



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0577/3  
PJK:kmg&jlg:km

rm is run

LFB:.....Goldman - Modifications to HIRSP

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

Boyer P.S.  
Today (mon)

1 At the locations indicated, amend the bill as follows:

2 1. Page 420, line 20: delete that line and substitute:

3 "SECTION 386b. 20.435 (1) (u) of the statutes is renumbered 20.435 (4) (u) and  
4 amended to read:

5 20.435 (4) (u) *Health insurance risk-sharing plan; administration.* The  
6 Biennially, from the health insurance risk-sharing plan fund, the amounts in the  
7 schedule from the health insurance risk-sharing plan fund for the administration  
8 of ch. 149, subject to s. 149.143 (2m)."

9 2. Page 427, line 10: after that line insert:

10 "SECTION 415g. 20.435 (4) (v) of the statutes is created to read:

1           20.435 (4) (v) *Health insurance risk-sharing plan; program benefits.* All  
2 moneys received by the health insurance risk-sharing plan fund, except for moneys  
3 appropriated under par. (u), for the operating costs of the health insurance  
4 risk-sharing plan under ch. 149, subject to s. 149.143 (2m).”.

5           **3.** Page 427, line 14: delete lines 14 and 15 and substitute:

6           “**SECTION 417c.** 20.435 (5) (af) of the statutes is renumbered 20.435 (4) (af) and  
7 amended to read:

8           20.435 (4) (af) *Health insurance risk-sharing plan; transfer to fund for costs.*  
9 The amounts in the schedule to be paid into the health insurance risk-sharing plan  
10 fund for paying a portion of the operating costs of the health insurance risk-sharing  
11 plan under ch. 149.

12           **SECTION 418c.** 20.435 (5) (ah) of the statutes is renumbered 20.435 (4) (ah) and  
13 amended to read:

14           20.435 (4) (ah) *Health insurance risk-sharing plan; transfer to fund for*  
15 *premium and deductible reduction subsidy.* Biennially, the amounts in the schedule  
16 to be paid into the health insurance risk-sharing plan fund for the purpose of  
17 subsidizing premium reductions under s. 149.165 and deductible reductions under  
18 s. 149.14 (5) (a).”.

19           **4.** Page 430, line 5: delete that line and substitute:

20           “**SECTION 433d.** 20.435 (5) (gh) of the statutes is repealed.”.

21           **5.** Page 497, line 17: after that line insert:

22           “**SECTION 697r.** 25.17 (1) (gf) of the statutes is created to read:

23           25.17 (1) (gf) Health insurance risk-sharing plan fund (s. 25.55);”.

24           **6.** Page 501, line 16: after that line insert:

1           **SECTION 717m.** 25.55 of the statutes is created to read:

2           **25.55 Health insurance risk-sharing plan fund.** There is established a  
3 separate nonlapsible trust fund designated as the health insurance risk-sharing  
4 plan fund, to consist of:

5           (1) All moneys appropriated under s. 20.435 (4) (af).

6           (2) All moneys appropriated under s. 20.435 (4) (ah).

7           (3) Insurer assessments under ch. 149.

8           (4) Premiums paid by eligible persons under ch. 149.”

9           **7.** Page 1052, line 20: after that line insert:

10           **SECTION 2255m.** 149.10 (3e) of the statutes is created to read:

11           149.10 (3e) “Fund” means the health insurance risk-sharing plan fund.”

12           **8.** Page 1053, line 12: after that line insert:

13           **SECTION 2258d.** 149.125 of the statutes is repealed.

14           **SECTION 2258f.** 149.14 (2) (a) of the statutes is amended to read:

15           149.14 (2) (a) The plan shall provide every eligible person who is not eligible  
16 for medicare with major medical expense coverage. Major medical expense coverage  
17 offered under the plan under this section shall pay an eligible person’s covered  
18 expenses, subject to sub. (3) and deductible, copayment and coinsurance payments  
19 authorized under sub. (5), up to a lifetime limit of \$1,000,000 per covered individual.  
20 The maximum limit under this paragraph shall not be altered by the board, and no  
21 actuarially equivalent benefit may be substituted by the board.”

22           **9.** Page 1053, line 14: delete the material beginning with that line and ending  
23 with page 1054, line 2, and substitute:

1           “149.14 (3) COVERED EXPENSES. (intro.) Except as provided in sub. (4), except  
2 as restricted by cost containment provisions under s. 149.17 (4) and except as  
3 reduced by the board under s. 149.15 (3) (e) or by the department under ~~s. ss.~~ ss. 149.143  
4 or and 149.144, covered expenses for the coverage under this section shall be the  
5 ~~usual and customary charges~~ payment rates established by the department under  
6 s. 149.142 for the services provided by persons licensed under ch. 446 and certified  
7 under s. 49.45 (2) (a) 11. Except as provided in sub. (4), except as restricted by cost  
8 containment provisions under s. 149.17 (4) and except as reduced by the board under  
9 ~~s. 149.15 (3) (e) or by the department under s. ss.~~ ss. 149.143 or and 149.144, covered  
10 expenses for the coverage under this section shall also be the ~~usual and customary~~  
11 ~~charges~~ payment rates established by the department under s. 149.142 for the  
12 following services and articles if the service or article is prescribed by a physician  
13 who is licensed under ch. 448 or in another state and who is certified under s. 49.45  
14 (2) (a) 11. and if the service or article is provided by a provider certified under s. 49.45  
15 (2) (a) 11.:

16           **SECTION 2259f.** 149.14 (3) (d) of the statutes is amended to read:

17           149.14 (3) (d) Drugs requiring a physician's prescription, subject to sub. (4c).

18           **SECTION 2259r.** 149.14 (4) (d) of the statutes is amended to read:

19           149.14 (4) (d) That part of any charge for services or articles rendered or  
20 prescribed by a physician, dentist or other health care personnel ~~which that~~ exceeds  
21 the ~~prevailing charge in the locality where the service is provided~~ payment rate  
22 established by the department under s. 149.142 and reduced under ss. 149.143 and  
23 149.144 or any charge not medically necessary.”

24           **10.** Page 1054, line 4: after that line insert:

1           **SECTION 2260c.** 149.14 (4) (n) of the statutes is created to read:

2           149.14 (4) (n) Services or drugs for the treatment of infertility.

3           **SECTION 2260d.** 149.14 (4c) of the statutes is created to read:

4           149.14 (4c) **COVERAGE OF PRESCRIPTION DRUGS.** The department may require a  
5 pharmacist or pharmacy that provides a prescription drug to an eligible person to  
6 submit a payment claim directly to the plan administrator. The department may  
7 limit coverage of prescription drugs under sub. (3) (d) to those prescription drugs for  
8 which payment claims are submitted by pharmacists or pharmacies directly to the  
9 plan administrator.

10          **SECTION 2260h.** 149.14 (4m) of the statutes is amended to read:

11          149.14 (4m) **PAYMENT IS PAYMENT IN FULL.** Except for copayments, coinsurance  
12 or deductibles required or authorized under the plan, a provider of a covered service  
13 or article shall accept as payment in full for the covered service or article the payment  
14 rate determined under ss. 149.142, 149.143, and 149.144 and ~~149.15 (3) (e)~~ and may  
15 not bill an eligible person who receives the service or article for any amount by which  
16 the charge for the service or article is reduced under s. 149.142, 149.143, or 149.144  
17 or ~~149.15 (3) (e)~~.

18          **SECTION 2260m.** 149.14 (5) (title) of the statutes is amended to read:

19          149.14 (5) (title) **DEDUCTIBLES, COPAYMENTS AND COINSURANCE.**

20          **SECTION 2260p.** 149.14 (5) (e) of the statutes is created to read:

21          149.14 (5) (e) Subject to sub. (8) (b), the department may establish copayments  
22 for prescription drug coverage under sub. (3) (d). Any copayment amounts or rates  
23 established are subject to the approval of the board. Copayments paid by an eligible  
24 person under this paragraph shall count toward the deductible and covered costs not  
25 paid by the plan under pars. (a) to (c).”

by rule under s. 149.17(4)

1           **11.** Page 1054, line 7: delete the material beginning with that line and ending  
2 with page 1056, line 9, and substitute:

3           “**SECTION 2261f.** 149.14 (8) of the statutes is created to read:

4           **149.14 (8) APPLICABILITY OF MEDICAL ASSISTANCE PROVISIONS.** (a) Except as  
5 provided in par. (b), the department may, by rule under s. 149.17 (4), apply to the plan  
6 the same utilization and cost control procedures that apply under rules promulgated  
7 by the department to medical assistance under subch. IV of ch. 49.

8           (b) The department may not apply to eligible persons for covered services or  
9 articles the same copayments that apply to recipients of medical assistance under  
10 subch. IV of ch. 49 for services or articles covered under that program.

11           **SECTION 2261j.** 149.142 of the statutes is created to read:

12           **149.142 Provider payment rates.** (1) (a) Except as provided in par. (b), the  
13 department shall establish payment rates for covered expenses that consist of the  
14 allowable charges paid under s. 49.46 (2) for the services and articles provided plus  
15 an enhancement determined by the department. The rates shall be based on the  
16 allowable charges paid under s. 49.46 (2), projected plan costs and trend factors.  
17 Using the same methodology that applies to medical assistance under subch. IV of  
18 ch. 49, the department shall establish hospital outpatient per visit reimbursement  
19 rates and hospital inpatient reimbursement rates that are specific to diagnostically  
20 related groups of eligible persons.

21           (b) The payment rate for a prescription drug shall be the allowable charge paid  
22 under s. 49.46 (2) (b) 6. h. for the prescription drug.

23           (2) The rates established under this section are subject to adjustment under  
24 ss. 149.143 and 149.144.

1           **SECTION 2261m.** 149.143 (1) (intro.) of the statutes is amended to read:

2           149.143 (1) (intro.) The department shall pay or recover the operating costs of  
3 the plan from the appropriation under s. 20.435 (4) (v) and administrative costs of  
4 the plan from the appropriation under s. 20.435 (4) (u). For purposes of determining  
5 premiums, insurer assessments and provider payment rate adjustments, the  
6 department shall apportion and prioritize responsibility for payment or recovery of  
7 plan costs from among the moneys constituting the fund as follows:

8           **SECTION 2262b.** 149.143 (1) (a) of the statutes is amended to read:

9           149.143 (1) (a) First from the moneys transferred to the fund from the  
10 appropriation account under s. 20.435 (5) (4) (af).

11           **SECTION 2263b.** 149.143 (1) (b) 1. a. of the statutes is amended to read:

12           149.143 (1) (b) 1. a. First, from premiums from eligible persons with coverage  
13 under s. 149.14 set at 150% of the rate that a standard risk would be charged under  
14 an individual policy providing substantially the same coverage and deductibles as  
15 are provided under the plan, including amounts received for premium and deductible  
16 subsidies under s. 149.144 and under the transfer to the fund from the appropriation  
17 account under ~~ss. s.~~ s. 20.435 (5) (4) (ah) and 149.144, and from premiums collected  
18 from eligible persons with coverage under s. 149.146 set in accordance with s.  
19 149.146 (2) (b).

20           **SECTION 2263bm.** 149.143 (1) (b) 1. b. of the statutes is amended to read:

21           149.143 (1) (b) 1. b. Second, from ~~the appropriation under s. 20.435 (5) (gh)~~  
22 moneys specified under sub. (2m), to the extent that the amounts under subd. 1. a.  
23 are insufficient to pay 60% of plan costs.

24           **SECTION 2263bn.** 149.143 (1) (b) 1. c. of the statutes is amended to read:

1           149.143 (1) (b) 1. c. Third, by increasing premiums from eligible persons with  
2 coverage under s. 149.14 to more than 150% but not more than 200% of the rate that  
3 a standard risk would be charged under an individual policy providing substantially  
4 the same coverage and deductibles as are provided under the plan, including  
5 amounts received for premium and deductible subsidies under s. 149.144 and under  
6 the transfer to the fund from the appropriation account under ss. s. 20.435 (5) (4) (ah)  
7 and 149.144, and by increasing premiums from eligible persons with coverage under  
8 s. 149.146 in accordance with s. 149.146 (2) (b), to the extent that the amounts under  
9 subd. 1. a. and b. are insufficient to pay 60% of plan costs.

10           **SECTION 2263bp.** 149.143 (1) (b) 1. d. of the statutes is amended to read:

11           149.143 (1) (b) 1. d. Fourth, notwithstanding subd. 2., by increasing insurer  
12 assessments, excluding assessments under s. 149.144, and adjusting provider  
13 payment rates, excluding adjustments to those rates under ss. s. 149.144 and 149.15  
14 (3) (e), in equal proportions and to the extent that the amounts under subd. 1. a. to  
15 c. are insufficient to pay 60% of plan costs.

