



State of Wisconsin  
**Department of Health and Family Services**

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Scott McCallum, Governor  
Phyllis J. Dubé, Secretary

December 6, 2001

The Honorable Judy Robson, Co-Chairperson  
Joint Committee for Review of Administrative Rules  
Room 15 South, State Capitol  
P.O. Box 7882  
Madison, Wisconsin 53707-7882

Dear Senator Robson:

The Department of Health and Family Services has an emergency rulemaking order in effect that will expire before the emergency rules are replaced by permanent rules unless the effective period of the emergency order is extended. Pursuant to s. 227.24 (2), Stats., I ask the Joint Committee to extend the effective period of the emergency order by 14 days as indicated below.

The emergency rules relate to the Department's operation of secure mental health facilities for the treatment of ch. 980, Stats., sexually violent patients. Departmental investigations have indicated that a portion of the ch. 980 inpatient population has routinely abused their s. HFS 94.20 telephone rights by making inappropriate calls to members of the public, by fraudulently placing numerous long distance calls that are billed to innocent third-parties or by operating fraudulent schemes. Since the Department previously had no means of monitoring patient telephone use, the extent of this activity was unknown, but given the experience of investigations triggered by citizen complaints, it was clear that these sorts of activities are not infrequent among this population. In addition, experience with telephone monitoring in other secure institutions indicated that call monitoring can and does help staff detect contraband and other security-related issues and activities. These abuses are clearly contrary to the therapeutic activities conducted at the secure mental health facilities.

Until recently, the Department had been unable to stop these abuses because the Department's facilities lacked secure telephone systems. Previous DHFS efforts to obtain secure telephone systems from the telephone system's vendor used by the Department of Corrections were not successful because the call volume at DHFS's secure mental health facilities were viewed as insufficient to support the telephone system.

In late 2000, the Department of Corrections selected a new vendor for its secure telephone system. In May, 2001, the new vendor agreed to also install the system in DHFS's secure mental health facilities. The installation of the system at the facilities was completed by June 20, 2001. The systems allow the Department to establish and enforce calling lists for each inpatient and monitor inpatients' calls for counter-therapeutic activity.

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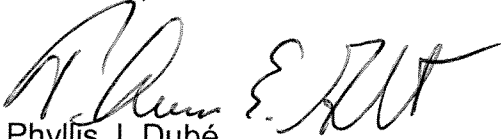
An inpatient's calling list is a finite number of telephone numbers associated with persons the inpatient is approved to contact by telephone. Use of calling lists alone, however, is insufficient to discourage and minimize inpatient attempts to subvert the system. The Department must monitor phone calls made by ch. 980 inpatients to discourage and minimize the occurrence of inpatients calling persons on their calling list who, in turn, subvert the secure system by forwarding the inpatient's call for the prohibited purposes and activities previously described. The Department must be able to monitor the phone calls of ch. 980 inpatients both to protect the public and promote therapeutic activities at the secure mental health facilities.

The Department issued these rules on an emergency basis to protect the public's safety by minimizing the recurring fraudulent activity associated with telephone use. These rules also ensure the public's safety and welfare by promoting the effective treatment mission of the secure mental health facilities. The recording capability of the telephone system hardware that has been installed at the Wisconsin Resource Center and the Sand Ridge Secure Treatment Center cannot be turned off, i.e., when the system is functional, all features of the system are fully operational. If the secure telephone system did not become operational, both the Wisconsin Resource Center and the Sand Ridge facility would have lost the therapeutic and safety advantages afforded by the system. Since the Sand Ridge facility began accepting its first patients during the week of June 18<sup>th</sup>, there was no alternative telephone system for patients.

The emergency rulemaking order creating rules was published and effective on **June 22, 2001**, and **extended until January 17, 2002 by your Committee on November 14, 2001**. Replacement permanent rules are being filed today, December 6, 2001. Consequently, the likely effective date for the permanent rules is February 1, 2002. Therefore, I request an extension of the effective period of the emergency rules by **14 days**, through January 31, 2002. If the effective period of the emergency rules is not extended, in the interim, the Department will not have the authority to monitor the telephone calls of ch. 980 inpatients.

A copy of the emergency rulemaking order is attached to this letter. If you have any questions about the rules, you may contact James Yeadon in the Division of Care and Treatment Facilities at 266-5525.

Sincerely,

  
Phyllis J. Dubé  
Secretary

Attachment

cc Representative Grothman

SENATOR JUDITH B. ROBSON  
 CO-CHAIR  
 PO Box 7882  
 MADISON, WI 53707-7882  
 (608) 266-2253



REPRESENTATIVE GLENN GROTHMAN  
 CO-CHAIR  
 PO Box 8952  
 MADISON, WI 53708-8952  
 (608) 264-8486

**JOINT COMMITTEE FOR  
 REVIEW OF ADMINISTRATIVE RULES**

***Emergency Rule Extension Motion Form***

Date: November 14, 2001 Location: 201 Southeast

Moved by \_\_\_\_\_, Seconded by \_\_\_\_\_

THAT, pursuant to § 227.24(2)(a), *Wisconsin State Statutes*, the Joint Committee for the Review of Administrative Rules extend the effective date of emergency rule 14FS 119 by 60 days, at the request of DHFS.

COMMITTEE MEMBER	Aye	No	Absent
1. Senator ROBSON	✓		
2. Senator GROBSCHMIDT	✓		
3. Senator HANSEN	✓		
4. Senator WELCH	✓		
5. Senator COWLES	✓		
6. Representative GROTHMAN	✓		
7. Representative SERATTI	✓		
8. Representative GUNDERSON	✓		
9. Representative TURNER	✓		
10. Representative HEBL	✓		
Totals			

Motion Carried

Motion Failed

\* voted by polling

# Emergency Rule HFS 119



State of Wisconsin  
**Department of Health and Family Services**

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Scott McCallum, Governor  
Phyllis J. Dubé, Secretary

October 18, 2001

The Honorable Judy Robson, Co-Chairperson  
Joint Committee for Review of Administrative Rules  
Room 15 South, State Capitol  
P.O. Box 7882  
Madison, Wisconsin 53707-7882

Dear Senator Robson:

The Department of Health and Family Services has an emergency rulemaking order in effect that will expire before the emergency rules are replaced by permanent rules unless the effective period of the emergency order is extended. Pursuant to s. 227.24 (2), Stats., I ask the Joint Committee to extend the effective period by **60 days**, through January 27, 2002, of the Department's emergency order to amend ch. HFS 119 in order to update health insurance risk-sharing plan (HIRSP) premium rates in accordance with the authority and requirements set out in s. 149.143(3)(a), Stats.

