

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

*Joint Committee for  
Review of  
Administrative Rules  
(JCR-AR)*

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR\_RCP\_pt01a
- 97hrAC-EdR\_RCP\_pt01b
- 97hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤ 97hr\_JCR-AR\_ES\_pt02a

➤ Hearing Records ... HR

➤

➤ Miscellaneous ... Misc

➤

➤ Record of Comm. Proceedings ... RCP

➤

— JCRAR Executive Session  
February 20, 1997

Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary



Mailing Address  
149 East Wilson Street  
Post Office Box 7925  
Madison, WI 53707-7925  
Telephone (608) 266-2471

## State of Wisconsin Department of Corrections

---

August 14, 1996

Members of the Legislature

Dear Member of the Legislature:

Enclosed is a copy of the Department of Corrections' emergency rule promulgated by the Department of Corrections. The emergency rule will be published in the Wisconsin State Journal on August 15, 1996. The effective date of the rule is August 15, 1996.

If you have any questions about the rule, please contact David Whitcomb of the Department's Office of Legal Counsel at 267-3673.

Sincerely,

A handwritten signature in cursive script that reads "Michael J. Sullivan".

Michael J. Sullivan  
Secretary

Attachment

ORDER OF THE  
DEPARTMENT OF CORRECTIONS  
ADOPTING RULES

FINDING OF EMERGENCY

The Department of Corrections finds an emergency exists and that the attached rule is necessary for the immediate preservation of the public peace, health, safety or welfare. A statement of the facts constituting the emergency is:

Wisconsin state prison inmates outgoing mail is generally not reviewed or censored. Inmates have used mail to:

1. Contact the victims of their crimes, which has caused severe emotional distress;
2. Threaten and harass elected officials, law enforcement officers, and other persons; and
3. Defraud mail order and other businesses.

Since November 1, 1993, pursuant to Internal Management Procedure #35, the department has stamped outgoing inmate mail to indicate that the mail was sent from the Wisconsin state prison system. IMP #35 was adopted to protect victims of crime, the public, and businesses from inmate harassment and fraud.

The Wisconsin Court of Appeals ruled in an unpublished decision that IMP #35 had to be promulgated as an administrative rule. In order to protect the public welfare of the state, it is necessary for the department to adopt the following emergency rule to ensure that victims of crime are not further victimized by inmate mail, that members of the public are not threatened or harassed, and that businesses are not defrauded.

ORDER

Pursuant to the authority vested in the Department of Corrections by ss. 301.03(2) and 227.11(2), Stats., the Department of Corrections hereby creates rules requiring the stamping of outgoing inmate mail with a stamp indicating that the mail was sent from the Wisconsin state prison system.

SECTION 1. DOC 309.05(2)(d) is created to read:

DOC 309.05(2)(d) All outgoing inmate mail will be stamped. The stamp will identify the mail as coming from the Wisconsin state prison system.

This rule shall take effect on August 15, 1996, as an emergency rule.

WISCONSIN DEPARTMENT OF CORRECTIONS

Dated:

8/14/96

By:

Michael J. Sullivan  
Michael J. Sullivan  
Secretary

Seal:

FISCAL ESTIMATE  
DOA-2048 N(R10/94)

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
DOC 309.05(2)(d)  
Amendment No. if Applicable

Subject  
Relating to stamping of outgoing inmate mail

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget     Yes     No

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
     Permissive     Mandatory  
2.  Decrease Costs  
     Permissive     Mandatory

3.  Increase Revenues  
     Permissive     Mandatory  
4.  Decrease Revenues  
     Permissive     Mandatory

5. Types of Local Governmental Units Affected:  
 Towns     Villages     Cities  
 Counties     Others \_\_\_\_\_  
 School Districts     WTCS Districts

Fund Sources Affected  
 GPR    FED    PRO    PRS    SEG    SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

Communication from inmates to their families, friends, government officials, courts, and other people has long been encouraged by the department. This provision requires that each piece of outgoing mail be stamped "This letter has been mailed from the Wisconsin Prison System."

