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1 and changes that indirectly affect the provisions applicable to this subchapter made
2 by P.L. 106-36 and, P.L. 106-170, and P.L. 106-554, apply for Wisconsin purposes
3 at the same time as for federal purposes.

4 **SECTION 43.** 71.26 (2) (b) 15. of the statutes is amended to read:

5 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, for a
6 corporation, conduit or common law trust which qualifies as a regulated investment
7 company, real estate mortgage investment conduit, real estate investment trust or
8 financial asset securitization investment trust under the Internal Revenue Code as
9 amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102-227,
10 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections
11 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L.
12 106-554 and any subsequent federal law related to Archer medical savings accounts
13 under 26 USC 220, and as indirectly affected in the provisions applicable to this
14 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,
15 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,
16 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
17 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
18 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
19 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
20 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.
21 106-170, P.L. 106-554 and any subsequent federal law related to Archer medical
22 savings accounts under 26 USC 220, "net income" means the federal regulated
23 investment company taxable income, federal real estate mortgage investment
24 conduit taxable income, federal real estate investment trust or financial asset
25 securitization investment trust taxable income of the corporation, conduit or trust

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1 as determined under the Internal Revenue Code as amended to December 31, 1999,
2 excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171
3 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311,
4 and 1605 (d) of P.L. 104-188, and as amended by P.L. 106-554 and any subsequent
5 federal law related to Archer medical savings accounts under 26 USC 220, and as
6 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
7 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
8 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
9 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
10 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
11 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
12 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
13 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554
14 and any subsequent federal law related to Archer medical savings accounts under
15 26 USC 220, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is
16 required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue
17 Code as amended to December 31, 1980, shall continue to be depreciated under the
18 Internal Revenue Code as amended to December 31, 1980, and except that the
19 appropriate amount shall be added or subtracted to reflect differences between the
20 depreciation or adjusted basis for federal income tax purposes and the depreciation
21 or adjusted basis under this chapter of any property disposed of during the taxable
22 year. The Internal Revenue Code as amended to December 31, 1999, excluding
23 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
24 13174, and 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311,
25 and 1605 (d) of P.L. 104-188, and as amended by P.L. 106-554 and any subsequent

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1 federal law related to Archer medical savings accounts under 26 USC 220, and as
2 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
3 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L.
4 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L.
5 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d),
6 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
7 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605
8 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
9 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554
10 and any subsequent federal law related to Archer medical savings accounts under
11 26 USC 220, applies for Wisconsin purposes at the same time as for federal purposes.
12 Amendments to the Internal Revenue Code enacted after December 31, 1999, do not
13 apply to this subdivision with respect to taxable years that begin after
14 December 31, 1999, except that changes to the Internal Revenue Code made by P.L.
15 106-554 and any subsequent federal law related to Archer medical savings accounts
16 under 26 USC 220, and changes that indirectly affect the provisions applicable to this
17 subchapter made by P.L. 106-554 and any subsequent federal law related to Archer
18 medical savings accounts under 26 USC 220, apply for Wisconsin purposes at the
19 same time as for federal purposes.

20 **SECTION 44.** 71.34 (1g) (i) of the statutes is amended to read:

21 71.34 (1g) (i) "Internal Revenue Code" for tax-option corporations, for taxable
22 years that begin after December 31, 1993, and before January 1, 1995, means the
23 federal Internal Revenue Code as amended to December 31, 1993, excluding
24 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
25 13174, 13203 (d), and 13215 of P.L. 103-66, and as amended by P.L. 103-296, P.L.

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1 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188,
2 excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
3 105-206 and, P.L. 105-277, and P.L. 106-554, and as indirectly affected in the
4 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647
5 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2)
6 of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
7 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
8 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
9 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L. 103-66, P.L. 103-296,
10 P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L.
11 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
12 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, except that section 1366
13 (f) (relating to pass-through of items to shareholders) is modified by substituting the
14 tax under s. 71.35 for the taxes under sections 1374 and 1375. The Internal Revenue
15 Code applies for Wisconsin purposes at the same time as for federal purposes.
16 Amendments to the federal Internal Revenue Code enacted after
17 December 31, 1993, do not apply to this paragraph with respect to taxable years
18 beginning after December 31, 1993, and before January 1, 1995, except that
19 changes to the Internal Revenue Code made by P.L. 103-296, P.L. 103-337, P.L.
20 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
21 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206
22 and, P.L. 105-277, and P.L. 106-554, and changes that indirectly affect the
23 provisions applicable to this subchapter made by P.L. 103-296, P.L. 103-337, P.L.
24 103-465, P.L. 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding
25 section 1311 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206

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1 and, P.L. 105-277, and P.L. 106-554, apply for Wisconsin purposes at the same time
2 as for federal purposes.

3 **SECTION 45.** 71.34 (1g) (j) of the statutes is amended to read:

4 71.34 (1g) (j) "Internal Revenue Code" for tax-option corporations, for taxable
5 years that begin after December 31, 1994, and before January 1, 1996, means the
6 federal Internal Revenue Code as amended to December 31, 1994, excluding
7 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
8 13174, and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-7, P.L. 104-188,
9 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
10 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, and as
11 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L.
12 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821
13 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L.
14 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,
15 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.
16 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
17 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,
18 excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
19 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, except that
20 section 1366 (f) (relating to pass-through of items to shareholders) is modified by
21 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
22 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
23 purposes. Amendments to the federal Internal Revenue Code enacted after
24 December 31, 1994, do not apply to this paragraph with respect to taxable years
25 beginning after December 31, 1994, and before January 1, 1996, except changes to

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1 the Internal Revenue Code made by P.L. 104-7, P.L. 104-188, excluding sections
2 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34,
3 P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, and changes that indirectly affect
4 the provisions applicable to this subchapter made by P.L. 104-7, P.L. 104-188,
5 excluding sections 1202, 1204, 1311 and 1605 of P.L. 104-188, P.L. 104-191, P.L.
6 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, apply for
7 Wisconsin purposes at the same time as for federal purposes.

8 **SECTION 46.** 71.34 (1g) (k) of the statutes is amended to read:

9 71.34 (1g) (k) "Internal Revenue Code" for tax-option corporations, for taxable
10 years that begin after December 31, 1995, and before January 1, 1997, means the
11 federal Internal Revenue Code as amended to December 31, 1995, excluding
12 sections 103, 104, and 110 of P.L. 102-227 and sections 13113, 13150 (d), 13171 (d),
13 13174, and 13203 (d) of P.L. 103-66, and as amended by P.L. 104-188, excluding
14 sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L.
15 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
16 106-554, and as indirectly affected in the provisions applicable to this subchapter
17 by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding sections 803 (d) (2) (B), 805 (d)
18 (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
19 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
20 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
21 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
22 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
23 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L.
24 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,
25 and P.L. 106-554, except that section 1366 (f) (relating to pass-through of items to

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1 ~~shareholders) is modified by substituting the tax under s. 71.35 for the taxes under~~
2 ~~sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin purposes~~
3 ~~at the same time as for federal purposes. Amendments to the federal Internal~~
4 ~~Revenue Code enacted after December 31, 1995, do not apply to this paragraph with~~
5 ~~respect to taxable years beginning after December 31, 1995, and before~~
6 ~~January 1, 1997, except that changes to the Internal Revenue Code made by P.L.~~
7 ~~104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L.~~
8 ~~104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,~~
9 ~~and P.L. 106-554, and changes that indirectly affect the provisions applicable to this~~
10 ~~subchapter made by P.L. 104-188, excluding sections 1123, 1202, 1204, 1311, and~~
11 ~~1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.~~
12 ~~105-206 and, P.L. 105-277, and P.L. 106-554, apply for Wisconsin purposes at the~~
13 ~~same time as for federal purposes.~~

14 **SECTION 47.** 71.34 (1g) (L) of the statutes is amended to read:

15 71.34 (1g) (L) "Internal Revenue Code" for tax-option corporations, for taxable
16 years that begin after December 31, 1996, and before January 1, 1998, means the
17 federal Internal Revenue Code as amended to December 31, 1996, excluding
18 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),
19 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and
20 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,
21 P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, and as indirectly affected in the
22 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647
23 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2)
24 of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
25 ~~101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and~~