The emergency rulemaking order was published and effective on July 1, 2001, and **will expire on November 28, 2001**, unless extended. Replacement permanent rules were sent to the Legislative Council for review on June 21, 2001, and were the subject of a public hearing held on July 31, 2001. The Department sent the Legislative Report to the Presiding Officers of the Senate and the Assembly on October 15, 2001. Consequently, the department will not be able to file the rules until at least November 26, 2001, for a January 1, 2002, effective date. If the effective period of the emergency rules is not extended, in the interim, the Department will not have the authority to update HIRSP premium rates in accordance with the authority and requirements set out in s. 149.143(3)(a), Stats.

Section 149.143(4), Stats., permits the Department to promulgate rules required under s. 149.143(2) and (3), Stats., by using emergency rulemaking procedures, except that the Department is specifically exempted from the requirements under s. 227.24(1) and (3), Stats., that it make a finding of emergency.

In addition to updating HIRSP premium rates, the emergency order also adjusts the total HIRSP insurer assessments and provider payment rates in accordance with the authority and requirements set out in s. 149.143 (2) (a) 3. and 4., Stats. With the approval of the HIRSP Board of Governors and as required by statute, the Department reconciled total costs for the HIRSP program for calendar year 2000. The Board of Governors approved a methodology that reconciles the most recent calendar year actual HIRSP program costs, policyholder premiums, insurance assessments and health care provider contributions collected with the statutorily required funding formula. By statute, the adjustments for the calendar year are to be applied to the next plan year budget beginning July 1, 2001.

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DHFS Request for Extension  
of Emergency Rule  
October 18, 2001  
Page 2

The fiscal changes contained in this order also reflect the conversion of HIRSP from cash accounting to accrual accounting, as recommended by the Legislative Audit Bureau and the HIRSP Board of Governors. Cash accounting recognizes the costs of claims and expenses when paid. Accrual accounting recognizes the costs of claims and expenses in the time period when first incurred. Basically, HIRSP program liabilities have been understated under the cash accounting methodology. The net effect of the HIRSP conversion to accrual accounting is to provide a more accurate reflection of the program's financial condition.

A copy of the emergency rulemaking order is attached to this letter. If you have any questions about the rules, you may contact Randy McElhose, Planning Analyst in the Division of Health Care Financing at 267-7127.

Sincerely,



Phyllis J. Dubé  
Secretary

Attachment

cc Representative Grothman  
Senator Fred Risser  
Speaker Scott Jensen

PROPOSED ORDER OF THE  
DEPARTMENT OF HEALTH AND FAMILY SERVICES  
AMENDING RULES

Section 149.143(4), Stats., permits the Department to promulgate rules required under s. 149.143 (2) and (3), Stats., by using emergency rulemaking procedures, except that the Department is specifically exempted from the requirement under s. 227.24 (1) and (3), Stats., that it make a finding of emergency. These are the emergency rules. Department staff consulted with the Health Insurance Risk-Sharing Plan (HIRSP) Board of Governors on April 25, 2001 on the rules, as required by s. 149.20, Stats.

Analysis Prepared by the Department of Health and Family Services

The State of Wisconsin in 1981 established a Health Insurance Risk-Sharing Plan (HIRSP) for the purpose of making health insurance coverage available to medically uninsured residents of the state. HIRSP offers different types of medical care coverage plans for residents.

One type of medical coverage provided by HIRSP is the Major Medical Plan. This type of coverage is called Plan 1. Eighty-six percent of the 10,790 HIRSP policies in effect in March 2001, were of the Plan 1 type. Plan 1 has Option A (\$1,000 deductible) or Option B (\$2,500 deductible). The rate increases for Plan 1 contained in this rulemaking order increase an average of 3.4%. Rate increases for specific policyholders range from 0.0% to 4.9%, depending on a policyholder's age, gender, household income, deductible and zone of residence within Wisconsin. This increase reflects industry-wide premium increases and takes into account the increase in costs associated with Plan 1 claims. According to state law, HIRSP premiums must fund 60% of plan costs and cannot be less than 150% of the amount an individual would be charged for a comparable policy in the private market.

A second type of medical coverage provided by HIRSP is supplemental coverage for persons eligible for Medicare. This type of coverage is called Plan 2. Plan 2 has a \$500 deductible. Fourteen percent of the 10,790 HIRSP policies in effect in March 2001, were of the Plan 2 type. The rate increases for Plan 2 contained in this rulemaking order increase an average of 3.4%. Rate increases for specific policyholders range from 0.0% to 4.9%, depending on a policyholder's age, gender, household income and zone of residence within Wisconsin. These rate increases reflect industry-wide cost increases.

The Department through this rulemaking order proposes to amend ch. HFS 119 in order to update HIRSP premium rates in accordance with the authority and requirements set out in s. 149.143 (3) (a), Stats. The Department is required to set premium rates by rule. HIRSP premium rates must be calculated in accordance with generally accepted actuarial principles.

The Department through this order is also adjusting the total HIRSP insurer assessments and provider payment rates in accordance with the authority and requirements set out in s. 149.143 (2) (a) 3. and 4., Stats. With the approval of the HIRSP Board of Governors and as required by statute, the Department reconciled total costs for the HIRSP program for calendar year 2000. The Board of Governors approved a methodology that reconciles the most recent calendar year actual HIRSP program costs, policyholder premiums, insurance assessments and health care provider contributions collected with the statutorily required funding formula.

By statute, the adjustments for the calendar year are to be applied to the next plan year budget beginning July 1, 2001. The total annual contribution to the HIRSP budget provided by an adjustment to the provider payment rates is \$19,982,024. The total annual contribution to the HIRSP budget provided by an assessment on insurers is \$19,617,772. On April 25, 2001, the HIRSP Board of Governors approved the calendar year 2000 reconciliation process and the HIRSP budget for the plan year July 1, 2001 through June 30, 2002.

The fiscal changes contained in this order also reflect the conversion of HIRSP from cash accounting to accrual accounting, as recommended by the Legislative Audit Bureau and the HIRSP Board of Governors. Cash accounting recognizes the costs of claims and expenses when paid. Accrual accounting recognizes the costs of claims and expenses in the time period when first incurred. Basically, HIRSP program liabilities have been understated under the cash accounting methodology. The net effect of the HIRSP conversion to accrual accounting is to provide a more accurate reflection of the program's financial condition.

