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Received: 06/19/2002	Received By: champra				
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State of Misconsin 2001 - 2002 LEGISLATURE

January 2002 Special Session

LRBh2929/2 RAC APPLA:kmg:jf

LRB 6 305 3/1

RAC: Kmg:

....Engel – CN4002, Private employer health care coverage program and small employer health insurance premium rates

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

Seneta CAUCUS SENATE AMENDMENT,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

1 At the locations indicated, amend the substitute amendment as follows:

1. Page 19, line 20: after that line insert:

"Section 52im. 20.515 (2) (g) of the statutes is amended to read.

20.515 (2) (g) Private employer health care coverage plan. All moneys received under subch. X of ch. 40 from employers who elect to participate in the private employer health care coverage program under subch. X of ch. 40 and from any other person under s. 40.98 (2) (h), for the costs of designing, marketing, and contracting for or providing administrative services for the program and for lapsing to the general fund the amounts required under s. 40.98 (6m)."

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1	2. Page 21, line 3: after that line insert:
2	"Section 57b. 20.855 (1) (ch) of the statutes is created to read:
3	20.855 (1) (ch) Payment to reimburse loan to general fund from the office of the
4	commissioner of insurance. A sum sufficient to repay the loan to the general fund
5	under s. 601.34, but not to exceed the sum of the following:
6	1. The amounts lapsed to the general fund from the appropriation account
7	under s. 20.515 (2) (a) at the end of the 2001–03 fiscal biennium.
8	2. The amounts lapsed to the general fund from the appropriation account
9	under s. 20.515 (2) (g), as determined under s. 40.98 (6m).
10	3. Any amount that is needed to repay all principle and interest costs on the
11	loan to the general fund under s. 601.34 and that exceeds the amounts identified in
12	subds. 1. and 2.".
13	$\sqrt{3}$. Page 32, line 23: after that line insert:
14	"Section 100ic. 40.98 (2) (h) of the statutes is created to read:
15	40.98 (2) (h) The department may seek funding from any person for the
16	payment of costs of designing, marketing, and contracting for or providing
17	administrative services under the health care coverage program and for lapsing to
18	the general fund any amount required under sub. (6m). Any moneys received by the
19	department under this paragraph shall be credited to the appropriation account
20	under s. 20.515 (2) (g).
21	SECTION 100ix. 40.98 (6m) of the statutes is created to read:
22	40.98 (6m) The secretary of administration shall lapse from the appropriation
23	under s. 20.515 (2) (g) to the general fund the amounts necessary to repay the loan

under s. 601.34 when the secretary of administration, after consulting with the

board, determines that funds in the appropriation under s. 20.515 (2) (g) are sufficient to make the lapse. The amounts that are required to be lapsed under s. 20.515 (2) (g) shall equal the amount necessary to pay all principal and interest costs on the loan, less any amount that is lapsed to the general fund under s. 20.515 (2) (a) at the end of the 2001–03 fiscal biennium. The secretary of administration may lapse the amounts under s. 20.515 (2) (g) in installments.".

 $\sqrt{4}$. Page 221, line 13: after that line insert:

"Section 508r. 601.34 of the statutes is created to read:

- 601.34 Loan to general fund. (1) No later than the first day of the 2nd month beginning after the effective date of this subsection [revisor inserts date], an amount equal to \$850,000 shall be lapsed from the appropriation account under s. 20.145 (1) (g) to the general fund. The amount lapsed from the appropriation account shall be considered a loan to the general fund and interest shall accrue on the amount lapsed at the average rate earned by the state on its deposits in the state investment fund during the period of the loan.
- (2) The secretary of administration shall pay the principle and interest costs on the loan from the appropriation account under s. 20.855 (1) (ch) as follows:
- (a) After the close of the 2002–03 fiscal year, the secretary shall make principle and interest payments equal to the moneys lapsed to the general fund from the appropriation account under s. 20.515 (2) (a) in that year, if any, and from moneys lapsed to the general fund from the appropriation account under s. 20.515 (2) (g) in the amounts specified in s. 40.98 (6m), if any.
- (b) After the close of each fiscal year thereafter, the secretary shall make principle and interest payments equal to the moneys lapsed to the general fund from