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1 ~~110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections~~
2 ~~13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.~~
3 ~~103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202~~
4 ~~(c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.~~
5 ~~105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554,~~
6 ~~except that section 1366 (f) (relating to pass-through of items to shareholders) is~~
7 ~~modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and~~
8 ~~1375. The Internal Revenue Code applies for Wisconsin purposes at the same time~~
9 ~~as for federal purposes. Amendments to the federal Internal Revenue Code enacted~~
10 ~~after December 31, 1996, do not apply to this paragraph with respect to taxable years~~
11 ~~beginning after December 31, 1996, and before January 1, 1998, except that~~
12 ~~changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.~~
13 ~~105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, and changes that~~
14 ~~indirectly affect the provisions applicable to this subchapter made by P.L. 105-33,~~
15 ~~P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, apply~~
16 ~~for Wisconsin purposes at the same time as for federal purposes.~~

17 **SECTION 48.** 71.34 (1g) (m) of the statutes is amended to read:

18 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable
19 years that begin after December 31, 1997, and before January 1, 1999, means the
20 federal Internal Revenue Code as amended to December 31, 1997, excluding sections
21 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and
22 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
23 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.
24 106-36 and, P.L. 106-170, and P.L. 106-554, and as indirectly affected in the
25 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647

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1 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2)
2 of P.L. 99-514 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
3 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
4 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
5 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
6 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
7 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
8 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.
9 106-170, and P.L. 106-554, except that section 1366 (f) (relating to pass-through of
10 items to shareholders) is modified by substituting the tax under s. 71.35 for the taxes
11 under sections 1374 and 1375. The Internal Revenue Code applies for Wisconsin
12 purposes at the same time as for federal purposes. Amendments to the federal
13 Internal Revenue Code enacted after December 31, 1997, do not apply to this
14 paragraph with respect to taxable years beginning after December 31, 1997, and
15 before January 1, 1999, except that changes to the Internal Revenue Code made by
16 P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L.
17 106-554, and changes that indirectly affect the provisions applicable to this
18 subchapter made by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.
19 106-170, and P.L. 106-554, apply for Wisconsin purposes at the same time as for
20 federal purposes.

21 **SECTION 49.** 71.34 (1g) (n) of the statutes is amended to read:

22 71.34 (1g) (n) "Internal Revenue Code" for tax-option corporations, for taxable
23 years that begin after December 31, 1998, and before January 1, 2000, means the
24 federal Internal Revenue Code as amended to December 31, 1998, excluding sections
25 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and

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1 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)
2 of P.L. 104-188, and as amended by P.L. 106-36 and, P.L. 106-170, and P.L. 106-554,
3 and as indirectly affected in the provisions applicable to this subchapter by P.L.
4 99-514, P.L. 100-203, P.L. 100-647, excluding sections 803 (d) (2) (B), 805 (d) (2), 812
5 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514 and section 1008 (g) (5) of P.L.
6 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
7 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
8 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
9 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
10 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
11 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
12 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 106-554, except that
13 section 1366 (f) (relating to pass-through of items to shareholders) is modified by
14 substituting the tax under s. 71.35 for the taxes under sections 1374 and 1375. The
15 Internal Revenue Code applies for Wisconsin purposes at the same time as for federal
16 purposes. Amendments to the federal Internal Revenue Code enacted after
17 December 31, 1998, do not apply to this paragraph with respect to taxable years
18 beginning after December 31, 1998, and before January 1, 2000, except that
19 changes to the Internal Revenue Code made by P.L. 106-36 and, P.L. 106-170, and
20 P.L. 106-554, and changes that indirectly affect the provisions applicable to this
21 subchapter made by P.L. 106-36 and, P.L. 106-170, and P.L. 106-554, apply for
22 Wisconsin purposes at the same time as for federal purposes.

23 **SECTION 50.** 71.34 (1g) (o) of the statutes is amended to read:

24 71.34 (1g) (o) "Internal Revenue Code" for tax-option corporations, for taxable
25 years that begin after December 31, 1999, means the federal Internal Revenue Code

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1 as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L.
2 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
3 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
4 amended by P.L. 106-554 and any subsequent federal law related to Archer medical
5 savings accounts under 26 USC 220, and as indirectly affected in the provisions
6 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, excluding
7 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514
8 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
9 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
10 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
11 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
12 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),
13 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.
14 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,
15 P.L. 106-554 and any subsequent federal law related to Archer medical savings
16 accounts under 26 USC 220, except that section 1366 (f) (relating to pass-through
17 of items to shareholders) is modified by substituting the tax under s. 71.35 for the
18 taxes under sections 1374 and 1375. The Internal Revenue Code applies for
19 Wisconsin purposes at the same time as for federal purposes. Amendments to the
20 federal Internal Revenue Code enacted after December 31, 1999, do not apply to this
21 paragraph with respect to taxable years beginning after December 31, 1999, except
22 that changes to the Internal Revenue Code made by P.L. 106-554 and any
23 subsequent federal law related to Archer medical savings accounts under 26 USC
24 220, and changes that indirectly affect the provisions applicable to this subchapter
25 made by P.L. 106-554 and any subsequent federal law related to Archer medical

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1 savings accounts under 26 USC 220, apply for Wisconsin purposes at the same time
2 as for federal purposes.

3 **SECTION 51.** 71.42 (2) (h) of the statutes is amended to read:

4 71.42 (2) (h) For taxable years that begin after December 31, 1993, and before
5 January 1, 1995, "Internal Revenue Code" means the federal Internal Revenue Code
6 as amended to December 31, 1993 excluding sections 103, 104, and 110 of P.L.
7 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, 13203 (d), and 13215 of P.L.
8 103-66, and as amended by P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7,
9 excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
10 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,
11 and P.L. 106-554, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.
12 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
13 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
14 102-486 and P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174,
15 13203 (d), and 13215 of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L.
16 104-7, excluding section 1 of P.L. 104-7, P.L. 104-188, excluding section 1311 of P.L.
17 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,
18 and P.L. 106-554, except that "Internal Revenue Code" does not include section 847
19 of the federal Internal Revenue Code. The Internal Revenue Code applies for
20 Wisconsin purposes at the same time as for federal purposes. Amendments to the
21 federal Internal Revenue Code enacted after December 31, 1993, do not apply to this
22 paragraph with respect to taxable years beginning after December 31, 1993, and
23 before January 1, 1995, except that changes to the Internal Revenue Code made by
24 P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L.
25 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L.

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1 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, and
2 changes that indirectly affect the provisions applicable to this subchapter made by
3 P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, excluding section 1 of P.L.
4 104-7, P.L. 104-188, excluding section 1311 of P.L. 104-188, P.L. 104-191, P.L.
5 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, apply for
6 Wisconsin purposes at the same time as for federal purposes.

7 **SECTION 52.** 71.42 (2) (i) of the statutes is amended to read:

8 71.42 (2) (i) For taxable years that begin after December 31, 1994, and before
9 January 1, 1996, "Internal Revenue Code" means the federal Internal Revenue Code
10 as amended to December 31, 1994, excluding sections 103, 104, and 110 of P.L.
11 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
12 103-66, and as amended by P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204,
13 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L.
14 105-206 and, P.L. 105-277, and P.L. 106-554, and as indirectly affected by P.L.
15 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
16 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
17 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
18 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
19 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1202, 1204, 1311, and 1605 of
20 P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L.
21 105-277, and P.L. 106-554, except that "Internal Revenue Code" does not include
22 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
23 applies for Wisconsin purposes at the same time as for federal purposes.
24 Amendments to the federal Internal Revenue Code enacted after
25 December 31, 1994, do not apply to this paragraph with respect to taxable years

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1 beginning after December 31, 1994, and before January 1, 1996, except that
2 changes to the Internal Revenue Code made by P.L. 104-7, P.L. 104-188, excluding
3 sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
4 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, and changes that
5 indirectly affect the provisions applicable to this subchapter made by P.L. 104-7, P.L.
6 104-188, excluding sections 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L.
7 104-191, P.L. 104-193, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L.
8 106-554, apply for Wisconsin purposes at the same time as for federal purposes.