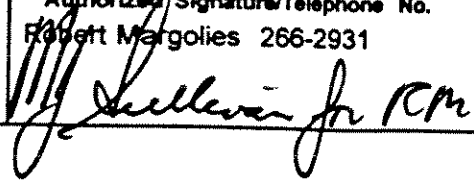
The act of stamping each piece of mail has a negligible effect on the workload of the mailroom, and has no fiscal effect on the department.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)  
Department of Corrections  
Barbara Carlson 266-9340

Authorized Signature/Telephone No.  
Robert Margolies 266-2931

Date  
8/9/96



Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary



Mailing Address  
149 East Wilson Street  
Post Office Box 7925  
Madison, WI 53707-7925  
Telephone (608) 266-2471

**State of Wisconsin**  
**Department of Corrections**

---

September 17, 1996

Mr. Bruce E. Munson, Revisor  
Revisor of Statutes Bureau  
Suite 800  
131 West Wilson Street  
Madison WI 53703-3233

Dear Mr. Munson:

Pursuant to sec. 227.135, Stats., the Department of Corrections submits the enclosed statement of scope of a proposed administrative rule relating to the stamping of outgoing inmate mail. The rule was promulgated as an emergency rule effective August 15, 1996. Enclosed is a copy of the Order of the Department of Corrections adopting the emergency rule.

Sincerely,

A handwritten signature in cursive script that reads "Michael J. Sullivan".

Michael J. Sullivan  
Secretary

cc. James R. Klauser

Enclosures

## STATEMENT OF SCOPE OF PROPOSED RULE

**Subject:**

Administrative Code - Inmate Mail

**Description of Policy Issues:**

*Statement of the objective of the proposed rule:*

The proposed administrative rule makes permanent an emergency rule requiring the stamping of outgoing inmate mail with a stamp identifying the mail as coming from the Wisconsin prison system. The proposed rule is intended to protect victims of crime, the public, and businesses from inmate harassment and fraud carried out through the mail.

There is no other feasible way of ensuring that an addressee of inmate mail is aware that the mail was sent from the Wisconsin prison system.

**Statement of the authority for the rule:**

Sections 301.02 and 301.03, Stats.

**Staff time and administrative costs:**

The proposed rule is identical to the emergency rule. No additional staff time is necessary to develop the administrative rule.

September 17, 1996



ORDER OF THE  
DEPARTMENT OF CORRECTIONS  
ADOPTING RULES

FINDING OF EMERGENCY

The Department of Corrections finds an emergency exists and that the attached rule is necessary for the immediate preservation of the public peace, health, safety or welfare. A statement of the facts constituting the emergency is:

Wisconsin state prison inmates outgoing mail is generally not reviewed or censored. Inmates have used mail to:

1. Contact the victims of their crimes, which has caused severe emotional distress;
2. Threaten and harass elected officials, law enforcement officers, and other persons; and
3. Defraud mail order and other businesses.

Since November 1, 1993, pursuant to Internal Management Procedure #35, the department has stamped outgoing inmate mail to indicate that the mail was sent from the Wisconsin state prison system. IMP #35 was adopted to protect victims of crime, the public, and businesses from inmate harassment and fraud.

The Wisconsin Court of Appeals ruled in an unpublished decision that IMP #35 had to be promulgated as an administrative rule. In order to protect the public welfare of the state, it is necessary for the department to adopt the following emergency rule to ensure that victims of crime are not further victimized by inmate mail, that members of the public are not threatened or harassed, and that businesses are not defrauded.

ORDER

Pursuant to the authority vested in the Department of Corrections by ss. 301.03(2) and 227.11(2), Stats., the Department of Corrections hereby creates rules requiring the stamping of outgoing inmate mail with a stamp indicating that the mail was sent from the Wisconsin state prison system.

SECTION 1. DOC 309.05(2)(d) is created to read:

DOC 309.05(2)(d) All outgoing inmate mail will be stamped. The stamp will identify the mail as coming from the Wisconsin state prison system.

This rule shall take effect on August 15, 1996, as an emergency rule.

WISCONSIN DEPARTMENT OF CORRECTIONS

Dated:

8/14/96

By:

Michael J. Sullivan  
Michael J. Sullivan  
Secretary

Seal:

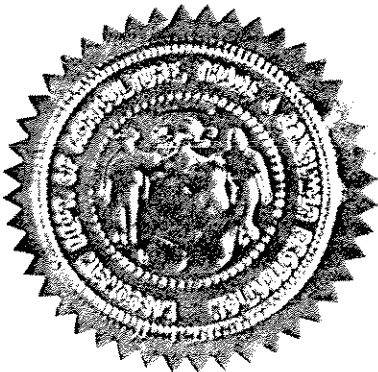
STATE OF WISCONSIN )  
 )  
DEPARTMENT OF AGRICULTURE )  
TRADE AND CONSUMER PROTECTION )

