

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2001 ASSEMBLY BILL 348**

February 11, 2002 – Offered by Representatives UNDERHEIM and WASSERMAN.

1 **AN ACT** *to repeal* 149.10 (8b) and 149.16 (1); *to amend* 149.15 (3) (g), 149.16 (4)
2 and 149.16 (5); and *to create* 149.16 (1m) and 149.16 (3m) of the statutes;
3 **relating to:** a competitive bidding process for administration of the health
4 insurance risk-sharing plan.

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

5 **SECTION 1.** 149.10 (8b) of the statutes is repealed.

6 **SECTION 2.** 149.15 (3) (g) of the statutes is amended to read:

7 149.15 (3) (g) Establish oversight committees to address various
8 administrative issues, such as financial management of the plan and, selection of the
9 plan administrator, and plan administrator performance standards. A
10 representative of the department may not be the chairperson of any committee
11 established under this paragraph.

12 **SECTION 3.** 149.16 (1) of the statutes is repealed.

1 **SECTION 4.** 149.16 (1m) of the statutes is created to read:

2 149.16 **(1m)** (a) The plan administrator shall be selected by the department
3 and the board together in a competitive, request–for–proposals process. The
4 department shall work with the board and the plan administrator selection
5 committee established under s. 149.15 (3) (g) to do all of the following:

6 1. Develop and issue a request for proposals to be used to solicit contract
7 proposals.

8 2. Evaluate technical proposals and accompanying cost proposals submitted in
9 response to the request for proposals.

10 3. Request and evaluate best and final offers.

11 4. Select a plan administrator and, subject to sub. (5), award a contract for plan
12 administration.

13 (b) 1. Any contract awarded under this subsection shall have a term of 3 years,
14 beginning on July 1 and ending on June 30 of the 3rd year beginning after the year
15 in which the contract commences. The start work date of the initial contract awarded
16 under this subsection may not be later than July 1, 2004.

17 2. Notwithstanding subd. 1, the department, with the concurrence of the board,
18 may negotiate not more than 2 one–year extensions of a contract described under
19 subd. 1.

20 3. Notwithstanding subds. 1. and 2., a contract awarded under this subsection
21 may be extended beyond its 3–year term or a one–year extension in order to facilitate
22 the transition to administration of the plan by a succeeding plan administrator.

23 **SECTION 5.** 149.16 (3m) of the statutes is created to read:

24 149.16 **(3m)** The plan administrator shall submit regular reports to the
25 department, the board, and the plan administrator selection committee established

1 under s. 149.15 (3) (g) regarding the operation of the plan. The frequency, content,
2 and form of the reports shall be determined by the department, the board, and the
3 plan administrator selection committee.

4 **SECTION 6.** 149.16 (4) of the statutes is amended to read:

5 149.16 (4) The If the plan administrator selected under sub. (1m) is the fiscal
6 agent under s. 49.45 (2) (b) 2., the plan administrator shall account for costs related
7 to the plan separately from costs related to medical assistance under subch. IV of ch.
8 49.

9 **SECTION 7.** 149.16 (5) of the statutes is amended to read:

10 149.16 (5) The department shall obtain the approval of the board before
11 implementing any contract with the plan administrator, including any extension of
12 a contract under sub. (1m) (b) 2.

13 (END)