16           **SECTION 2264e.** 149.143 (1) (b) 2. b. of the statutes is amended to read:

17           149.143 (1) (b) 2. b. Fifty percent from adjustments to provider payment rates,  
18 excluding adjustments to those rates under ss. s. 149.144 and 149.15 (3) (e).

19           **SECTION 2265b.** 149.143 (2) (a) 1. a. of the statutes is amended to read:

20           149.143 (2) (a) 1. a. Estimate the amount of enrollee premiums that would be  
21 received in the new plan year if the enrollee premiums were set at a level sufficient,  
22 when including amounts received for premium and deductible subsidies under s.  
23 149.144 and under the transfer to the fund from the appropriation account under ss.  
24 s. 20.435 (5) (4) (ah) and 149.144 and from premiums collected from eligible persons  
25 with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b), to cover 60%



1 of the estimated plan costs for the new plan year, after deducting from the estimated  
2 plan costs the amount available in for transfer to the fund from the appropriation  
3 account under s. 20.435 ~~(5)~~ (4) (af) for that plan year.

4 **SECTION 2265bm.** 149.143 (2) (a) 1. c. of the statutes is repealed.

5 **SECTION 2266g.** 149.143 (2m) of the statutes is created to read:

6 149.143 (2m) (a) The department shall keep a separate accounting of the  
7 difference between the following:

8 1. The amount of premiums received in a plan year from all eligible persons,  
9 including amounts received for premium and deductible subsidies.

10 2. The amount of premiums, including amounts received for premium and  
11 deductible subsidies, necessary to cover 60% of the plan costs for the plan year, after  
12 deducting the amount transferred to the fund from the appropriation account under  
13 s. 20.435 (4) (af).

14 (b) Any amount by which the amount under par. (a) 1. exceeds the amount  
15 under par. (a) 2. may be used only as follows:

16 1. To reduce premiums in succeeding plan years as provided in sub. (1) (b) 1.  
17 b. For eligible persons with coverage under s. 149.14, premiums may not be reduced  
18 below 150% of the rate that a standard risk would be charged under an individual  
19 policy providing substantially the same coverage and deductibles as are provided  
20 under the plan.

21 2. For other needs of eligible persons, with the approval of the board.

22 **SECTION 2267j.** 149.143 (3) (b) of the statutes is amended to read:

23 149.143 (3) (b) If, after increasing the department increases premium rates  
24 and insurer assessments and adjusting adjusts the provider payment rate under par.  
25 (a), ~~the department and~~ determines that there will still be a deficit and that premium

1 rates have been increased to the maximum extent allowable under par. (a), the  
2 department ~~shall~~ may further adjust, in equal proportions, assessments set under  
3 sub. (2) (a) 3. and the provider payment rate set under sub. (2) (a) 4., without regard  
4 to sub. (1) (b) 2.

5 **SECTION 2267m.** 149.143 (5) of the statutes is created to read:

6 149.143 (5) (a) Annually, no later than April 30, the department shall perform  
7 a reconciliation with respect to plan costs, premiums, insurer assessments and  
8 provider payment rate adjustments based on data from the previous calendar year.  
9 On the basis of the reconciliation, the department shall make any necessary  
10 adjustments in premiums, insurer assessments or provider payment rates for the  
11 fiscal year beginning on the first July 1 after the reconciliation, as provided in sub.  
12 (2) (b).

13 (b) Except as provided in sub. (3) and s. 149.144, the department shall adjust  
14 the provider payment rates to meet the providers' specified portion of the plan costs  
15 no more than once annually. The department may not determine the adjustment on  
16 an individual provider basis or on the basis of provider type, but shall determine the  
17 adjustment for all providers in the aggregate.

18 **SECTION 2267r.** 149.144 of the statutes is amended to read:

19 **149.144 Adjustments to insurer assessments and provider payment**  
20 **rates for premium and deductible reductions.** If the moneys transferred to the  
21 fund under the appropriation under s. 20.435 (5) (4) (ah) are insufficient to reimburse  
22 the plan for premium reductions under s. 149.165 and deductible reductions under  
23 s. 149.14 (5) (a), or the department determines that the moneys transferred or to be  
24 transferred to the fund under the appropriation under s. 20.435 (5) (4) (ah) will be  
25 insufficient to reimburse the plan for premium reductions under s. 149.165 and

1 deductible reductions under s. 149.14 (5) (a), the department shall may, by rule,  
2 adjust in equal proportions the amount of the assessment set under s. 149.143 (2) (a)  
3 3. and the provider payment rate set under s. 149.143 (2) (a) 4., subject to s. 149.143  
4 (1) (b) 1., sufficient to reimburse the plan for premium reductions under s. 149.165  
5 and deductible reductions under s. 149.14 (5) (a). The If the department makes the  
6 adjustment under this section, the department shall notify the commissioner so that  
7 the commissioner may levy any increase in insurer assessments.

8 **SECTION 2268m.** 149.145 of the statutes is amended to read:

9 **149.145 Program budget.** The department, in consultation with the board,  
10 shall establish a program budget for each plan year. The program budget shall be  
11 based on the provider payment rates specified in s. ~~149.15 (3) (e)~~ 149.142 and in the  
12 most recent provider contracts that are in effect and on the funding sources specified  
13 in s. 149.143 (1), including the methodologies specified in ss. 149.143, 149.144 and  
14 149.146 for determining premium rates, insurer assessments and provider payment  
15 rates. Except as otherwise provided in s. 149.143 (3) (a) and (b), from the program  
16 budget the department shall derive the actual provider payment rate for a plan year  
17 that reflects the providers' proportional share of the plan costs, consistent with ss.  
18 149.143 and 149.144. The department may not implement a program budget  
19 established under this section unless it is approved by the board."

20 **12.** Page 1057, line 19: delete the material beginning with that line and  
21 ending with page 1058, line 23, and substitute:

22 "SECTION 2276m. 149.15 (3) (e) of the statutes is repealed.

23 SECTION 2277c. 149.15 (3) (g) of the statutes is created to read:

1           149.15 (3) (g) Establish oversight committees to address various  
2 administrative issues, such as financial management of the plan and plan  
3 administrator performance standards. A representative of the department may not  
4 be the chairperson of any committee established under this paragraph.

5           **SECTION 2277f.** 149.16 (4) of the statutes is created to read:

6           149.16 (4) The department shall obtain the approval of the board before  
7 implementing any contract with the plan administrator.

8           **SECTION 2278b.** 149.165 (4) of the statutes is amended to read:

9           149.165 (4) The department shall reimburse the plan for premium reductions  
10 under sub. (2) and deductible reductions under s. 149.14 (5) (a) with moneys  
11 transferred to the fund from the appropriation account under s. 20.435 ~~(5)~~ (4) (ah).

12           **SECTION 2278c.** 149.17 (2) of the statutes is amended to read:

13           149.17 (2) A schedule of premiums, deductibles, copayments and coinsurance  
14 payments ~~which~~ that complies with all requirements of this chapter.

15           **SECTION 2278g.** 149.17 (4) of the statutes is amended to read:

16           149.17 (4) Cost containment provisions established by the department by rule,  
17 including managed care requirements. The department shall obtain the approval of  
18 the board before promulgating a rule that establishes a cost containment provision  
19 that would have an effect on an eligible person's access to health care services, such  
20 as the creation of new prior authorization requirements."

21           **13.** Page 1473, line 10: after that line insert:

22           “(9z) HEALTH INSURANCE RISK-SHARING PLAN. The treatment of sections 20.435  
23 (1) (u), (4) (v) and (5) (af), (ah) and (gh), 25.17 (1) (gf), 25.55, 149.10 (3e), 149.125,  
24 149.14 (2) (a), (3) (intro.) and (d), (4) (d) and (n), (4c), (4m), (5) (title) and (e) and (8),

1 149.142, 149.143 (1) (intro.), (a) and (b) 1. a., b., c. and d. and 2. b., (2) (a) 1. a. and  
2 c., (2m), (3) (b) and (5), 149.144, 149.145, 149.165 (4) and 149.17 (2) of the statutes  
3 takes effect on January 1, 2000.”

4 (END)

yes - do payments by rule

per Amie Goldman  
6-14

149.14(2)(a) → policies issued or renewed  
Jan. 1, 2000

149.14(3)(d) →

149.14(4c)(b) →

(4)(n) →

149.14(5)(title)

(5)(e) →

(8)(a) →

149.17(2) →

149.45  
initial budget started 2000 first year = year 2000  
for fiscal year 2000-01

149.16(4) → IC's entered into over open  
date of birth date of birth



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1999 - 2000 LEGISLATURE

LRBb0577/4  
PJK:kmg&jlg:km

rm is run

LFB:.....Goldman – Modifications to HIRSP

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TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

Today  
(Mon)  
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6 Biennially, from the health insurance risk-sharing plan fund, the amounts in the  
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11 plan under ch. 149.

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17 subsidizing premium reductions under s. 149.165 and deductible reductions under  
18 s. 149.14 (5) (a).”.

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20           “**SECTION 433d.** 20.435 (5) (gh) of the statutes is repealed.”.

21           **5.** Page 497, line 17: after that line insert:

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8           (4) Premiums paid by eligible persons under ch. 149.”.

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14           **SECTION 2258f.** 149.14 (2) (a) of the statutes is amended to read:

15           149.14 (2) (a) The plan shall provide every eligible person who is not eligible  
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17 offered under the plan under this section shall pay an eligible person’s covered  
18 expenses, subject to sub. (3) and deductible, copayment and coinsurance payments  
19 authorized under sub. (5), up to a lifetime limit of \$1,000,000 per covered individual.  
20 The maximum limit under this paragraph shall not be altered by the board, and no  
21 actuarially equivalent benefit may be substituted by the board.”.

22           **9.** Page 1053, line 14: delete the material beginning with that line and ending  
23 with page 1054, line 2, and substitute:

1           “149.14 (3) COVERED EXPENSES. (intro.) Except as provided in sub. (4), except  
2 as restricted by cost containment provisions under s. 149.17 (4) and except as  
3 reduced by the board under s. 149.15 (3)(e) or by the department under s. ss. 149.143  
4 or and 149.144, covered expenses for the coverage under this section shall be the  
5 usual and customary charges payment rates established by the department under  
6 s. 149.142 for the services provided by persons licensed under ch. 446 and certified  
7 under s. 49.45 (2) (a) 11. Except as provided in sub. (4), except as restricted by cost  
8 containment provisions under s. 149.17 (4) and except as reduced by the board under  
9 s. 149.15 (3) (e) or by the department under s. ss. 149.143 or and 149.144, covered  
10 expenses for the coverage under this section shall also be the usual and customary  
11 charges payment rates established by the department under s. 149.142 for the  
12 following services and articles if the service or article is prescribed by a physician  
13 who is licensed under ch. 448 or in another state and who is certified under s. 49.45  
14 (2) (a) 11. and if the service or article is provided by a provider certified under s. 49.45  
15 (2) (a) 11.:

16           **SECTION 2259f.** 149.14 (3) (d) of the statutes is amended to read:

17           149.14 (3) (d) Drugs requiring a physician's prescription, subject to sub. (4c).

18           **SECTION 2259r.** 149.14 (4) (d) of the statutes is amended to read:

19           149.14 (4) (d) That part of any charge for services or articles rendered or  
20 prescribed by a physician, dentist or other health care personnel ~~which~~ that exceeds  
21 the ~~prevailing charge in the locality where the service is provided~~ payment rate  
22 established by the department under s. 149.142 and reduced under ss. 149.143 and  
23 149.144 or any charge not medically necessary.”

24           **10.** Page 1054, line 4: after that line insert:

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**SECTION 2260c.** 149.14 (4) (n) of the statutes is created to read:

149.14 (4) (n) Services or drugs for the treatment of infertility.

*impotence  
or  
sterility*

**SECTION 2260d.** 149.14 (4c) of the statutes is created to read:

149.14 (4c) COVERAGE OF PRESCRIPTION DRUGS. The department may require a pharmacist or pharmacy that provides a prescription drug to an eligible person to submit a payment claim directly to the plan administrator. The department may limit coverage of prescription drugs under sub. (3) (d) to those prescription drugs for which payment claims are submitted by pharmacists or pharmacies directly to the plan administrator.

**SECTION 2260h.** 149.14 (4m) of the statutes is amended to read:

149.14 (4m) PAYMENT IS PAYMENT IN FULL. Except for copayments, coinsurance or deductibles required or authorized under the plan, a provider of a covered service or article shall accept as payment in full for the covered service or article the payment rate determined under ss. 149.142, 149.143, and 149.144 and ~~149.15 (3) (e)~~ and may not bill an eligible person who receives the service or article for any amount by which the charge for the service or article is reduced under s. 149.142, 149.143, or 149.144 or ~~149.15 (3) (e)~~.