9 **SECTION 53.** 71.42 (2) (j) of the statutes is amended to read:

10 71.42 (2) (j) For taxable years that begin after December 31, 1995, and before
11 January 1, 1997, "Internal Revenue Code" means the federal Internal Revenue Code
12 as amended to December 31, 1995, excluding sections 103, 104, and 110 of P.L.
13 102-227 and sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.
14 103-66, and as amended by P.L. 104-188, excluding sections 1123, 1202, 1204, 1311,
15 and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
16 105-206 and, P.L. 105-277, and P.L. 106-554, and as indirectly affected by P.L.
17 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.
18 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.
19 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150
20 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.
21 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123, 1202, 1204, 1311, and
22 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L.
23 105-206 and, P.L. 105-277, and P.L. 106-554, except that "Internal Revenue Code"
24 does not include section 847 of the federal Internal Revenue Code. The Internal
25 Revenue Code applies for Wisconsin purposes at the same time as for federal

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1 purposes. Amendments to the federal Internal Revenue Code enacted after
2 December 31, 1995, do not apply to this paragraph with respect to taxable years
3 beginning after December 31, 1995, and before January 1, 1997, except that
4 changes to the Internal Revenue Code made by P.L. 104-188, excluding sections
5 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
6 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277, and P.L. 106-554, and changes
7 that indirectly affect the provisions applicable to this subchapter made by P.L.
8 104-188, excluding sections 1123, 1202, 1204, 1311, and 1605 of P.L. 104-188, P.L.
9 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206 and, P.L. 105-277,
10 and P.L. 106-554, apply for Wisconsin purposes at the same time as for federal
11 purposes.

12 **SECTION 54.** 71.42 (2) (k) of the statutes is amended to read:

13 71.42 (2) (k) For taxable years that begin after December 31, 1996, and before
14 January 1, 1998, "Internal Revenue Code" means the federal Internal Revenue Code
15 as amended to December 31, 1996, excluding sections 103, 104, and 110 of P.L.
16 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
17 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
18 amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36,
19 and P.L. 106-554, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.
20 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
21 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
22 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
23 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
24 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
25 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L.

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1 105-277 and, P.L. 106-36, and P.L. 106-554, except that "Internal Revenue Code"
2 does not include section 847 of the federal Internal Revenue Code. The Internal
3 Revenue Code applies for Wisconsin purposes at the same time as for federal
4 purposes. Amendments to the federal Internal Revenue Code enacted after
5 December 31, 1996, do not apply to this paragraph with respect to taxable years
6 beginning after December 31, 1996, and before January 1, 1998, except that
7 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.
8 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, and changes that
9 indirectly affect the provisions applicable to this subchapter made by P.L. 105-33,
10 P.L. 105-34, P.L. 105-206, P.L. 105-277 and, P.L. 106-36, and P.L. 106-554, apply
11 for Wisconsin purposes at the same time as for federal purposes.

12 **SECTION 55.** 71.42 (2) (L) of the statutes is amended to read:

13 71.42 (2) (L) For taxable years that begin after December 31, 1997, and before
14 January 1, 1999, "Internal Revenue Code" means the federal Internal Revenue Code
15 as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.
16 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
17 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
18 amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170,
19 and P.L. 106-554, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.
20 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
21 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
22 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
23 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
24 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
25 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.

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1 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 106-554, except that
2 "Internal Revenue Code" does not include section 847 of the federal Internal Revenue
3 Code. The Internal Revenue Code applies for Wisconsin purposes at the same time
4 as for federal purposes. Amendments to the federal Internal Revenue Code enacted
5 after December 31, 1997, do not apply to this paragraph with respect to taxable years
6 beginning after December 31, 1997, and before January 1, 1999, except that
7 changes to the Internal Revenue Code made by P.L. 105-178, P.L. 105-206, P.L.
8 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 106-554, and changes that
9 indirectly affect the provisions applicable to this subchapter made by P.L. 105-178,
10 P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, and P.L. 106-554, apply
11 for Wisconsin purposes at the same time as for federal purposes.

12 **SECTION 56.** 71.42 (2) (m) of the statutes is amended to read:

13 71.42 (2) (m) For taxable years that begin after December 31, 1998, and before
14 January 1, 2000, "Internal Revenue Code" means the federal Internal Revenue Code
15 as amended to December 31, 1998, excluding sections 103, 104, and 110 of P.L.
16 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66
17 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as
18 amended by P.L. 106-36 and, P.L. 106-170, and P.L. 106-554, and as indirectly
19 affected by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L.
20 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and
21 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections
22 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.
23 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202
24 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.
25 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36 and, P.L.

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1 106-170, and P.L. 106-554, except that "Internal Revenue Code" does not include
2 section 847 of the federal Internal Revenue Code. The Internal Revenue Code
3 applies for Wisconsin purposes at the same time as for federal purposes.
4 Amendments to the federal Internal Revenue Code enacted after December 31, 1998,
5 do not apply to this paragraph with respect to taxable years beginning after
6 December 31, 1998, and before January 1, 2000, except that changes to the Internal
7 Revenue Code made by P.L. 106-36 and, P.L. 106-170, and P.L. 106-554, and
8 changes that indirectly affect the provisions applicable to this subchapter made by
9 P.L. 106-36 and, P.L. 106-170, and P.L. 106-554, apply for Wisconsin purposes at the
10 same time as for federal purposes.

11 **SECTION 57.** 71.42 (2) (n) of the statutes is amended to read:

12 71.42 (2) (n) For taxable years that begin after December 31, 1999, "Internal
13 Revenue Code" means the federal Internal Revenue Code as amended to
14 December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102-227, sections
15 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123
16 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L.
17 106-554 and any subsequent federal law related to Archer medical savings accounts
18 under 26 USC 220, and as indirectly affected by P.L. 99-514, P.L. 100-203, P.L.
19 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L.
20 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.
21 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and
22 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.
23 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.
24 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.
25 105-206, P.L. 105-277, P.L. 106-36 and, P.L. 106-170, P.L. 106-554 and any

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~~subsequent federal law related to Archer medical savings accounts under 26 USC 220, except that "Internal Revenue Code" does not include section 847 of the federal Internal Revenue Code. The Internal Revenue Code applies for Wisconsin purposes at the same time as for federal purposes. Amendments to the federal Internal Revenue Code enacted after December 31, 1999, do not apply to this paragraph with respect to taxable years beginning after December 31, 1999, except that changes to the Internal Revenue Code made by P.L. 106-554 and any subsequent federal law related to Archer medical savings accounts under 26 USC 220, and changes that indirectly affect the provisions applicable to this subchapter made by P.L. 106-554 and any subsequent federal law related to Archer medical savings accounts under 26 USC 220, apply for Wisconsin purposes at the same time as for federal purposes.~~

~~SECTION 58. 71.83 (1) (c) of the statutes is renumbered 71.83 (1) (c) 1.~~

~~SECTION 59. 71.83 (1) (c) 2. and 3. of the statutes are created to read:~~


~~71.83 (1) (c) 2. Except as provided in subd. 3., if a person is required to add any amount to federal adjusted gross income under s. 71.05 (6) (a) 21., the person shall pay an amount equal to 10% of the amount that is withdrawn from the account that results in a person making a payment under s. 71.05 (6) (a) 21.~~

~~3. The penalty under subd. 2. does not apply and up to 25% of the balance in the account described under s. 632.898 may be withdrawn each year if any of the following occurs:~~

~~a. The account holder or his or her spouse reaches the age of 59.5 years during the year in which the withdrawal occurs.~~

~~b. The balance in the account exceeds \$100,000.~~

SECTION 60. 149.12 (1) (intro.) of the statutes is amended to read:

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1 149.12 (1) (intro.) Except as provided in subs. (1m) ~~and~~, (2), and (4), the board
2 or plan administrator shall certify as eligible a person who is covered by medicare
3 because he or she is disabled under 42 USC 423, a person who submits evidence that
4 he or she has tested positive for the presence of HIV, antigen or nonantigenic
5 products of HIV, or an antibody to HIV, a person who is an eligible individual, and
6 any person who receives and submits any of the following based wholly or partially
7 on medical underwriting considerations within 9 months prior to making application
8 for coverage by the plan:

9 **SECTION 61.** 149.12 (4) of the statutes is created to read:

10 149.12 (4) Notwithstanding subs. (1) to (3), the board may, in its discretion,
11 certify as eligible for coverage under the plan a person who applies for coverage after
12 his or her enrollment in the program under s. 635.30 is terminated under s. 635.30
13 (4) (b), regardless of whether the person satisfies the eligibility requirements under
14 subs. (1) to (3). The board shall determine whether a person who obtains coverage
15 under the plan under this subsection and who does not satisfy the eligibility
16 requirements under subs. (1) to (3) may remain covered under the plan after the
17 program under s. 635.30 is no longer in operation.