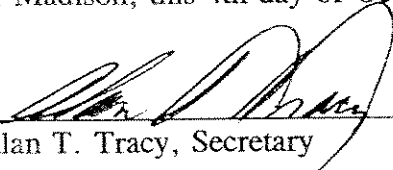
TO THE PEOPLE OF THE STATE OF WISCONSIN:

I, Alan T. Tracy, Secretary of the Wisconsin Department of Agriculture, Trade and Consumer Protection, and custodian of the official records of said Department, do hereby certify that the annexed order adopting emergency rules relating to designating butane, propane, mixtures of butane and propane, or other gaseous hydrocarbons as banned hazardous substances when intended for use as refrigerants in mobile air conditioners under section 139.04(11), Wis. Adm. Code, was duly adopted by the Department on October 4, 1996.

I further certify that said copy has been compared by me with the original on file in the Department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department at the Department offices in the City of Madison, this 4th day of October, 1996.



  
Alan T. Tracy, Secretary

**EMERGENCY ORDER  
OF THE STATE OF WISCONSIN DEPARTMENT OF AGRICULTURE,  
TRADE AND CONSUMER PROTECTION  
ADOPTING RULES**

1 The state of Wisconsin department of agriculture, trade and consumer protection hereby  
2 adopts the following emergency rule to create ATCP 139.04(11), relating to prohibiting the  
3 sale of butane, propane, mixtures of butane and propane, or other gaseous hydrocarbons for  
4 use as refrigerants in mobile air conditioners.

---

Analysis Prepared by the Department of Agriculture,  
Trade and Consumer Protection

Statutory authority: ss. 93.07(1) and 100.37(2), Stats.

Statutes interpreted: s. 100.37, Stats.

In order to protect the public from fire and explosion hazards, this emergency rule bans the sale of butane, propane, mixtures of butane and propane, or other gaseous hydrocarbons for use as refrigerants in mobile air conditioners.

Hazardous Substances Law

The Department of Agriculture, Trade and Consumer Protection ("department") regulates the sale and labeling of hazardous substances under s. 100.37, Stats. Section 100.37(1), Stats., defines a hazardous substance to include any substance or mixture of substances which is flammable or combustible "if such substance or mixture of substances may cause substantial personal injury or substantial illness during or as a proximate result of any customary or reasonably foreseeable handling or use."

The hazardous substances law authorizes the department to identify "hazardous substances" by rule. The department may regulate "hazardous substances" in various ways. The department may, by rule:

- Require precautionary labeling of hazardous substances.
- Restrict the use of hazardous ingredients.
- Prescribe package safety standards.
- Ban the sale of a hazardous substance if less restrictive alternatives are inadequate to protect and public health and safety.

Current rules under ch. ATCP 139, Wis. Adm. Code, spell out packaging and labeling requirements for hazardous substances. Current rules also prohibit the sale of certain hazardous substances if there is a serious hazard that cannot be adequately addressed by other means.

#### Emergency Rule Contents

This emergency rule lists, as "hazardous substances" under ch. ATCP 139, gaseous hydrocarbons intended for use as refrigerants in mobile air conditioners. It also prohibits the sale of those substances for use in mobile air conditioners because they pose a serious safety hazard which cannot be adequately addressed by labeling or other means. The prohibition does not apply to refrigerants which are properly labeled for specific end uses approved by the United States environmental protection agency, and which meet recognized industry flammability standards for those end uses.

---

### FINDING OF EMERGENCY

(1) On June 2, 1995, the United States Environmental Protection Agency ("EPA") issued a final rule prohibiting the use of HC-12a, a hydrocarbon-based refrigerant containing liquified petroleum gas, as a refrigerant in mobile air conditioning systems. EPA prohibited HC-12a, and a predecessor product called OZ-12, because of safety risks associated with the use of flammable refrigerants in mobile air conditioning systems. According to EPA, the manufacturer of HC-12a did not provide adequate information to demonstrate that the product was safe when used in a mobile air conditioning system.

(2) Despite the current EPA rule, at least one company is currently engaged in manufacturing and distributing HC-12a for use in motor vehicle air conditioning systems. The Idaho manufacturer argues that EPA lacks jurisdiction to regulate the sale of its product. HC-12a is currently being offered, distributed or promoted for sale at wholesale and retail outlets in Wisconsin and surrounding states, for use as a refrigerant in mobile air conditioning systems.

