effective order  
14 issued under s. 601.41 (4), any insurance statute or rule, or s. 149.13, 2011 stats., or  
15 s. 656.15 shall forfeit to the state twice the amount of any profit gained from the  
16 violation, in addition to any other forfeiture or penalty imposed.

17           **SECTION 77.** 601.64 (3) (c) of the statutes is amended to read:

18           601.64 (3) (c) *Forfeiture for violation of statute or rule.* Whoever violates an  
19 insurance statute or rule or s. 149.13, 2011 stats., or s. 656.15 intentionally aids a  
20 person in violating an insurance statute or rule or s. 149.13, 2011 stats., or s. 656.15  
21 or knowingly permits a person over whom he or she has authority to violate an  
22 insurance statute or rule or s. 149.13, 2011 stats., or s. 656.15 shall forfeit to the state  
23 not more than \$1,000 for each violation. If the statute or rule imposes a duty to make  
24 a report to the commissioner, each week of delay in complying with the duty is a new  
25 violation.

1           **SECTION 78.** 601.64 (4) of the statutes is amended to read:

2           601.64 (4) **CRIMINAL PENALTY.** Whoever intentionally violates or intentionally  
3 permits any person over whom he or she has authority to violate or intentionally aids  
4 any person in violating any insurance statute or rule of this state, s. 149.13, 2011  
5 stats., or s. 656.15 or any effective order issued under s. 601.41 (4) is guilty of a Class  
6 I felony, unless a specific penalty is provided elsewhere in the statutes. Intent has  
7 the meaning expressed under s. 939.23.

8           **SECTION 79.** 613.03 (5) of the statutes is created to read:

9           613.03 (5) **HEALTH INSURANCE RISK-SHARING PLAN.** Service insurance  
10 corporations organized or operating under this chapter are subject to the  
11 requirements that apply to insurers and insurance under ch. 656.

12           **SECTION 80.** 631.20 (1) (c) 5m. of the statutes is created to read:

13           631.20 (1) (c) 5m. A form filed under ch. 656.

14           **SECTION 81.** 631.20 (2) (g) of the statutes is created to read:

15           631.20 (2) (g) In the case of a policy form under ch. 656, that any of the following  
16 applies:

17           1. The benefit design is not comparable to a typical comprehensive individual  
18 health insurance policy offered in the private sector market in this state.

19           2. The benefit levels are not generally reflective of and commensurate with  
20 comprehensive health insurance coverage offered in the private individual market  
21 in this state.

22           3. The copayments, deductibles, and coinsurance are not actuarially equivalent  
23 to comprehensive individual plans and would create undue financial hardship.

24           4. It is inconsistent with the purpose of providing health care coverage to those  
25 unable to obtain coverage in the private market.

1           **SECTION 82.** 631.36 (7) (c) of the statutes is created to read:

2           631.36 (7) (c) Notice of cancellation or nonrenewal required under sub. (2) (b)  
3 or (4) is not effective unless the notice contains the notice required under s. 632.784,  
4 if applicable.

5           **SECTION 83.** 632.7495 (4) (c) of the statutes is amended to read:

6           632.7495 (4) (c) The coverage term aggregated with all consecutive periods of  
7 the insurer's coverage of the insured by individual health benefit plan coverage not  
8 required to be renewed under this subsection does not exceed 18 months. For  
9 purposes of this paragraph, coverage periods are consecutive if there are no more  
10 than 63 days between the coverage periods. This paragraph does not apply if  
11 provisions of the federal Patient Protection and Affordable Care Act, P.L. 111-148,  
12 under 42 USC 300gg to 300gg-4 are no longer enforceable or no longer preempt state  
13 law relating to individual health insurance policies.

14           **SECTION 84.** 632.784 of the statutes is created to read:

15           **632.784 Notice of Health Insurance Risk-Sharing Plan.** (1) If an insurer  
16 issues one or more of the following or takes any other action based wholly or partially  
17 on medical underwriting considerations which is likely to render any person eligible  
18 under s. 656.12 for coverage under ch. 656, the insurer shall notify all persons  
19 affected of the existence of the mandatory health insurance risk-sharing plan under  
20 ch. 656, as well as the eligibility requirements and method of applying for coverage  
21 under the plan:

22           (a) A notice of rejection or cancellation of coverage.

23           (b) A notice of reduction or limitation of coverage, including restrictive riders,  
24 if the effect of the reduction or limitation is to substantially reduce coverage

1 compared to the coverage available to a person considered a standard risk for the  
2 type of coverage provided by the plan.

3 (c) A notice of increase in premium exceeding the premium then in effect for  
4 the insured person by 50 percent or more, unless the increase applies to substantially  
5 all of the insurer's health insurance policies then in effect.

6 (d) A notice of premium for a policy not yet in effect which exceeds the premium  
7 applicable to a person considered a standard risk by 50 percent or more for the types  
8 of coverage provided by the plan.

9 (2) Any notice issued under sub. (1) shall also state the reasons for the rejection,  
10 termination, cancellation, or imposition of underwriting restrictions.

11 **SECTION 85.** 646.01 (1) (a) 2. k. of the statutes is amended to read:

12 646.01 (1) (a) 2. k. Risk-sharing plans under ~~ch.~~ chs. 619 and 656.

13 **SECTION 86.** Chapter 656 of the statutes is created to read:

14 **CHAPTER 656**

15 **HEALTH INSURANCE RISK-SHARING PLANS**

16 **SUBCHAPTER I**

17 **GENERAL PROVISIONS**

18 **656.01 Definitions.** In this chapter:

19 (1) "Authority" means the Health Insurance Risk-Sharing Plan Authority.

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

21 (3) "Church plan" has the meaning given in 29 USC 1002 (33).

22 (4) "Commissioner" means the commissioner of insurance.

23 (5) "Creditable coverage" has the meaning given in s. 632.745 (4).

1           **(6)** “Eligible person” means a person who is certified as eligible under s. 656.12  
2 (1), whether or not the person is legally responsible for the payment of medical  
3 expenses incurred on the person’s behalf.

4           **(7)** “Federal continuation provision” has the meaning given in s. 632.745 (8).

5           **(8)** “Federal governmental plan” means a benefit program established or  
6 maintained for its employees by the government of the United States or by any  
7 agency or instrumentality of the government of the United States.

8           **(9)** “Fund” means the Health Insurance Risk-Sharing Plan fund under s.  
9 656.10 (2).

10          **(10)** “Governmental plan” has the meaning given under 29 USC 1002 (32).

11          **(11)** “Group health plan” has the meaning given in s. 632.745 (10).

12          **(12)** “Health care coverage revenue” means any of the following, but does not  
13 include payments to health maintenance organizations under s. 49.45 (59) (a):

14           (a) Premiums received for health care coverage.

15           (b) Subscriber contract charges received for health care coverage.

16           (c) Health maintenance organization, limited service health organization, or  
17 preferred provider plan charges received for health care coverage.

18           (d) The sum of benefits paid and administrative costs incurred for health care  
19 coverage under a medical reimbursement plan.

20          **(13)** “Health insurance” means surgical, medical, hospital, major medical, and  
21 other health service coverage provided on an expense-incurred basis and fixed  
22 indemnity policies. “Health insurance” does not include ancillary coverage such as  
23 income continuation, short-term, accident only, credit insurance, automobile  
24 medical payment coverage, coverage issued as a supplement to liability coverage,  
25 loss of time, or accident benefits.

1           (14) “Health maintenance organization” has the meaning given in s. 609.01 (2).

2           (15) “HIV” means any strain of human immunodeficiency virus, which causes  
3 acquired immunodeficiency syndrome.

4           (16) “Insurance” has the meaning given in s. 600.03 (25).

5           (17) “Insurer” has the meaning given in s. 600.03 (27) and does not include a  
6 plan under ch. 613 which offers only dental care.

7           (18) “Limited service health organization” has the meaning given in s. 609.01  
8 (3).

9           (19) “Medical Assistance program” means the health care benefit program  
10 provided under subch. IV of ch. 49.

11           (20) “Policy” has the meaning given in s. 600.03 (35).

12           (21) “Preexisting condition exclusion” means, with respect to coverage, a  
13 limitation or exclusion of benefits relating to a condition of an individual that existed  
14 before the individual’s date of enrollment for coverage, whether or not the individual  
15 received any medical advice or recommendation, diagnosis, care, or treatment  
16 related to the condition before that date.

17           (22) “Preferred provider plan” has the meaning given in s. 609.01 (4).

18           (23) “Premium” has the meaning given in s. 600.03 (38).

19           **656.03 Applicability.** This chapter applies only if provisions of the federal  
20 Patient Protection and Affordable Care Act, P.L. 111-148, under 42 USC 300gg to  
21 300gg-4 are no longer enforceable or no longer preempt state law relating to  
22 individual health insurance policies.

23           **656.05 Immunity.** No liability may be imposed on any of the following for an  
24 act or omission in the performance of any powers and duties under this chapter,



1 unless the person asserting liability proves the act or omission constitutes willful  
2 misconduct:

- 3 (1) The authority, plan, or board.
- 4 (2) Any agent, employee, or director of the authority, plan, or board.
- 5 (3) Any participating insurer.
- 6 (4) The commissioner.
- 7 (5) Any of the commissioner's agents, employees, or representatives.

## 8 SUBCHAPTER II

### 9 HEALTH INSURANCE RISK-SHARING

#### 10 PLAN PROVISIONS

11 **656.10 Administration of plan.** (1) **AUTHORITY.** The authority shall be  
12 responsible for the operation of the plan and, subject to ss. 656.43 (3) and 656.47, may  
13 enter into contracts for the plan's administration.

14 (2) **FUND.** (a) The authority shall pay the operating administrative expenses  
15 of the plan from the fund, which shall be outside the state treasury and which shall  
16 consist of all of the following:

- 17 1. Insurer assessments paid under s. 656.15.
- 18 2. Premiums paid by eligible persons.
- 19 3. Moneys received from the federal government as grants for high-risk pools.
- 20 4. The earnings resulting from investments under par. (b).
- 21 5. Any other moneys received by the authority.

22 (b) The authority controls assets of the fund, including investment of assets of  
23 the fund.

24 (c) Moneys in the fund may be expended only for the purposes specified in par.

25 (a).

1           **656.11 Rules relating to creditable coverage.** The commissioner shall  
2 promulgate rules that specify how creditable coverage is to be aggregated for  
3 purposes of s. 656.12 (1) (c) 1. and that determine the creditable coverage to which  
4 s. 656.12 (1) (c) 2. and 4. applies. The rules shall comply with any applicable federal  
5 law regarding creditable coverage.

6           **656.12 Eligibility determination. (1) ELIGIBLE PERSONS.** Except as provided  
7 in sub. (3) and subject to subs. (2) and (4), the authority shall certify as eligible a  
8 person who is a resident of this state and is any of the following:

9           (a) A person who is covered by the Medicare program under 42 USC 1395 et seq.  
10 because he or she is disabled under 42 USC 423.

11           (b) A person who submits evidence that he or she has a positive, validated HIV  
12 test result, as defined in s. 252.01 (8).

13           (c) A person for whom all of the following apply:

14           1. The aggregate of the individual's periods of creditable coverage is 18 months  
15 or more.

16           2. The individual's most recent period of creditable coverage was under a group  
17 health plan, governmental plan, federal governmental plan, church plan, or under  
18 any health insurance offered in connection with any of those plans.

19           3. The individual does not have creditable coverage and is not eligible for  
20 coverage under a group health plan; part A, B, or D of the Medicare program under  
21 42 USC 1395 et seq.; or a state plan under the Medicaid program under 42 USC 1396  
22 et seq.

23           4. The individual's most recent period of creditable coverage was not  
24 terminated for any reason related to fraud or intentional misrepresentation of  
25 material fact or a failure to pay premiums.

1           5. If the individual was offered the option of continuation coverage under a  
2 federal continuation provision or similar state program, the individual elected the  
3 continuation coverage.

4           6. The individual has exhausted any continuation coverage under subd. 5.

5           (d) A person who receives and submits any of the following notices based wholly  
6 or partially on medical underwriting considerations within 9 months before making  
7 an application for coverage by the plan and issued by a person acting as an  
8 administrator, as defined in s. 633.01 (1):

9           1. A notice of rejection of coverage from one or more insurers.

10          2. A notice of cancellation of coverage from one or more insurers.

11          3. A notice of reduction or limitation of coverage, including restrictive riders,  
12 from an insurer if the effect of the reduction or limitation is to substantially reduce  
13 coverage compared to the coverage available to a person considered a standard risk  
14 for the type of coverage provided by the plan.

15          4. A notice of increase in premium exceeding the premium then in effect for the  
16 insured person by 50 percent or more, unless the increase applies to substantially all  
17 of the insurer's health insurance policies then in effect.

18          5. A notice of premium for a policy not yet in effect from 2 or more insurers  
19 which exceeds the premium applicable to a person considered a standard risk by 50  
20 percent or more for the types of coverage provided by the plan.

21          (e) A person not otherwise eligible under this subsection who meets eligibility  
22 criteria set by the authority. The authority shall ensure that any expansion of  
23 eligibility is consistent with the purpose of the plan to provide health care coverage  
24 for those who are unable to obtain health insurance in the private market and does  
25 not endanger the solvency of the plan.

1           **(2) RESIDENT STATUS.** (a) For purposes of eligibility under sub. (1) (a), (b), (d),  
2 and (e), a resident is a person who has been legally domiciled in this state for a period  
3 of at least 3 months. Except for any of the following circumstances, legal domicile  
4 is established by living in this state and obtaining a Wisconsin motor vehicle  
5 operator's license, registering to vote in Wisconsin, or filing a Wisconsin income tax  
6 return:

7           1. A child is legally domiciled in this state if the child lives in this state and if  
8 at least one of the child's parents or the child's guardian is legally domiciled in this  
9 state.

10           2. A person with a developmental disability or another disability that prevents  
11 him or her from obtaining a Wisconsin motor vehicle operator's license, registering  
12 to vote in Wisconsin, or filing a Wisconsin income tax return is legally domiciled in  
13 this state by living in this state.

14           (b) For purposes of eligibility under sub. (1) (c), a resident is a person who  
15 legally resides in this state.

16           **(3) EXCEPTIONS TO ELIGIBILITY.** (a) No person who is covered under the plan and  
17 who voluntarily terminates the coverage under the plan is again eligible for coverage  
18 unless 12 months have elapsed since the person's latest voluntary termination of  
19 coverage under the plan. This paragraph does not apply to a person who is eligible  
20 under sub. (1) (c) or who terminates coverage under the plan because he or she is  
21 eligible to receive benefits under the Medical Assistance program.

22           (b) No person on whose behalf the plan has paid out the lifetime limit under  
23 s. 656.20 (2) (a) or more is eligible for coverage under the plan.

1 (c) No person who is 65 years of age or older is eligible for coverage under the  
2 plan unless the person is eligible under sub. (1) (c) or the person has coverage under  
3 the plan on the date on which he or she attains the age of 65 years.

4 (d) No person who is eligible for creditable coverage, other than those benefits  
5 specified in s. 632.745 (11) (b) 1. to 12. that are provided by an employer on a  
6 self-insured basis or through health insurance, is eligible for coverage under the  
7 plan. The board may specify, subject to approval of the commissioner, other types of  
8 coverage provided by an employer that do not render a person ineligible for coverage  
9 under the plan.

10 (e) No person who is eligible for a Medical Assistance program under 42 USC  
11 1396 et seq. is eligible for coverage under the plan, except for a person who is eligible  
12 only for any of the following:

- 13 1. Family planning services under s. 49.45 (24s).
- 14 2. Care and services for the treatment of an emergency medical condition under  
15 s. 49.45 (27).
- 16 3. Medical Assistance under s. 49.46 (1) (a) 15.
- 17 4. Ambulatory prenatal care under s. 49.465.
- 18 5. Medicare premium, coinsurance, or deductible payments under s. 49.46 (2)  
19 (c) 2. or 3. or (cm), 49.468 (1) (b) or (c), (1m), or (2), or 49.47 (6) (a) 6. b. or c. or 6m.

20 (f) No person is eligible for coverage under the plan for whom a premium,  
21 deductible, or coinsurance amount is paid or reimbursed by a federal, state, county,  
22 or municipal government or agency during any period in which the person has  
23 coverage for which the premium, deductible, or coinsurance amount is paid. A  
24 person is not ineligible for coverage if the premium, deductible, or coinsurance  
25 amounts are any of the following:

1           1. Deductible or coinsurance amounts paid or reimbursed under ch. 47 or s.  
2 49.68, 49.685 (8), 49.683, 49.686, or 253.05.

3           2. Premium costs for health insurance subsidized under s. 252.16.

4           **(4) ELIGIBILITY VERIFICATION.** The authority shall establish policies for  
5 determining and verifying continued eligibility of an eligible person.

6           **(5) OPEN ENROLLMENT.** The plan shall provide an open enrollment period once  
7 per year. Coverage under the plan begins on January 1 of the year immediately  
8 following the year of the open enrollment period.

9           **656.15 Participation of insurers. (1) PARTICIPATION REQUIRED.** Every  
10 insurer shall participate in the cost of administering the plan, except the  
11 commissioner may by rule exempt as a class those insurers whose share as  
12 determined under sub. (2) would be so minimal as to not exceed the estimated cost  
13 of levying the assessment. The commissioner shall advise the authority of the  
14 insurers participating in the cost of administering the plan.

15           **(2) PARTICIPATION SHARE; DETERMINATION.** (a) Every participating insurer shall  
16 share in the operating, administrative, and subsidy expenses of the plan in  
17 proportion to the ratio of the insurer's total health care coverage revenue for  
18 residents of this state, as determined under s. 656.12 (2), during the preceding  
19 calendar year to the aggregate health care coverage revenue of all participating  
20 insurers for residents of this state during the preceding calendar year, as determined  
21 by the commissioner.

22           (b) Each insurer's proportion of participation under this subsection shall be  
23 determined annually by the commissioner based on annual statements and other  
24 reports filed by the insurer with the commissioner. The commissioner shall assess  
25 an insurer for the insurer's proportion of participation based on the total

1 assessments estimated by the authority. The insurer shall pay the amount of the  
2 assessment directly to the authority.

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

9 **656.20 Coverage. (1) COVERAGE OFFERED.** (a) The plan shall offer coverage  
10 for each eligible person in an annually renewable policy.

11 (b) If an eligible person is also eligible for Medicare program coverage under  
12 42 USC 1395 et seq., the plan may not pay or reimburse any person for expenses paid  
13 for by the Medicare program.

14 (c) If an eligible person is eligible for coverage described under s. 656.12 (2) (e)  
15 1. to 5., the plan may not pay or reimburse the person for expenses paid for by the  
16 Medical Assistance program.

17 **(2) TIMING OF COVERAGE.** The effective date of coverage for a person who  
18 terminates coverage under the Medical Assistance program, applies within 45 days  
19 of the date of termination for coverage under the plan, and is determined to be  
20 eligible under s. 656.12 (1) is the date of termination of Medical Assistance coverage.

21 **(3) MAJOR MEDICAL EXPENSE COVERAGE.** (a) The plan shall provide every eligible  
22 person who is not eligible for the Medicare program under 42 USC 1395 et seq. major  
23 medical expense coverage that pays an eligible person's covered expenses, subject to  
24 deductible, copayment, and coinsurance payments, up to a lifetime limit per covered  
25 individual of \$1,000,000 or a higher amount, as determined by the authority. The

1 plan shall provide an alternative policy that reduces the benefits payable under this  
2 paragraph by the amounts paid under the Medicare program for those persons  
3 eligible for the Medicare program.

4 (b) In addition to coverage under par. (a), the plan shall offer to all eligible  
5 persons who are not eligible for the Medicare program under 42 USC 1395 et seq. a  
6 choice of coverage that includes at least one form of coverage that is comparable to  
7 comprehensive health insurance coverage offered in the individual market in this  
8 state or that is comparable to a standard option of coverage available under the group  
9 or individual health insurance laws of this state.

10 (c) An eligible person who is not eligible for the Medicare program under 42  
11 USC 1395 et seq. may elect once each year, at the time and according to the  
12 procedures established by the authority, among the coverages offered under pars. (a)  
13 and (b).

14 **(4) COVERED SERVICES; PAYMENT RATES.** The commissioner shall establish a list,  
15 by rule, of acute and primary care services and prescription drugs that are required  
16 to be covered by the plan. The authority shall establish criteria for service providers  
17 under the plan and payment rates for those providers.

18 **(5) PLAN DESIGN.** (a) Subject to subs. (1) to (4), (7), and (8), the authority shall  
19 do all of the following:

20 1. Establish the plan design, after taking into consideration the levels of health  
21 insurance coverage provided in the state and medical economic factors, as  
22 appropriate.

23 2. Provide benefit levels, deductibles, copayment and coinsurance  
24 requirements, exclusions, and limitations under the plan that the authority



1 determines generally reflect and are commensurate with comprehensive health  
2 insurance coverage offered in the private individual market in the state.

3 (b) The authority may develop additional benefit designs that are responsive  
4 to market conditions.

5 **(6) DEDUCTIBLE AND COPAYMENT SUBSIDIES.** (a) The authority shall establish and  
6 provide subsidies for deductibles paid by eligible persons with household incomes  
7 specified in s. 656.30 (2).

8 (b) The authority may provide subsidies for prescription drug copayment  
9 amounts paid by eligible persons specified in par. (a).

10 **(7) PREEXISTING CONDITIONS.** (a) The plan may not subject an eligible person  
11 who obtains coverage as an enrollee under the plan to any preexisting condition  
12 exclusion.

13 (b) Upon initial application of an eligible person in the plan before enrollment,  
14 the plan shall cover any preexisting condition of the eligible person but the coverage  
15 may last no longer than 12 months.

16 **(8) COORDINATION OF BENEFITS.** (a) Covered expenses under the plan may not  
17 include any charge for care for injury or disease for which benefits are payable  
18 without regard to fault under coverage that is statutorily required to be contained  
19 in any motor vehicle or other liability insurance policy or equivalent self-insurance,  
20 for which benefits are payable under a worker's compensation or similar law, or for  
21 which benefits are payable under another policy of health care insurance, the  
22 Medicare program, the Medical Assistance program, or any other governmental  
23 program, except as otherwise provided by law.

24 (b) The authority has a cause of action against an eligible person participating  
25 in the plan for the recovery of the amount of benefits paid that are not for covered

1 expenses under the plan. Benefits under the plan may be reduced or refused as a  
2 setoff against any amount recoverable under this paragraph.

3 (c) The authority is subrogated to the rights of an eligible person to recover  
4 special damages for illness or injury to the person caused by the act of a 3rd person  
5 to the extent that benefits are provided under the plan.

6 **656.23 Premiums. (1) PERCENTAGE OF COSTS.** Except as provided in sub. (2),  
7 the authority shall set premium rates for coverage under the plan at a level that is  
8 sufficient to cover 60 percent of plan costs, as provided in s. 656.27 (1).

9 (2) LIMITATION. In no event may plan premium rates exceed 200 percent of rates  
10 applicable to individual standard risks.

11 (3) STATE FUNDS. Any state funds received for premium support shall be used  
12 to offset premium costs for persons covered under the plan.

13 **656.25 Provider payment rates. (1) ESTABLISHMENT OF RATES.** The authority  
14 shall establish provider payment rates for covered expenses that consist of the usual  
15 and customary payment rates, as determined by the authority, for the services and  
16 articles provided plus an adjustment determined by the authority. The adjustments  
17 to the usual and customary rates shall be sufficient to cover the portion of plan costs  
18 specified in s. 656.27 (1) (c) and (2) (b).

19 (2) PAYMENT IS PAYMENT IN FULL. Except for copayments, coinsurance, or  
20 deductibles required or authorized under the plan, a provider of a covered service or  
21 article shall accept as payment in full for the covered service or article the payment  
22 rate determined under sub. (1) and may not bill an eligible person who receives the  
23 service or article for any amount by which the charge for the service or article is  
24 reduced under sub. (1).

1           **656.27 Payment of plan costs. (1) COSTS EXCLUDING SUBSIDIES.** The authority  
2 shall pay plan costs, excluding any premium, deductible, and copayment subsidies,  
3 first from any federal funds under s. 656.10 (2) (a) 3. that exceed premium,  
4 deductible, and copayment subsidy costs in a policy year. The remainder of the plan  
5 costs, excluding premium, deductible, and copayment subsidy costs, shall be paid as  
6 follows:

7           (a) Sixty percent from premiums paid by eligible persons.

8           (b) Twenty percent from insurer assessments under s. 656.15.

9           (c) Twenty percent from adjustments to provider payment rates under s.  
10 656.25.

11           **(2) SUBSIDY COSTS.** The authority shall pay for premium, deductible, and  
12 copayment subsidies in a policy year first from any federal funds under s. 656.10 (2)  
13 (a) 3. received in that year. The remainder of the subsidy costs shall be paid as  
14 follows:

15           (a) Fifty percent from insurer assessments under s. 656.15.

16           (b) Fifty percent from adjustments to provider payment rates under s. 656.25.

17           **656.30 Reductions in premiums for low-income eligible persons. (1)**  
18 **DEFINITION.** In this section, “household income” means household income, as defined  
19 in s. 71.52 (5), and as determined under sub. (3).

20           **(2) PREMIUM REDUCTION.** Subject to sub. (3), the authority shall reduce the  
21 premiums established under s. 656.23 for eligible persons by the following amounts.

22           1. If the household income is \$0 or more but less than \$10,000, by at least 30  
23 percent.

24           2. If the household income is \$10,000 or more but less than \$14,000, by at least  
25 25 percent.

1           3. If the household income is \$14,000 or more but less than \$17,000, by at least  
2   20 percent.

3           4. If the household income is \$17,000 or more but less than \$20,000, by at least  
4   15 percent.

5           5. If the household income is \$20,000 or more but less than \$34,000, by at least  
6   10 percent.

7           **(3) DETERMINING HOUSEHOLD INCOME.** (a) Subject to par. (b), the authority shall  
8   establish and implement the method for determining the household income of an  
9   eligible person.

10          (b) In determining the household income of an eligible person, the authority  
11   shall consider information submitted by an eligible person on a completed federal  
12   profit or loss from farming form, schedule F, if all of the following apply:

13          1. The person is a farmer, as defined in s. 102.04 (3).

14          2. The person was not eligible to claim the homestead credit under subch. VIII  
15   of ch. 71 in the preceding taxable year.

16          (c) The authority may approve adjustment of the household income dollar  
17   amounts listed in sub. (2) to reflect changes in the consumer price index for all urban  
18   consumers, U.S. city average, as determined by the U.S. department of labor.

19          **656.32 Contents of plan.** The plan shall include all of the following:

20          **(1)** Subject to s. 656.27, a rating plan calculated in accordance with generally  
21   accepted actuarial principles.

22          **(2)** Procedures for applicants and participants to have grievances reviewed by  
23   an impartial body.



1           3. At least two members who are persons with coverage under the plan.

2           **(2) VACANCY.** A vacancy on the board shall be filled in the same manner as the  
3 original appointment to the board for the remainder of the unexpired term, if any.

4           **(3) COMPENSATION.** A member of the board may not be compensated for his or  
5 her services but shall be reimbursed for actual and necessary expenses, including  
6 travel expenses, incurred in the performance of his or her duties.

7           **(4) CHAIRPERSON; BOARD ACTION.** (a) Annually, the governor shall appoint one  
8 member other than the commissioner as chairperson, and the members of the board  
9 may elect other officers as they consider appropriate.

10           (b) Seven voting members of the board constitute a quorum for the purpose of  
11 conducting the business and exercising the powers of the authority, notwithstanding  
12 the existence of any vacancy.

13           (c) The board may take action upon a vote of a majority of the members, present,  
14 unless the bylaws of the authority require a larger number.

15           **(5) EXECUTIVE DIRECTOR.** The board may appoint an executive director who may  
16 not be a member of the board and who shall serve at the pleasure of the board. The  
17 authority may delegate by resolution to one or more of its members or its executive  
18 director any powers and duties that it considers proper. The executive director shall  
19 receive such compensation as may be determined by the board. The executive  
20 director or other person designated by resolution of the board shall keep a record of  
21 the proceedings of the authority, and its official seal. The executive director or other  
22 person may cause copies to be made of all minutes and other records and documents  
23 of the authority and may give certificates under the official seal of the authority to  
24 the effect that such copies are true copies, and all persons dealing with the authority  
25 may rely upon such certificates.

1           **656.43 Duties of the authority.** In addition to all other duties imposed under  
2 this chapter, the authority shall do all of the following:

3           (1) Adopt policies for the administration of this chapter.

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

6           (3) Do, or contract with another person to do, all of the following:

7           (a) Perform all eligibility and administrative claims payment functions  
8 relating to the plan.

9           (b) Establish a premium billing procedure for collection of premiums from  
10 covered persons. Billings shall be made on a periodic basis as determined by the  
11 authority.

12           (c) Perform all necessary functions to assure timely payment of benefits to  
13 covered persons under the plan, including all of the following:

14           1. Making available information relating to the proper manner of submitting  
15 a claim for benefits under the plan and distributing forms upon which submissions  
16 shall be made.

17           2. Evaluating the eligibility of each claim for payment under the plan.

18           3. Notifying each claimant within 30 days after receiving a properly completed  
19 and executed proof of loss whether the claim is accepted, rejected, or compromised.

20           (4) Seek to qualify or maintain the plan as a state pharmacy assistance  
21 program, as defined in 42 CFR 423.464.

22           (5) Annually submit a report to the legislature under s. 13.172 (2) and to the  
23 governor on the operation of the plan.

24           **656.45 Powers of authority.** (1) Except as provided under sub. (2), the  
25 authority shall have all the powers necessary or convenient to carry out the purposes

1 and provisions of this chapter. In addition to all other powers granted by this chapter,  
2 the authority may:

3 (a) Adopt bylaws and policies and procedures for the regulation of its affairs  
4 and the conduct of its business.

5 (b) Have a seal and alter the seal at pleasure; have perpetual existence; and  
6 maintain an office.

7 (c) Hire employees, define their duties, and fix their rate of compensation.

8 (d) Incur debt, except as provided under sub. (2).

9 (e) Contract for any professional services required for the authority, subject to  
10 ss. 656.43 (3) and 656.47.

11 (f) Appoint any technical or professional advisory committee that the authority  
12 finds necessary to assist the authority in exercising its duties and powers. The  
13 authority shall define the duties of the committee and provide reimbursement for the  
14 expenses of the committee.