**SECTION 2260m.** 149.14 (5) (title) of the statutes is amended to read:

149.14 (5) (title) DEDUCTIBLES, COPAYMENTS AND COINSURANCE.

**SECTION 2260p.** 149.14 (5) (e) of the statutes is created to read:

149.14 (5) (e) Subject to sub. (8) (b), the department may, by rule under s. 149.17 (4), establish copayments for prescription drug coverage under sub. (3) (d). Any copayment amounts or rates established are subject to the approval of the board. Copayments paid by an eligible person under this paragraph shall count toward the deductible and covered costs not paid by the plan under pars. (a) to (c)."

1           **11.** Page 1054, line 7: delete the material beginning with that line and ending  
2 with page 1056, line 9, and substitute:

3           “**SECTION 2261f.** 149.14 (8) of the statutes is created to read:

4           149.14 (8) APPLICABILITY OF MEDICAL ASSISTANCE PROVISIONS. (a) Except as  
5 provided in par. (b), the department may, by rule under s. 149.17 (4), apply to the plan  
6 the same utilization and cost control procedures that apply under rules promulgated  
7 by the department to medical assistance under subch. IV of ch. 49.

8           (b) The department may not apply to eligible persons for covered services or  
9 articles the same copayments that apply to recipients of medical assistance under  
10 subch. IV of ch. 49 for services or articles covered under that program.

11           **SECTION 2261j.** 149.142 of the statutes is created to read:

12           **149.142 Provider payment rates.** (1) (a) Except as provided in par. (b), the  
13 department shall establish payment rates for covered expenses that consist of the  
14 allowable charges paid under s. 49.46 (2) for the services and articles provided plus  
15 an enhancement determined by the department. The rates shall be based on the  
16 allowable charges paid under s. 49.46 (2), projected plan costs and trend factors.  
17 Using the same methodology that applies to medical assistance under subch. IV of  
18 ch. 49, the department shall establish hospital outpatient per visit reimbursement  
19 rates and hospital inpatient reimbursement rates that are specific to diagnostically  
20 related groups of eligible persons.

21           (b) The payment rate for a prescription drug shall be the allowable charge paid  
22 under s. 49.46 (2) (b) 6. h. for the prescription drug.

23           (2) The rates established under this section are subject to adjustment under  
24 ss. 149.143 and 149.144.

1           **SECTION 2261m.** 149.143 (1) (intro.) of the statutes is amended to read:

2           149.143 (1) (intro.) The department shall pay or recover the operating costs of  
3 the plan from the appropriation under s. 20.435 (4) (v) and administrative costs of  
4 the plan from the appropriation under s. 20.435 (4) (u). For purposes of determining  
5 premiums, insurer assessments and provider payment rate adjustments, the  
6 department shall apportion and prioritize responsibility for payment or recovery of  
7 plan costs from among the moneys constituting the fund as follows:

8           **SECTION 2262b.** 149.143 (1) (a) of the statutes is amended to read:

9           149.143 (1) (a) First from the moneys transferred to the fund from the  
10 appropriation account under s. 20.435 (5) (4) (af).

11           **SECTION 2263b.** 149.143 (1) (b) 1. a. of the statutes is amended to read:

12           149.143 (1) (b) 1. a. First, from premiums from eligible persons with coverage  
13 under s. 149.14 set at 150% of the rate that a standard risk would be charged under  
14 an individual policy providing substantially the same coverage and deductibles as  
15 are provided under the plan, including amounts received for premium and deductible  
16 subsidies under s. 149.144 and under the transfer to the fund from the appropriation  
17 account under ~~ss. s.~~ s. 20.435 (5) (4) (ah) and ~~149.144~~, and from premiums collected  
18 from eligible persons with coverage under s. 149.146 set in accordance with s.  
19 149.146 (2) (b).

20           **SECTION 2263bm.** 149.143 (1) (b) 1. b. of the statutes is amended to read:

21           149.143 (1) (b) 1. b. Second, from ~~the appropriation under s. 20.435 (5) (gh)~~  
22 moneys specified under sub. (2m), to the extent that the amounts under subd. 1. a.  
23 are insufficient to pay 60% of plan costs.

24           **SECTION 2263bn.** 149.143 (1) (b) 1. c. of the statutes is amended to read:

1           149.143 (1) (b) 1. c. Third, by increasing premiums from eligible persons with  
2 coverage under s. 149.14 to more than 150% but not more than 200% of the rate that  
3 a standard risk would be charged under an individual policy providing substantially  
4 the same coverage and deductibles as are provided under the plan, including  
5 amounts received for premium and deductible subsidies under s. 149.144 and under  
6 the transfer to the fund from the appropriation account under ss. s. 20.435 (5) (4) (ah)  
7 and 149.144, and by increasing premiums from eligible persons with coverage under  
8 s. 149.146 in accordance with s. 149.146 (2) (b), to the extent that the amounts under  
9 subd. 1. a. and b. are insufficient to pay 60% of plan costs.

10           **SECTION 2263bp.** 149.143 (1) (b) 1. d. of the statutes is amended to read:

11           149.143 (1) (b) 1. d. Fourth, notwithstanding subd. 2., by increasing insurer  
12 assessments, excluding assessments under s. 149.144, and adjusting provider  
13 payment rates, excluding adjustments to those rates under ~~ss. s. 149.144 and 149.15~~  
14 ~~(3) (e)~~, in equal proportions and to the extent that the amounts under subd. 1. a. to  
15 c. are insufficient to pay 60% of plan costs.

16           **SECTION 2264e.** 149.143 (1) (b) 2. b. of the statutes is amended to read:

17           149.143 (1) (b) 2. b. Fifty percent from adjustments to provider payment rates,  
18 excluding adjustments to those rates under ~~ss. s. 149.144 and 149.15 (3) (e)~~.

19           **SECTION 2265b.** 149.143 (2) (a) 1. a. of the statutes is amended to read:

20           149.143 (2) (a) 1. a. Estimate the amount of enrollee premiums that would be  
21 received in the new plan year if the enrollee premiums were set at a level sufficient,  
22 when including amounts received for premium and deductible subsidies under s.  
23 149.144 and under the transfer to the fund from the appropriation account under ss.  
24 s. 20.435 (5) (4) (ah) and 149.144 and from premiums collected from eligible persons  
25 with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b), to cover 60%

1 of the estimated plan costs for the new plan year, after deducting from the estimated  
2 plan costs the amount available in for transfer to the fund from the appropriation  
3 account under s. 20.435 (5) (4) (af) for that plan year.

4 **SECTION 2265bm.** 149.143 (2) (a) 1. c. of the statutes is repealed.

5 **SECTION 2266g.** 149.143 (2m) of the statutes is created to read:

6 149.143 (2m) (a) The department shall keep a separate accounting of the  
7 difference between the following:

8 1. The amount of premiums received in a plan year from all eligible persons,  
9 including amounts received for premium and deductible subsidies.

10 2. The amount of premiums, including amounts received for premium and  
11 deductible subsidies, necessary to cover 60% of the plan costs for the plan year, after  
12 deducting the amount transferred to the fund from the appropriation account under  
13 s. 20.435 (4) (af).

14 (b) Any amount by which the amount under par. (a) 1. exceeds the amount  
15 under par. (a) 2. may be used only as follows:

16 1. To reduce premiums in succeeding plan years as provided in sub. (1) (b) 1.  
17 b. For eligible persons with coverage under s. 149.14, premiums may not be reduced  
18 below 150% of the rate that a standard risk would be charged under an individual  
19 policy providing substantially the same coverage and deductibles as are provided  
20 under the plan.

21 2. For other needs of eligible persons, with the approval of the board.

22 **SECTION 2267j.** 149.143 (3) (b) of the statutes is amended to read:

23 149.143 (3) (b) ~~If, after increasing the department increases~~ premium rates  
24 and insurer assessments and ~~adjusting~~ adjusts the provider payment rate under par.  
25 (a), ~~the department and~~ determines that there will still be a deficit and that premium



1 rates have been increased to the maximum extent allowable under par. (a), the  
2 department shall may further adjust, in equal proportions, assessments set under  
3 sub. (2) (a) 3. and the provider payment rate set under sub. (2) (a) 4., without regard  
4 to sub. (1) (b) 2.

5 **SECTION 2267m.** 149.143 (5) of the statutes is created to read:

6 149.143 (5) (a) Annually, no later than April 30, the department shall perform  
7 a reconciliation with respect to plan costs, premiums, insurer assessments and  
8 provider payment rate adjustments based on data from the previous calendar year.  
9 On the basis of the reconciliation, the department shall make any necessary  
10 adjustments in premiums, insurer assessments or provider payment rates for the  
11 fiscal year beginning on the first July 1 after the reconciliation, as provided in sub.  
12 (2) (b).

13 (b) Except as provided in sub. (3) and s. 149.144, the department shall adjust  
14 the provider payment rates to meet the providers' specified portion of the plan costs  
15 no more than once annually. The department may not determine the adjustment on  
16 an individual provider basis or on the basis of provider type, but shall determine the  
17 adjustment for all providers in the aggregate.

18 **SECTION 2267r.** 149.144 of the statutes is amended to read:

19 **149.144 Adjustments to insurer assessments and provider payment**  
20 **rates for premium and deductible reductions.** If the moneys transferred to the  
21 fund under the appropriation under s. 20.435 (5) (4) (ah) are insufficient to reimburse  
22 the plan for premium reductions under s. 149.165 and deductible reductions under  
23 s. 149.14 (5) (a), or the department determines that the moneys transferred or to be  
24 transferred to the fund under the appropriation under s. 20.435 (5) (4) (ah) will be  
25 insufficient to reimburse the plan for premium reductions under s. 149.165 and

1 deductible reductions under s. 149.14 (5) (a), the department ~~shall~~ may, by rule,  
2 adjust in equal proportions the amount of the assessment set under s. 149.143 (2) (a)  
3 3. and the provider payment rate set under s. 149.143 (2) (a) 4., subject to s. 149.143  
4 (1) (b) 1., sufficient to reimburse the plan for premium reductions under s. 149.165  
5 and deductible reductions under s. 149.14 (5) (a). ~~The~~ If the department makes the  
6 adjustment under this section, the department shall notify the commissioner so that  
7 the commissioner may levy any increase in insurer assessments.

8 **SECTION 2268m.** 149.145 of the statutes is amended to read:

9 **149.145 Program budget.** The department, in consultation with the board,  
10 shall establish a program budget for each plan year. The program budget shall be  
11 based on the provider payment rates specified in s. ~~149.15 (3) (e)~~ 149.142 and in the  
12 most recent provider contracts that are in effect and on the funding sources specified  
13 in s. 149.143 (1), including the methodologies specified in ss. 149.143, 149.144 and  
14 149.146 for determining premium rates, insurer assessments and provider payment  
15 rates. Except as otherwise provided in s. 149.143 (3) (a) and (b), from the program  
16 budget the department shall derive the actual provider payment rate for a plan year  
17 that reflects the providers' proportional share of the plan costs, consistent with ss.  
18 149.143 and 149.144. The department may not implement a program budget  
19 established under this section unless it is approved by the board."

20 **12.** Page 1057, line 19: delete the material beginning with that line and  
21 ending with page 1058, line 23, and substitute:

22 "SECTION 2276m. 149.15 (3) (e) of the statutes is repealed.

23 SECTION 2277c. 149.15 (3) (g) of the statutes is created to read:

1           149.15 (3) (g) Establish oversight committees to address various  
2 administrative issues, such as financial management of the plan and plan  
3 administrator performance standards. A representative of the department may not  
4 be the chairperson of any committee established under this paragraph.

5           **SECTION 2277f.** 149.16 (4) of the statutes is created to read:

6           149.16 (4) The department shall obtain the approval of the board before  
7 implementing any contract with the plan administrator.

8           **SECTION 2278b.** 149.165 (4) of the statutes is amended to read:

9           149.165 (4) The department shall reimburse the plan for premium reductions  
10 under sub. (2) and deductible reductions under s. 149.14 (5) (a) with moneys  
11 transferred to the fund from the appropriation account under s. 20.435 (5) (4) (ah).

12           **SECTION 2278c.** 149.17 (2) of the statutes is amended to read:

13           149.17 (2) A schedule of premiums, deductibles, copayments and coinsurance  
14 payments which that complies with all requirements of this chapter.

15           **SECTION 2278g.** 149.17 (4) of the statutes is amended to read:

16           149.17 (4) Cost containment provisions established by the department by rule,  
17 including managed care requirements. The department shall obtain the approval of  
18 the board before promulgating a rule that establishes a cost containment provision  
19 that would have an effect on an eligible person's access to health care services, such  
20 as the creation of new prior authorization requirements."