### ORDER

Pursuant to authority vested in the Department of Health and Family Services by ss. 149.143 (2) (a) 2, 3, and 4., and (3), Stats., the Department of Health and Family Services hereby amends rules interpreting s. 149.143, Stats., as follows:

SECTION 1. HFS 119.07 (6) (b) (intro.) and tables for medical plan policies with standard deductible are amended to read:

HFS 119.07 (6) (b) (intro.) *Annual premiums for major medical plan policies with standard deductible.* The schedule of annual premiums beginning ~~July 1, 2000~~ July 1, 2001, for persons not entitled to a premium reduction under s. 149.165, Stats., is as follows:

#### MAJOR MEDICAL PLAN – Males

Age Group	Zone 1	Zone 2	Zone 3
0-18	\$1,6561,716	\$1,5001,536	\$1,3321,368
19-24	1,6561,716	1,5001,536	1,3321,368
25-29	1,7161,764	1,5481,584	1,3681,404
30-34	1,9321,968	1,7281,788	1,5361,584
35-39	2,2322,292	2,0162,076	1,7881,836
40-44	2,6642,736	2,4122,448	2,1482,184
45-49	3,4803,492	3,1323,132	2,7722,796
50-54	4,5604,644	4,1044,176	3,6603,732
55-59	5,8326,048	5,2565,436	4,6684,848
60+	7,2007,548	6,4806,792	5,7606,036

#### MAJOR MEDICAL PLAN – Females

Age Group	Zone 1	Zone 2	Zone 3
0-18	\$1,6561,716	\$1,5001,536	\$1,3321,368
19-24	2,1842,232	1,9682,016	1,7521,788
25-29	2,3762,448	2,1482,196	1,9081,944
30-34	2,6522,688	2,3762,412	2,1122,148
35-39	2,9763,060	2,6882,760	2,3762,448
40-44	3,3843,456	3,0483,120	2,7002,760
45-49	3,9843,984	3,5883,588	3,1683,192



50-54	<u>4,5964,680</u>	<u>4,1404,212</u>	<u>3,6723,744</u>
55-59	<u>5,2205,424</u>	<u>4,7044,884</u>	<u>4,1764,344</u>
60+	<u>6,0846,360</u>	<u>5,4725,724</u>	<u>4,8605,076</u>

MEDICARE PLAN – Males

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1761,212</u>	<u>\$1,0441,080</u>	<u>\$936960</u>
19-24	<u>1,1761,212</u>	<u>1,0441,080</u>	<u>936960</u>
25-29	<u>1,2121,248</u>	<u>1,0801,116</u>	<u>960996</u>
30-34	<u>1,3561,368</u>	<u>1,2121,248</u>	<u>1,0801,116</u>
35-39	<u>1,5721,608</u>	<u>1,4281,464</u>	<u>1,2481,296</u>
40-44	<u>1,8721,932</u>	<u>1,6921,716</u>	<u>1,5001,536</u>
45-49	<u>2,4362,448</u>	<u>2,1962,196</u>	<u>1,9441,968</u>
50-54	<u>3,1923,264</u>	<u>2,8802,940</u>	<u>2,5562,616</u>
55-59	<u>4,0924,248</u>	<u>3,6963,816</u>	<u>3,2763,408</u>
60+	<u>5,0645,292</u>	<u>4,5364,752</u>	<u>4,0324,236</u>

MEDICARE PLAN – Females

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1761,212</u>	<u>\$1,0441,080</u>	<u>\$936960</u>
19-24	<u>1,5361,572</u>	<u>1,3681,428</u>	<u>1,2241,248</u>
25-29	<u>1,6801,716</u>	<u>1,5001,548</u>	<u>1,3321,368</u>
30-34	<u>1,8601,872</u>	<u>1,6801,692</u>	<u>1,4761,500</u>
35-39	<u>2,0882,148</u>	<u>1,8721,932</u>	<u>1,6801,716</u>
40-44	<u>2,3762,436</u>	<u>2,1482,184</u>	<u>1,8961,932</u>
45-49	<u>2,7962,796</u>	<u>2,5202,520</u>	<u>2,2202,232</u>
50-54	<u>3,2283,276</u>	<u>2,9042,952</u>	<u>2,5802,628</u>
55-59	<u>3,6603,804</u>	<u>3,3003,420</u>	<u>2,9403,048</u>
60+	<u>4,2724,464</u>	<u>3,8404,020</u>	<u>3,4083,564</u>

SECTION 2. HFS 119.07 (6) (c) 1. (intro.) and tables are amended to read:

HFS 119.07 (6) (c) *Base rates for calculating premium reductions.* 1. (intro.) The annual base rates for calculating premium reductions under s. HFS 119.12 that are applicable to standard risks under individual policies providing substantially the same coverage and deductibles as the plan's major medical plan are as follows beginning July 1, 2000July 1, 2001:

MAJOR MEDICAL PLAN – Males  
(Base for Reduced Rates)

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1041,140</u>	<u>\$9961,020</u>	<u>\$888912</u>
19-24	<u>1,1041,140</u>	<u>9961,020</u>	<u>888912</u>
25-29	<u>1,1401,176</u>	<u>1,0321,056</u>	<u>912936</u>
30-34	<u>1,2841,308</u>	<u>1,1521,188</u>	<u>1,0201,056</u>
35-39	<u>1,4881,524</u>	<u>1,3441,380</u>	<u>1,1881,224</u>
40-44	<u>1,7761,824</u>	<u>1,6081,632</u>	<u>1,4281,452</u>
45-49	<u>2,3162,328</u>	<u>2,0882,088</u>	<u>1,8481,860</u>

50-54	<u>3,0363,096</u>	<u>2,7362,784</u>	<u>2,4362,484</u>
55-59	<u>3,8884,032</u>	<u>3,5043,624</u>	<u>3,1083,228</u>
60+	<u>4,8005,028</u>	<u>4,3204,524</u>	<u>3,8404,020</u>

MAJOR MEDICAL PLAN – Females  
(Base for Reduced Rates)

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1041,140</u>	<u>\$9961,020</u>	<u>\$888912</u>
19-24	<u>1,4521,488</u>	<u>1,3081,344</u>	<u>1,1641,188</u>
25-29	<u>1,5841,632</u>	<u>1,4281,464</u>	<u>1,2721,296</u>
30-34	<u>1,7641,788</u>	<u>1,5841,608</u>	<u>1,4041,428</u>
35-39	<u>1,9802,040</u>	<u>1,7881,836</u>	<u>1,5841,632</u>
40-44	<u>2,2562,304</u>	<u>2,0282,076</u>	<u>1,8001,836</u>
45-49	<u>2,6522,652</u>	<u>2,3882,388</u>	<u>2,1122,124</u>
50-54	<u>3,0603,120</u>	<u>2,7602,808</u>	<u>2,4482,496</u>
55-59	<u>3,4803,612</u>	<u>3,1323,252</u>	<u>2,7842,892</u>
60+	<u>4,0564,236</u>	<u>3,6483,816</u>	<u>3,2403,384</u>

SECTION 3. HFS 119.07 (6) (c) 2. (intro.) and tables are amended to read:

HFS 119.07 (6) (c) *Base rates for calculating premium reductions. 2. (intro.)* The annual base rates for calculating premium reductions under s. HFS 119.12 that are applicable to standard risks under individual policies providing substantially the same coverage and deductibles as the plan's medicare plan are as follows beginning July 1, 2000 July 1, 2001:

MEDICARE PLAN – Males  
(Base for Reduced Rates)