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- the appropriation account under s. 20.515 (2) (g) in the amounts specified in s. 40.98 (6m), if any.
 - (c) If the secretary determines during any fiscal year that the moneys paid under pars. (a) and (b) will not be sufficient to repay the loan within a reasonable period of time, as determined by the secretary and the commissioner, the secretary shall pay all remaining principle and interest costs on the loan after the close of that fiscal year.".
 - 5. Page 221, line 25: after that line insert:
 - "SECTION 509r. 635.05 (1) of the statutes is amended to read:
- 10 / 635.05 (1) Establishing restrictions on premium rates that a small employer
- insurer may charge a small employer such that the premium rates tharged to small
- 12 / employers with similar case characteristics for the same or similar benefit design
- 13 / characteristics do not vary from the midpoint rate for those small employers by more
- than 35% 10% of that midpoint rate.".
- 15 Page 355, line 15: after that line insert:
 - "(1v) Hiring freeze exemption. Notwithstanding any action of the governor or the secretary of administration under section 16.505 (3) of the statutes before the effective date of this subsection, the department of employee trust funds may fill 3.5 FTE GPR positions that are vacant on the effective date of this subsection, that are authorized to the department under section 16.505 of the statutes, and that are funded from the appropriation under section 20.512 (2) (a) of the statutes."
- 7. Page 358, line 21: after that line insert:
 - (1v) RULES RELATED TO SMALL EMPLOYER HEALTH INSURANCE RATES. Using the
 - procedure under section 227.24 of the statutes, the commissioner of insurance may

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

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8. Page 388, line 16: after that line insert:

"(1v) Private employer health care coverage program. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of employee trust funds under section 20.515 (2) (a) of the statutes, as affected by the acts of 2001, the dollar amount is increased by \$850,000 for fiscal year 2001-02 to increase funding for the purpose for which the appropriation is made.".

9. Page 436, line 4: after that line insert:

"(1 ψ) Small employer health insurance rates. The treatment of section 63 \pm 05 (1) of the statutes and Section 9127 (1)v) of this act first apply to rates charged under policies of plans issued on renewed to small employers on September 1, 2003.".

Page 446, line 13: after that line insert: 10.

"(1v) SMALL EMPLOYER HEALTH INSURANCE RATES. The treatment of section 635.05

(1) of the statutes takes effect on September 1, 2003.".

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State of Misconsin 2001 – 2002 LEGISLATURE

LRBb3053/1/ Z_RAC:kmg:rs

January 2002 Special Session

(CM) TOK

LFB:.....Jakel Private employer health care coverage program

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

SENATE AMENDMENT,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

L	At the locations indicated, amend the substitute amendment as follows:
2	1. Page 19, line 20: after that line insert:
3	"Section 52im. 20.515 (2) (g) of the statutes is amended to read:
4	20.515 (2) (g) Private employer health care coverage plan. All moneys received
5	under subch. X of ch. 40 from employers who elect to participate in the private
6	employer health care coverage program under subch. X of ch. 40 and from any other
7	person under s. 40.98 (2) (h), for the costs of designing, marketing, and contracting
8	for or providing administrative services for the program and for lapsing to the
9	general fund the amounts required under s. 40.98 (6m).".

2. Page 21, line 3: after that line insert:

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1 "Section 5	7b. 2	20.855 (1)	(ch)	of the	statutes is	created	to read:
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- 20.855 (1) (ch) Payment to reimburse loan to general fund from the office of the commissioner of insurance. A sum sufficient to repay the loan to the general fund under s. 601.34, but not to exceed the sum of the following:
- 1. The amounts lapsed to the general fund from the appropriation account under s. 20.515 (2) (a) at the end of the 2001–03 fiscal biennium.
- 2. The amounts lapsed to the general fund from the appropriation account under s. 20.515 (2) (g), as determined under s. 40.98 (6m).
- 3. Any amount that is needed to repay all principle and interest costs on the loan to the general fund under s. 601.34 and that exceeds the amounts identified in subds. 1. and 2.".
 - 3. Page 32, line 23: after that line insert:
 - "Section 100ic. 40.98 (2) (h) of the statutes is created to read:
- 40.98 (2) (h) The department may seek funding from any person for the payment of costs of designing, marketing, and contracting for or providing administrative services under the health care coverage program and for lapsing to the general fund any amount required under sub. (6m). Any moneys received by the department under this paragraph shall be credited to the appropriation account under s. 20.515 (2) (g).
 - SECTION 100ix. 40.98 (6m) of the statutes is created to read:
- 40.98 (6m) The secretary of administration shall lapse from the appropriation under s. 20.515 (2) (g) to the general fund the amounts necessary to repay the loan under s. 601.34 when the secretary of administration, after consulting with the board, determines that funds in the appropriation under s. 20.515 (2) (g) are