21           **13.** Page 1473, line 10: after that line insert:

22           “(9z) HEALTH INSURANCE RISK-SHARING PLAN. The treatment of sections 20.435  
23 (1) (u), (4) (v) and (5) (af), (ah) and (gh), 25.17 (1) (gf), 25.55, 149.10 (3e), 149.125,  
24 149.14 (2) (a), (3) (intro.) and (d), (4) (d) and (n), (4c); (4m), (5) (title) and (e) and (8),

1 149.142, 149.143 (1) (intro.), (a) and (b) 1. a., b., c. and d. and 2. b., (2) (a) 1. a. and  
2 c., (2m), (3) (b) and (5), 149.144, 149.145, 149.165 (4) and 149.17 (2) of the statutes  
3 takes effect on January 1, 2000.”.

4

(END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0577/4  
PJK:kmg&jlg:mrc

stays

LFB:.....Goldman - Modifications to HIRSP

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

Additional changes:  
(Place this copy in the file also)

WFO:  
① The 1st 1/4 version has not been proofed  
② The next 1/4 version has more changes.

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At the locations indicated, amend:  
**1.** Page 420, line 20: delete to  
"SECTION 386b. 20.435 (1) (u)  
amended to read:

20.435 (4) (u) *Health insurance risk-sharing plan; administration.* The  
Biennially, from the health insurance risk-sharing plan fund, the amounts in the  
schedule from the health insurance risk-sharing plan fund for the administration  
of ch. 149, subject to s. 149.143 (2m)."

**2.** Page 427, line 10: after that line insert:  
"SECTION 415g. 20.435 (4) (v) of the statutes is created to read:

1           20.435 (4) (v) *Health insurance risk-sharing plan; program benefits.* All  
2 moneys received by the health insurance risk-sharing plan fund, except for moneys  
3 appropriated under par. (u), for the operating costs of the health insurance  
4 risk-sharing plan under ch. 149, subject to s. 149.143 (2m).”.

5           **3.** Page 427, line 14: delete lines 14 and 15 and substitute:

6           “**SECTION 417c.** 20.435 (5) (af) of the statutes is renumbered 20.435 (4) (af) and  
7 amended to read:

8           20.435 (4) (af) *Health insurance risk-sharing plan; transfer to fund for costs.*  
9 The amounts in the schedule to be paid into the health insurance risk-sharing plan  
10 fund for paying a portion of the operating costs of the health insurance risk-sharing  
11 plan under ch. 149.

12           **SECTION 418c.** 20.435 (5) (ah) of the statutes is renumbered 20.435 (4) (ah) and  
13 amended to read:

14           20.435 (4) (ah) *Health insurance risk-sharing plan; transfer to fund for*  
15 *premium and deductible reduction subsidy.* Biennially, the amounts in the schedule  
16 to be paid into the health insurance risk-sharing plan fund for the purpose of  
17 subsidizing premium reductions under s. 149.165 and deductible reductions under  
18 s. 149.14 (5) (a).”.

19           **4.** Page 430, line 5: delete that line and substitute:

20           “**SECTION 433d.** 20.435 (5) (gh) of the statutes is repealed.”.

21           **5.** Page 497, line 17: after that line insert:

22           “**SECTION 697r.** 25.17 (1) (gf) of the statutes is created to read:

23           25.17 (1) (gf) Health insurance risk-sharing plan fund (s. 25.55);”.

24           **6.** Page 501, line 16: after that line insert:

1           **“SECTION 717m.** 25.55 of the statutes is created to read:

2           **25.55 Health insurance risk-sharing plan fund.** There is established a  
3 separate nonlapsible trust fund designated as the health insurance risk-sharing  
4 plan fund, to consist of:

5           (1) All moneys appropriated under s. 20.435 (4) (af).

6           (2) All moneys appropriated under s. 20.435 (4) (ah).

7           (3) Insurer assessments under ch. 149.

8           (4) Premiums paid by eligible persons under ch. 149.”

9           **7.** Page 1052, line 20: after that line insert:

10           **“SECTION 2255m.** 149.10 (3e) of the statutes is created to read:

11           149.10 (3e) “Fund” means the health insurance risk-sharing plan fund.”

12           **8.** Page 1053, line 12: after that line insert:

13           **“SECTION 2258d.** 149.125 of the statutes is repealed.

14           **SECTION 2258f.** 149.14 (2) (a) of the statutes is amended to read:

15           149.14 (2) (a) The plan shall provide every eligible person who is not eligible  
16 for medicare with major medical expense coverage. Major medical expense coverage  
17 offered under the plan under this section shall pay an eligible person’s covered  
18 expenses, subject to sub. (3) and deductible, copayment and coinsurance payments  
19 authorized under sub. (5), up to a lifetime limit of \$1,000,000 per covered individual.  
20 The maximum limit under this paragraph shall not be altered by the board, and no  
21 actuarially equivalent benefit may be substituted by the board.”

22           **9.** Page 1053, line 14: delete the material beginning with that line and ending  
23 with page 1054, line 2, and substitute:

1           “149.14 (3) COVERED EXPENSES. (intro.) Except as provided in sub. (4), except  
2 as restricted by cost containment provisions under s. 149.17 (4) and except as  
3 reduced by the board under s. 149.15 (3) (e) or by the department under s. ss. 149.143  
4 or and 149.144, covered expenses for the coverage under this section shall be the  
5 usual and customary charges payment rates established by the department under  
6 s. 149.142 for the services provided by persons licensed under ch. 446 and certified  
7 under s. 49.45 (2) (a) 11. Except as provided in sub. (4), except as restricted by cost  
8 containment provisions under s. 149.17 (4) and except as reduced by the board under  
9 s. 149.15 (3) (e) or by the department under s. ss. 149.143 or and 149.144, covered  
10 expenses for the coverage under this section shall also be the usual and customary  
11 charges payment rates established by the department under s. 149.142 for the  
12 following services and articles if the service or article is prescribed by a physician  
13 who is licensed under ch. 448 or in another state and who is certified under s. 49.45  
14 (2) (a) 11. and if the service or article is provided by a provider certified under s. 49.45  
15 (2) (a) 11.:

16           **SECTION 2259f.** 149.14 (3) (d) of the statutes is amended to read:

17           149.14 (3) (d) Drugs requiring a physician’s prescription, subject to sub. (4c).

18           **SECTION 2259r.** 149.14 (4) (d) of the statutes is amended to read:

19           149.14 (4) (d) That part of any charge for services or articles rendered or  
20 prescribed by a physician, dentist or other health care personnel ~~which that~~ that exceeds  
21 the ~~prevailing charge in the locality where the service is provided~~ payment rate  
22 established by the department under s. 149.142 and reduced under ss. 149.143 and  
23 149.144 or any charge not medically necessary.”

24           **10.** Page 1054, line 4: after that line insert:



1           **SECTION 2260c.** 149.14 (4) (n) of the statutes is created to read:

2           149.14 (4) (n) Services or drugs for the treatment of infertility, impotence or  
3           sterility.

4           **SECTION 2260d.** 149.14 (4c) of the statutes is created to read:

5           149.14 (4c) **COVERAGE OF PRESCRIPTION DRUGS.** <sup>(a)</sup> The department may require a  
6           pharmacist or pharmacy that provides a prescription drug to an eligible person to  
7           submit a payment claim directly to the plan administrator. <sup>(b)</sup> The department may  
8           limit coverage of prescription drugs under sub. (3) (d) to those prescription drugs for  
9           which payment claims are submitted by pharmacists or pharmacies directly to the  
10          plan administrator.

11          **SECTION 2260h.** 149.14 (4m) of the statutes is amended to read:

12          149.14 (4m) **PAYMENT IS PAYMENT IN FULL.** Except for copayments, coinsurance  
13          or deductibles required or authorized under the plan, a provider of a covered service  
14          or article shall accept as payment in full for the covered service or article the payment  
15          rate determined under ss. 149.142, 149.143, and 149.144 ~~and 149.15 (3) (e)~~ and may  
16          not bill an eligible person who receives the service or article for any amount by which  
17          the charge for the service or article is reduced under s. 149.142, 149.143, or 149.144  
18          ~~or 149.15 (3) (e)~~.

19          **SECTION 2260m.** 149.14 (5) (title) of the statutes is amended to read:

20          149.14 (5) (title) DEDUCTIBLES, COPAYMENTS AND COINSURANCE.

21          **SECTION 2260p.** 149.14 (5) (e) of the statutes is created to read:

22          149.14 (5) (e) Subject to sub. (8) (b), the department may, by rule under s. 149.17  
23          (4), establish copayments for prescription drug coverage under sub. (3) (d). Any  
24          copayment amounts or rates established are subject to the approval of the board.

1 Copayments paid by an eligible person under this paragraph shall count toward the  
2 deductible and covered costs not paid by the plan under pars. (a) to (c).”.

3 **11.** Page 1054, line 7: delete the material beginning with that line and ending  
4 with page 1056, line 9, and substitute:

5 “**SECTION 2261f.** 149.14 (8) of the statutes is created to read:

6 **149.14 (8) APPLICABILITY OF MEDICAL ASSISTANCE PROVISIONS.** (a) Except as  
7 provided in par. (b), the department may, by rule under s. 149.17 (4), apply to the plan  
8 the same utilization and cost control procedures that apply under rules promulgated  
9 by the department to medical assistance under subch. IV of ch. 49.

10 (b) The department may not apply to eligible persons for covered services or  
11 articles the same copayments that apply to recipients of medical assistance under  
12 subch. IV of ch. 49 for services or articles covered under that program.

13 **SECTION 2261j.** 149.142 of the statutes is created to read:

14 **149.142 Provider payment rates.** (1) (a) Except as provided in par. (b), the  
15 department shall establish payment rates for covered expenses that consist of the  
16 allowable charges paid under s. 49.46 (2) for the services and articles provided plus  
17 an enhancement determined by the department. The rates shall be based on the  
18 allowable charges paid under s. 49.46 (2), projected plan costs and trend factors.  
19 Using the same methodology that applies to medical assistance under subch. IV of  
20 ch. 49, the department shall establish hospital outpatient per visit reimbursement  
21 rates and hospital inpatient reimbursement rates that are specific to diagnostically  
22 related groups of eligible persons.

23 (b) The payment rate for a prescription drug shall be the allowable charge paid  
24 under s. 49.46 (2) (b) 6. h. for the prescription drug.

1           (2) The rates established under this section are subject to adjustment under  
2 ss. 149.143 and 149.144.

3           **SECTION 2261m.** 149.143 (1) (intro.) of the statutes is amended to read:

4           149.143 (1) (intro.) The department shall pay or recover the operating costs of  
5 the plan from the appropriation under s. 20.435 (4) (v) and administrative costs of  
6 the plan from the appropriation under s. 20.435 (4) (u). For purposes of determining  
7 premiums, insurer assessments and provider payment rate adjustments, the  
8 department shall apportion and prioritize responsibility for payment or recovery of  
9 plan costs from among the moneys constituting the fund as follows:

10          **SECTION 2262b.** 149.143 (1) (a) of the statutes is amended to read:

11          149.143 (1) (a) First from the moneys transferred to the fund from the  
12 appropriation account under s. 20.435 (5) (4) (af).

13          **SECTION 2263b.** 149.143 (1) (b) 1. a. of the statutes is amended to read:

14          149.143 (1) (b) 1. a. First, from premiums from eligible persons with coverage  
15 under s. 149.14 set at 150% of the rate that a standard risk would be charged under  
16 an individual policy providing substantially the same coverage and deductibles as  
17 are provided under the plan, including amounts received for premium and deductible  
18 subsidies under s. 149.144 and under the transfer to the fund from the appropriation  
19 account under ~~ss. s.~~ 20.435 (5) (4) (ah) ~~and 149.144~~, and from premiums collected  
20 from eligible persons with coverage under s. 149.146 set in accordance with s.  
21 149.146 (2) (b).

22          **SECTION 2263bm.** 149.143 (1) (b) 1. b. of the statutes is amended to read:

23          149.143 (1) (b) 1. b. Second, from ~~the appropriation under s. 20.435 (5) (gh)~~  
24 moneys specified under sub. (2m), to the extent that the amounts under subd. 1. a.  
25 are insufficient to pay 60% of plan costs.

