



## 2003 ASSEMBLY BILL 229

March 31, 2003 – Introduced by Representatives MILLER, YOUNG, POCAN, BERCEAU, PLOUFF, COGGS and MORRIS, cosponsored by Senators CARPENTER and RISSER, by request of Coalition for Wisconsin Health. Referred to Committee on Health.

1     **AN ACT to amend** 15.01 (4) and 59.17 (2) (c); and **to create** 15.07 (1) (a) 8., 15.07  
2           (2) (m), 15.07 (5) (z), 15.07 (5m) (c), 15.20, 15.207, 20.430, 59.53 (24), 62.09 (8)  
3           (cm) and chapter 152 of the statutes; **relating to:** establishing a publicly  
4           financed health care system for residents of this state, creating the Department  
5           of Health Planning and Finance, Health Policy Board, and regional health  
6           councils, granting rule-making authority, and making appropriations.

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### *Analysis by the Legislative Reference Bureau*

Under current law, payment for medical services received by residents of this state is made from a combination of federal moneys (such as under the Medicare, Medical Assistance (commonly referred to as “Medicaid”), and various block grant programs), general purpose revenues (such as the “state share” of the joint federal-state Medical Assistance Program, the Badger Care Program, state contributions to relief block grants for health care services, and moneys appropriated for specific medical purposes, such as cancer control grants), local moneys (such as funding for medical relief health care services and county nursing homes and hospitals), private health insurance coverage purchased by individuals or provided, in part, as employee benefits, and out-of-pocket payments by health care consumers.

This bill establishes a universal health plan for Wisconsin, under which, beginning July 1, 2006, each state resident, with certain specified exceptions, shall

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receive reasonable medical services necessary to maintain health, enable diagnosis, or provide treatment or rehabilitation for an injury, disability, or disease. Specified persons who are excepted from the July 1, 2006, beginning date are phased in for eligibility that begins July 1, 2007.

To administer the universal health plan, the bill creates a Department of Health Planning and Finance (DHPF), with six regional offices, that is directed and supervised by an 11-member Health Policy Board that is also created in the bill. The Health Policy Board appoints the secretary of health planning and finance and is required to review that appointment after 36 months. The bill also creates six regional health councils that are attached to DHPF and that report at least twice a year to the Health Policy Board on the health care needs, problems, and concerns of the region. The bill requires appropriation of general purpose revenues to DHPF for operation of the Health Policy Board for the 2003–05 fiscal biennium and requires that the Health Policy Board consider numerous specified issues related to the formation of a universal health plan in this state.

Under the bill, by July 1, 2005, DHPF must begin implementation of processes, in light of policies determined by the Health Policy Board, to effect numerous matters, including specifying the amounts and sources of funds to finance payment to providers under the universal health plan, applying for waivers to federal Medicaid statutes and rules, and establishing a listing of approved medicinal substances and formulae. The secretary of health planning and finance and the secretary of administration must, until September 1, 2005, meet at least semimonthly to formulate decisions on issues concerning the universal health plan and DHPF and how the scope and functions of DHPF affect the scope and functions of the Department of Health and Family Services, the Office of the Commissioner of Insurance, the Board on Aging and Long-Term care, and the duties or powers of any other state agency. The Health Policy Board must convey the decisions to the Legislative Reference Bureau for drafting of necessary proposed legislation for introduction in the legislature in 2006. The Legislative Reference Bureau must prepare, in proper form for introduction, the proposed legislation that relates to the decisions.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

- 1           **SECTION 1.** 15.01 (4) of the statutes is amended to read:
- 2           15.01 (4) “Council” means a part-time body appointed to function on a
- 3 continuing basis for the study, and recommendation of solutions and policy
- 4 alternatives, of the problems arising in a specified functional area of state

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1 government, except the Wisconsin land council has the powers specified in s. 16.965  
2 (3) and (5) and the powers granted to agencies under ch. 227, the Milwaukee River  
3 revitalization council has the powers and duties specified in s. 23.18, the council on  
4 physical disabilities has the powers and duties specified in s. 46.29 (1) and (2), and  
5 the state council on alcohol and other drug abuse has the powers and duties specified  
6 in s. 14.24, and the regional health councils have the powers and duties specified in  
7 s. 152.30 (1).

8 **SECTION 2.** 15.07 (1) (a) 8. of the statutes is created to read:

9 15.07 (1) (a) 8. Members of the health policy board elected under s. 15.20 (1)  
10 shall be elected as provided in that subsection.