18 **SECTION 62.** 149.14 (6) (a) of the statutes is amended to read:

19 149.14 (6) (a) Except as provided in ~~par.~~ pars. (b) and (c), no person who obtains
20 coverage under the plan may be covered for any preexisting condition during the first
21 6 months of coverage under the plan if the person was diagnosed or treated for that
22 condition during the 6 months immediately preceding the filing of an application
23 with the plan.

24 **SECTION 63.** 149.14 (6) (c) of the statutes is created to read:

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1 149.14 (6) (c) A person who obtains coverage under the plan under s. 149.12
2 (4) and whose application for coverage was received within 63 after his or her
3 enrollment in the program under s. 635.30 was terminated under s. 635.30 (4) (b),
4 may not be subject to any preexisting condition exclusion under the plan, as provided
5 in s. 635.30 (4) (b).

6 **SECTION 64.** 601.34 of the statutes is created to read:

7 **601.34 Loan to general fund.** No later than the first day of the 2nd month
8 after the effective date of this section [revisor inserts date], an amount equal to
9 \$850,000 shall be lapsed from the appropriation account under s. 20.145 (1) (g) to the
10 general fund. The amount lapsed from the appropriation account shall be considered
11 a loan to the general fund and interest shall accrue on the amount lapsed at the
12 average rate earned by the state on its deposits in the state investment fund during
13 the period of the loan. The general fund shall repay the loan from moneys lapsed to
14 the general fund from the appropriation under s. 20.515 (2) (a) at the end of the
15 2001-03 fiscal biennium, if any, and from moneys lapsed to the general fund from the
16 appropriation under s. 20.515 (2) (g) in the amounts specified in s. 40.98 (6m). If the
17 secretary of administration determines that the moneys lapsed from these
18 appropriations will not be sufficient to repay the loan within a reasonable period of
19 time, as determined by the secretary and the commissioner, the secretary shall credit
20 the appropriation account under s. 20.145 (1) (g) from moneys in the general fund an
21 amount sufficient to repay the loan.

22 **SECTION 65.** 609.10 (1) (ac) (intro.) of the statutes, as created by 1999 Wisconsin

23 Act 9, is amended to read:

24 609.10 (1) (ac) (intro.) In this section, "point-of-service option plan" means a
25 health maintenance organization or preferred provider plan that permits an enrollee

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1 to obtain covered health care services from a provider that is not a participating
2 provider of the health maintenance organization ~~or preferred provider plan~~ under all
3 of the following conditions:

4 **SECTION 66.** 609.10 (1) (ac) 2. of the statutes, as created by 1999 Wisconsin Act
5 9, is amended to read:

6 609.10 (1) (ac) 2. The health maintenance organization ~~or preferred provider~~
7 ~~plan~~ is required to pay the nonparticipating provider only the amount that the health
8 maintenance organization ~~or preferred provider plan~~ would pay a participating
9 provider for those health care services.

10 **SECTION 67.** 609.10 (1) (am) of the statutes, as affected by 1999 Wisconsin Act
11 9, is amended to read:

12 609.10 (1) (am) Except as provided in subs. (2) to (4), an employer that offers
13 any of its employees a health maintenance organization ~~or a preferred provider plan~~
14 ~~that provides comprehensive health care services~~ shall also offer the employees a
15 standard plan that provides at least substantially equivalent coverage of health care
16 expenses and a point-of-service option plan, as provided in pars. (b) and (c). Except
17 as provided in subs. (2) to (4), an employer that offers any of its employees a preferred
18 provider plan that provides comprehensive services shall also offer the employees a
19 standard plan that provides at least substantially equivalent coverage of health care
20 expenses, as provided in pars. (b) and (c).

21 **SECTION 68.** 609.10 (1) (b) of the statutes, as affected by 1999 Wisconsin Act 9,
22 is amended to read:

23 609.10 (1) (b) At least once annually, the employer shall provide the employees
24 the opportunity to enroll in the any other health care plans plan that the employer
25 is required to offer under par. (am).

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1 **SECTION 69.** 609.10 (1) (c) of the statutes, as affected by 1999 Wisconsin Act 9,
2 is amended to read:

3 609.10 (1) (c) The employer shall provide the employees adequate notice of the
4 opportunity to enroll in the any other health care plans plan that the employer is
5 required to offer under par. (am) and shall provide the employees complete and
6 understandable information concerning the differences between or among the
7 health maintenance organization or preferred provider plan, the standard plan and
8 the point-of-service option plan care plans offered by the employer.

9 **SECTION 70.** 609.20 (1m) (d) of the statutes, as affected by 2001 Wisconsin Act
10 16, is amended to read:

11 609.20 (1m) (d) To ensure that employees offered a health maintenance
12 organization or a preferred provider plan that provides comprehensive services
13 under s. 609.10 (1) (am) are given adequate notice of the opportunity to enroll, as well
14 as complete and understandable information under s. 609.10 (1) (c) concerning the
15 differences between or among the health maintenance organization or preferred
16 provider plan, the standard plan and the point-of-service option plan, as defined in
17 s. 609.10 (1) (ae) care plans offered by the employer, including differences among
18 providers available and differences resulting from special limitations or
19 requirements imposed by an institutional provider because of its affiliation with a
20 religious organization.

21 **SECTION 71.** 632.835 (2) (b) of the statutes, as created by 1999 Wisconsin Act
22 155, is amended to read:

23 632.835 (2) (b) ~~Whenever~~ If an adverse determination or an experimental
24 treatment determination is made, the insurer involved in the determination shall
25 provide notice to the insured of the insured's right to obtain the independent review

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1 required under this section, how to request the review, and the time within which the
2 review must be requested. The notice shall include a current listing of independent
3 review organizations certified under sub. (4). An independent review under this
4 section may be conducted only by an independent review organization certified
5 under sub. (4) and selected by the insured.

6 **SECTION 72.** 632.835 (2) (bg) of the statutes is created to read:

7 632.835 (2) (bg) Notwithstanding par. (b), an insurer is not required to provide
8 the notice under par. (b) to an insured who uses the internal grievance procedure
9 under s. 632.83 until the insurer sends it notice of the disposition of the internal
10 grievance if all of the following apply:

11 1. The health benefit plan issued by the insurer contains a description of the
12 independent review procedure under this section, including an explanation of the
13 insured's rights under par. (d), how to request the review, the time within which the
14 review must be requested, and how to obtain a current listing of independent review
15 organizations certified under sub. (4).

16 2. The insurer includes on its explanation of benefits form a reference to the
17 section of the policy or certificate that contains the description of the independent
18 review procedure.

19 **SECTION 73.** 632.898 of the statutes is created to read:

20 **632.898 Medical savings accounts. (1)** In this section:

21 (a) "Account administrator" means any of the following:

22 1. A financial institution, the accounts of which are insured by the Federal
23 Deposit Insurance Corporation or the national credit union share insurance fund.

24 2. A trust company bank organized under ch. 223.

25 3. An insurer authorized to do business in this state.