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$780804</u>	<u>\$696720</u>	<u>\$624636</u>
19-24	<u>780804</u>	<u>696720</u>	<u>624636</u>
25-29	<u>804828</u>	<u>720744</u>	<u>636660</u>
30-34	<u>900912</u>	<u>804828</u>	<u>720744</u>
35-39	<u>1,0441,068</u>	<u>948972</u>	<u>828864</u>
40-44	<u>1,2481,284</u>	<u>1,1281,140</u>	<u>9961,020</u>
45-49	<u>1,6201,632</u>	<u>1,4641,464</u>	<u>1,2961,308</u>
50-54	<u>2,1242,172</u>	<u>1,9201,956</u>	<u>1,7041,740</u>
55-59	<u>2,7242,832</u>	<u>2,4602,544</u>	<u>2,1842,268</u>
60+	<u>3,3723,528</u>	<u>3,0243,168</u>	<u>2,6882,820</u>

MEDICARE PLAN – Females  
(Base for Reduced Rates)

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$780804</u>	<u>\$696720</u>	<u>\$624636</u>
19-24	<u>1,0201,044</u>	<u>912948</u>	<u>816828</u>
25-29	<u>1,1161,140</u>	<u>9961,032</u>	<u>888912</u>
30-34	<u>1,2361,248</u>	<u>1,1161,128</u>	<u>984996</u>
35-39	<u>1,3021,428</u>	<u>1,2481,284</u>	<u>1,1161,140</u>
40-44	<u>1,5841,620</u>	<u>1,4281,452</u>	<u>1,2601,284</u>
45-49	<u>1,8601,860</u>	<u>1,6801,680</u>	<u>1,4761,488</u>

50-54	<u>2,1482,184</u>	<u>1,9321,968</u>	<u>1,7161,752</u>
55-59	<u>2,4362,532</u>	<u>2,1962,280</u>	<u>1,9562,028</u>
60+	<u>2,8442,976</u>	<u>2,5562,676</u>	<u>2,2682,376</u>

SECTION 4. HFS 119.07 (6) (d) (intro.) and tables are amended to read:

HFS 119.07 (6) (d) *Annual premiums for major medical plan policies with a \$2,500 deductible.* (intro.) In accordance with s. 149.146, Stats., an alternative plan of health insurance involving major medical expense coverage is established with a \$2,500 deductible. After the policyholder satisfies the annual \$2,500 deductible, HIRSP will pay 80% of the covered expenses for the next \$5,000 of covered expenses. Policyholders are required to pay the remaining 20% as coinsurance, up to an annual individual maximum of \$1,000. The annual maximum amount a family with two or more alternative plans will be required to pay for covered expenses is \$7,000. The schedule of annual premiums for coverage under the alternative plan with a \$2,500 deductible is as follows beginning ~~July 1, 2000~~ July 1, 2001:

ALTERNATIVE MAJOR MEDICAL PLAN Males

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1881,236</u>	<u>\$1,0801,104</u>	<u>\$960984</u>
19-24	<u>1,1881,236</u>	<u>1,0801,104</u>	<u>960984</u>
25-29	<u>1,2361,272</u>	<u>1,1161,140</u>	<u>9841,008</u>
30-34	<u>1,3921,416</u>	<u>1,2481,284</u>	<u>1,1041,140</u>
35-39	<u>1,6081,656</u>	<u>1,4521,500</u>	<u>1,2841,320</u>
40-44	<u>1,9201,968</u>	<u>1,7401,764</u>	<u>1,5481,572</u>
45-49	<u>2,5082,520</u>	<u>2,2562,256</u>	<u>1,9922,016</u>
50-54	<u>3,2883,348</u>	<u>2,9523,012</u>	<u>2,6402,688</u>
55-59	<u>4,2004,356</u>	<u>3,7803,912</u>	<u>3,3603,492</u>
60+	<u>5,1845,436</u>	<u>4,6684,896</u>	<u>4,1524,344</u>

ALTERNATIVE MAJOR MEDICAL PLAN Females

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1881,236</u>	<u>\$1,0801,104</u>	<u>\$960984</u>
19-24	<u>1,5721,608</u>	<u>1,4161,452</u>	<u>1,2601,284</u>
25-29	<u>1,7161,764</u>	<u>1,5481,584</u>	<u>1,3681,404</u>
30-34	<u>1,9081,932</u>	<u>1,7161,740</u>	<u>1,5241,548</u>
35-39	<u>2,1482,208</u>	<u>1,9321,992</u>	<u>1,7161,764</u>
40-44	<u>2,4362,484</u>	<u>2,1962,244</u>	<u>1,9441,992</u>
45-49	<u>2,8682,868</u>	<u>2,5802,580</u>	<u>2,2802,304</u>
50-54	<u>3,3123,372</u>	<u>2,9763,036</u>	<u>2,6402,700</u>
55-59	<u>3,7563,900</u>	<u>3,3843,516</u>	<u>3,0123,132</u>
60+	<u>4,3804,584</u>	<u>3,9364,116</u>	<u>3,5043,660</u>

SECTION 5. HFS 119.15 (2) and (3) are amended to read:

(2) INSURER ASSESSMENTS. The insurer assessments for the time period ~~July 1, 2000 through June 30, 2001~~ total \$9,898,358. July 1, 2001 through June 30, 2002 total \$19,617,772.

(3) PROVIDER PAYMENT RATES. The total adjustment to the provider payment rates for the time period ~~July 1, 2000 through June 30, 2001 is \$10,119,482.~~ July 1, 2001 through June 30, 2002 is \$19,982,024.

The rules contained in this order shall take effect as emergency rules on July 1, 2001.

Wisconsin Department of Health and  
Family Services

Dated: June 13, 2001

By: *Phyllis J. Dube*  
Phyllis J. Dube  
Secretary

SEAL:

SENATOR JUDITH B. ROBSON  
CO-CHAIR  
P.O. BOX 7882  
MADISON, WI 53707-7882  
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN  
CO-CHAIR  
P.O. BOX 8952  
MADISON, WI 53708-8952  
(608) 264-6486

## JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

BY INTER-D

January 16, 2002

Senator Fred Risser  
Senate President  
Room 220 South

Representative Scott Jensen  
Speaker of the Assembly  
Room 211 West

Re: Emergency Rule NR 20.20(73)(j)1. and 2. (yellow perch fishing in Green Bay)  
Emergency Rule HFS 94.20(3) (patient rights)  
Emergency Rule HFS 119 (HIRSP premium rates)

Dear Senator Risser and Representative Jensen:

This letter is sent pursuant to § 227.24(2)(c), *Stats.* In accordance with the requirements of that statute, we respectfully request that you notify the appropriate standing committees of each house of the legislature of the following actions by the Joint Committee for the Review of Administrative Rules (JCRAR).

JCRAR held a public hearing and executive session on January 10, 2002. At that meeting, the JCRAR received public testimony regarding the following emergency rules:

- Emergency Rule NR 20.20(73)(j)1. and 2., relating to sport fishing for yellow perch in Green Bay and its tributaries and commercial fishing for yellow perch in Green Bay;
- Emergency Rule HFS 94.20(3), relating to patient rights; and
- Emergency Rule HFS 119, relating to HIRSP premium rates.