sufficient to make the lapse. The amounts that are required to be lapsed under s. 20.515 (2) (g) shall equal the amount necessary to pay all principal and interest costs on the loan, less any amount that is lapsed to the general fund under s. 20.515 (2) (a) at the end of the 2001–03 fiscal biennium. The secretary of administration may lapse the amounts under s. 20.515 (2) (g) in installments."

4. Page 221, line 13: after that line insert:

"Section 508r. 601.34 of the statutes is created to read:

- 601.34 Loan to general fund. (1) No later than the first day of the 2nd month beginning after the effective date of this subsection [revisor inserts date], an amount equal to \$850,000 shall be lapsed from the appropriation account under s. 20.145 (1) (g) to the general fund. The amount lapsed from the appropriation account shall be considered a loan to the general fund and interest shall accrue on the amount lapsed at the average rate earned by the state on its deposits in the state investment fund during the period of the loan.
- (2) The secretary of administration shall pay the principle and interest costs on the loan from the appropriation account under s. 20.855 (1) (ch) as follows:
- (a) After the close of the 2002–03 fiscal year, the secretary shall make principle and interest payments equal to the moneys lapsed to the general fund from the appropriation account under s. 20.515 (2) (a) in that year, if any, and from moneys lapsed to the general fund from the appropriation account under s. 20.515 (2) (g) in the amounts specified in s. 40.98 (6m), if any.
- (b) After the close of each fiscal year thereafter, the secretary shall make principle and interest payments equal to the moneys lapsed to the general fund from

2002-03

- the appropriation account under s. 20.515 (2) (g) in the amounts specified in s. 40.98 (6m), if any.
 - (c) If the secretary determines during any fiscal year that the moneys paid under pars. (a) and (b) will not be sufficient to repay the loan within a reasonable period of time, as determined by the secretary and the commissioner, the secretary shall pay all remaining principle and interest costs on the loan after the close of that fiscal year.".

5. Page 355, line 15: after that line insert:

"(1v) HIRING FREEZE EXEMPTION. Notwithstanding any action of the governor or the secretary of administration under section 16.505 (3) of the statutes before the effective date of this subsection, the department of employee trust funds may fill 3.5 FTE GPR positions that are vacant on the effective date of this subsection, that are authorized to the department under section 16.505 of the statutes, and that are funded from the appropriation under section 20.512 (2) (a) of the statutes."

6. Page 388, line 16: after that line insert:

"(1v) Private employer health care coverage program. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of employee trust funds under section 20.515 (2) (a) of the statutes, as affected by the acts of 2001, the dollar amount is increased by \$850,000 for fiscal year 2001—62 to increase funding for the purpose for which the appropriation is made."

(END)

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRBb3053/2dn RAC;:

Carri Jakel:

Upon further reflection and for the purpose of consistency with other LRB drafts, I went ahead and provided for the appropriation increase in the 2002–03 fiscal year instead of the 2001–02 fiscal year. Otherwise, this version of the draft is identical to the preceding one.

Rick A. Champagne Senior Legislative Attorney Phone: (608) 266–9930

E-mail: rick.champagne@legis.state.wi.us

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRBb3053/2dn RAC:kmg;jf

June 19, 2002

Carri Jakel:

Upon further reflection and for the purpose of consistency with other LRB drafts, I went ahead and provided for the appropriation increase in the 2002–03 fiscal year instead of the 2001–02 fiscal year. Otherwise, this version of the draft is identical to the preceding one.