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- 1 4. A broker-dealer licensed under subch. III of ch. 551.
- 2 5. A plan administrator licensed under ch. 633.
- 3 6. A certified public accountant licensed to practice in this state.
- 4 7. An employer that has a self-insured health plan.
- 5 8. An employer that participates in the program under this section.

6 (b) "High cost-share health plan" means any health insurance policy,
7 certificate or contract with deductibles, copayments or other cost-sharing provisions
8 of at least \$1,500 if the insured's coverage is single or at least \$3,000 if the insured's
9 coverage is family.

10 (2) (a) An employer that, in providing health insurance coverage for its
11 employees, offers its employees a choice of health benefit plan options that includes
12 a high cost-share health plan may establish a medical savings account for an
13 employee who chooses a high cost-share health plan.

14 (b) The medical savings account shall be established as a separate account in
15 the employee's name and shall be the employee's property. The account may be
16 established with any account administrator that is approved by the commissioner to
17 administer medical savings accounts. The commissioner shall approve an account
18 administrator to administer medical savings accounts if the account administrator
19 insures the principal of the medical savings account against loss from any cause,
20 including loss due to market fluctuation. Whenever an employer establishes a
21 medical savings account on behalf of an employee, the employer shall notify the
22 department of revenue, in the manner prescribed by the department of revenue, of
23 the establishment of the account, the employee's name and social security number,
24 the name and address of the account administrator and any other information that
25 the department of revenue may require.

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1 (c) Only an employer under par. (a), whether that employer established the
2 account or is a succeeding employer of an employee for whom a medical savings
3 account has been established, may make deposits in the medical savings account of
4 an employee who chooses a high cost-share health plan. Except as provided in par.

5 (d), such an employer shall deposit in the account the difference between what the
6 employer pays on behalf of the employee, or the employee and his or her dependents,
7 for the high cost-share health plan and what the employer would pay on behalf of
8 the employee, or the employee and his or her dependents, for the most expensive
9 health benefit plan that the employer offers that is not a high cost-share health plan.
10 Except as provided in sub. (4) (a), no other deposits may be made in the account.

11 (d) An employer that establishes a medical savings account on behalf of an
12 employee is not required to deposit in the account more than \$2,000 per year for the
13 employee if the employee's coverage is single, or more than \$2,000 per year for the
14 employee, \$2,000 per year for the employee's spouse or \$1,000 per year for each
15 nonspouse dependent of the employee if the employee's coverage is family. Beginning
16 in 1998, the amounts specified in this paragraph shall be increased each year in the
17 manner provided in s. 71.05 (6) (b) 34.

18 (e) An employee who chooses a high cost-share health plan and for whom a
19 medical savings account is established is not eligible for coverage under a different
20 health benefit plan offered by the employer before the end of the policy term of the
21 high cost-share health plan.

22 (3) (a) A self-employed person who purchases a high cost-share health plan
23 may establish a medical savings account in his or her name. Upon establishing a
24 medical savings account, a self-employed person shall notify the department of
25 revenue, in the manner prescribed by the department of revenue, of the

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1 establishment of the account, the self-employed person's name and social security
2 number, the name and address of the account administrator and any other
3 information that the department of revenue may require.

4 (b) Except as provided in par. (c), a self-employed person who establishes a
5 medical savings account shall deposit in the account the difference between what the
6 self-employed person pays for the high cost-share health plan, including coverage
7 for his or her dependents, and what the self-employed person would pay for a more
8 expensive health benefit plan, including coverage for his or her dependents. Except
9 as provided in sub. (4) (b), no other deposits may be made in the account.

10 (c) A self-employed person who establishes a medical savings account is not
11 required to deposit in the account more than \$2,000 per year for himself or herself
12 if the self-employed person's coverage is single, or more than \$2,000 per year for
13 himself or herself, \$2,000 per year for his or her spouse or \$1,000 per year for each
14 nonspouse dependent if the self-employed person's coverage is family. Beginning in
15 1998, the amounts specified in this paragraph shall be increased each year in the
16 manner provided in s. 71.05 (6) (b) 34.

17 (4) (a) If an employee with a medical savings account under this section
18 becomes self-employed and purchases a high cost-share health plan, he or she may
19 make deposits in the account as provided in sub. (3).

20 (b) If a self-employed person with a medical savings account under this section
21 becomes employed by an employer described in sub. (2) (a) and chooses a high
22 cost-share health plan, the employer may make deposits in the account as provided
23 in sub. (2).

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1 ~~(5) (a) Amounts deposited in an account under this section and any interest,~~
2 ~~dividends or other gain that accrues on amounts deposited in the account may be~~
3 ~~used only for any of the following:~~

4 ~~1. To pay expenses for medical care, as defined in 26 USC 213 (d) (1) and as~~
5 ~~limited in 26 USC 213 (b), including amounts treated as paid for medical care under~~
6 ~~26 USC 213 (d) (2).~~

7 ~~2. To pay long-term care expenses of the employee or self-employed person or~~
8 ~~any of the employee's or self-employed person's dependents.~~

9 ~~3. To purchase a long-term care insurance policy for the employee or~~
10 ~~self-employed person or any of the employee's or self-employed person's dependents.~~

11 ~~(b) An employee or self-employed person with a medical savings account shall~~
12 ~~provide information about the use of the account funds, in the manner prescribed by~~
13 ~~the department of revenue, in conjunction with the filing of his or her Wisconsin~~
14 ~~income tax return.~~

15 ~~(c) Paragraph (a) does not apply after the death of the employee or~~
16 ~~self-employed person.~~

17 ~~(6) (a) A person that provides medical care, long-term care or a long-term care~~
18 ~~insurance policy, the cost of which is to be paid with funds in a medical savings~~
19 ~~account, shall bill the employee or self-employed person who is the holder of the~~
20 ~~account directly, rather than billing the account administrator of the medical savings~~
21 ~~account.~~

22 ~~(b) The account administrator of a medical savings account shall do all of the~~
23 ~~following:~~

24 ~~1. Permit withdrawals from the account at least once a month.~~

25 ~~2. Issue an account statement to the holder of the account at least quarterly.~~

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1 **SECTION 74.** 635.05 (1) of the statutes is amended to read:

2 635.05 (1) Establishing restrictions on premium rates that a small employer
3 insurer may charge a small employer such that the premium rates charged to small
4 employers with similar case characteristics for the same or similar benefit design
5 characteristics do not vary from the midpoint rate for those small employers by more
6 than ~~35%~~ 30% of that midpoint rate.

7 **SECTION 75.** 635.25 of the statutes is created to read:

8 **635.25 Catastrophic risk. (1) DEFINITION.** In this section, "board" means the
9 small employer catastrophic reinsurance board.

10 **(2) THRESHOLDS FOR COVERED BENEFITS.** (a) By December 1, 2002, and every 2
11 years thereafter until December 1, 2006, every small employer insurer shall select,
12 and submit a report to the commissioner that specifies, the small employer insurer's
13 threshold level of covered benefits, which may be any of the following:

- 14 1. Fifty thousand dollars in a calendar year.
- 15 2. One hundred thousand dollars in a calendar year.
- 16 3. One hundred fifty thousand dollars in a calendar year.
- 17 4. Two hundred fifty thousand dollars in a calendar year.

18 (b) The threshold level of benefits specified in a report under par. (a) shall apply
19 to each insured under every group health benefit plan issued to a small employer in
20 this state by the small employer insurer submitting the report.

21 (c) For each of the 2 calendar years after the year in which a small employer
22 insurer submits a report under par. (a), if the amount of covered benefits paid in a
23 calendar year, beginning with 2004 and ending with 2008, by the small employer
24 insurer on behalf of any insured under any group health benefit plan to which this
25 section applies exceeds the threshold level of covered benefits specified in the report,

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1 the commissioner, at the direction of the board, shall reimburse the small employer
2 insurer from the appropriation under s. 20.145 (1) (j), in accordance with the
3 procedures established by rule under sub. (5) (e), for 80% of the amount paid by the
4 small employer insurer in that calendar year in excess of the threshold level specified
5 in the report.