Based on the public testimony at the hearing, the committee adopted a motion extending the effective period of Emergency Rule NR 20.20(73) for 60 days. The committee approved the motion on a 10 to 0 vote.


Based on the public testimony at the hearing, the committee adopted a motion extending effective period of Emergency Rule HFS 94.20(3) for 14 days. The committee approved the motion on a 10 to 0 vote.

Based on the public testimony at the hearing, the committee adopted a motion extending effective period of Emergency Rule HFS 119 for 5 days. The committee approved the motion on a 10 to 0 vote.

Thank you for your attention to these matters.

Sincerely,

  
Senator Judith B. Robson  
15<sup>th</sup> Senate District

  
Representative Glenn Grothman  
59<sup>th</sup> Assembly District

JBR:GG:da

SENATOR JUDITH B. ROBSON  
Co-CHAIR  
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MADISON, WI 53707-7882  
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN  
Co-CHAIR  
PO BOX 8952  
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(608) 264-8486

## JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

### *Attendance Form*

**Date:** January 10, 2002

**Location:** 411 South

Accounting for:

Public Hearing

Executive Session

COMMITTEE MEMBER	PRESENT	ABSENT	EXCUSED
1. Senator ROBSON	✓		
2. Senator GROBSCHMIDT	✓		
3. Senator HANSEN	✓		
4. Senator WELCH	✓		
5. Senator COWLES	✓		
6. Representative GROTHMAN	✓		
7. Representative SERATTI	✓		
8. Representative GUNDERSON	✓		
9. Representative TURNER	✓		
10. Representative HEBL	✓		
Totals			

David A. Austin  
Committee Clerk

SENATOR JUDITH B. ROBSON  
Co-CHAIR  
PO BOX 7882  
MADISON, WI 53707-7882  
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN  
Co-CHAIR  
PO BOX 8952  
MADISON, WI 53708-8952  
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## JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

### *Attendance Form*

**Date:** January 10, 2002

**Location:** 411 South

Accounting for:

Public Hearing

Executive Session

COMMITTEE MEMBER	PRESENT	ABSENT	EXCUSED
1. Senator ROBSON	✓		
2. Senator GROBSCHMIDT	✓		
3. Senator HANSEN	✓		
4. Senator WELCH	✓		
5. Senator COWLES			✓
6. Representative GROTHMAN	✓		
7. Representative SERATTI	✓		
8. Representative GUNDERSON	✓		
9. Representative TURNER	✓		
10. Representative HEBL	✓		
Totals			

David A. Austin  
Committee Clerk



## Austin, David

---

**From:** Frings, Roger  
**Sent:** Thursday, January 10, 2002 4:40 PM  
**To:** Austin, David  
**Subject:** RE: JCRAR motions

David-  
I indicated how Rob would have voted below. Let me know if you have any questions.

Rog

-----Original Message-----

**From:** Austin, David  
**Sent:** Thursday, January 10, 2002 4:18 PM  
**To:** Frings, Roger  
**Subject:** JCRAR motions

Roger:

Here are the JCRAR motions. Please let me know how Senator Cowles wants to be recorded. The committee's rules require him to vote within one hour of adjournment, so I would need a response by the end of the day.

Thanks,

David Austin  
Senator Robson's office

To approve all three emergency rule extension requests. (9-0 vote so far.) **Aye**

Regarding the proposed four-day December hunt, request modifications and object if department will not consider modifications. (9-0 vote so far.) **Aye**

Regarding the date of the October T Zone hunt, concurrence with the objection. (9-0 vote so far.) **Aye**

Regarding the four day extension of the archery season, request modifications, specifically that the hunt be statewide, not just in T Zones and object if the department will not consider modifications. (9-0 vote so far.) **Aye**

Regarding where deer are registered, a motion for non-concurrence was defeated 3-6 (Robson, Grobschmidt, Hebl), but I would still like to record Sen Cowles. **Naye**

Regarding where deer are registered, concurrence with the objection. (7-2 vote so far; Robson and Hebl voted no.) **Naye**

SENATOR JUDITH B. ROBSON  
Co-CHAIR  
P.O. BOX 7882  
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REPRESENTATIVE GLENN GROTHMAN  
Co-CHAIR  
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## JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

January 16, 2002

BY INTER-D

Secretary Phyllis Dubé  
Department of Health and Family Services  
1 West Wilson Street  
Madison, Wisconsin

Re: Emergency Rule HFS 94.20(3) (patient rights)  
Emergency Rule HFS 119 (HIRSP premium rates)

Dear Secretary Dubé:

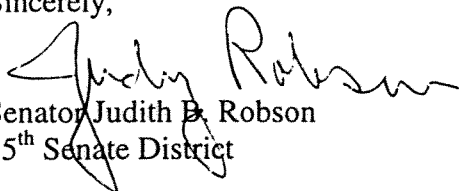
We are writing to inform you that the Joint Committee for the Review of Administrative Rules (JCRAR) held a public hearing and executive session on January 10, 2002. At that meeting, the JCRAR received public testimony regarding Emergency Rule HFS 94.20(3), relating to patient rights and regarding Emergency Rule HFS 119, relating to HIRSP premium rates.


Based on that testimony, the committee adopted a motion extending the effective period of Emergency Rule 94.20(3) for 14 days. The committee approved the motion on a 10 to 0 vote.

The committee also adopted a motion extending the effective period of Emergency Rule HFS 119 for 5 days. The committee approved this motion on a 10 to 0 vote.

Pursuant to § 227.24(2)(c), *Stats.*, we are notifying the Secretary of State and the Revisor of Statutes of the Committee's action through copies of this letter.

Sincerely,

  
Senator Judith B. Robson  
15<sup>th</sup> Senate District

  
Representative Glenn Grothman  
59<sup>th</sup> Assembly District

JBR:GG:da

SENATOR JUDITH B. ROBSON  
Co-CHAIR  
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REPRESENTATIVE GLENN GROTHMAN  
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## JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

### *Emergency Rule Extension Motion Form*

**Date:** January 10, 2002

**Location:** 411 South

Moved by Robson, Seconded by Hansen

**THAT**, pursuant to § 227.24(2)(a), *Wisconsin State Statutes*, the Joint Committee for the Review of Administrative Rules extend the effective date of emergency rule HFS 119 by 5 days, at the request of the Department of Health and Family Services.