Rick A. Champagne Senior Legislative Attorney Phone: (608) 266–9930

E-mail: rick.champagne@legis.state.wi.us

STATE OF WISCONSIN – LEGISLATIVE REFERENCE BUREAU – LEGAL SECTION (608–266–3561)

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2001-07.
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State of Misconsin 2001 - 2002 LEGISLATURE

January 2002 Special Session

RAC:kmg;jf

TODAY

LFB:.....Jakel (CM) – Private employer health care coverage program

FOR 2001-03 BUDGET -- NOT READY FOR INTRODUCTION

SENATE AMENDMENT,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

2	1. Page 19, line 20: after that line insert:
3	"Section 52im. 20.515 (2) (g) of the statutes is amended to read:
4	20.515 (2) (g) Private employer health care coverage plan. All moneys received
5	under subch. X of ch. 40 from employers who elect to participate in the private
6	employer health care coverage program under subch. X of ch. 40 and from any other
7	person under s. 40.98(2)(h), for the costs of designing, marketing, and contracting
8	for or providing administrative services for the program and for lapsing to the

At the locations indicated, amend the substitute amendment as follows:

2. Page 21, line 3: after that line insert:

general fund the amounts required under s. 40.98 (6m).".

			The state of the s
1	"SECTION 57b.	20.855 (1) (ch	a) of the statutes is created to read:

- 20.855 (1) (ch) Payment to reimburse loan to general fund from the office of the commissioner of insurance. A sum sufficient to repay the loan to the general fund under s. 601.34, but not to exceed the sum of the following:
- 1. The amounts lapsed to the general fund from the appropriation account under s. 20.515 (2) (a) at the end of the 2001–03 fiscal biennium.
- 2. The amounts lapsed to the general fund from the appropriation account under s. 20.515 (2) (g), as determined under s. 40.98 (6m).
- 3. Any amount that is needed to repay all principle and interest costs on the loan to the general fund under s. 601.34 and that exceeds the amounts identified in subds. 1. and 2.".
 - **3.** Page 32, line 23: after that line insert:

"Section 100ic. 40.98 (2) (h) of the statutes is created to read:

40.98 (2) (h) The department may seek funding from any person for the payment of costs of designing, marketing, and contracting for or providing administrative services under the health care coverage program and for lapsing to the general fund any amount required under sub. (6m). Any moneys received by the department under this paragraph shall be credited to the appropriation account under s. 20.515 (2) (g).

SECTION 100ix. 40.98 (6m) of the statutes is created to read:

40.98 (6m) The secretary of administration shall lapse from the appropriation under s. 20.515 (2) (g) to the general fund the amounts necessary to repay the loan under s. 601.34 when the secretary of administration, after consulting with the board, determines that funds in the appropriation under s. 20.515 (2) (g) are

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4. Page 221, line 13: after that line insert:

"Section 508r. 601.34 of the statutes is created to read:

- 601.34 Loan to general fund. (1) No later than the first day of the 2nd month beginning after the effective date of this subsection [revisor inserts date], an amount equal to \$850,000 shall be lapsed from the appropriation account under s. 20.145 (1) (g) to the general fund. The amount lapsed from the appropriation account shall be considered a loan to the general fund and interest shall accrue on the amount lapsed at the average rate earned by the state on its deposits in the state investment fund during the period of the loan.
- (2) The secretary of administration shall pay the principle and interest costs on the loan from the appropriation account under s. 20.855 (1) (ch) as follows:
- (a) After the close of the 2002–03 fiscal year, the secretary shall make principle and interest payments equal to the moneys lapsed to the general fund from the appropriation account under s. 20.515 (2) (a) in that year, if any, and from moneys lapsed to the general fund from the appropriation account under s. 20.515 (2) (g) in the amounts specified in s. 40.98 (6m), if any.
- (b) After the close of each fiscal year thereafter, the secretary shall make principle and interest payments equal to the moneys lapsed to the general fund from

the appropriation account under s. 20.515 (2) (g) in the amounts specified in s. 40.98 (6m), if any.