1           **SECTION 2263bn.** 149.143 (1) (b) 1. c. of the statutes is amended to read:

2           149.143 (1) (b) 1. c. Third, by increasing premiums from eligible persons with  
3 coverage under s. 149.14 to more than 150% but not more than 200% of the rate that  
4 a standard risk would be charged under an individual policy providing substantially  
5 the same coverage and deductibles as are provided under the plan, including  
6 amounts received for premium and deductible subsidies under s. 149.144 and under  
7 the transfer to the fund from the appropriation account under ss. s. 20.435 (5) (4) (ah)  
8 and 149.144, and by increasing premiums from eligible persons with coverage under  
9 s. 149.146 in accordance with s. 149.146 (2) (b), to the extent that the amounts under  
10 subd. 1. a. and b. are insufficient to pay 60% of plan costs.

11           **SECTION 2263bp.** 149.143 (1) (b) 1. d. of the statutes is amended to read:

12           149.143 (1) (b) 1. d. Fourth, notwithstanding subd. 2., by increasing insurer  
13 assessments, excluding assessments under s. 149.144, and adjusting provider  
14 payment rates, excluding adjustments to those rates under ss. s. 149.144 and 149.15  
15 (3) (e), in equal proportions and to the extent that the amounts under subd. 1. a. to  
16 c. are insufficient to pay 60% of plan costs.

17           **SECTION 2264e.** 149.143 (1) (b) 2. b. of the statutes is amended to read:

18           149.143 (1) (b) 2. b. Fifty percent from adjustments to provider payment rates,  
19 excluding adjustments to those rates under ss. s. 149.144 and 149.15 (3) (e).

20           **SECTION 2265b.** 149.143 (2) (a) 1. a. of the statutes is amended to read:

21           149.143 (2) (a) 1. a. Estimate the amount of enrollee premiums that would be  
22 received in the new plan year if the enrollee premiums were set at a level sufficient,  
23 when including amounts received for premium and deductible subsidies under s.  
24 149.144 and under the transfer to the fund from the appropriation account under ss.  
25 s. 20.435 (5) (4) (ah) and 149.144 and from premiums collected from eligible persons

1 with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b), to cover 60%  
2 of the estimated plan costs for the new plan year, after deducting from the estimated  
3 plan costs the amount available ~~in~~ for transfer to the fund from the appropriation  
4 account under s. 20.435 ~~(5)~~ (4) (af) for that plan year.

5 **SECTION 2265bm.** 149.143 (2) (a) 1. c. of the statutes is repealed.

6 **SECTION 2266g.** 149.143 (2m) of the statutes is created to read:

7 149.143 (2m) (a) The department shall keep a separate accounting of the  
8 difference between the following:

9 1. The amount of premiums received in a plan year from all eligible persons,  
10 including amounts received for premium and deductible subsidies.

11 2. The amount of premiums, including amounts received for premium and  
12 deductible subsidies, necessary to cover 60% of the plan costs for the plan year, after  
13 deducting the amount transferred to the fund from the appropriation account under  
14 s. 20.435 (4) (af).

15 (b) Any amount by which the amount under par. (a) 1. exceeds the amount  
16 under par. (a) 2. may be used only as follows:

17 1. To reduce premiums in succeeding plan years as provided in sub. (1) (b) 1.  
18 b. For eligible persons with coverage under s. 149.14, premiums may not be reduced  
19 below 150% of the rate that a standard risk would be charged under an individual  
20 policy providing substantially the same coverage and deductibles as are provided  
21 under the plan.

22 2. For other needs of eligible persons, with the approval of the board.

23 **SECTION 2267j.** 149.143 (3) (b) of the statutes is amended to read:

24 149.143 (3) (b) If, ~~after increasing~~ the department increases premium rates  
25 and insurer assessments and ~~adjusting~~ adjusts the provider payment rate under par.

1 (a), ~~the department~~ and determines that there will still be a deficit and that premium  
2 rates have been increased to the maximum extent allowable under par. (a), the  
3 department ~~shall~~ may further adjust, in equal proportions, assessments set under  
4 sub. (2) (a) 3. and the provider payment rate set under sub. (2) (a) 4., without regard  
5 to sub. (1) (b) 2.

6 **SECTION 2267m.** 149.143 (5) of the statutes is created to read:

7 149.143 (5) (a) Annually, no later than April 30, the department shall perform  
8 a reconciliation with respect to plan costs, premiums, insurer assessments and  
9 provider payment rate adjustments based on data from the previous calendar year.  
10 On the basis of the reconciliation, the department shall make any necessary  
11 adjustments in premiums, insurer assessments or provider payment rates for the  
12 fiscal year beginning on the first July 1 after the reconciliation, as provided in sub.  
13 (2) (b).

14 (b) Except as provided in sub. (3) and s. 149.144, the department shall adjust  
15 the provider payment rates to meet the providers' specified portion of the plan costs  
16 no more than once annually. The department may not determine the adjustment on  
17 an individual provider basis or on the basis of provider type, but shall determine the  
18 adjustment for all providers in the aggregate.

19 **SECTION 2267r.** 149.144 of the statutes is amended to read:

20 **149.144 Adjustments to insurer assessments and provider payment**  
21 **rates for premium and deductible reductions.** If the moneys transferred to the  
22 fund under the appropriation under s. 20.435 (5) (4) (ah) are insufficient to reimburse  
23 the plan for premium reductions under s. 149.165 and deductible reductions under  
24 s. 149.14 (5) (a), or the department determines that the moneys transferred or to be  
25 transferred to the fund under the appropriation under s. 20.435 (5) (4) (ah) will be

1 insufficient to reimburse the plan for premium reductions under s. 149.165 and  
2 deductible reductions under s. 149.14 (5) (a), the department shall may, by rule,  
3 adjust in equal proportions the amount of the assessment set under s. 149.143 (2) (a)  
4 3. and the provider payment rate set under s. 149.143 (2) (a) 4., subject to s. 149.143  
5 (1) (b) 1., sufficient to reimburse the plan for premium reductions under s. 149.165  
6 and deductible reductions under s. 149.14 (5) (a). The If the department makes the  
7 adjustment under this section, the department shall notify the commissioner so that  
8 the commissioner may levy any increase in insurer assessments.

9 **SECTION 2268m.** 149.145 of the statutes is amended to read:

10 **149.145 Program budget.** The department, in consultation with the board,  
11 shall establish a program budget for each plan year. The program budget shall be  
12 based on the provider payment rates specified in s. ~~149.15 (3) (e)~~ 149.142 and in the  
13 most recent provider contracts that are in effect and on the funding sources specified  
14 in s. 149.143 (1), including the methodologies specified in ss. 149.143, 149.144 and  
15 149.146 for determining premium rates, insurer assessments and provider payment  
16 rates. Except as otherwise provided in s. 149.143 (3) (a) and (b), from the program  
17 budget the department shall derive the actual provider payment rate for a plan year  
18 that reflects the providers' proportional share of the plan costs, consistent with ss.  
19 149.143 and 149.144. The department may not implement a program budget  
20 established under this section unless it is approved by the board."

21 **12.** Page 1057, line 19: delete the material beginning with that line and  
22 ending with page 1058, line 23, and substitute:

23 "SECTION 2276m. 149.15 (3) (e) of the statutes is repealed.

24 SECTION 2277c. 149.15 (3) (g) of the statutes is created to read:

1 149.15 (3) (g) Establish oversight committees to address various  
2 administrative issues, such as financial management of the plan and plan  
3 administrator performance standards. A representative of the department may not  
4 be the chairperson of any committee established under this paragraph.

5 **SECTION 2277f.** 149.16 ~~(f)~~<sup>5</sup> of the statutes is created to read:

6 149.16 ~~(f)~~<sup>5</sup> The department shall obtain the approval of the board before  
7 implementing any contract with the plan administrator.

8 **SECTION 2278b.** 149.165 (4) of the statutes is amended to read:

9 149.165 (4) The department shall reimburse the plan for premium reductions  
10 under sub. (2) and deductible reductions under s. 149.14 (5) (a) with moneys  
11 transferred to the fund from the appropriation account under s. 20.435 ~~(5)~~ (4) (ah).

12 **SECTION 2278c.** 149.17 (2) of the statutes is amended to read:

13 149.17 (2) A schedule of premiums, deductibles, copayments and coinsurance  
14 payments which that complies with all requirements of this chapter.

15 **SECTION 2278g.** 149.17 (4) of the statutes is amended to read:

16 149.17 (4) Cost containment provisions established by the department by rule,  
17 including managed care requirements. The department shall obtain the approval of  
18 the board before promulgating a rule that establishes a cost containment provision  
19 that would have an effect on an eligible person's access to health care services, such  
20 as the creation of new prior authorization requirements."

21 **13.** Page 1473, line 10: after that line insert:

22 "(9z) HEALTH INSURANCE RISK-SHARING PLAN. The treatment of sections 20.435  
23 (1) (u), (4) (v) and (5) (af), (ah) and (gh), 25.17 (1) (gf), 25.55, 149.10 (3e), 149.125,  
24 149.14 (2) (a), (3) (intro.) and (d), (4) (d) and (n), (4c), (4m), (5) (title) and (e) and (8),



1 149.142, 149.143 (1) (intro.), (a) and (b) 1. a., b., c. and d. and 2. b., (2) (a) 1. a. and  
2 c., (2m), (3) (b) and (5), 149.144, 149.145, 149.165 (4) and 149.17 (2) of the statutes  
3 takes effect on January 1, 2000.”

4

(END)

Insert 13-3 ✓

Insert 13-3

#. Page 1453, line 17: after that line

insert:

¶ " (12) <sup>z</sup> <sup>(15)</sup> Health insurance risk-sharing plan.

¶ (a) The treatment of sections 149.14 (2)(a), (3)(d), (4)(n), (4c)(b), (5)(title) and (e) and (8)(a) and 149.17(2) of the statutes first applies to policies issued or renewed on the effective date of this paragraph.

(b) The treatment of section 149.145 of <sup>program</sup> the statutes first applies to the budget established for fiscal year 2000-01.

(c) The treatment of section 149.16(5) of the statutes first applies to contracts entered into on the effective date of this paragraph."

(end of ins. 13-3)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0577/5  
PJK:kmg&jlg:mrc

v m is run

LFB:.....Goldman – Modifications to HIRSP

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

today  
(see p. 13)

1 At the locations indicated, amend the bill as follows:

2 1. Page 420, line 20: delete that line and substitute:

3 "SECTION 386b. 20.435 (1) (u) of the statutes is renumbered 20.435 (4) (u) and  
4 amended to read:

5 20.435 (4) (u) *Health insurance risk-sharing plan; administration.* The  
6 Biennially, from the health insurance risk-sharing plan fund, the amounts in the  
7 schedule from the health insurance risk-sharing plan fund for the administration  
8 of ch. 149, subject to s. 149.143 (2m)."

9 2. Page 427, line 10: after that line insert:

10 "SECTION 415g. 20.435 (4) (v) of the statutes is created to read:

1           20.435 (4) (v) *Health insurance risk-sharing plan; program benefits.* All  
2 moneys received by the health insurance risk-sharing plan fund, except for moneys  
3 appropriated under par. (u), for the operating costs of the health insurance  
4 risk-sharing plan under ch. 149, subject to s. 149.143 (2m).”.

5           **3.** Page 427, line 14: delete lines 14 and 15 and substitute:

6           “**SECTION 417c.** 20.435 (5) (af) of the statutes is renumbered 20.435 (4) (af) and  
7 amended to read:

8           20.435 (4) (af) *Health insurance risk-sharing plan; transfer to fund for costs.*  
9 The amounts in the schedule to be paid into the health insurance risk-sharing plan  
10 fund for paying a portion of the operating costs of the health insurance risk-sharing  
11 plan under ch. 149.

12           **SECTION 418c.** 20.435 (5) (ah) of the statutes is renumbered 20.435 (4) (ah) and  
13 amended to read:

14           20.435 (4) (ah) *Health insurance risk-sharing plan; transfer to fund for*  
15 *premium and deductible reduction subsidy.* Biennially, the amounts in the schedule  
16 to be paid into the health insurance risk-sharing plan fund for the purpose of  
17 subsidizing premium reductions under s. 149.165 and deductible reductions under  
18 s. 149.14 (5) (a).”.

19           **4.** Page 430, line 5: delete that line and substitute:

20           “**SECTION 433d.** 20.435 (5) (gh) of the statutes is repealed.”.

21           **5.** Page 497, line 17: after that line insert:

22           “**SECTION 697r.** 25.17 (1) (gf) of the statutes is created to read:

23           25.17 (1) (gf) Health insurance risk-sharing plan fund (s. 25.55).”.

24           **6.** Page 501, line 16: after that line insert:

1           **SECTION 717m.** 25.55 of the statutes is created to read:

2           **25.55 Health insurance risk-sharing plan fund.** There is established a  
3 separate nonlapsible trust fund designated as the health insurance risk-sharing  
4 plan fund, to consist of:

5           (1) All moneys appropriated under s. 20.435 (4) (af).