6 (3) PREMIUMS FOR REIMBURSEMENTS. (a) For every group health benefit plan
7 issued or renewed to a small employer in this state on or between the dates specified
8 by rule under sub. (5) (b), a small employer insurer shall charge a total premium that
9 includes the premium amount established by rule under sub. (5) (a).

10 (b) By the date specified by rule under sub. (5) (c), a small employer insurer
11 shall forward to the board the premiums established by rule under sub. (5) (a), in the
12 manner required by rule under sub. (5) (d). The board shall credit all premium
13 amounts received under this paragraph to the appropriation account under s. 20.145
14 (1) (j).

15 (c) In addition to the disclosures required under s. 635.11, before the issuance
16 or renewal of a group health benefit plan to a small employer in this state on or
17 between the dates specified by rule under sub. (5) (b), a small employer insurer shall
18 disclose to the small employer all of the following:

19 1. The small employer insurer's current threshold level of covered benefits
20 under sub. (2) (a) and the calendar years to which it applies.

21 2. The amount of the total premium that is attributable to coverage for the
22 small employer insurer's threshold level of covered benefits and 20% of covered
23 benefits in excess of that threshold level.

24 3. The amount of the total premium that is the premium amount established
25 by rule under sub. (5) (a).

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1 (4) PROVIDER DISCOUNTS. (a) The commissioner by rule shall establish provider
2 discount rates for charges for covered services provided to insureds under group
3 health benefit plans that are issued or renewed to small employers in this state on
4 or between the dates specified by rule under sub. (5) (b). The commissioner may
5 establish higher provider discount rates for covered benefits under group health
6 benefit plans that are issued by small employer insurers that specify higher
7 threshold levels under sub. (2) (a).

8 (b) Except for copayments, coinsurance, or deductibles required or authorized
9 under a group health benefit plan, a provider of a covered service, drug, or device
10 shall accept as payment in full for the covered service, drug, or device the discounted
11 payment rate under par. (a) and may not bill the insured under the group health
12 benefit plan who receives the service, drug, or device for any amount by which the
13 charge is reduced under par. (a).

14 (5) RULES. The commissioner shall promulgate rules developed by the board
15 for the operation of this section, including rules that do all of the following:

16 (a) Establish and periodically adjust the premium amounts that must be
17 charged to small employers under sub. (3) (c) 3. The premium amounts under sub.
18 (3) (c) 3. shall be based on an actuarially sound charge per covered individual that is
19 calculated to generate sufficient moneys, in conjunction with provider discounts
20 under sub. (4), to cover the reimbursements required under sub. (2) (c).

21 (b) Specify the dates that apply in sub. (3) (a), subject to the dates specified in
22 par. (c) and sub. (2) (c).

23 (c) Specify the dates by which a small employer insurer must forward to the
24 board the premiums established under par. (a). The first date by which the
25 premiums must be forwarded to the board may not be later than July 1, 2003.

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1 (d) Specify the procedures that small employer insurers must use for collecting,
2 segregating, holding in trust, and forwarding to the board the premiums established
3 under par. (a).

4 (e) Specify the procedures that small employer insurers must use for obtaining
5 reimbursement under sub. (2) (c), including requirements for documenting the
6 payment of covered benefits for determining whether a small employer insurer has
7 paid its threshold level of covered benefits.

8 **SECTION 76.** 635.30 of the statutes is created to read:

9 **635.30 Pilot catastrophic care program. (1)** In this section:

10 (a) “Board” means the small employer catastrophic care board.

11 (b) “Fiscal year” means the period beginning on July 1 and ending on the
12 following June 30.

13 (c) “Fund” means the small employer catastrophic care program fund.

14 (d) “Health care coverage revenue” has the meaning given in s. 149.10 (3m).

15 (e) “Insurer” has the meaning given in s. 632.745 (15).

16 (f) “Program” means the pilot program established and administered under
17 this section.

18 (g) “Provider” means a health care professional, as defined in s. 180.1901 (1m),
19 a health care facility, as defined in s. 146.997 (1) (c), or a health care service or
20 organization.

21 **(2) ESTABLISHMENT AND ADMINISTRATION OF PROGRAM.** (a) There is established
22 a pilot catastrophic care program for employees who are eligible for coverage under
23 group health benefit plans issued to small employers. The program shall operate for
24 5 years, beginning on January 1, 2003, in a region of the state that includes

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1 Winnebago County and that shall be determined and described by the commissioner
2 by rule.

3 (b) The board shall oversee the operations of the program, and shall do all of
4 the following:

5 1. Annually, by no later than April 30, establish a budget for the program for
6 the next fiscal year.

7 2. Subject to sub. (3) (a) 4., establish the methodology for determining the
8 premium to be charged a small employer for providing coverage under the program
9 for an employee of the small employer.

10 3. Establish procedures for collecting and depositing in the fund the insurer
11 assessments under sub. (3) (a) 2., the provider assessments under sub. (3) (a) 3., and
12 the premiums under sub. (3) (a) 4.

13 4. Establish procedures for paying the costs of covered benefits for employees
14 enrolled in the program, including procedures that small employer insurers must
15 use for documenting and obtaining reimbursement of claims costs under sub. (6) (c),
16 and for paying all other operating and administrative costs of the program.

17 5. Annually, by no later than April 30, based on data from the previous calendar
18 year, perform a reconciliation with respect to program costs, the transfer to the fund
19 under s. 20.145 (1) (g), insurer assessments under sub. (3) (a) 2., provider
20 assessments under sub. (3) (a) 3., provider payment rate discounts under sub. (3) (b),
21 and premiums under sub. (3) (a) 4. If the board determines that in the preceding
22 calendar year the insurer assessments under sub. (3) (a) 2., or the provider
23 assessments under sub. (3) (a) 3. in conjunction with the provider payment rate
24 discounts under sub. (3) (b), were not equal to the transfer to the fund under s. 20.145
25 (1) (g), as required in sub. (3) (a) 2. and 3., the board shall make any necessary

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1 adjustments for the fiscal year beginning on the first July 1 after the reconciliation,
2 by increasing or decreasing the insurer assessments under sub. (3) (a) 2., the
3 provider assessments under sub. (3) (a) 3., or the provider payment rate discounts
4 under sub. (3) (b) to reflect the amount by which the insurer assessments or provider
5 assessments in conjunction with the provider payment rate discounts did not equal
6 the amount of the transfer.

7 6. Provide for the procurement, in a competitive process, of a contract for the
8 services of a qualified administrator to administer the program and to assist the
9 board in its oversight of the program.

10 (3) PROGRAM FUNDING. (a) In establishing the annual budget under sub. (2) (b)
11 1., the board shall determine and approve the amount of funding needed for the fiscal
12 year to pay the anticipated costs of covered benefits for employees enrolled in the
13 program and all other operating and administrative costs of the program. Funding
14 for the program shall consist of all of the following:

15 1. The transfer to the fund from the appropriation account under s. 20.145 (1)
16 (g).

17 2. Assessments paid by insurers that are established by the board and
18 promulgated by the commissioner by rule and that annually equal the amount of the
19 annual transfer under subd. 1. Each insurer's share of the assessment under this
20 subdivision shall be determined annually by the commissioner based on annual
21 statements and other reports filed by the insurer with the commissioner, and shall
22 be in the same ratio as the insurer's total health care coverage revenue for residents
23 of this state during the preceding calendar year bears to the aggregate health care
24 coverage revenue of all insurers for residents of this state, as determined by the
25 commissioner. The commissioner may by rule exempt as a class those insurers whose

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1 share would be so minimal as not to exceed the estimated cost of levying the
2 assessment.

3 3. Assessments paid by providers that are established by the board and
4 promulgated by the commissioner by rule and that, in conjunction with the provider
5 discounts established under par. (b), annually equal the amount of the annual
6 transfer under subd. 1. Each provider's share of the assessment under this
7 subdivision shall be determined as provided in the rule under this subdivision. The
8 commissioner may by rule exempt as a class those providers whose share would be
9 so minimal as not to exceed the estimated cost of levying the assessment.