COMMITTEE MEMBER	Aye	No	Absent
1. Senator ROBSON	✓		
2. Senator GROBSCHMIDT	✓		
3. Senator HANSEN	✓		
4. Senator WELCH	✓		
5. Senator COWLES	✓ *		
6. Representative GROTHMAN	✓		
7. Representative SERATTI	✓		
8. Representative GUNDERSON	✓		
9. Representative TURNER	✓		
10. Representative HEBL	✓		
Totals			

\* voted by  
polling

Motion Carried

Motion Failed



State of Wisconsin  
**Department of Health and Family Services**

---

Scott McCallum, Governor  
Phyllis J. Dubé, Secretary

December 10, 2001

The Honorable Judy Robson, Co-Chairperson  
Joint Committee for Review of Administrative Rules  
Room 15 South, State Capitol  
P.O. Box 7882  
Madison, Wisconsin 53707-7882

Dear Senator Robson:

The Joint Committee for Review of Administrative Rules (JCRAR), on November 14, 2001, extended the effective period of the Department of Health and Family Services emergency rule ch. HFS 119, relating to the health insurance risk-sharing plan (HIRSP) premium rates, from November 28, 2001 through January 27, 2002.

This is to request, pursuant to s. 227.24 (2), Stats., that the Joint Committee grant a second extension of the effective period of the emergency rule by an additional 5 days, through February 1, 2002. The extended effective period would cover the anticipated five-day gap between the January 27, 2002, expiration date of the emergency rule and the February 1, 2002, effective date of the replacement permanent rule. The Department filed the replacement permanent rule with the Secretary of State and the Revisor of Statutes on November 28, 2001, for a February 1, 2002, effective date.

If the effective period of the emergency rule is not extended, the Department will not have the authority to update HIRSP premium rates in accordance with the authority and requirements set out in s. 149.143(3)(a), Stats.

Section 149.143(4), Stats., permits the Department to promulgate rules required under s. 149.143(2) and (3), Stats., by using emergency rulemaking procedures, except that the Department is specifically exempted from the requirements under s. 227.24(1) and (3), Stats., that it make a finding of emergency.

In addition to updating HIRSP premium rates, the emergency order also adjusts the total HIRSP insurer assessments and provider payment rates in accordance with the authority and requirements set out in s. 149.143 (2) (a) 3. and 4., Stats. With the approval of the HIRSP Board of Governors and as required by statute, the Department reconciled total costs for the HIRSP program for calendar year 2000. The Board of Governors approved a methodology that reconciles the most recent calendar year actual HIRSP program costs, policyholder premiums, insurance assessments and health care provider contributions collected with the statutorily required funding formula. By statute, the adjustments for the calendar year are to be applied to the next plan year budget beginning July 1, 2001.

**Wisconsin.gov**

DHFS Request for 2<sup>nd</sup> Extension  
of Emergency Rule  
December 10, 2001  
Page 2

The fiscal changes contained in this order also reflect the conversion of HIRSP from cash accounting to accrual accounting, as recommended by the Legislative Audit Bureau and the HIRSP Board of Governors. Cash accounting recognizes the costs of claims and expenses when paid. Accrual accounting recognizes the costs of claims and expenses in the time period when first incurred. Basically, HIRSP program liabilities have been understated under the cash accounting methodology. The net effect of the HIRSP conversion to accrual accounting is to provide a more accurate reflection of the program's financial condition.

A copy of the emergency rulemaking order is attached to this letter. If you have any questions about the rules, you may contact Randy McElhose, Planning Analyst in the Division of Health Care Financing at 267-7127.

Sincerely,



Phyllis J. Dubé  
Secretary

Attachment

cc Representative Grothman  
Senator Fred Risser  
Speaker Scott Jensen

PROPOSED ORDER OF THE  
DEPARTMENT OF HEALTH AND FAMILY SERVICES  
AMENDING RULES

Section 149.143(4), Stats., permits the Department to promulgate rules required under s. 149.143 (2) and (3), Stats., by using emergency rulemaking procedures, except that the Department is specifically exempted from the requirement under s. 227.24 (1) and (3), Stats., that it make a finding of emergency. These are the emergency rules. Department staff consulted with the Health Insurance Risk-Sharing Plan (HIRSP) Board of Governors on April 25, 2001 on the rules, as required by s. 149.20, Stats.

Analysis Prepared by the Department of Health and Family Services

The State of Wisconsin in 1981 established a Health Insurance Risk-Sharing Plan (HIRSP) for the purpose of making health insurance coverage available to medically uninsured residents of the state. HIRSP offers different types of medical care coverage plans for residents.

One type of medical coverage provided by HIRSP is the Major Medical Plan. This type of coverage is called Plan 1. Eighty-six percent of the 10,790 HIRSP policies in effect in March 2001, were of the Plan 1 type. Plan 1 has Option A (\$1,000 deductible) or Option B (\$2,500 deductible). The rate increases for Plan 1 contained in this rulemaking order increase an average of 3.4%. Rate increases for specific policyholders range from 0.0% to 4.9%, depending on a policyholder's age, gender, household income, deductible and zone of residence within Wisconsin. This increase reflects industry-wide premium increases and takes into account the increase in costs associated with Plan 1 claims. According to state law, HIRSP premiums must fund 60% of plan costs and cannot be less than 150% of the amount an individual would be charged for a comparable policy in the private market.

A second type of medical coverage provided by HIRSP is supplemental coverage for persons eligible for Medicare. This type of coverage is called Plan 2. Plan 2 has a \$500 deductible. Fourteen percent of the 10,790 HIRSP policies in effect in March 2001, were of the Plan 2 type. The rate increases for Plan 2 contained in this rulemaking order increase an average of 3.4%. Rate increases for specific policyholders range from 0.0% to 4.9%, depending on a policyholder's age, gender, household income and zone of residence within Wisconsin. These rate increases reflect industry-wide cost increases.

The Department through this rulemaking order proposes to amend ch. HFS 119 in order to update HIRSP premium rates in accordance with the authority and requirements set out in s. 149.143 (3) (a), Stats. The Department is required to set premium rates by rule. HIRSP premium rates must be calculated in accordance with generally accepted actuarial principles.

The Department through this order is also adjusting the total HIRSP insurer assessments and provider payment rates in accordance with the authority and requirements set out in s. 149.143 (2) (a) 3. and 4., Stats. With the approval of the HIRSP Board of Governors and as required by statute, the Department reconciled total costs for the HIRSP program for calendar year 2000. The Board of Governors approved a methodology that reconciles the most recent calendar year actual HIRSP program costs, policyholder premiums, insurance assessments and health care provider contributions collected with the statutorily required funding formula.

By statute, the adjustments for the calendar year are to be applied to the next plan year budget beginning July 1, 2001. The total annual contribution to the HIRSP budget provided by an adjustment to the provider payment rates is \$19,982,024. The total annual contribution to the HIRSP budget provided by an assessment on insurers is \$19,617,772. On April 25, 2001, the HIRSP Board of Governors approved the calendar year 2000 reconciliation process and the HIRSP budget for the plan year July 1, 2001 through June 30, 2002.