6           (2) All moneys appropriated under s. 20.435 (4) (ah).

7           (3) Insurer assessments under ch. 149.

8           (4) Premiums paid by eligible persons under ch. 149.”.

9           **7.** Page 1052, line 20: after that line insert:

10           **SECTION 2255m.** 149.10 (3e) of the statutes is created to read:

11           149.10 (3e) “Fund” means the health insurance risk-sharing plan fund.”.

12           **8.** Page 1053, line 12: after that line insert:

13           **SECTION 2258d.** 149.125 of the statutes is repealed.

14           **SECTION 2258f.** 149.14 (2) (a) of the statutes is amended to read:

15           149.14 (2) (a) The plan shall provide every eligible person who is not eligible  
16 for medicare with major medical expense coverage. Major medical expense coverage  
17 offered under the plan under this section shall pay an eligible person’s covered  
18 expenses, subject to sub. (3) and deductible, copayment and coinsurance payments  
19 authorized under sub. (5), up to a lifetime limit of \$1,000,000 per covered individual.  
20 The maximum limit under this paragraph shall not be altered by the board, and no  
21 actuarially equivalent benefit may be substituted by the board.”.

22           **9.** Page 1053, line 14: delete the material beginning with that line and ending  
23 with page 1054, line 2, and substitute:

1       “149.14 (3) COVERED EXPENSES. (intro.) Except as provided in sub. (4), except  
2 as restricted by cost containment provisions under s. 149.17 (4) and except as  
3 reduced by the board under s. 149.15 (3) (e) or by the department under s. ss. 149.143  
4 or and 149.144, covered expenses for the coverage under this section shall be the  
5 usual and customary charges payment rates established by the department under  
6 s. 149.142 for the services provided by persons licensed under ch. 446 and certified  
7 under s. 49.45 (2) (a) 11. Except as provided in sub. (4), except as restricted by cost  
8 containment provisions under s. 149.17 (4) and except as reduced by the board under  
9 s. 149.15 (3) (e) or by the department under s. ss. 149.143 or and 149.144, covered  
10 expenses for the coverage under this section shall also be the usual and customary  
11 charges payment rates established by the department under s. 149.142 for the  
12 following services and articles if the service or article is prescribed by a physician  
13 who is licensed under ch. 448 or in another state and who is certified under s. 49.45  
14 (2) (a) 11. and if the service or article is provided by a provider certified under s. 49.45  
15 (2) (a) 11.:

16       **SECTION 2259f.** 149.14 (3) (d) of the statutes is amended to read:

17       149.14 (3) (d) Drugs requiring a physician’s prescription, subject to sub. (4c).

18       **SECTION 2259r.** 149.14 (4) (d) of the statutes is amended to read:

19       149.14 (4) (d) That part of any charge for services or articles rendered or  
20 prescribed by a physician, dentist or other health care personnel ~~which that~~ exceeds  
21 the ~~prevailing charge in the locality where the service is provided~~ payment rate  
22 established by the department under s. 149.142 and reduced under ss. 149.143 and  
23 149.144 or any charge not medically necessary.”

24       **10.** Page 1054, line 4: after that line insert:

1           **SECTION 2260c.** 149.14 (4) (n) of the statutes is created to read:

2           149.14 (4) (n) Services or drugs for the treatment of infertility, impotence or  
3           sterility.

4           **SECTION 2260d.** 149.14 (4c) of the statutes is created to read:

5           149.14 (4c) COVERAGE OF PRESCRIPTION DRUGS. (a) The department may require  
6           a pharmacist or pharmacy that provides a prescription drug to an eligible person to  
7           submit a payment claim directly to the plan administrator.

8           (b) The department may limit coverage of prescription drugs under sub. (3) (d)  
9           to those prescription drugs for which payment claims are submitted by pharmacists  
10          or pharmacies directly to the plan administrator.

11          **SECTION 2260h.** 149.14 (4m) of the statutes is amended to read:

12          149.14 (4m) PAYMENT IS PAYMENT IN FULL. Except for copayments, coinsurance  
13          or deductibles required or authorized under the plan, a provider of a covered service  
14          or article shall accept as payment in full for the covered service or article the payment  
15          rate determined under ss. 149.142, 149.143, and 149.144 and 149.15 (3) (e) and may  
16          not bill an eligible person who receives the service or article for any amount by which  
17          the charge for the service or article is reduced under s. 149.142, 149.143, or 149.144  
18          or 149.15 (3) (e).

19          **SECTION 2260m.** 149.14 (5) (title) of the statutes is amended to read:

20          149.14 (5) (title) DEDUCTIBLES, COPAYMENTS AND COINSURANCE.

21          **SECTION 2260p.** 149.14 (5) (e) of the statutes is created to read:

22          149.14 (5) (e) Subject to sub. (8) (b), the department may, by rule under s. 149.17  
23          (4), establish copayments for prescription drug coverage under sub. (3) (d). Any  
24          copayment amounts or rates established are subject to the approval of the board.

1 Copayments paid by an eligible person under this paragraph shall count toward the  
2 deductible and covered costs not paid by the plan under pars. (a) to (c).”

3 **11.** Page 1054, line 7: delete the material beginning with that line and ending  
4 with page 1056, line 9, and substitute:

5 “**SECTION 2261f.** 149.14 (8) of the statutes is created to read:

6 **149.14 (8) APPLICABILITY OF MEDICAL ASSISTANCE PROVISIONS.** (a) Except as  
7 provided in par. (b), the department may, by rule under s. 149.17 (4), apply to the plan  
8 the same utilization and cost control procedures that apply under rules promulgated  
9 by the department to medical assistance under subch. IV of ch. 49.

10 (b) The department may not apply to eligible persons for covered services or  
11 articles the same copayments that apply to recipients of medical assistance under  
12 subch. IV of ch. 49 for services or articles covered under that program.

13 **SECTION 2261j.** 149.142 of the statutes is created to read:

14 **149.142 Provider payment rates.** (1) (a) Except as provided in par. (b), the  
15 department shall establish payment rates for covered expenses that consist of the  
16 allowable charges paid under s. 49.46 (2) for the services and articles provided plus  
17 an enhancement determined by the department. The rates shall be based on the  
18 allowable charges paid under s. 49.46 (2), projected plan costs and trend factors.  
19 Using the same methodology that applies to medical assistance under subch. IV of  
20 ch. 49, the department shall establish hospital outpatient per visit reimbursement  
21 rates and hospital inpatient reimbursement rates that are specific to diagnostically  
22 related groups of eligible persons.

23 (b) The payment rate for a prescription drug shall be the allowable charge paid  
24 under s. 49.46 (2) (b) 6. h. for the prescription drug.



1           (2) The rates established under this section are subject to adjustment under  
2           ss. 149.143 and 149.144.

3           **SECTION 2261m.** 149.143 (1) (intro.) of the statutes is amended to read:

4           149.143 (1) (intro.) The department shall pay or recover the operating costs of  
5           the plan from the appropriation under s. 20.435 (4) (v) and administrative costs of  
6           the plan from the appropriation under s. 20.435 (4) (u). For purposes of determining  
7           premiums, insurer assessments and provider payment rate adjustments, the  
8           department shall apportion and prioritize responsibility for payment or recovery of  
9           plan costs from among the moneys constituting the fund as follows:

10          **SECTION 2262b.** 149.143 (1) (a) of the statutes is amended to read:

11          149.143 (1) (a) First from the moneys transferred to the fund from the  
12          appropriation account under s. 20.435 (5) (4) (af).

13          **SECTION 2263b.** 149.143 (1) (b) 1. a. of the statutes is amended to read:

14          149.143 (1) (b) 1. a. First, from premiums from eligible persons with coverage  
15          under s. 149.14 set at 150% of the rate that a standard risk would be charged under  
16          an individual policy providing substantially the same coverage and deductibles as  
17          are provided under the plan, including amounts received for premium and deductible  
18          subsidies under s. 149.144 and under the transfer to the fund from the appropriation  
19          account under ~~ss. s.~~ 20.435 (5) (4) (ah) and 149.144, and from premiums collected  
20          from eligible persons with coverage under s. 149.146 set in accordance with s.  
21          149.146 (2) (b).

22          **SECTION 2263bm.** 149.143 (1) (b) 1. b. of the statutes is amended to read:

23          149.143 (1) (b) 1. b. Second, from ~~the appropriation under s. 20.435 (5) (gh)~~  
24          moneys specified under sub. (2m), to the extent that the amounts under subd. 1. a.  
25          are insufficient to pay 60% of plan costs.

1           **SECTION 2263bn.** 149.143 (1) (b) 1. c. of the statutes is amended to read:

2           149.143 (1) (b) 1. c. Third, by increasing premiums from eligible persons with  
3 coverage under s. 149.14 to more than 150% but not more than 200% of the rate that  
4 a standard risk would be charged under an individual policy providing substantially  
5 the same coverage and deductibles as are provided under the plan, including  
6 amounts received for premium and deductible subsidies under s. 149.144 and under  
7 the transfer to the fund from the appropriation account under ~~ss. s. 20.435 (5) (4) (ah)~~  
8 ~~and 149.144~~, and by increasing premiums from eligible persons with coverage under  
9 s. 149.146 in accordance with s. 149.146 (2) (b), to the extent that the amounts under  
10 subd. 1. a. and b. are insufficient to pay 60% of plan costs.

11           **SECTION 2263bp.** 149.143 (1) (b) 1. d. of the statutes is amended to read:

12           149.143 (1) (b) 1. d. Fourth, notwithstanding subd. 2., by increasing insurer  
13 assessments, excluding assessments under s. 149.144, and adjusting provider  
14 payment rates, excluding adjustments to those rates under ~~ss. s. 149.144 and 149.15~~  
15 ~~(3) (e)~~, in equal proportions and to the extent that the amounts under subd. 1. a. to  
16 c. are insufficient to pay 60% of plan costs.

17           **SECTION 2264e.** 149.143 (1) (b) 2. b. of the statutes is amended to read:

18           149.143 (1) (b) 2. b. Fifty percent from adjustments to provider payment rates,  
19 excluding adjustments to those rates under ~~ss. s. 149.144 and 149.15 (3) (e)~~.

20           **SECTION 2265b.** 149.143 (2) (a) 1. a. of the statutes is amended to read:

21           149.143 (2) (a) 1. a. Estimate the amount of enrollee premiums that would be  
22 received in the new plan year if the enrollee premiums were set at a level sufficient,  
23 when including amounts received for premium and deductible subsidies under s.  
24 149.144 and under the transfer to the fund from the appropriation account under ~~ss.~~  
25 ~~s. 20.435 (5) (4) (ah) and 149.144~~ and from premiums collected from eligible persons

1 with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b), to cover 60%  
2 of the estimated plan costs for the new plan year, after deducting from the estimated  
3 plan costs the amount available ~~in~~ for transfer to the fund from the appropriation  
4 account under s. 20.435 ~~(5)~~ (4) (af) for that plan year.

5 **SECTION 2265bm.** 149.143 (2) (a) 1. c. of the statutes is repealed.

6 **SECTION 2266g.** 149.143 (2m) of the statutes is created to read:

7 149.143 (2m) (a) The department shall keep a separate accounting of the  
8 difference between the following:

9 1. The amount of premiums received in a plan year from all eligible persons,  
10 including amounts received for premium and deductible subsidies.

11 2. The amount of premiums, including amounts received for premium and  
12 deductible subsidies, necessary to cover 60% of the plan costs for the plan year, after  
13 deducting the amount transferred to the fund from the appropriation account under  
14 s. 20.435 (4) (af).

15 (b) Any amount by which the amount under par. (a) 1. exceeds the amount  
16 under par. (a) 2. may be used only as follows:

17 1. To reduce premiums in succeeding plan years as provided in sub. (1) (b) 1.  
18 b. For eligible persons with coverage under s. 149.14, premiums may not be reduced  
19 below 150% of the rate that a standard risk would be charged under an individual  
20 policy providing substantially the same coverage and deductibles as are provided  
21 under the plan.

22 2. For other needs of eligible persons, with the approval of the board.

23 **SECTION 2267j.** 149.143 (3) (b) of the statutes is amended to read:

24 149.143 (3) (b) If, ~~after increasing~~ the department increases premium rates  
25 and insurer assessments and ~~adjusting~~ adjusts the provider payment rate under par.

1 (a), ~~the department~~ and determines that there will still be a deficit and that premium  
2 rates have been increased to the maximum extent allowable under par. (a), the  
3 department ~~shall~~ may further adjust, in equal proportions, assessments set under  
4 sub. (2) (a) 3. and the provider payment rate set under sub. (2) (a) 4., without regard  
5 to sub. (1) (b) 2.

6 **SECTION 2267m.** 149.143 (5) of the statutes is created to read:

7 149.143 (5) (a) Annually, no later than April 30, the department shall perform  
8 a reconciliation with respect to plan costs, premiums, insurer assessments and  
9 provider payment rate adjustments based on data from the previous calendar year.  
10 On the basis of the reconciliation, the department shall make any necessary  
11 adjustments in premiums, insurer assessments or provider payment rates for the  
12 fiscal year beginning on the first July 1 after the reconciliation, as provided in sub.  
13 (2) (b).

14 (b) Except as provided in sub. (3) and s. 149.144, the department shall adjust  
15 the provider payment rates to meet the providers' specified portion of the plan costs  
16 no more than once annually. The department may not determine the adjustment on  
17 an individual provider basis or on the basis of provider type, but shall determine the  
18 adjustment for all providers in the aggregate.

19 **SECTION 2267r.** 149.144 of the statutes is amended to read:

20 **149.144 Adjustments to insurer assessments and provider payment**  
21 **rates for premium and deductible reductions.** If the moneys transferred to the  
22 fund under the appropriation under s. 20.435 (5) (4) (ah) are insufficient to reimburse  
23 the plan for premium reductions under s. 149.165 and deductible reductions under  
24 s. 149.14 (5) (a), or the department determines that the moneys transferred or to be  
25 transferred to the fund under the appropriation under s. 20.435 (5) (4) (ah) will be

1 insufficient to reimburse the plan for premium reductions under s. 149.165 and  
2 deductible reductions under s. 149.14 (5) (a), the department ~~shall~~ may, by rule,  
3 adjust in equal proportions the amount of the assessment set under s. 149.143 (2) (a)  
4 3. and the provider payment rate set under s. 149.143 (2) (a) 4., subject to s. 149.143  
5 (1) (b) 1., sufficient to reimburse the plan for premium reductions under s. 149.165  
6 and deductible reductions under s. 149.14 (5) (a). The If the department makes the  
7 adjustment under this section, the department shall notify the commissioner so that  
8 the commissioner may levy any increase in insurer assessments.

9 **SECTION 2268m.** 149.145 of the statutes is amended to read:

10 **149.145 Program budget.** The department, in consultation with the board,  
11 shall establish a program budget for each plan year. The program budget shall be  
12 based on the provider payment rates specified in s. ~~149.15 (3) (e)~~ 149.142 and in the  
13 most recent provider contracts that are in effect and on the funding sources specified  
14 in s. 149.143 (1), including the methodologies specified in ss. 149.143, 149.144 and  
15 149.146 for determining premium rates, insurer assessments and provider payment  
16 rates. Except as otherwise provided in s. 149.143 (3) (a) and (b), from the program  
17 budget the department shall derive the actual provider payment rate for a plan year  
18 that reflects the providers' proportional share of the plan costs, consistent with ss.  
19 149.143 and 149.144. The department may not implement a program budget  
20 established under this section unless it is approved by the board."

21 **12.** Page 1057, line 19: delete the material beginning with that line and  
22 ending with page 1058, line 23, and substitute:

23 **"SECTION 2276m.** 149.15 (3) (e) of the statutes is repealed.

24 **SECTION 2277c.** 149.15 (3) (g) of the statutes is created to read:

1           149.15 (3) (g) Establish oversight committees to address various  
2 administrative issues, such as financial management of the plan and plan  
3 administrator performance standards. A representative of the department may not  
4 be the chairperson of any committee established under this paragraph.

5           **SECTION 2277f.** 149.16 (5) of the statutes is created to read:

6           149.16 (5) The department shall obtain the approval of the board before  
7 implementing any contract with the plan administrator.

8           **SECTION 2278b.** 149.165 (4) of the statutes is amended to read:

9           149.165 (4) The department shall reimburse the plan for premium reductions  
10 under sub. (2) and deductible reductions under s. 149.14 (5) (a) with moneys  
11 transferred to the fund from the appropriation account under s. 20.435 (5) (4) (ah).

12           **SECTION 2278c.** 149.17 (2) of the statutes is amended to read:

13           149.17 (2) A schedule of premiums, deductibles, copayments and coinsurance  
14 payments which that complies with all requirements of this chapter.

15           **SECTION 2278g.** 149.17 (4) of the statutes is amended to read:

16           149.17 (4) Cost containment provisions established by the department by rule,  
17 including managed care requirements. The department shall obtain the approval of  
18 the board before promulgating a rule that establishes a cost containment provision  
19 that would have an effect on an eligible person's access to health care services, such  
20 as the creation of new prior authorization requirements."

21           **13.** Page 1453, line 17: after that line insert:

22           “(12z) HEALTH INSURANCE RISK-SHARING PLAN.

1 (a) The treatment of sections 149.14 (2) (a), (3) (d), (4) (n), (4c) (b), (5) (title) and  
2 (e) and (8) (a) and 149.17 (2) of the statutes first applies to policies issued or renewed  
3 on the effective date of this paragraph. → January 1, 2000

4 (b) The treatment of section 149.145 of the statutes first applies to the program  
5 budget established for fiscal year 2000-01.

6 (c) The treatment of section 149.16 (5) of the statutes first applies to contracts  
7 entered into on the effective date of this paragraph.”

8 (END)

✓ (as it relates to requiring board approval of the program budget)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0577/5  
PJK:kmg&jlg:mrc

LFB:.....Goldman – Modifications to HIRSP

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

**LFB AMENDMENT**

**TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 420, line 20: delete that line and substitute:

3 **“SECTION 386b.** 20.435 (1) (u) of the statutes is renumbered 20.435 (4) (u) and  
4 amended to read:

5 20.435 (4) (u) *Health insurance risk-sharing plan; administration.* ~~The~~  
6 Biennially, from the health insurance risk-sharing plan fund, the amounts in the  
7 ~~schedule from the health insurance risk-sharing plan fund for the administration~~  
8 of ch. 149, subject to s. 149.143 (2m).”

9 **2.** Page 427, line 10: after that line insert:

10 **“SECTION 415g.** 20.435 (4) (v) of the statutes is created to read:



1           20.435 (4) (v) *Health insurance risk-sharing plan; program benefits.* All  
2 moneys received by the health insurance risk-sharing plan fund, except for moneys  
3 appropriated under par. (u), for the operating costs of the health insurance  
4 risk-sharing plan under ch. 149, subject to s. 149.143 (2m).”.

5           **3.** Page 427, line 14: delete lines 14 and 15 and substitute:

6           “**SECTION 417c.** 20.435 (5) (af) of the statutes is renumbered 20.435 (4) (af) and  
7 amended to read:

8           20.435 (4) (af) *Health insurance risk-sharing plan; transfer to fund for costs.*  
9 The amounts in the schedule to be paid into the health insurance risk-sharing plan  
10 fund for paying a portion of the operating costs of the health insurance risk-sharing  
11 plan under ch. 149.

12           **SECTION 418c.** 20.435 (5) (ah) of the statutes is renumbered 20.435 (4) (ah) and  
13 amended to read:

14           20.435 (4) (ah) *Health insurance risk-sharing plan; transfer to fund for*  
15 *premium and deductible reduction subsidy.* Biennially, the amounts in the schedule  
16 to be paid into the health insurance risk-sharing plan fund for the purpose of  
17 subsidizing premium reductions under s. 149.165 and deductible reductions under  
18 s. 149.14 (5) (a).”.

19           **4.** Page 430, line 5: delete that line and substitute:

20           “**SECTION 433d.** 20.435 (5) (gh) of the statutes is repealed.”.

21           **5.** Page 497, line 17: after that line insert:

22           “**SECTION 697r.** 25.17 (1) (gf) of the statutes is created to read:

23           25.17 (1) (gf) *Health insurance risk-sharing plan fund (s. 25.55);”.*

24           **6.** Page 501, line 16: after that line insert:

1           **“SECTION 717m.** 25.55 of the statutes is created to read:

2           **25.55 Health insurance risk-sharing plan fund.** There is established a  
3 separate nonlapsible trust fund designated as the health insurance risk-sharing  
4 plan fund, to consist of:

5           (1) All moneys appropriated under s. 20.435 (4) (af).

6           (2) All moneys appropriated under s. 20.435 (4) (ah).

7           (3) Insurer assessments under ch. 149.

8           (4) Premiums paid by eligible persons under ch. 149.”.

9           **7.** Page 1052, line 20: after that line insert:

10           **“SECTION 2255m.** 149.10 (3e) of the statutes is created to read:

11           149.10 (3e) “Fund” means the health insurance risk-sharing plan fund.”.

12           **8.** Page 1053, line 12: after that line insert:

13           **“SECTION 2258d.** 149.125 of the statutes is repealed.

14           **SECTION 2258f.** 149.14 (2) (a) of the statutes is amended to read:

15           149.14 (2) (a) The plan shall provide every eligible person who is not eligible  
16 for medicare with major medical expense coverage. Major medical expense coverage  
17 offered under the plan under this section shall pay an eligible person’s covered  
18 expenses, subject to sub. (3) and deductible, copayment and coinsurance payments  
19 authorized under sub. (5), up to a lifetime limit of \$1,000,000 per covered individual.  
20 The maximum limit under this paragraph shall not be altered by the board, and no  
21 actuarially equivalent benefit may be substituted by the board.”.

22           **9.** Page 1053, line 14: delete the material beginning with that line and ending  
23 with page 1054, line 2, and substitute:

1           “149.14 (3) COVERED EXPENSES. (intro.) Except as provided in sub. (4), except  
2 as restricted by cost containment provisions under s. 149.17 (4) and except as  
3 reduced by the board under s. 149.15 (3) (e) or by the department under s. ss. 149.143  
4 or and 149.144, covered expenses for the coverage under this section shall be the  
5 usual and customary charges payment rates established by the department under  
6 s. 149.142 for the services provided by persons licensed under ch. 446 and certified  
7 under s. 49.45 (2) (a) 11. Except as provided in sub. (4), except as restricted by cost  
8 containment provisions under s. 149.17 (4) and except as reduced by the board under  
9 s. 149.15 (3) (e) or by the department under s. ss. 149.143 or and 149.144, covered  
10 expenses for the coverage under this section shall also be the usual and customary  
11 charges payment rates established by the department under s. 149.142 for the  
12 following services and articles if the service or article is prescribed by a physician  
13 who is licensed under ch. 448 or in another state and who is certified under s. 49.45  
14 (2) (a) 11. and if the service or article is provided by a provider certified under s. 49.45  
15 (2) (a) 11.:

16           **SECTION 2259f.** 149.14 (3) (d) of the statutes is amended to read:

17           149.14 (3) (d) Drugs requiring a physician’s prescription, subject to sub. (4c).

18           **SECTION 2259r.** 149.14 (4) (d) of the statutes is amended to read:

19           149.14 (4) (d) That part of any charge for services or articles rendered or  
20 prescribed by a physician, dentist or other health care personnel ~~which that~~ that exceeds  
21 the prevailing charge in the locality where the service is provided payment rate  
22 established by the department under s. 149.142 and reduced under ss. 149.143 and  
23 149.144 or any charge not medically necessary.”

24           **10.** Page 1054, line 4: after that line insert:

1           **SECTION 2260c.** 149.14 (4) (n) of the statutes is created to read:

2           149.14 (4) (n) Services or drugs for the treatment of infertility, impotence or  
3           sterility.

4           **SECTION 2260d.** 149.14 (4c) of the statutes is created to read:

5           149.14 (4c) **COVERAGE OF PRESCRIPTION DRUGS.** (a) The department may require  
6           a pharmacist or pharmacy that provides a prescription drug to an eligible person to  
7           submit a payment claim directly to the plan administrator.

8           (b) The department may limit coverage of prescription drugs under sub. (3) (d)  
9           to those prescription drugs for which payment claims are submitted by pharmacists  
10          or pharmacies directly to the plan administrator.

11          **SECTION 2260h.** 149.14 (4m) of the statutes is amended to read:

12          149.14 (4m) **PAYMENT IS PAYMENT IN FULL.** Except for copayments, coinsurance  
13          or deductibles required or authorized under the plan, a provider of a covered service  
14          or article shall accept as payment in full for the covered service or article the payment  
15          rate determined under ss. 149.142, 149.143, and 149.144 and 149.15 (3) (e) and may  
16          not bill an eligible person who receives the service or article for any amount by which  
17          the charge for the service or article is reduced under s. 149.142, 149.143, or 149.144  
18          or 149.15 (3) (e).

19          **SECTION 2260m.** 149.14 (5) (title) of the statutes is amended to read:

20          149.14 (5) (title) **DEDUCTIBLES, COPAYMENTS AND COINSURANCE.**

21          **SECTION 2260p.** 149.14 (5) (e) of the statutes is created to read:

22          149.14 (5) (e) Subject to sub. (8) (b), the department may, by rule under s. 149.17  
23          (4), establish copayments for prescription drug coverage under sub. (3) (d). Any  
24          copayment amounts or rates established are subject to the approval of the board.