10 4. The premiums described in sub. (5) (c) 2., which shall be established by the
11 board and promulgated by the commissioner by rule, and which shall be calculated
12 on the basis of the amount by which the sum of the amounts under subds. 1. to 3. is
13 not sufficient to pay the anticipated costs of covered benefits for employees enrolled
14 in the program and all other operating and administrative costs of the program.

15 (b) 1. Subject to par. (a) 3., the commissioner by rule shall establish provider
16 discount rates for charges for covered services provided to employees enrolled in the
17 program.

18 2. Except for copayments, coinsurance, or deductibles required or authorized
19 under the group health benefit plan for which the employee is eligible under sub. (4)
20 (a) 1., a provider of a covered service, drug, or device shall accept as payment in full
21 for the covered service, drug, or device the discounted payment rate under subd. 1.
22 and may not bill the employee who receives the service, drug, or device for any
23 amount by which the charge is reduced under subd 1.

24 (4) EMPLOYEE ELIGIBILITY. (a) An employee may be enrolled in the program if
25 all of the following apply:

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1 1. The employee is eligible for coverage under a group health benefit plan that
2 is issued or renewed by a small employer insurer to a small employer on or between
3 the dates specified by rule under sub. (7) (c).

4 2. The small employer is located in the region determined by rule under sub.
5 (2) (a).

6 3. When the small employer insurer applies health status underwriting factors
7 under s. 635.05 for determining premiums under the group health benefit plan under
8 subd. 1., the small employer insurer determines that the employee is eligible to enroll
9 in the program by using the guidelines established by rule under sub. (7) (a).

10 4. The small employer agrees to enroll the employee in the program.

11 5. The small employer pays the additional premium described in sub. (5) (c) 2.
12 for the enrolled employee's coverage under the program.

13 (b) If an employee who is enrolled in the program becomes ineligible under par.
14 (a), the employee may apply for coverage under the health insurance risk-sharing
15 plan under ch. 149. If the employee applies for and obtains coverage under that plan
16 and his or her application for coverage was received within 63 days after his or her
17 enrollment under the program was terminated under this paragraph, the employee
18 may not be subject to any preexisting condition exclusion under that plan.

19 (5) PREMIUMS. (a) For every group health benefit plan issued or renewed to a
20 small employer that agrees to enroll in the program an employee who is eligible
21 under sub. (4) (a), the small employer insurer shall charge a total premium that
22 includes an amount established by rule under sub. (3) (a) 4. for the employee's
23 coverage under the program.

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1 (b) The small employer insurer shall forward to the board, in the manner and
2 time required by rule under sub. (7) (d), the premium amounts that are charged for
3 coverage under the program.

4 (c) In addition to the disclosures required under s. 635.11, upon the issuance
5 or renewal of a group health benefit plan to a small employer that agrees to enroll
6 an employee in the program, the small employer insurer shall disclose to the small
7 employer all of the following:

8 1. The amount of the total premium that is attributable to coverage under the
9 group health benefit plan for the small employer's employees who are not enrolled
10 in the program.

11 2. The amount of the total premium that is attributable to an employee's
12 coverage under the program and that is established by rule under sub. (3) (a) 4.

13 (d) If a small employer does not agree to enroll in the program an employee who
14 is otherwise eligible for enrollment under sub. (4) (a), the small employer insurer
15 issuing or renewing the group health benefit plan to the small employer may apply
16 health status underwriting factors and determine premiums for the group health
17 benefit plan without regard to the requirements established under s. 635.05.

18 **(6) COVERED BENEFITS; REIMBURSEMENTS.** (a) Covered benefits for an employee
19 who is enrolled in the program are the same as the covered benefits under the group
20 health benefit plan for which the employee is eligible under sub. (4) (a) 1.

21 (b) All claims for covered benefits for an employee enrolled in the program shall
22 be processed for payment or denial by the small employer insurer issuing or
23 renewing the group health benefit plan for which the employee is eligible under sub.

24 (4) (a) 1.

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1 (c) At the direction of the board, the commissioner shall reimburse a small
2 employer insurer from the appropriation under s. 20.145 (1) (q) for the cost of claims
3 properly paid for covered benefits for an employee enrolled in the program.

4 (7) RULES. The commissioner shall promulgate rules developed by the board
5 for the operation of the program, including rules that do all of the following:

6 (a) Establish guidelines that small employer insurers must use for health
7 status underwriting for determining whether an employee is eligible for enrollment
8 under the program.

9 (b) Specify the dates by which the insurer assessments under sub. (3) (a) 2. and
10 the provider assessments under sub. (3) (a) 3. must be forwarded to the board for
11 deposit in the fund. The earliest date specified under this paragraph must be at least
12 6 months before the earliest date specified under par. (c).

13 (c) Specify the dates that apply in sub. (4) (a) 1., subject to the requirement
14 under par. (b).

15 (d) Specify the procedures that small employer insurers must use for collecting,
16 segregating, holding in trust, and forwarding to the board, as well as the time for
17 forwarding to the board, the premiums established under sub. (3) (a) 4.

SECTION 77. Nonstatutory provisions.

18 (1) SMALL EMPLOYER CATASTROPHIC REINSURANCE BOARD. Notwithstanding the
19 length of terms specified for the members of the small employer catastrophic
20 reinsurance board under section 15.735 (1) (b) of the statutes, as created by this act,
21 the initial members shall be appointed for the following terms:
22

23 (a) Two members, one nominated by the National Federation of Independent
24 Business and Wisconsin Independent Businesses, Inc., and one nominated by the

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1 Wisconsin Association of Life and Health Insurers, Inc., for terms expiring on May
2 1, 2005.

3 (b) Three members, one nominated by the Wisconsin Association of Life and
4 Health Insurers, Inc., one nominated by the Wisconsin Association of Health Plans,
5 and one nominated by the State Medical Society of Wisconsin, for terms expiring on
6 May 1, 2006.

7 (c) Three members, one nominated by the National Federation of Independent
8 Business and Wisconsin Independent Businesses, Inc., one nominated by the
9 Wisconsin Association of Health Plans, and one nominated by the Wisconsin Health
10 and Hospital Association, for terms expiring on May 1, 2007.

11 (2) SMALL EMPLOYER CATASTROPHIC CARE BOARD. Notwithstanding the length of
12 terms specified for the members of the small employer catastrophic care board under
13 section 15.735 (2) (b) of the statutes, as created by this act, the initial members shall
14 be appointed for the following terms:

15 (a) Three members, one specified under section 15.735 (2) (a) 1. of the statutes,
16 as created by this act, one specified under section 15.735 (2) (a) 2. of the statutes, as
17 created by this act, and one specified under section 15.735 (2) (a) 3. of the statutes,
18 as created by this act, for terms expiring on May 1, 2004.

19 (b) Four members, one specified under section 15.735 (2) (a) 1. of the statutes,
20 as created by this act, 2 specified under section 15.735 (2) (a) 2. of the statutes, as
21 created by this act, and one specified under section 15.735 (2) (a) 3. of the statutes,
22 as created by this act, for terms expiring on May 1, 2005.

23 (c) Three members, 2 specified under section 15.735 (2) (a) 1. of the statutes,
24 as created by this act, and one specified under section 15.735 (2) (a) 2. of the statutes,
25 as created by this act, for terms expiring on May 1, 2006.

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1 (3) RULES RELATED TO SMALL EMPLOYER INSURER CATASTROPHIC RISK. Using the
2 procedure under section 227.24 of the statutes, the commissioner of insurance may
3 promulgate the rules required under section 635.25 (4) (a) and (5) of the statutes, as
4 created by this act, for the period before the effective date of the permanent rules
5 required under section 635.25 (4) (a) and (5) of the statutes, as created by this act,
6 but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the
7 statutes. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the
8 commissioner is not required to provide evidence that promulgating a rule under this
9 subsection as an emergency rule is necessary for the preservation of public peace,
10 health, safety, or welfare and is not required to provide a finding of emergency for a
11 rule promulgated under this subsection.