(c) If the secretary determines during any fiscal year that the moneys paid under pars. (a) and (b) will not be sufficient to repay the loan within a reasonable period of time, as determined by the secretary and the commissioner, the secretary shall pay all remaining principle and interest costs on the loan after the close of that fiscal year."

5. Page 355, line 15: after that line insert:

"(1v) Hiring freeze exemption. Notwithstanding any action of the governor or the secretary of administration under section 16.505 (3) of the statutes before the effective date of this subsection, the department of employee trust funds may fill 3.5 FTE GPR positions that are vacant on the effective date of this subsection, that are authorized to the department under section 16.505 of the statutes, and that are funded from the appropriation under section 20.512 (2) (a) of the statutes."

6. Page 388, line 16: after that line insert:

"(1v) PRIVATE EMPLOYER HEALTH CARE COVERAGE PROGRAM. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of employee trust funds under section 20.515 (2) (a) of the statutes, as affected by the acts of 2001, the dollar amount is increased by \$850,000 for fiscal year 2002-03 to increase funding for the purpose for which the appropriation is made.".

(END)

2001-02



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State of Misconsin 2001 - 2002 LEGISLATURE

January 2002 Special Session

LRBb3053/3 RAC:kmg&jld:rs

LFB:.....Jakel (CM) - Private employer health care coverage program

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

SENATE AMENDMENT,

TO SENATE SUBSTITUTE AMENDMENT 1, TO ASSEMBLY BILL 1

At the loca	tions indicated,	amend th	ne substitute	amendment	as follows:

- 1. Page 19, line 20: after that line insert:
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1	"Section 57b.	20.855 (1) (ch)) of the statutes is created to read:
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- 2. The amounts lapsed to the general fund from the appropriation account under s. 20.515 (2) (g), as determined under s. 40.98 (6m).
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SECTION 100ix. 40.98 (6m) of the statutes is created to read:

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"Section 508r. 601.34 of the statutes is created to read:

- 601.34 Loan to general fund. (1) No later than the first day of the 2nd month beginning after the effective date of this subsection [revisor inserts date], an amount equal to \$850,000 shall be lapsed from the appropriation account under s. 20.145 (1) (g) to the general fund. The amount lapsed from the appropriation account shall be considered a loan to the general fund and interest shall accrue on the amount lapsed at the average rate earned by the state on its deposits in the state investment fund during the period of the loan.
- (2) The secretary of administration shall pay the principle and interest costs on the loan from the appropriation account under s. 20.855 (1) (ch) as follows:
- (a) After the close of the 2002–03 fiscal year, the secretary shall make principle and interest payments equal to the moneys lapsed to the general fund from the appropriation account under s. 20.515 (2) (a) in that year, if any, and from moneys lapsed to the general fund from the appropriation account under s. 20.515 (2) (g) in the amounts specified in s. 40.98 (6m), if any.
- (b) After the close of each fiscal year thereafter, the secretary shall make principle and interest payments equal to the moneys lapsed to the general fund from

the appropriation account under s. 20.515(2)(g) in the amounts specified in s. 40.98(6m), if any.

(c) If the secretary determines during any fiscal year that the moneys paid under pars. (a) and (b) will not be sufficient to repay the loan within a reasonable period of time, as determined by the secretary and the commissioner, the secretary shall pay all remaining principle and interest costs on the loan after the close of that fiscal year.".

5. Page 355, line 15: after that line insert:

"(1v) Hiring freeze exemption. Notwithstanding any action of the governor or the secretary of administration under section 16.505 (3) of the statutes before the effective date of this subsection, the department of employee trust funds may fill 3.5 FTE GPR positions that are vacant on the effective date of this subsection, that are authorized to the department under section 16.505 of the statutes, and that are funded from the appropriation under section 20.512 (2) (a) of the statutes."

6. Page 388, line 16: after that line insert:

"(1v) Private employer health care coverage program. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of employee trust funds under section 20.515 (2) (a) of the statutes, as affected by the acts of 2001, the dollar amount is increased by \$850,000 for fiscal year 2001–02 to increase funding for the purpose for which the appropriation is made.".