11 **SECTION 3.** 15.07 (2) (m) of the statutes is created to read:

12 15.07 (2) (m) The chairperson of the health policy board shall serve for a period  
13 of 3 years and may be reelected for 2 additional successive terms.

14 **SECTION 4.** 15.07 (5) (z) of the statutes is created to read:

15 15.07 (5) (z) Members of the health policy board, \$50 per day.

16 **SECTION 5.** 15.07 (5m) (c) of the statutes is created to read:

17 15.07 (5m) (c) *Health policy board.* Members of the health policy board may  
18 be reimbursed for lost wages if required by their employers to use leave without pay  
19 in order to attend meetings of the health policy board, and they may be reimbursed  
20 for actual and necessary child care expenses without proof of financial hardship.

21 **SECTION 6.** 15.20 of the statutes is created to read:

22 **15.20 Department of health planning and finance.** There is created a  
23 department of health planning and finance under the direction and supervision of  
24 the health policy board. The health policy board shall consist of the following  
25 members, each of whom is to serve for a 6-year term and, if reelected or reappointed,

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1 for an additional 6-year term and none of whom may be a health care provider, as  
2 defined in s. 152.01 (6), an administrator or owner of a health care facility or  
3 organization, or an elected public official:

4 (1) One member elected by and from the current membership of each of the 6  
5 regional health councils specified under s. 15.207 (1) (b).

6 (2) Five members, nominated by the governor and with the advice and consent  
7 of the senate appointed, who reflect as much as possible a balance of genders, races,  
8 ages, sexual orientations, ethnicities, religions, geographic areas, and the interests  
9 of management, labor, and individuals with disabilities.

10 **SECTION 7.** 15.207 of the statutes is created to read:

11 **15.207 Same; councils. (1) REGIONAL HEALTH COUNCILS.** (a) There are created  
12 6 regional health councils that are attached to the department of health planning  
13 and finance under s. 15.03, one of which is established in each of the following areas  
14 of this state:

15 1. The northern region, consisting of Ashland, Bayfield, Douglas, Florence,  
16 Forest, Iron, Langlade, Lincoln, Marathon, Oneida, Portage, Price, Sawyer, Taylor,  
17 Vilas, and Wood counties.

18 2. The southern region, consisting of Adams, Columbia, Crawford, Dane,  
19 Dodge, Grant, Green, Iowa, Jefferson, Juneau, Lafayette, Richland, Rock, Sauk, and  
20 Vernon counties.

21 3. The western region, consisting of Barron, Burnett, Buffalo, Chippewa,  
22 Clark, Dunn, Eau Claire, Jackson, La Crosse, Monroe, Pepin, Pierce, Polk, Rusk, St.  
23 Croix, Trempealeau, and Washburn counties.

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1           4. The northeastern region, consisting of Brown, Calumet, Door, Fond du Lac,  
2           Green Lake, Kewaunee, Manitowoc, Marinette, Marquette, Menominee, Oconto,  
3           Outagamie, Shawano, Sheboygan, Waupaca, Waushara, and Winnebago counties.

4           5. The southeastern region, consisting of Kenosha, Ozaukee, Walworth,  
5           Washington, Waukesha, and Racine counties.

6           6. The area within Milwaukee County.

7           (b) Each regional health council shall consist of the following members, none  
8           of whom may be a health care provider, as defined in s. 152.01 (6), an administrator  
9           or owner of a health care facility or organization, or an elected public official, to serve  
10          for no more than 3 3-year terms:

11          1. In the northern region, a total of 16 members, consisting of one member from  
12          each county in that region. The county board of supervisors of each county in that  
13          region shall appoint one person from that county.

14          2. In the southern region, a total of 15 members, consisting of one member from  
15          each county in that region. The county board of supervisors of each county in that  
16          region shall appoint one person from that county.

17          3. In the western region, a total of 17 members, consisting of one member from  
18          each county in that region. The county board of supervisors of each county in that  
19          region shall appoint one person from that county.

20          4. In the northeastern region, a total of 17 members, consisting of one member  
21          from each county in that region. The county board of supervisors of each county in  
22          that region shall appoint one person from that county.

23          5. In the southeastern region, a total of 12 members, consisting of 2 members  
24          from each county in that region. The county board of supervisors of each county in  
25          that region shall appoint 2 persons from that county.

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**SECTION 7**

1 6. In the area within Milwaukee County, a total of 12 members, consisting of  
 2 6 persons who are residents of the city of Milwaukee and are appointed by the mayor  
 3 of the city of Milwaukee as provided under s. 62.09 (8) (cm), and 6 persons who are  
 4 residents of Milwaukee County but are not residents of the city of Milwaukee and are  
 5 appointed by the county executive of Milwaukee County.

6 **SECTION 8.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
 7 the following amounts for the purposes indicated:

	<b>2003-04</b>	<b>2004-05</b>
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9 **20.430 Health planning and finance, department**  
 10 **of**

11 (1) HEALTH PLANNING AND FINANCE

(a) General program operations	GPR	A	-0-	-0-
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13 **SECTION 9.** 20.430 of the statutes is created to read:

14 **20.430 Health planning and finance, department of.** There is  
 15 appropriated to the department of health planning and finance for the following  
 16 program:

17 **(1) HEALTH PLANNING AND FINANCE.** (a) *General program operations.* The  
 18 amounts in the schedule for the general program operations of the department of  
 19 health planning and finance.

20 (b) *Universal health plan services and benefits.* The amounts in the schedule  
 21 for health care services and benefits provided under s. 152.10 (4).

22 (i) *Gifts and grants.* All moneys received from gifts, grants, bequests, and  
 23 devises to carry out the purposes for which made.

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1 (m) *Federal funds; state operations.* All moneys received from the federal  
2 government, as authorized by the governor under s. 16.54, for the purposes for which  
3 made and received.

4 **SECTION 10.** 59.17 (2) (c) of the statutes is amended to read:

5 59.17 (2) (c) Appoint the members of all boards and, commissions, and councils  
6 where appointments are required and where the statutes provide that the  
7 appointments are made by the county board or, by the chairperson of the county  
8 board, or by the county executive. All appointments to boards and, commissions, and  
9 councils by the county executive are subject to confirmation by the county board.

10 **SECTION 11.** 59.53 (24) of the statutes is created to read:

11 59.53 (24) REGIONAL HEALTH COUNCIL. The board shall appoint members of a  
12 regional health council, as specified in s. 15.207 (1) (b) 1. to 5.

13 **SECTION 12.** 62.09 (8) (cm) of the statutes is created to read:

14 62.09 (8) (cm) The mayor of the city of Milwaukee shall, with the advice and  
15 consent of the common council of that city, appoint 6 members of a regional health  
16 council, as specified under s. 15.207 (1) (b) 6.

17 **SECTION 13.** Chapter 152 of the statutes is created to read:

18 **CHAPTER 152**

19 **UNIVERSAL HEALTH PLAN**

20 **152.01 Definitions.** In this chapter:

21 (1) "Block grant" has the meaning given in s. 16.54 (2) (a) 3.

22 (2) "Board" means the health policy board.

23 (3) "Department" means the department of health planning and finance.

24 (4) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

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1           (5) “Health care facility” means a facility, as defined in s. 647.01 (4), or any  
2 hospital, nursing home, community-based residential facility, county home, county  
3 infirmary, county hospital, county mental health center, community health center,  
4 primary health center, tuberculosis sanatorium, adult family home, assisted living  
5 facility, rural medical center, hospice, or other place licensed, certified, or approved  
6 by the department of health and family services under s. 49.70, 49.71, 49.72, 50.02,  
7 50.03, 50.032, 50.033, 50.034, 50.35, 50.52, 50.92 (2), 51.08, or 51.09 or a facility  
8 under s. 45.365, 51.05, 51.06, or 252.10 or ch. 233, or licensed or certified by a county  
9 department under s. 50.032 or 50.033.

10           (6) “Health care provider” means a provider of health care services or other  
11 benefits in this state that are specified under s. 152.10 (4).

12           (7) “Medicare” means coverage under part A or part B of Title XVIII of the  
13 federal Social Security Act, 42 USC 1395 to 1395ddd.

14           (8) “Reimbursement” means payment for the provision of services and other  
15 benefits that are specified under s. 152.10 (4).

16           (9) “Secretary” means the secretary of health planning and finance.

17           (10) “Veteran” has the meaning given in 38 USC 101 (2).