(3) HC-12a is a highly flammable substance, as defined by the American Society of Testing and Materials (ASTM) standard test procedure for refrigerants, the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE), and Underwriter's Laboratories. Use of HC-12a or its predecessor, OZ-12, in mobile air conditioning systems is inconsistent with standards adopted by the Society of Automotive Engineers. According to those standards, refrigerants used in mobile air conditioning systems must be of low toxicity, and must be nonflammable and nonexplosive.

(4) At least 13 states have enacted legislation prohibiting the sale of refrigerants for use in air conditioning or refrigeration systems unless those refrigerants meet flammability standards or are specifically approved for their intended use.

(5) HC-12a and other hydrocarbon-based refrigerants, when sold for use in motor vehicle air conditioning systems, present a serious risk to public health and safety for the following reasons:

(a) Motor vehicles and mobile air conditioning systems are not currently designed to use flammable refrigerants, or to prevent hazards associated with flammable refrigerants.

(b) Refrigerants in mobile air conditioning systems commonly leak into the engine compartments or passenger compartments of motor vehicles. Leaking refrigerant is often routed into the passenger compartment through the air distribution system from the evaporator. Hydrocarbon refrigerants, which are heavier than air, will tend to accumulate in low or confined spaces of a motor vehicle.

(c) Hydrocarbon refrigerants are flammable at low concentrations.

(d) Internal components of a motor vehicle provide many potential sources of ignition

for flammable refrigerants. Passenger activities, such as smoking, may also create ignition sources.

(e) Fires or explosions resulting from the ignition of leaked flammable refrigerant may cause serious bodily injury or death to motor vehicle passengers. Automotive technicians who test for leaks, or who repair or service mobile air conditioning systems containing flammable refrigerants, are also at risk.

(6) The risk to public health and safety cannot be adequately addressed by product packaging or labeling, for the following reasons:

(a) The use of flammable hydrocarbon-based products in motor vehicle air conditioning systems is inherently hazardous. That hazard will not be materially altered by mere packaging or labeling.

(b) Use is hazardous to persons who are not aware that the refrigerant is present, and have not have seen or read the product label.

(c) Current product labels for HC-12a already contain a warning statement that the contents are under pressure and are extremely flammable. Current labels direct use by qualified personnel only, and list other cautions and instructions when recharging a mobile air conditioning system with this substitute refrigerant. These label statements do not materially alter the hazard inherent in the use for which the product is sold. There are few if any protective actions which a customer or technician could take to reduce the hazards associated with use of the product.

(d) There are no automotive industry standards which would allow a flammable refrigerant to be used in a motor vehicle air conditioning system as currently designed.

(7) Flammable hydrocarbon-based refrigerants, including HC-12a, OZ-12, and other refrigerants containing butane, propane, mixtures of butane and propane, or other gaseous hydrocarbons, pose a serious risk to public health and safety when sold for use as refrigerants in mobile air conditioners. At this time, the public health and safety can only be protected by keeping these products out of the channels of commerce in this state. The department can and should adopt rules, under ss. 93.07(1) and 100.37(2), Stats., prohibiting the sale of such products in this state.

(8) Pending the adoption of rules according normal administrative rulemaking procedures, it is necessary to adopt emergency rules under s. 227.24, Stats., to protect the public health, safety and welfare.

#### EMERGENCY RULEMAKING ORDER

1           SECTION 1. ATCP 139.04(11) is created to read:

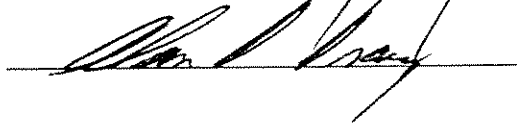
2           ATCP 139.04(11) Substances containing butane, propane, mixtures of butane and  
3 propane, or other gaseous hydrocarbons when sold or intended for use as refrigerants in  
4 mobile air conditioners, as defined under s. 100.45(1)(b), Stats. This subsection does not  
5 apply to substances used as refrigerants which are properly labeled and intended for specific  
6 end uses approved by the United States environmental protection agency, and which meet  
7 recognized industry standards related to flammability for that specific end use.



1           **EFFECTIVE DATE.** The emergency rule contained in this order shall take effect  
2 upon publication, and shall remain in effect for 150 days. The department may seek to  
3 extend this emergency rule as provided in s. 227.24, Stats.

Dated this 4th day of Oct, 1996.

STATE OF WISCONSIN  
DEPARTMENT OF AGRICULTURE,  
TRADE AND CONSUMER PROTECTION

A handwritten signature in black ink, appearing to read "Alan T. Tracy", is written over a horizontal line.