The fiscal changes contained in this order also reflect the conversion of HIRSP from cash accounting to accrual accounting, as recommended by the Legislative Audit Bureau and the HIRSP Board of Governors. Cash accounting recognizes the costs of claims and expenses when paid. Accrual accounting recognizes the costs of claims and expenses in the time period when first incurred. Basically, HIRSP program liabilities have been understated under the cash accounting methodology. The net effect of the HIRSP conversion to accrual accounting is to provide a more accurate reflection of the program's financial condition.

### ORDER

Pursuant to authority vested in the Department of Health and Family Services by ss. 149.143 (2) (a) 2. 3. and 4., and (3), Stats., the Department of Health and Family Services hereby amends rules interpreting s. 149.143, Stats., as follows:

SECTION 1. HFS 119.07 (6) (b) (intro.) and tables for medical plan policies with standard deductible are amended to read:

HFS 119.07 (6) (b) (intro.) *Annual premiums for major medical plan policies with standard deductible.* The schedule of annual premiums beginning ~~July 1, 2000~~ July 1, 2001, for persons not entitled to a premium reduction under s. 149.165, Stats., is as follows:

#### MAJOR MEDICAL PLAN – Males

Age Group	Zone 1	Zone 2	Zone 3
0-18	\$1,6561,716	\$1,5001,536	\$1,3321,368
19-24	1,6561,716	1,5001,536	1,3321,368
25-29	1,7161,764	1,5481,584	1,3681,404
30-34	1,9321,968	1,7281,788	1,5361,584
35-39	2,2322,292	2,0162,076	1,7881,836
40-44	2,6642,736	2,4122,448	2,1482,184
45-49	3,4803,492	3,1323,132	2,7722,796
50-54	4,5604,644	4,1044,176	3,6603,732
55-59	5,8326,048	5,2565,436	4,6684,848
60+	7,2007,548	6,4806,792	5,7606,036

#### MAJOR MEDICAL PLAN – Females

Age Group	Zone 1	Zone 2	Zone 3
0-18	\$1,6561,716	\$1,5001,536	\$1,3321,368
19-24	2,1842,232	1,9682,016	1,7521,788
25-29	2,3762,448	2,1482,196	1,9081,944
30-34	2,6522,688	2,3762,412	2,1122,148
35-39	2,9763,060	2,6882,760	2,3762,448
40-44	3,3843,456	3,0483,120	2,7002,760
45-49	3,9843,984	3,5883,588	3,1683,192

50-54	<u>4,5964,680</u>	<u>4,1404,212</u>	<u>3,6723,744</u>
55-59	<u>5,2205,424</u>	<u>4,7044,884</u>	<u>4,1764,344</u>
60+	<u>6,0846,360</u>	<u>5,4725,724</u>	<u>4,8605,076</u>

MEDICARE PLAN – Males

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1761,212</u>	<u>\$1,0441,080</u>	<u>\$936960</u>
19-24	<u>1,1761,212</u>	<u>1,0441,080</u>	<u>936960</u>
25-29	<u>1,2121,248</u>	<u>1,0801,116</u>	<u>960996</u>
30-34	<u>1,3561,368</u>	<u>1,2121,248</u>	<u>1,0801,116</u>
35-39	<u>1,5721,608</u>	<u>1,4281,464</u>	<u>1,2481,296</u>
40-44	<u>1,8721,932</u>	<u>1,6921,716</u>	<u>1,5001,536</u>
45-49	<u>2,4362,448</u>	<u>2,1962,196</u>	<u>1,9441,968</u>
50-54	<u>3,1923,264</u>	<u>2,8802,940</u>	<u>2,5562,616</u>
55-59	<u>4,0924,248</u>	<u>3,6963,816</u>	<u>3,2763,408</u>
60+	<u>5,0645,292</u>	<u>4,5364,752</u>	<u>4,0324,236</u>

MEDICARE PLAN – Females

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1761,212</u>	<u>\$1,0441,080</u>	<u>\$936960</u>
19-24	<u>1,5361,572</u>	<u>1,3681,428</u>	<u>1,2241,248</u>
25-29	<u>1,6801,716</u>	<u>1,5001,548</u>	<u>1,3321,368</u>
30-34	<u>1,8601,872</u>	<u>1,6801,692</u>	<u>1,4761,500</u>
35-39	<u>2,0882,148</u>	<u>1,8721,932</u>	<u>1,6801,716</u>
40-44	<u>2,3762,436</u>	<u>2,1482,184</u>	<u>1,8961,932</u>
45-49	<u>2,7962,796</u>	<u>2,5202,520</u>	<u>2,2202,232</u>
50-54	<u>3,2283,276</u>	<u>2,9042,952</u>	<u>2,5802,628</u>
55-59	<u>3,6603,804</u>	<u>3,3003,420</u>	<u>2,9403,048</u>
60+	<u>4,2724,464</u>	<u>3,8404,020</u>	<u>3,4083,564</u>

SECTION 2. HFS 119.07 (6) (c) 1. (intro.) and tables are amended to read:

HFS 119.07 (6) (c) *Base rates for calculating premium reductions.* 1. (intro.) The annual base rates for calculating premium reductions under s. HFS 119.12 that are applicable to standard risks under individual policies providing substantially the same coverage and deductibles as the plan's major medical plan are as follows beginning ~~July 1, 2000~~ July 1, 2001:

MAJOR MEDICAL PLAN – Males  
(Base for Reduced Rates)

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1041,140</u>	<u>\$9961,020</u>	<u>\$888912</u>
19-24	<u>1,1041,140</u>	<u>9961,020</u>	<u>888912</u>
25-29	<u>1,1401,176</u>	<u>1,0321,056</u>	<u>912936</u>
30-34	<u>1,2841,308</u>	<u>1,1521,188</u>	<u>1,0201,056</u>
35-39	<u>1,4881,524</u>	<u>1,3441,380</u>	<u>1,1881,224</u>
40-44	<u>1,7761,824</u>	<u>1,6081,632</u>	<u>1,4281,452</u>
45-49	<u>2,3162,328</u>	<u>2,0882,088</u>	<u>1,8481,860</u>



50-54	<u>3,0363,096</u>	<u>2,7362,784</u>	<u>2,4362,484</u>
55-59	<u>3,8884,032</u>	<u>3,5043,624</u>	<u>3,1083,228</u>
60+	<u>4,8005,028</u>	<u>4,3204,524</u>	<u>3,8404,020</u>

MAJOR MEDICAL PLAN – Females  
(Base for Reduced Rates)

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1041,140</u>	<u>\$9961,020</u>	<u>\$888912</u>
19-24	<u>1,4521,488</u>	<u>1,3081,344</u>	<u>1,1641,188</u>
25-29	<u>1,5841,632</u>	<u>1,4281,464</u>	<u>1,2721,296</u>
30-34	<u>1,7641,788</u>	<u>1,5841,608</u>	<u>1,4041,428</u>
35-39	<u>1,9802,040</u>	<u>1,7881,836</u>	<u>1,5841,632</u>
40-44	<u>2,2562,304</u>	<u>2,0282,076</u>	<u>1,8001,836</u>
45-49	<u>2,6522,652</u>	<u>2,3882,388</u>	<u>2,1122,124</u>
50-54	<u>3,0603,120</u>	<u>2,7602,808</u>	<u>2,4482,496</u>
55-59	<u>3,4803,612</u>	<u>3,1323,252</u>	<u>2,7842,892</u>
60+	<u>4,0564,236</u>	<u>3,6483,816</u>	<u>3,2403,384</u>