1 Copayments paid by an eligible person under this paragraph shall count toward the  
2 deductible and covered costs not paid by the plan under pars. (a) to (c).”

3 **11.** Page 1054, line 7: delete the material beginning with that line and ending  
4 with page 1056, line 9, and substitute:

5 “**SECTION 2261f.** 149.14 (8) of the statutes is created to read:

6 **149.14 (8) APPLICABILITY OF MEDICAL ASSISTANCE PROVISIONS.** (a) Except as  
7 provided in par. (b), the department may, by rule under s. 149.17 (4), apply to the plan  
8 the same utilization and cost control procedures that apply under rules promulgated  
9 by the department to medical assistance under subch. IV of ch. 49.

10 (b) The department may not apply to eligible persons for covered services or  
11 articles the same copayments that apply to recipients of medical assistance under  
12 subch. IV of ch. 49 for services or articles covered under that program.

13 **SECTION 2261j.** 149.142 of the statutes is created to read:

14 **149.142 Provider payment rates.** (1) (a) Except as provided in par. (b), the  
15 department shall establish payment rates for covered expenses that consist of the  
16 allowable charges paid under s. 49.46 (2) for the services and articles provided plus  
17 an enhancement determined by the department. The rates shall be based on the  
18 allowable charges paid under s. 49.46 (2), projected plan costs and trend factors.  
19 Using the same methodology that applies to medical assistance under subch. IV of  
20 ch. 49, the department shall establish hospital outpatient per visit reimbursement  
21 rates and hospital inpatient reimbursement rates that are specific to diagnostically  
22 related groups of eligible persons.

23 (b) The payment rate for a prescription drug shall be the allowable charge paid  
24 under s. 49.46 (2) (b) 6. h. for the prescription drug.

1           (2) The rates established under this section are subject to adjustment under  
2           ss. 149.143 and 149.144.

3           **SECTION 2261m.** 149.143 (1) (intro.) of the statutes is amended to read:

4           149.143 (1) (intro.) The department shall pay or recover the operating costs of  
5           the plan from the appropriation under s. 20.435 (4) (v) and administrative costs of  
6           the plan from the appropriation under s. 20.435 (4) (u). For purposes of determining  
7           premiums, insurer assessments and provider payment rate adjustments, the  
8           department shall apportion and prioritize responsibility for payment or recovery of  
9           plan costs from among the moneys constituting the fund as follows:

10          **SECTION 2262b.** 149.143 (1) (a) of the statutes is amended to read:

11          149.143 (1) (a) First from the moneys transferred to the fund from the  
12          appropriation account under s. 20.435 ~~(5)~~ (4) (af).

13          **SECTION 2263b.** 149.143 (1) (b) 1. a. of the statutes is amended to read:

14          149.143 (1) (b) 1. a. First, from premiums from eligible persons with coverage  
15          under s. 149.14 set at 150% of the rate that a standard risk would be charged under  
16          an individual policy providing substantially the same coverage and deductibles as  
17          are provided under the plan, including amounts received for premium and deductible  
18          subsidies under s. 149.144 and under the transfer to the fund from the appropriation  
19          account under ~~ss. s.~~ 20.435 ~~(5)~~ (4) (ah) ~~and 149.144~~, and from premiums collected  
20          from eligible persons with coverage under s. 149.146 set in accordance with s.  
21          149.146 (2) (b).

22          **SECTION 2263bm.** 149.143 (1) (b) 1. b. of the statutes is amended to read:

23          149.143 (1) (b) 1. b. Second, from ~~the appropriation under s. 20.435 (5) (gh)~~  
24          moneys specified under sub. (2m), to the extent that the amounts under subd. 1. a.  
25          are insufficient to pay 60% of plan costs.

1           **SECTION 2263bn.** 149.143 (1) (b) 1. c. of the statutes is amended to read:

2           149.143 (1) (b) 1. c. Third, by increasing premiums from eligible persons with  
3 coverage under s. 149.14 to more than 150% but not more than 200% of the rate that  
4 a standard risk would be charged under an individual policy providing substantially  
5 the same coverage and deductibles as are provided under the plan, including  
6 amounts received for premium and deductible subsidies under s. 149.144 and under  
7 the transfer to the fund from the appropriation account under ~~ss. s. 20.435 (5) (4) (ah)~~  
8 ~~and 149.144~~, and by increasing premiums from eligible persons with coverage under  
9 s. 149.146 in accordance with s. 149.146 (2) (b), to the extent that the amounts under  
10 subd. 1. a. and b. are insufficient to pay 60% of plan costs.

11           **SECTION 2263bp.** 149.143 (1) (b) 1. d. of the statutes is amended to read:

12           149.143 (1) (b) 1. d. Fourth, notwithstanding subd. 2., by increasing insurer  
13 assessments, excluding assessments under s. 149.144, and adjusting provider  
14 payment rates, excluding adjustments to those rates under ~~ss. s. 149.144 and 149.15~~  
15 ~~(3) (e)~~, in equal proportions and to the extent that the amounts under subd. 1. a. to  
16 c. are insufficient to pay 60% of plan costs.

17           **SECTION 2264e.** 149.143 (1) (b) 2. b. of the statutes is amended to read:

18           149.143 (1) (b) 2. b. Fifty percent from adjustments to provider payment rates,  
19 excluding adjustments to those rates under ~~ss. s. 149.144 and 149.15 (3) (e)~~.

20           **SECTION 2265b.** 149.143 (2) (a) 1. a. of the statutes is amended to read:

21           149.143 (2) (a) 1. a. Estimate the amount of enrollee premiums that would be  
22 received in the new plan year if the enrollee premiums were set at a level sufficient,  
23 when including amounts received for premium and deductible subsidies under s.  
24 149.144 and under the transfer to the fund from the appropriation account under ~~ss.~~  
25 ~~s. 20.435 (5) (4) (ah) and 149.144~~ and from premiums collected from eligible persons

1 with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b), to cover 60%  
2 of the estimated plan costs for the new plan year, after deducting from the estimated  
3 plan costs the amount available ~~in~~ for transfer to the fund from the appropriation  
4 account under s. 20.435 ~~(5)~~ (4) (af) for that plan year.

5 **SECTION 2265bm.** 149.143 (2) (a) 1. c. of the statutes is repealed.

6 **SECTION 2266g.** 149.143 (2m) of the statutes is created to read:

7 149.143 (2m) (a) The department shall keep a separate accounting of the  
8 difference between the following:

9 1. The amount of premiums received in a plan year from all eligible persons,  
10 including amounts received for premium and deductible subsidies.

11 2. The amount of premiums, including amounts received for premium and  
12 deductible subsidies, necessary to cover 60% of the plan costs for the plan year, after  
13 deducting the amount transferred to the fund from the appropriation account under  
14 s. 20.435 (4) (af).

15 (b) Any amount by which the amount under par. (a) 1. exceeds the amount  
16 under par. (a) 2. may be used only as follows:

17 1. To reduce premiums in succeeding plan years as provided in sub. (1) (b) 1.  
18 b. For eligible persons with coverage under s. 149.14, premiums may not be reduced  
19 below 150% of the rate that a standard risk would be charged under an individual  
20 policy providing substantially the same coverage and deductibles as are provided  
21 under the plan.

22 2. For other needs of eligible persons, with the approval of the board.

23 **SECTION 2267j.** 149.143 (3) (b) of the statutes is amended to read:

24 149.143 (3) (b) If, ~~after increasing~~ the department increases premium rates  
25 and insurer assessments and ~~adjusting~~ adjusts the provider payment rate under par.



1 (a), ~~the department~~ and determines that there will still be a deficit and that premium  
2 rates have been increased to the maximum extent allowable under par. (a), the  
3 department shall may further adjust, in equal proportions, assessments set under  
4 sub. (2) (a) 3. and the provider payment rate set under sub. (2) (a) 4., without regard  
5 to sub. (1) (b) 2.

6 **SECTION 2267m.** 149.143 (5) of the statutes is created to read:

7 149.143 (5) (a) Annually, no later than April 30, the department shall perform  
8 a reconciliation with respect to plan costs, premiums, insurer assessments and  
9 provider payment rate adjustments based on data from the previous calendar year.  
10 On the basis of the reconciliation, the department shall make any necessary  
11 adjustments in premiums, insurer assessments or provider payment rates for the  
12 fiscal year beginning on the first July 1 after the reconciliation, as provided in sub.  
13 (2) (b).

14 (b) Except as provided in sub. (3) and s. 149.144, the department shall adjust  
15 the provider payment rates to meet the providers' specified portion of the plan costs  
16 no more than once annually. The department may not determine the adjustment on  
17 an individual provider basis or on the basis of provider type, but shall determine the  
18 adjustment for all providers in the aggregate.

19 **SECTION 2267r.** 149.144 of the statutes is amended to read:

20 **149.144 Adjustments to insurer assessments and provider payment**  
21 **rates for premium and deductible reductions.** If the moneys transferred to the  
22 fund under the appropriation under s. 20.435 ~~(5) (4)~~ (ah) are insufficient to reimburse  
23 the plan for premium reductions under s. 149.165 and deductible reductions under  
24 s. 149.14 (5) (a), or the department determines that the moneys transferred or to be  
25 transferred to the fund under the appropriation under s. 20.435 ~~(5) (4)~~ (ah) will be

1 insufficient to reimburse the plan for premium reductions under s. 149.165 and  
2 deductible reductions under s. 149.14 (5) (a), the department ~~shall~~ may, by rule,  
3 adjust in equal proportions the amount of the assessment set under s. 149.143 (2) (a)  
4 3. and the provider payment rate set under s. 149.143 (2) (a) 4., subject to s. 149.143  
5 (1) (b) 1., sufficient to reimburse the plan for premium reductions under s. 149.165  
6 and deductible reductions under s. 149.14 (5) (a). The If the department makes the  
7 adjustment under this section, the department shall notify the commissioner so that  
8 the commissioner may levy any increase in insurer assessments.

9 **SECTION 2268m.** 149.145 of the statutes is amended to read:

10 **149.145 Program budget.** The department, in consultation with the board,  
11 shall establish a program budget for each plan year. The program budget shall be  
12 based on the provider payment rates specified in s. ~~149.15 (3) (e)~~ 149.142 and in the  
13 most recent provider contracts that are in effect and on the funding sources specified  
14 in s. 149.143 (1), including the methodologies specified in ss. 149.143, 149.144 and  
15 149.146 for determining premium rates, insurer assessments and provider payment  
16 rates. Except as otherwise provided in s. 149.143 (3) (a) and (b), from the program  
17 budget the department shall derive the actual provider payment rate for a plan year  
18 that reflects the providers' proportional share of the plan costs, consistent with ss.  
19 149.143 and 149.144. The department may not implement a program budget  
20 established under this section unless it is approved by the board."

21 **12.** Page 1057, line 19: delete the material beginning with that line and  
22 ending with page 1058, line 23, and substitute:

23 **"SECTION 2276m.** 149.15 (3) (e) of the statutes is repealed.

24 **SECTION 2277c.** 149.15 (3) (g) of the statutes is created to read:

1           149.15 (3) (g) Establish oversight committees to address various  
2 administrative issues, such as financial management of the plan and plan  
3 administrator performance standards. A representative of the department may not  
4 be the chairperson of any committee established under this paragraph.

5           **SECTION 2277f.** 149.16 (5) of the statutes is created to read:

6           149.16 (5) The department shall obtain the approval of the board before  
7 implementing any contract with the plan administrator.

8           **SECTION 2278b.** 149.165 (4) of the statutes is amended to read:

9           149.165 (4) The department shall reimburse the plan for premium reductions  
10 under sub. (2) and deductible reductions under s. 149.14 (5) (a) with moneys  
11 transferred to the fund from the appropriation account under s. 20.435 (5) (4) (ah).

12           **SECTION 2278c.** 149.17 (2) of the statutes is amended to read:

13           149.17 (2) A schedule of premiums, deductibles, copayments and coinsurance  
14 payments ~~which~~ that complies with all requirements of this chapter.

15           **SECTION 2278g.** 149.17 (4) of the statutes is amended to read:

16           149.17 (4) Cost containment provisions established by the department by rule,  
17 including managed care requirements. The department shall obtain the approval of  
18 the board before promulgating a rule that establishes a cost containment provision  
19 that would have an effect on an eligible person's access to health care services, such  
20 as the creation of new prior authorization requirements."

21           **13.** Page 1453, line 17: after that line insert:

22           “(12z) HEALTH INSURANCE RISK-SHARING PLAN.