Alan T. Tracy, Secretary



NOV 15 1996

State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson  
Governor

Josephine W. Musser  
Commissioner

November 15, 1996

121 East Wilson Street  
P.O. Box 7873  
Madison, Wisconsin 53707-7873  
(608) 266-3585  
[http://badger.state.wi.us/agencies/oci/oci\\_home.htm](http://badger.state.wi.us/agencies/oci/oci_home.htm)

HONORABLE RICHARD GROBSCHMIDT  
SENATE CO-CHAIRPERSON  
JOINT COMM FOR REVIEW OF ADM RULES  
100 N HAMILTON ST RM 404  
MADISON WI 53702

Re: Rule, Section Ins 18.07 (5) (b), Wis. Adm. Code, relating to HIRSP rate decrease  
Clearinghouse Rule No. 96-153

Dear Senator Grobschmidt:

I am enclosing a copy of this proposed rule which has been submitted to the presiding officers of the legislative houses under s. 227.19 (2), Wis. Stat. A copy of the report required under s. 227.19 (3), Wis. Stat., is also enclosed.

Best Regards,

RANDY BLUMER  
Deputy Commissioner of Insurance

JWM:SM

Attachment: 1 copy rule

PROPOSED ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

REPEALING AND RECREATING A RULE

To repeal and recreate Ins 18.07 (5) relating to a decrease in 1996-97 premium rates for the health insurance risk-sharing plan.

---

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 619.11, 619.14 (5) (a) and (e) and 619.15 (5), Stats.

Statutes Interpreted: ss. 619.14 (5) (a), 619.165 (1) and 619.17 (1) and (2), Stats.

1996-97 Premium Adjustments

The Commissioner of Insurance, based on the recommendation of the Health Insurance Risk-Sharing Plan ("HIRSP") board, is required to set the annual premiums by rule. The rates must be calculated in accordance with generally accepted actuarial principles and must be set at 60% of HIRSP's operating and administrative costs. This rule, following the promulgation of an emergency rule to the same effect, adjusts the premium rates for the period of October 1, 1996, through June 30, 1997, based upon a recalculation of costs and subsidy payments for the 1996-1997 fiscal year. This adjustment represents a 12% reduction in premium payments for both the non-subsidized major medical and medicare plans for persons under age 65. The rates for low-income persons entitled to a premium reduction under s. Ins. 18.07 (5) (bg) are not affected.

---

SECTION 1. Section Ins 18.07 (5) (b) is repealed and recreated to read:

Ins 18.07 (5) (b) The schedule of annual premiums for the period from October 1, 1996, to June 30, 1997, for persons not entitled to a premium reduction under s. 619.165, Stats., is as follows:

MAJOR MEDICAL PLAN - Males

<u>Age Group</u>	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>
0-18	\$1,680	\$1,512	\$1,344
19-24	1,680	1,512	1,344
25-29	1,728	1,560	1,380
30-34	1,968	1,776	1,572
35-39	2,184	1,968	1,752
40-44	2,640	2,376	2,112
45-49	3,276	2,952	2,616
50-54	4,284	3,852	3,432
55-59	5,616	5,052	4,488
60-64	6,852	6,168	5,484

MAJOR MEDICAL PLAN - Females

<u>Age Group</u>	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>
0-18	\$1,680	\$1,512	\$1,344
19-24	2,484	2,232	1,992
25-29	2,640	2,376	2,112
30-34	2,832	2,544	2,268
35-39	3,036	2,736	2,424
40-44	3,276	2,952	2,616
45-49	3,756	3,384	3,000
50-54	4,320	3,888	3,456
55-59	4,908	4,416	3,924
60-64	5,820	5,244	4,656

MEDICARE PLAN - Males

<u>Age Group</u>	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>
0-18	\$1,140	\$1,140	\$1,020
19-24	1,140	1,140	1,020
25-29	1,140	1,140	1,020
30-34	1,140	1,140	1,020
35-39	1,140	1,140	1,020
40-44	1,380	1,248	1,104
45-49	1,704	1,536	1,368
50-54	2,232	2,004	1,788
55-59	2,928	2,640	2,340
60-64	3,576	3,216	2,856

MEDICARE PLAN - Females

<u>Age Group</u>	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>
0-18	\$1,140	\$1,140	\$1,020
19-24	1,296	1,164	1,032
25-29	1,368	1,236	1,092
30-34	1,476	1,332	1,176
35-39	1,584	1,428	1,272
40-44	1,704	1,536	1,368
45-49	1,956	1,764	1,560
50-54	2,256	2,028	1,800
55-59	2,556	2,304	2,040
60-64	3,036	2,736	2,424

SECTION 2. EFFECTIVE DATE. This rule will take effect on the first day of the first month beginning after publication as provided in s. 227.22 (2) (intro), Stats.