18           **152.10 Universal health plan.** (1) There is created a universal health plan  
19 in this state, under which, beginning on July 1, 2006, each eligible person shall  
20 receive reasonable medical service necessary to maintain health, enable diagnosis,  
21 or provide treatment or rehabilitation for an injury, condition, disability, or disease,  
22 for which reimbursement shall be made by the department, except that no coverage  
23 is provided for orthodontia or for the performance of reconstructive or cosmetic  
24 surgery that is not determined to be medically necessary under criteria that are  
25 promulgated as rules by the department.



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1           (2) Each individual in this state who meets requirements of residency, under  
2 criteria promulgated as rules by the department, is eligible for coverage, except as  
3 provided in sub. (5), under the universal health plan, except that all of the following  
4 may be phased in for eligibility under this subsection, beginning no later than July  
5 1, 2007:

6           (a) Individuals, other than those specified in par. (b), who have no coverage  
7 under disability insurance policies.

8           (b) Individuals who have no coverage under disability insurance policies and  
9 who receive health care, treatment for nervous or mental disorders, or treatment or  
10 prevention services for alcohol and other drug abuse that are funded by state or local  
11 funding.

12           (c) Individuals who are employees of the state or any county, city, village, or  
13 town, and who, as a benefit of the employment, have coverage for themselves and  
14 family members under provisions of group disability insurance policies or under  
15 self-insured health plans.

16           (d) Individuals, other than those specified in par. (c) or (h), who, by reason of  
17 their employment or as family members of individuals who are employed, have  
18 coverage under group disability insurance policies.

19           (e) Individuals who have coverage under individual disability insurance  
20 policies.

21           (f) Individuals who have coverage under the health insurance risk-sharing  
22 plan under ch. 149.

23           (g) Individuals who are eligible for benefits or services under s. 49.46, 49.468,  
24 49.47, or 49.665, Medicare, or block grants that provide health care services.

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1 (h) Individuals who are employees of self-insured employers, other than those  
2 specified in par. (c), and who receive health care benefits for themselves and family  
3 members under self-insured health plans.

4 (i) Individuals who receive medical benefits under worker's compensation.

5 (j) Veterans who receive medical benefits under s. 45.351 (1j) or 38 USC 1701  
6 to 1774, or both, and the children of veterans who receive medical benefits under 38  
7 USC 1801 to 1806.

8 (k) Indians who receive health and other services under 25 USC 1651 to 1683.

9 **(3)** (a) Any individual who is eligible under sub. (2) may receive services that  
10 are available under the universal health plan from any participating health care  
11 provider in this state.

12 (b) No individual who is eligible under sub. (2) may under this section be  
13 required to pay an amount as a deductible or copayment as a condition for receipt of  
14 services under this section from a health care facility or health care provider.

15 (c) An individual's state residency is presumed unless rebutted by clear and  
16 convincing evidence. If the presumption is so rebutted, any reimbursement paid  
17 under the universal health plan for health care services rendered to the individual  
18 is a liability of the individual.

19 **(4)** Health care services and other benefits provided under the universal health  
20 plan shall include all of the following:

21 (a) Services of all persons licensed, certified, registered, or permitted to treat  
22 the sick under chs. 441, 446, 447, 448, 449, 450, 451, 455, 457, and 459.

23 (b) Health care services that are provided by health care facilities and the  
24 offices and clinics of persons under par. (a).

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1 (c) Preventive health care services and health promotional programs, including  
2 well-child care, immunizations, screening, outreach, and education.

3 (d) Medical or surgical supplies and durable medical or surgical equipment,  
4 supplies and appliances, including valves, pacemakers, prostheses, eyeglasses, and  
5 hearing aids.

6 (e) Prescription drugs specified in the listing of approved medicinal substances  
7 and formulae under s. 152.40 (4) (m) and any other drugs specified by the department  
8 by rule.

9 (f) Blood and blood products.

10 (g) Long-term care services that are necessary for the physical health, mental  
11 and emotional well-being, and social and personal needs of individuals who have  
12 limited self-care capabilities, including services of health care facilities; home  
13 health care; hospice care; home-based and community-based services, including  
14 personal assistance and attendant care; and periodic needs assessments.

15 (h) Mental health treatment and services, including substance abuse and brain  
16 injury treatment.

17 (i) Dental services, as specified under s. 49.46 (2) (b) 1.

18 **(5)** The universal health plan is the payer of last resort, and coverage under  
19 the universal health plan is supplemental to any health care coverage in force that  
20 is held by an individual.

21 **(6)** As a condition of participation by a health care provider in the universal  
22 health plan, the health care provider shall accept reimbursement only under the  
23 universal health plan for all services or other benefits that the health care provider  
24 provides under the universal health plan.

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1           **152.20 Health policy board; powers and duties.** (1) The board shall  
2 approve and continually evaluate the listing of approved medicinal substances and  
3 formulae that is required under s. 152.40 (4) (m).

4           (2) The board shall biennially evaluate and oversee cost containment  
5 guidelines and policies, including the evaluation of mechanisms used to contain costs  
6 of providing services, and shall revise the guidelines and policies as necessary.

7           (3) The board shall review all of the following issues and formulate or revise  
8 policies, as appropriate, with respect to the issues:

9           (a) Duties of the department that require policy determinations.

10           (b) The sources and amounts of revenues for the administration of the  
11 department and the board and for financing the payment of medical services that are  
12 provided to residents under the universal health plan.

13           (c) Information provided by the regional health councils.

14           (d) Development of a system for determination and periodic review of areas in  
15 this state, and specific populations within those areas, that are medically  
16 underserved; and development of plans for providing health care services to those  
17 areas and populations, including the establishment of community health centers.

18           (e) Development of a system for periodic reviews and evaluations of all aspects  
19 of the operation of the universal health plan, including the adequacy, cost,  
20 effectiveness, and quality of health care services provided.

21           (f) Development of a notice and hearing procedure for review of complaints of  
22 residents about the universal health plan, in accordance with the requirements of  
23 ch. 227.

24           (g) Other issues that the board determines are relevant to the universal health  
25 plan.

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1 (h) State statutory changes that may be necessary to effect pars. (a) to (g).

2 (4) By January 1, April 1, July 1, and October 1 of each year, the board shall  
3 report to the governor on the revenues and expenditures of the universal health plan  
4 for the calendar quarter immediately preceding the most recently completed  
5 calendar quarter.

6 (5) The board shall establish provider payment rates, taking into consideration  
7 regional, rural, and urban differences, and conditions of payment for the provision  
8 of health care services under the universal health plan.

9 **152.30 Regional health councils.** (1) Each regional health council shall do  
10 all of the following:

11 (a) Elect one member of the regional health council to serve as a member of the  
12 board under s. 15.20 (1). If the term of the member who is so elected expires with  
13 respect to the regional health council or with respect to the board under s. 15.20 (1),  
14 the regional health council shall elect a current member of the council to serve as a  
15 member of the board in his or her stead.

16 (b) Study and continuously monitor the delivery and quality of and access to  
17 health care services in the region of the regional health council and recommend to  
18 the board ways to improve the quality of and help ensure access to health care  
19 services.

20 (c) Recommend to the board payment rates and conditions appropriate to  
21 specific regional needs and advise on regional health care policy issues and  
22 administrative policies and procedures.

23 (d) Study and continuously monitor the unmet health care service needs in the  
24 region of the regional health council and recommend to the board ways by which the  
25 needs may be met.

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1 (e) Report at least annually to the board with respect to the health care needs,  
2 problems, and concerns of the region, including any issues elicited at public hearings  
3 under par. (g), and provide to the board recommendations to alleviate these needs,  
4 problems, and concerns.

5 (f) Require reports from and advise the member of the staff of the appropriate  
6 regional office whose duties are specified under s. 152.40 (1), concerning issues that  
7 arise under pars. (b) to (e).

8 (g) In at least 3 localities of the region, hold public hearings at least annually  
9 to elicit public opinion concerning the universal health plan. The council shall give  
10 notice of each hearing by publishing a class 1 notice, under ch. 985, at least 15 days  
11 before the hearing in a newspaper covering the affected area.

12 (h) Perform other duties as required by the board.

13 **(2)** Each regional health council may, for cause, recall the member elected  
14 under sub. (1) (a) and may elect another member to fulfill that term on the board if  
15 all of the following are done:

16 (a) The elected member of the board for whom recall is sought receives notice  
17 of the recall at least 10 working days before the meeting at which recall is voted upon.

18 (b) Notice of the vote to recall the elected member is made on the agenda of the  
19 meeting of the regional health council that is immediately prior to the meeting at  
20 which recall is voted upon.

21 **(3)** The staff of the appropriate regional office shall provide services to each  
22 regional health council to deal with issues of health consumer advocacy and health  
23 ombudsman functions.