12 (4) RULES RELATED TO SMALL EMPLOYER CATASTROPHIC CARE. Using the procedure
13 under section 227.24 of the statutes, the commissioner of insurance may promulgate
14 the rules required under section 635.30 (2) (a), (3) (a) 2., 3., and 4. and (b) 1., and (7)
15 of the statutes, as created by this act, for the period before the effective date of the
16 permanent rules required under section 635.30 (2) (a), (3) (a) 2., 3., and 4. and (b) 1.,
17 and (7) of the statutes, as created by this act, but not to exceed the period authorized
18 under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24
19 (1) (a), (2) (b), and (3) of the statutes, the commissioner is not required to provide
20 evidence that promulgating a rule under this subsection as an emergency rule is
21 necessary for the preservation of public peace, health, safety, or welfare and is not
22 required to provide a finding of emergency for a rule promulgated under this
23 subsection.

24 (5) RULES RELATED TO SMALL EMPLOYER HEALTH INSURANCE RATES. Using the
25 procedure under section 227.24 of the statutes, the commissioner of insurance may

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1 promulgate the rules required under section 635.05 (1) of the statutes, as affected by
2 this act, for the period before the effective date of the permanent rules required under
3 section 635.05 (1) of the statutes, as affected by this act, but not to exceed the period
4 authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding
5 section 227.24 (1) (a), (2) (b), and (3) of the statutes, the commissioner is not required
6 to provide evidence that promulgating a rule under this subsection as an emergency
7 rule is necessary for the preservation of public peace, health, safety, or welfare and
8 is not required to provide a finding of emergency for a rule promulgated under this
9 subsection.

10 (6) PRESCRIPTION DRUG COST REDUCTION; REPORT. (a) By January 1, 2003, the
11 department of administration shall submit a report that identifies all of the
12 following:

13 1. The participation by health care providers, insurers, and self-insurers in
14 negotiating rebate agreements under section 16.735 (2) (a) of the statutes, as created
15 by this act, and in developing in-state or multistate purchasing groups to negotiate
16 reduced charges under section 16.735 (2) (b) of the statutes, as created by this act.

17 2. Strategies that the department of administration proposes to pursue to
18 reduce costs for prescription drugs in this state.

19 (b) By January 1, 2005, the department of administration shall submit a report
20 that specifies the status of implementing section 16.735 of the statutes, as created
21 by this act, including any success or lack of success in reducing costs for prescription
22 drugs in this state.

23 (c) The department of administration shall submit the reports specified in
24 paragraphs (a) and (b) to the legislature in the manner provided under section 13.172

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1 (3) of the statutes, to the members of the joint committee on finance, and to the
2 governor.

3 (7) ~~ADOPTION OF FEDERAL INCOME TAX LAW CHANGES.~~ Changes to the Internal
4 Revenue Code made by P.L. 106-554 apply to the definitions of the "Internal Revenue
5 Code" in chapter 71 of the statutes at the time that those changes apply for federal
6 income tax purposes.

SECTION 78. Appropriation changes.

7
8 (1) PRIVATE EMPLOYER HEALTH CARE COVERAGE PROGRAM. In the schedule under
9 section 20.005 (3) of the statutes for the appropriation to the department of employee
10 trust funds under section 20.515 (2) (a) of the statutes, as affected by the acts of 2001,
11 the dollar amount is increased by \$850,000 for fiscal year 2001-02 to increase
12 funding for the purpose for which the appropriation is made.

13 (2) TRANSFER TO SMALL EMPLOYER CATASTROPHIC CARE PROGRAM FUND. In the
14 schedule under section 20.005 (3) of the statutes for the appropriation to the office
15 of the commissioner of insurance under section 20.145 (1) (g) of the statutes, as
16 affected by the acts of 2001, the dollar amount is increased by \$500,000 for fiscal year
17 2002-03 to increase funding for the purposes for which the appropriation is made.

SECTION 79. Initial applicability.

18
19 (1) SMALL EMPLOYER HEALTH INSURANCE RATES. The treatment of section 635.05
20 (1) of the statutes and SECTION 77 (5) of this act first apply to rates charged under
21 policies or plans issued or renewed to small employers on September 1, 2002.

22 (2) PREFERRED PROVIDER PLANS. The treatment of section 609.10 (1) (ac) (intro.)
23 and 2., (am), (b), and (c) and (1m) (d) of the statutes first applies to all of the following:

24 (a) Except as provided in paragraph (b), employers that offer preferred provider
25 plans that are issued or renewed on the effective date of this paragraph.

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1 (b) Employers that offer preferred provider plans that cover employees who are
2 affected by a collective bargaining agreement containing provisions inconsistent
3 with this act and that are issued or renewed on the earlier of the following:

- 4 1. The day on which the collective bargaining agreement expires.
- 5 2. The day on which the collective bargaining agreement is extended, modified,
6 of renewed.

7 ~~(3) TAX-EXEMPT MEDICAL SAVINGS ACCOUNTS. The treatment of sections 71.05 (6),~~
8 ~~(a) 21. and (b) 34., 71.07 (5) (a) 9., 71.83 (1) (c) and 632.898 of the statutes first applies~~
9 ~~to taxable years beginning on January 1 of the year in which the secretary of revenue~~
10 ~~certifies that the federal government does not extend the availability of the Archer~~
11 ~~medical savings accounts under 26 USC 220.~~

12 **SECTION 80. Effective dates.** This act takes effect on the day after publication,
13 except as follows:

14 ~~(1) SMALL EMPLOYER HEALTH INSURANCE RATES. The treatment of section 635.05~~
15 ~~(1) of the statutes takes effect on September 1, 2002.~~

16 (2) NOTICE OF INDEPENDENT REVIEW. The treatment of section 632.835 (2) (b) and
17 (bg) of the statutes takes effect on the date stated in the notice published by the
18 commissioner of insurance in the Wisconsin Administrative Register under section
19 632.835 (8) of the statutes.

20 (3) PREFERRED PROVIDER PLANS. The treatment of section 609.10 (1) (ac) (intro)
21 and 2., (am), (b), and (c) and (1m) (d) of the statutes and SECTION 79 (2) of this act take
22 effect on the first day of the 6th month beginning after publication.

D-note

D-note

This redraft removes all of the medical savings account provisions, including the IRC update, removes the small employer health insurance rate band change, and removes the provisions related to exempting employers that offer preferred provider plans from the point-of-service requirement to also offer plans.

PJK

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4956/2dn
PJK:jd:ch

February 28, 2002

This redraft removes all of the medical savings account provisions, including the IRC update, removes the small employer health insurance rate band change, and removes the provisions related to exempting employers that offer preferred provider plans from the requirement to also offer point-of-service plans.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
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Barman, Mike

From: Dake, Brian
Sent: Thursday, February 28, 2002 9:49 AM
To: Barman, Mike
Cc: Fiocchi, Tim
Subject: Transfer ownership of LRB 4956/2 to Representative Seratti

Mike,

Per our conversation, at the request of Speaker Jensen, please transfer ownership of LRB 4956/2 from Speaker Jensen to Representative Seratti. Furthermore, please note that we are working on a rather compressed time frame for this legislation and would request prompt attention to this matter.

Thank you.

Beam, Laura

From: Fiocchi, Tim
Sent: Thursday, February 28, 2002 10:01 AM
To: LRB.Legal
Subject: Draft review: LRB-4956/2 Topic: Small business health insurance reform

It has been requested by <Fiocchi, Tim> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB-4956/2 Topic: Small business health insurance reform



State of Wisconsin
2001-2002 LEGISLATURE

CORRECTIONS IN:

2001 ASSEMBLY BILL 876

Prepared by the Legislative Reference Bureau
(March 5, 2002)

1. Page 12, line 2: after "63" insert "days".
2. Page 12, line 3: delete "(b)," and substitute "(b)".
3. Page 13, line 10: delete "it" and substitute "its".

LRB-4956/2
PJK/RAC/DAK

CCC to AB 876

#. Page 12, line 2: after "63"
insert "days".

#. Page 13, line 10: delete "it" and
substitute "its".

cjs

#. Page 12, line 3: delete "(b)";
and substitute "(b)".