Dated at Madison, Wisconsin, this 13th day of November, 1996.

\_\_\_\_\_  
Josephine W. Musser  
Commissioner of Insurance

LRB or Bill No./Adm. Rule No.  
INS. 18,07(5)(b)  
Amendment No. if Applicable

FISCAL ESTIMATE  
DOA-2048 N(R10/94)

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

Subject

RATE DECREASE FOR HEALTH INSURANCE RISK-SHARING PLAN

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No

Decrease Costs

Local:  No local government costs

- 1.  Increase Costs
  - Permissive  Mandatory
- 2.  Decrease Costs
  - Permissive  Mandatory

- 3.  Increase Revenues
  - Permissive  Mandatory
- 4.  Decrease Revenues
  - Permissive  Mandatory

5. Types of Local Governmental Units Affected:
- Towns  Villages  Cities
  - Counties  Others \_\_\_\_\_
  - School Districts  WTCS Districts

Fund Sources Affected

- GPR  FED  PRO  PRS  SEG  SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)  
STEVE MUELLER 267-2833

Authorized Signature/Telephone No.

Date  
8/27/96



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson  
Governor

Josephine W. Musser  
Commissioner

November 15, 1996

121 East Wilson Street  
P.O. Box 7873  
Madison, Wisconsin 53707-7873  
(608) 266-3585  
[http://badger.state.wi.us/agencies/oci/oci\\_home.htm](http://badger.state.wi.us/agencies/oci/oci_home.htm)

REPORT ON Section Ins 18.07 (5) (b), Wis. Adm. Code,  
relating to HIRSP rate decrease

Clearinghouse Rule No 96-153  
Submitted Under s. 227.19 (3), Stats.  
The proposed rule-making order is attached.

(a) Statement of need for the proposed rule

The Commissioner of Insurance, based on the recommendation of the Health Insurance Risk-Sharing Plan ("HIRSP") board, is required to set the annual premiums by rule. The rates must be calculated in accordance with generally accepted actuarial principles and must be set at 60% of HIRSP's operating and administrative costs. This rule, following promulgation of an emergency rule to the same effect, adjusts the premium rates for the period of October 1, 1996 through June 30, 1997 based upon a recalculation of costs and subsidy payments for the 1996-97 fiscal year. This adjustment represents a 12% reduction in premium payments for both the non-subsidized major medical and medicare plans for persons under age 65. The rates for low-income persons entitled to a premium reduction under s. Ins. 18.07 (5) (bg) are not affected.

(b) Modifications made in proposed rule based on testimony at public hearing:

None

(c) Persons who appeared or registered regarding the proposed rule:

Appearances In Support of Rule:

Robert Wood, Corporate Vice-President, Public Relations, Wisconsin Physicians Service Insurance Corporation

Letters received:

Robert Wood submitted written comments which are part of the record as Exhibit 7.

(d) Response to Legislative Council staff recommendations

All comments were complied with and corrected.

(e) Regulatory flexibility analysis

1. No issues were raised by small businesses during the hearing on the proposed rule.
2. The proposed rule does not impose any additional reporting requirements on small businesses.
3. The proposed rule does not require any additional measures or investments by small businesses.
4. No methods specified under s. 227.114 (2), Stats., are included in the proposed rule.
5. No methods specified under s. 227.114 (2), Stats., are included in the proposed rule.

(f) Fiscal Effect

See fiscal estimate attached to proposed rule.

EXHIBIT LIST (NOT ATTACHED)

- 1-Wisconsin HIRSP Actuarial Report to the HIRSP Board 7/31/96
- 2-HIRSP Board Meeting Minutes 7/31/96
- 3-HIRSP Actuarial Committee Meeting Minutes 8/2/96
- 4-Notices published in the Wisconsin Administrative Register
- 5-Copy of Notice of Hearing with Proposed Rule attached
- 6-Rules Clearinghouse Report
- 7-Robert Wood Submission
- 8-Proposed Rule with Clearinghouse changes (final version)

November 15, 1996