24 **152.40 Department of health planning and finance.** (1) The department  
25 shall administer the universal health plan, including establishing a regional office

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1 in each of the regions specified under s. 15.207 (1) (a) 1. to 6. Each regional office shall  
2 have at least one staff member who acts in a full-time capacity as a regional  
3 consumer advocate and health care ombudsman.

4 (2) The department shall, after review and approval by the board, promulgate  
5 as rules all of the following:

6 (a) Guidelines for cost containment under the universal health plan, including  
7 the purchasing and distribution of major diagnostic, medical, and surgical  
8 equipment.

9 (b) Criteria for determining state residency for the purposes of eligibility under  
10 the universal health plan.

11 (c) Criteria, as recommended by the medical advisory committee appointed by  
12 the secretary under sub. (5), for determining medical necessity for orthodontia and  
13 for the performance of reconstructive or cosmetic surgery for coverage under the  
14 universal health plan.

15 (3) The department shall biennially evaluate and recommend to the board cost  
16 control measures for the universal health plan.

17 (4) The department shall, by July 1, 2005, begin implementation of processes,  
18 in light of policies formulated or revised under s. 152.20 (3), to effect all of the  
19 following:

20 (a) Specification of the amounts and sources of revenues to finance payment to  
21 providers under the universal health plan, which may not include any premiums,  
22 copayments, deductibles, and other forms of direct payment by patients, and which  
23 shall include all of the following:

24 1. Use of federal, state, and local moneys that fund, as of July 1, 2006, health  
25 care services, including medicare, medical assistance, health care services funded by

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1 a relief block grant under s. 49.02 or 49.025, health care services under s. 49.665,  
2 veterans medical benefits, Indian health care, services provided under federal block  
3 grants, alcohol and other drug abuse services, and services provided by local health  
4 departments.

5 2. Use of revenues from a tax on employers, based on the amount of wages that  
6 they pay, that generates, in the aggregate, revenues that are at least equal to  
7 amounts that employers contribute, as of the effective date of this subdivision ...  
8 [revisor inserts date], for employee health care benefit costs, including the costs of  
9 worker's compensation attributable to health care for injured employees.

10 3. Use of revenues from a graduated income tax on individuals that generates,  
11 in the aggregate, revenues that are not greater than expenditures that individuals  
12 make, as of July 1, 2006, for health care costs for which coverage under disability  
13 insurance policies is not obtained.

14 4. An indexing of the sources of revenues under this paragraph that provides  
15 for revenue growth that is equivalent to the anticipated growth of health care costs  
16 under the universal health plan.

17 (b) Application for waivers to 42 USC 1396 to 1396v or consideration of the  
18 feasibility of statutory changes to 42 USC 1396 to 1396v in order to effect all of the  
19 following:

20 1. Administration of the Medical Assistance program in this state by the  
21 department, rather than by the department of health and family services.

22 2. Use of federal financial participation to fund a portion of the administrative  
23 costs, after June 30, 2006, of the department.

24 3. Use of federal financial participation, after June 30, 2006, to fund, under the  
25 universal health plan, the health care services received by a percentage of the



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1 residents that corresponds to the percentage of the residents, as determined by the  
2 board, that is eligible to receive health care services under the Medical Assistance  
3 program on July 1, 2006.

4 4. The formulation of criteria and procedures for payment of out-of-state  
5 health care costs incurred by residents specified in subd. 3.

6 5. Use of federal financial participation to fund the scope, or a portion of the  
7 scope, of medical services to be provided under the universal health plan.

8 (c) Application for waivers to Medicare or consideration of the feasibility of  
9 statutory changes to 42 USC 1395 to 1395ddd in order to effect all of the following:

10 1. Administration of the Medicare program in this state by the department,  
11 rather than by private insurers.

12 2. Use of federal Medicare funds to fund a portion of the administrative costs,  
13 after June 30, 2006, of the department.

14 3. Use of federal Medicare funds to fund, under the universal health plan, the  
15 health care services received by residents who are eligible to receive services under  
16 Medicare beginning on July 1, 2006.

17 4. The formulation of criteria and procedures for payment of out-of-state  
18 health care costs incurred by residents specified in subd. 3.

19 5. Use of federal Medicare funds to fund the scope, or a portion of the scope, of  
20 medical services to be provided under the universal health plan.

21 6. The assignment to the state, as represented by the department, of rights of  
22 an individual to payment for medical care from any 3rd party.

23 (d) Application for waivers or consideration of the feasibility of statutory  
24 changes to federal laws, other than those specified in pars. (b) and (c), in order to use  
25 moneys available under those federal laws for payment of health care services under

**ASSEMBLY BILL 229****SECTION 13**

1 the universal health plan or in order to provide services to all residents under the  
2 universal health plan.

3 (e) The establishment and maintenance, with reserves of no less than 5% of the  
4 total annual amount appropriated under s. 20.430 (1) (b), of a health trust fund in  
5 the department, for receipt of revenues specified in par. (a).

6 (f) The formulation of criteria for determining payment and the formulation of  
7 procedures for determining payment and negotiating applicable rates to be used for  
8 payment for health care providers, including health care facilities, under the  
9 universal health plan. The criteria and procedures for determining payment shall  
10 include periodic overall budgeting, including separately budgeting for operational  
11 costs; for health care facilities and services; for negotiations with professional groups  
12 or associations of practitioners; for consideration of inflation costs and increased  
13 patient populations; and for research and teaching.

14 (g) The formulation of criteria and procedures to review and to provide funding  
15 for capital expenditures, from an account separate from that from which health care  
16 services are paid, for the establishment, maintenance, or expansion of health care  
17 facilities.

18 (h) The formulation of criteria and procedures for recovery of overpayments  
19 made to health care providers under the universal health plan.

20 (i) The determination and use of factors requisite to establishing an annual  
21 state health budget for the provision of services under the universal health plan.

22 (j) Application for waivers of 29 USC 1144 (a) or consideration of the feasibility  
23 of statutory change to 29 USC 1144 (a) or the means by which operation of the  
24 universal health plan may avoid conflict with 29 USC 1144 (a).

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1 (k) Investigation of the feasibility of providing the state with subrogation rights  
2 to payments for injury or disease to residents that are provided under motor vehicle  
3 or other liability insurance policies or plans.

4 (L) Formulation of criteria and procedures for payment under the universal  
5 health plan of out-of-state health care costs incurred by residents.

6 (m) Establishment of a listing of approved medicinal substances and formulae,  
7 including all of the following:

8 1. Negotiation with pharmaceutical manufacturers or distributors to obtain  
9 the lowest possible cost for each medicinal substance. The negotiation shall include  
10 as parties on behalf of the universal health plan the secretary of the department and  
11 the chairperson of the board.

12 2. Establishment of a single statewide price, under the universal health plan,  
13 for each medicinal substance.

14 3. Monitoring the listing to oversee its currency and revising the listing by  
15 January 1 and July 1 annually.

16 4. Negotiating a statewide uniform dispensing fee with representatives of  
17 pharmacists or pharmacies.

18 (n) Exemption of operation of the universal health plan from ch. 133, if  
19 necessary.

20 (p) Other issues relevant to the universal health plan, as determined by the  
21 board.

22 (5) The secretary shall create a medical advisory committee and appoint  
23 members of the committee, to recommend criteria under s. 152.40 (2) (c).

24 **SECTION 14. Nonstatutory provisions; health planning and finance.**

**ASSEMBLY BILL 229****SECTION 14**

1           (1) HEALTH POLICY BOARD; APPOINTMENT OF MEMBERS. Notwithstanding the  
2 length of terms specified for the members of the health policy board under section  
3 15.20 (intro.) of the statutes, as created by this act, the initial members of the health  
4 policy board shall be appointed or elected by the first day of the 4th month beginning  
5 after the effective date of this subsection for the following terms:

6           (a) Two members specified under section 15.20 (1) of the statutes, as created  
7 by this act, one of whom is elected from the northern regional health council and one  
8 of whom is elected from the southeastern regional health council, and 2 members  
9 specified under section 15.20 (2) of the statutes, as created by this act, for terms  
10 expiring on May 1, 2007.

11           (b) Two members specified under section 15.20 (1) of the statutes, as created  
12 by this act, one of whom is elected from the northeastern regional health council and  
13 one of whom is elected from the regional health council for the area within  
14 Milwaukee County, and 2 members specified under section 15.20 (2) of the statutes,  
15 as created by this act, for terms expiring on May 1, 2009.

16           (c) Two members specified under section 15.20 (1) of the statutes, as created by  
17 this act, one of whom is elected from the southern regional health council and one of  
18 whom is elected from the western regional health council, and one member specified  
19 under section 15.20 (2) of the statutes, as created by this act, for terms expiring on  
20 May 1, 2011.

21           (2) REGIONAL HEALTH COUNCILS; APPOINTMENT OF MEMBERS. Notwithstanding the  
22 length of terms specified for the members of regional health councils under section  
23 15.207 (1) (b) of the statutes, as created by this act, the initial members of the regional  
24 health councils shall be appointed by the first day of the 3rd month beginning after  
25 the effective date of this subsection for the following terms:

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1 (a) For the regional health council under section 15.207 (1) (b) 1. of the statutes,  
2 as created by this act:

- 3 1. Five members, for terms expiring on July 1, 2008.
- 4 2. Five members, for terms expiring on July 1, 2009.
- 5 3. Six members, for terms expiring on July 1, 2010.

6 (b) For the regional health council under section 15.207 (1) (b) 2. of the statutes,  
7 as created by this act:

- 8 1. Five members, for terms expiring on July 1, 2008.
- 9 2. Five members, for terms expiring on July 1, 2009.
- 10 3. Five members, for terms expiring on July 1, 2010.

11 (c) For each regional health council under section 15.207 (1) (b) 3. or 4. of the  
12 statutes, as created by this act:

- 13 1. Five members, for terms expiring on July 1, 2008.
- 14 2. Five members, for terms expiring on July 1, 2009.
- 15 3. Seven members, for terms expiring on July 1, 2010.

16 (d) For each regional health council under section 15.207 (1) (b) 5. or 6. of the  
17 statutes, as created by this act:

- 18 1. Four members, for terms expiring on July 1, 2008.
- 19 2. Four members, for terms expiring on July 1, 2009.
- 20 3. Four members, for terms expiring on July 1, 2010.

21 (3) PROPOSED IMPLEMENTATION.

22 (a) The department of administration shall expedite the creation of regional  
23 health councils in accord with section 15.207 (1) (b) of the statutes, as created by this  
24 act, by initiating and making follow-up contacts with boards of supervisors in

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1 counties other than Milwaukee County and with the county executive of Milwaukee  
2 County and the mayor of the city of Milwaukee.

3 (b) The department of administration shall provide staff assistance to complete  
4 all activities required to create the 6 regional health councils and enable each  
5 regional health council to elect one member of the health policy board as required  
6 under section 15.20 (1) of the statutes, as created by this act.

7 (c) The health policy board shall appoint the secretary of health planning and  
8 finance within 6 months after the first meeting at which all appointed and at least  
9 3 elected board members assemble.

10 (d) The secretary of health planning and finance and the secretary of  
11 administration shall, until September 1, 2005, meet at least semimonthly to  
12 formulate decisions on issues concerning the universal health plan and the  
13 department of health planning and finance, as specified in chapter 152 of the  
14 statutes, as created by this act, and how the scope and functions of the department  
15 of health planning and finance affect the scope and functions of the department of  
16 health and family services, the office of the commissioner of insurance, and the board  
17 on aging and long-term care and the duties or powers of any other state agency.  
18 Following approval by the health policy board, the department of health planning  
19 and finance shall convey these decisions to, and cooperate with, the legislative  
20 reference bureau in the drafting of proposed legislation that is necessary to  
21 implement those decisions, for introduction in the legislature in 2006 by the  
22 appropriate committee of the legislature.

23 (e) Within 2 months after the first day of the 36th month after the appointment  
24 of the first secretary of health planning and finance under paragraph (c), the health  
25 policy board shall evaluate, in writing, the performance of the secretary, shall decide

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1 whether or not to continue the appointment, and shall provide a copy of the  
2 evaluation to the governor. If the health policy board decides to discontinue the  
3 appointment, the board shall, within 6 months, implement the decision and appoint  
4 a successor.

**SECTION 15. Nonstatutory provisions; legislative reference bureau.**

6 (1) DRAFTING PROPOSED LEGISLATION TO IMPLEMENT THE UNIVERSAL HEALTH PLAN.

7 The legislative reference bureau shall, after meeting with and receiving the  
8 decisions of the department of health planning and finance with respect to the  
9 universal health plan, prepare in proper form proposed legislation that shall relate  
10 to those decisions, for introduction in the legislature in 2006 by the appropriate  
11 committee of the legislature.

12 **SECTION 16. Effective dates.** This act takes effect on the day after publication,  
13 except as follows:

14 (1) The treatment of sections 20.430 (1) (b) and 152.10 of the statutes takes  
15 effect on July 1, 2006.

16 (END)