15 (g) Execute contracts and other instruments.

16 (h) Accept gifts, grants, loans, or other contributions from private or public  
17 sources.

18 (i) Procure liability insurance.

19 **(2)** The authority may not issue bonds.

20 **656.47 Contracting for professional services. (1) CONTRACTING.**

21 Whenever contracting for professional services, the authority shall solicit  
22 competitive sealed bids or competitive sealed proposals, whichever is appropriate.

23 Each request for competitive sealed proposals shall state the relative importance of  
24 price and other evaluation factors.



1           **(2) SOLICITATION PROCEDURES.** (a) When the estimated cost exceeds \$25,000, the  
2 authority may invite competitive sealed bids or proposals by publishing a class 2  
3 notice under ch. 985 or by posting notice on the Internet at a site determined or  
4 approved by the authority. The notice shall describe the contractual services to be  
5 purchased, the intent to make the procurement by solicitation of bids or proposals,  
6 any requirement for surety, and the date the bids or proposals will be opened, which  
7 shall be at least 7 days after the date of the last insertion of the notice or at least 7  
8 days after the date of posting on the Internet.

9           (b) When the estimated costs is \$25,000 or less, the authority may award the  
10 contract in accordance with simplified procedures established by the authority for  
11 such transactions.

12           (c) For purposes of clarification, the authority may discuss the requirements  
13 of the proposed contract with any person who submits a bid or proposal and shall  
14 permit any offerer to revise his or her bid or proposal to ensure its responsiveness to  
15 those requirements.

16           **(3) NEGOTIATION.** (a) The authority shall determine which bids or proposals are  
17 reasonably likely to be awarded the contract and shall provide each offerer of such  
18 bid or proposal a fair and equal opportunity to discuss the bid or proposal. The  
19 authority may negotiate with each offerer in order to obtain terms that are  
20 advantageous to the authority. Prior to the award of the contract, any offerer may  
21 revise his or her bid proposal. The authority shall keep a written record of all  
22 meetings, conferences, oral presentations, discussions, negotiations, and  
23 evaluations of bids or proposals under this section.

1 (b) In opening, discussing, and negotiating bids or proposals, the authority may  
2 not disclose any information that would reveal the terms of a competing bid or  
3 proposal.

4 **(4) AWARDING OF CONTRACT.** (a) After receiving each offerer's best and final offer,  
5 the authority shall determine which proposal is most advantageous and shall award  
6 the contract to the person who offered it. The authority's determination shall be  
7 based only on price and the other evaluation factors specified in the request for bids  
8 or proposals. The authority shall state in writing the reason for the award and shall  
9 place the statement in the contract file.

10 (b) Following the award of the contract, the authority shall prepare a register  
11 of all bids or proposals.

12 **656.50 Political activities. (1) POLITICAL ACTIVITY.** No employee of the  
13 authority may directly or indirectly solicit or receive subscriptions or contributions  
14 for any partisan political party or any political purpose while engaged in his or her  
15 official duties as an employee. No employee of the authority may engage in any form  
16 of political activity calculated to favor or improve the chances of any political party  
17 or any person seeking or attempting to hold partisan political office while engaged  
18 in his or her official duties as an employee or engage in any political activity while  
19 not engaged in his or her official duties as an employee to such an extent that the  
20 person's efficiency during working hours will be impaired or that he or she will be  
21 tardy or absent from work. Any violation of this section is adequate grounds for  
22 dismissal.

23 **(2) PARTISAN ACTIVITY.** (a) If an employee of the authority declares an intention  
24 to run for partisan political office, the employee shall be placed on a leave of absence

1 for the duration of the election campaign and if elected shall no longer be employed  
2 by the authority on assuming the duties and responsibilities of such office.

3 (b) An employee of the authority may be granted, by the executive director, a  
4 leave of absence to participate in partisan political campaigning.

5 (c) Persons on leave of absence under this subsection are not subject to the  
6 restrictions of sub. (1), except as they apply to the solicitation of assistance,  
7 subscription, or support from any other employee of the authority.

8 **656.53 Liability limited. (1)** Neither the state nor any political subdivision  
9 of the state nor any officer, employee, or agent of the state or a political subdivision  
10 who is acting within the scope of employment or agency is liable for any debt,  
11 obligation, act, or omission of the authority.

12 **(2)** All of the expenses incurred by the authority in exercising its duties and  
13 powers under this chapter shall be payable only from the funds of the authority.

14 (END)