SECTION 3. HFS 119.07 (6) (c) 2. (intro.) and tables are amended to read:

HFS 119.07 (6) (c) *Base rates for calculating premium reductions.* 2. (intro.) The annual base rates for calculating premium reductions under s. HFS 119.12 that are applicable to standard risks under individual policies providing substantially the same coverage and deductibles as the plan's medicare plan are as follows beginning July 1, 2000July 1, 2001:

MEDICARE PLAN – Males  
(Base for Reduced Rates)

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$780804</u>	<u>\$696720</u>	<u>\$624636</u>
19-24	<u>780804</u>	<u>696720</u>	<u>624636</u>
25-29	<u>804828</u>	<u>720744</u>	<u>636660</u>
30-34	<u>900912</u>	<u>804828</u>	<u>720744</u>
35-39	<u>1,0441,068</u>	<u>948972</u>	<u>828864</u>
40-44	<u>1,2481,284</u>	<u>1,1281,140</u>	<u>9961,020</u>
45-49	<u>1,6201,632</u>	<u>1,4641,464</u>	<u>1,2961,308</u>
50-54	<u>2,1242,172</u>	<u>1,9201,956</u>	<u>1,7041,740</u>
55-59	<u>2,7242,832</u>	<u>2,4602,544</u>	<u>2,1842,268</u>
60+	<u>3,3723,528</u>	<u>3,0243,168</u>	<u>2,6882,820</u>

MEDICARE PLAN – Females  
(Base for Reduced Rates)

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$780804</u>	<u>\$696720</u>	<u>\$624636</u>
19-24	<u>1,0201,044</u>	<u>912948</u>	<u>816828</u>
25-29	<u>1,1161,140</u>	<u>9961,032</u>	<u>888912</u>
30-34	<u>1,2361,248</u>	<u>1,1161,128</u>	<u>984996</u>
35-39	<u>1,3921,428</u>	<u>1,2481,284</u>	<u>1,1161,140</u>
40-44	<u>1,5841,620</u>	<u>1,4281,452</u>	<u>1,2601,284</u>
45-49	<u>1,8601,860</u>	<u>1,6801,680</u>	<u>1,4761,488</u>

50-54	<u>2,1482,184</u>	<u>1,9321,968</u>	<u>1,7161,752</u>
55-59	<u>2,4362,532</u>	<u>2,1962,280</u>	<u>1,9562,028</u>
60+	<u>2,8442,976</u>	<u>2,5562,676</u>	<u>2,2682,376</u>

SECTION 4. HFS 119.07 (6) (d) (intro.) and tables are amended to read:

HFS 119.07 (6) (d) *Annual premiums for major medical plan policies with a \$2,500 deductible.* (intro.) In accordance with s. 149.146, Stats., an alternative plan of health insurance involving major medical expense coverage is established with a \$2,500 deductible. After the policyholder satisfies the annual \$2,500 deductible, HIRSP will pay 80% of the covered expenses for the next \$5,000 of covered expenses. Policyholders are required to pay the remaining 20% as coinsurance, up to an annual individual maximum of \$1,000. The annual maximum amount a family with two or more alternative plans will be required to pay for covered expenses is \$7,000. The schedule of annual premiums for coverage under the alternative plan with a \$2,500 deductible is as follows beginning ~~July 1, 2000~~ July 1, 2001:

ALTERNATIVE MAJOR MEDICAL PLAN Males

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1881,236</u>	<u>\$1,0801,104</u>	<u>\$960984</u>
19-24	<u>1,1881,236</u>	<u>1,0801,104</u>	<u>960984</u>
25-29	<u>1,2361,272</u>	<u>1,1161,140</u>	<u>9841,008</u>
30-34	<u>1,3921,416</u>	<u>1,2481,284</u>	<u>1,1041,140</u>
35-39	<u>1,6081,656</u>	<u>1,4521,500</u>	<u>1,2841,320</u>
40-44	<u>1,9201,968</u>	<u>1,7401,764</u>	<u>1,5481,572</u>
45-49	<u>2,5082,520</u>	<u>2,2562,256</u>	<u>1,9922,016</u>
50-54	<u>3,2883,348</u>	<u>2,9523,012</u>	<u>2,6402,688</u>
55-59	<u>4,2004,356</u>	<u>3,7803,912</u>	<u>3,3603,492</u>
60+	<u>5,1845,436</u>	<u>4,6684,896</u>	<u>4,1524,344</u>

ALTERNATIVE MAJOR MEDICAL PLAN Females

Age Group	Zone 1	Zone 2	Zone 3
0-18	<u>\$1,1881,236</u>	<u>\$1,0801,104</u>	<u>\$960984</u>
19-24	<u>1,5721,608</u>	<u>1,4161,452</u>	<u>1,2601,284</u>
25-29	<u>1,7161,764</u>	<u>1,5481,584</u>	<u>1,3681,404</u>
30-34	<u>1,9081,932</u>	<u>1,7161,740</u>	<u>1,5241,548</u>
35-39	<u>2,1482,208</u>	<u>1,9321,992</u>	<u>1,7161,764</u>
40-44	<u>2,4362,484</u>	<u>2,1962,244</u>	<u>1,9441,992</u>
45-49	<u>2,8682,868</u>	<u>2,5802,580</u>	<u>2,2802,304</u>
50-54	<u>3,3123,372</u>	<u>2,9763,036</u>	<u>2,6402,700</u>
55-59	<u>3,7563,900</u>	<u>3,3843,516</u>	<u>3,0123,132</u>
60+	<u>4,3804,584</u>	<u>3,9364,116</u>	<u>3,5043,660</u>

SECTION 5. HFS 119.15 (2) and (3) are amended to read:

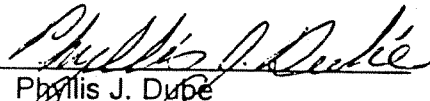
(2) **INSURER ASSESSMENTS.** The insurer assessments for the time period ~~July 1, 2000 through June 30, 2001~~ total \$9,898,358. July 1, 2001 through June 30, 2002 total \$19,617,772.

(3) PROVIDER PAYMENT RATES. The total adjustment to the provider payment rates for the time period ~~July 1, 2000 through June 30, 2001~~ is \$10,119,482. July 1, 2001 through June 30, 2002 is \$19,982,024.

The rules contained in this order shall take effect as emergency rules on July 1, 2001.

Wisconsin Department of Health and  
Family Services

Dated: June 13, 2001

By:   
Phyllis J. Dube  
Secretary

SEAL: