



State of Wisconsin  
2003 - 2004 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2003 ASSEMBLY BILL 304**

June 4, 2003 – Offered by Representatives McCORMICK, ALBERS, GIELOW, GROTHMAN, GUNDERSON, HAHN, HINES, JENSEN, KESTELL, KRAWCZYK, LADWIG, F. LASEE, LOTHIAN, MUSSER, PETTIS, SERATTI, STONE, VAN ROY, VRAKAS, VUKMIR, WEBER, WIECKERT and J. WOOD.

1     **AN ACT** *to renumber and amend* 62.61 and 66.0137 (5); *to amend* 40.02 (25)  
2           (bm), 66.0137 (1), 111.70 (1) (a), 111.70 (4) (cm) 7r. d., 111.70 (4) (cm) 7r. e., 111.70  
3           (4) (cm) 7r. f., 111.70 (4) (cm) 7r. g., 111.70 (4) (cm) 7r. h. and 632.797 (5); and  
4           **to create** 22.07 (10), 22.07 (11), 62.61 (2), 62.61 (3), 66.0137 (5) (b), (c) and (d),  
5           111.70 (4) (c) 2m., 111.70 (4) (jm) 4m., 111.70 (4) (n), 111.70 (4) (o), 111.77 (6)  
6           (dm), 601.41 (10), 601.41 (11), 601.41 (12), 610.66 and 632.797 (1) (d) of the  
7           statutes; **relating to:** collective bargaining over health care coverage for  
8           municipal employees; allowing municipal employers to change health care  
9           coverage plan providers; factors considered in rendering a collective bargaining  
10          arbitration decision; requiring the Group Insurance Board to prepare a report  
11          on offering group health insurance plans at different cost levels to local  
12          government employers and employees; requiring the Group Insurance Board  
13          to offer for purchase long-term care insurance policies to employees of local

1 governments; convening a task force to conduct a feasibility study on forming  
2 a state pool for the bulk purchasing of prescription drugs; disclosure of health  
3 insurance claims experience of local governmental units; bids submitted to  
4 local governmental units for health insurance; requiring the Commissioner of  
5 Insurance to promulgate rules establishing uniform forms for local government  
6 health care coverage requests for proposals and health claims experience and  
7 summarizing benefits provided under health care benefit plans; and granting  
8 rule-making authority.

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***Analysis by the Legislative Reference Bureau***

This substitute amendment makes several changes to health insurance plans and other benefits offered to local government employees.

***Collective bargaining***

Under the Municipal Employment Relations Act (MERA), all matters relating to wages, hours, and conditions of employment are subject to collective bargaining. This substitute amendment provides that local governmental employers, with the exception of school district employers with respect to their professional employees, are prohibited from bargaining over the selection of a health care coverage plan if the employer offers to enroll its employees in a plan provided to local government employers by the Group Insurance Board or in a plan that is substantially similar to the plan offered by the Group Insurance Board. Under the substitute amendment, the Office of the Commissioner of Insurance (OCI) must promulgate rules that set out standardized benefits under health care coverage plans and that may be used for determining whether any health care coverage plan is similar to the plan offered by the group insurance board.

In addition, the substitute amendment provides that under MERA any employer may unilaterally change its employees' health care coverage plan provider if the benefits remain substantially the same and the actual providers of the health care are the same. The substitute amendment requires, however, that 50% of the net savings that accrue to the employer as a result of changing the health care coverage plan provider must be used to increase the wages paid to the employees affected by the change or the pay wage-related costs incurred by the employer for those employees in the 12-month period following the effective date of the change.

Under MERA, for labor disputes that go to arbitration, the arbitrator or arbitration panel must consider a variety of factors, some of which are given "greatest weight"; some of which are given "greater weight"; and some of which must simply be considered. Among the factors that must simply be considered are the wages, hours, and conditions of employment of employees providing similar services

and of employees in public and in private employment in the same and comparable communities. This substitute amendment provides that the arbitrator or arbitration panel must consider the wages, hours, and conditions of employment of the employees as a whole and not in isolation. In addition, another factor that must be considered is the average consumer prices for goods and services, commonly known as the cost of living. The substitute amendment provides that included in this cost of living factor are the average housing costs and other costs significantly affecting the quality of life.

***Health insurance plan study***

This substitute amendment requires the Group Insurance Board to study the feasibility of developing a group health insurance plan with at least three cost levels and a low-cost health insurance plan that provides coverage for catastrophic illness or injury.

***Long-term care insurance***

Under current law, the Group Insurance Board offers to state employees a long-term care insurance plan in which a state employee may purchase for himself or herself or for his or her spouse or parent or spouse's parent long-term care insurance. This substitute amendment requires the Group Insurance Board to offer this insurance to other government employers and their employees.

***Interagency task force on bulk purchasing of prescription drugs***

This substitute amendment directs the Secretary of Administration to organize an interagency task force on bulk purchasing of prescription drugs. The task force must examine the following: which state agencies would benefit from the bulk purchasing of prescription drugs; which methods of purchasing prescription drugs would result in the greatest cost savings; whether the state should directly administer the bulk purchasing of prescription drugs or whether the state should contract with a private entity; whether combining prescription drug purchasing efforts with other states is feasible and cost effective; how local governmental units could participate in the bulk purchasing of prescription drugs; whether it is feasible to include private sector entities in the bulk purchasing of prescription drugs; and the estimated cost savings that could be realized from the bulk purchasing of prescription drugs.

***Solicitation of health insurance bids***

Current law authorizes local governmental employers (which includes cities, villages, towns, counties, school districts, sewerage districts, drainage districts, and any other political subdivisions of the state) to offer health care coverage to their employees and employees' spouses and dependents. This substitute amendment requires OCI to promulgate rules developing a uniform form that a local government must use to solicit bids for its employees' health care coverage; requires insurers to use the form to submit bids to local governments; requires local governments that receive the bids to submit information about the bids to the Department of Electronic Government (DEG); and requires DEG to make the information available to the public, except information relating to a local government that has fewer than 50 employees.

***Health claims experience***

Under current law, an insurer must provide aggregate claims experience information, upon request, to the policyholder of a group health insurance policy and to an employer that provides health care coverage to its employees through a multiple-employer trust. This requirement applies only if the policyholder or employer provides coverage under the policy for at least 50 individuals, excluding individuals who are covered as dependents. Information must be provided for the current policy period and for up to two immediately preceding policy periods if the insurer provided coverage during those periods, but information is not required to be provided for any period of time that is before 18 months before the date of the request. The insurer must provide the information within 30 days after receiving the request and may not charge for providing the information one time in a 12-month period but may charge for additional requests during that time period.

This substitute amendment does the following:

1. Requires a local governmental unit, which includes a city, village, town, county, school district, sewerage district, drainage district, and any other political subdivision of the state, that requests aggregate group health claims experience that an insurer is required to provide to notify DEG when the local governmental unit requests the information.

2. Requires an insurer to provide to DEG the aggregate group health claims experience information that it provides to a local governmental unit at the same time that the insurer provides the information to the local governmental unit.

3. Requires OCI to develop, by rule, a uniform form for insurers to use when providing aggregate group health claims experience information to local governmental units and requires insurers to use the form when providing the information to local governmental units and to DEG.

4. Requires DEG to make the aggregate group health claims experience information that it receives from insurers available to the public, except that, prior to making the information available to the public, DEG must provide written notification of the proposed release to each local governmental unit to which the information relates. If the local governmental unit files a written request with DEG to withhold the information relating to that local governmental unit from public access, DEG must withhold the information from public access.

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

- 1           **SECTION 1.** 22.07 (10) of the statutes is created to read:
- 2           **22.07 (10)** Make available to the public without charge to local governmental
- 3 units, the information received from local governmental units under s. 66.0137 (5)
- 4 (c), except information received from local governmental units that have fewer than

1 50 employees, in a manner determined by the department to enable the general  
2 public to make meaningful comparisons of the bids received. The department shall  
3 specify the format that local governmental units shall use in submitting the  
4 information and shall make information about the format readily available to local  
5 governmental units.

6 **SECTION 2.** 22.07 (11) of the statutes is created to read:

7 22.07 (11) Make available to the public the aggregate group health claims  
8 experience information received from insurers under s. 632.797 (1) (d) in the manner  
9 determined by the department. Prior to making the information available to the  
10 public, the department shall provide written notification of the proposed release to  
11 each local governmental unit to which the information relates. If the local  
12 governmental unit files a written request with the department to withhold the  
13 information relating to that unit from public access under s. 19.35 (1), the  
14 department shall withhold that information from public access under s. 19.35 (1).

15 **SECTION 3.** 40.02 (25) (bm) of the statutes is amended to read:

16 40.02 (25) (bm) For the purpose of long-term care insurance, in addition to any  
17 state annuitant under s. 40.02 (54m), any employee of the state who received a salary  
18 or wages from an employer in the previous calendar year, and any participant who  
19 was at one time employed by the state who receives a lump sum payment under s.  
20 40.25 (1) which would have been an immediate annuity if paid as an annuity, if the  
21 employee is a resident of this state and meets all of the requirements for an  
22 immediate annuity including filing of an application, whether or not final  
23 administrative action has been taken.

24 **SECTION 4.** 62.61 of the statutes is renumbered 62.61 (1) and amended to read:

1           **62.61 (1) Health insurance; 1st class cities.** The common council of a 1st  
2 class city may, by ordinance or resolution, provide for, including the payment of  
3 premiums of, general hospital, surgical and group insurance for both active and  
4 retired city officers and city employees and their respective dependents in private  
5 companies, or may, by ordinance or resolution, elect to offer to all of its employees a  
6 health care coverage plan through a program offered by the group insurance board  
7 under ch. 40. Municipalities which elect to participate under s. 40.51 (7) are subject  
8 to the applicable sections of ch. 40 instead of this ~~section~~ subsection. Contracts for  
9 insurance under this ~~section~~ subsection may be entered into for active officers and  
10 employees separately from contracts for retired officers and employees.  
11 Appropriations may be made for the purpose of financing insurance under this  
12 ~~section~~ subsection. Moneys accruing to a fund to finance insurance under this  
13 ~~section~~ subsection, by investment or otherwise, may not be diverted for any other  
14 purpose than those for which the fund was set up or to defray management expenses  
15 of the fund or to partially pay premiums to reduce costs to the city or to persons  
16 covered by the insurance, or both.

17           **SECTION 5.** 62.61 (2) of the statutes is created to read:

18           **62.61 (2)** If a 1st class city solicits bids to provide health care coverage under  
19 sub. (1), the 1st class city shall use the uniform local governmental health care  
20 coverage request-for-proposals form developed by the commissioner of insurance  
21 under s. 601.41 (10) to solicit the bids.

22           **SECTION 6.** 62.61 (3) of the statutes is created to read:

23           **62.61 (3)** A 1st class city shall submit information about a bid it receives to the  
24 department of electronic government in the format specified under s. 22.07 (10) no  
25 later than 30 days after the bid is received or, in the case of a sealed bid, no later than

1 30 days after the bid is opened. At the time the information is submitted to the  
2 department of electronic government, the 1st class city shall do at least one of the  
3 following:

4 (a) Post the same information on the city's Internet site, if any.

5 (b) Post notice on the city's Internet site, if any, that the information has been  
6 submitted to the department of electronic government.

7 (c) Post or publish as a class 1 notice under ch. 985 a statement that the  
8 information has been submitted to the department of electronic government and will  
9 be available on the state's Internet site, if any, or a statement that the information  
10 may be viewed at a specified location in the 1st class city, or both.

11 **SECTION 7.** 66.0137 (1) of the statutes is amended to read:

12 66.0137 (1) DEFINITION. In this section, "local governmental unit" means a city,  
13 village, town, county, school district (~~as enumerated in s. 67.01 (5)~~), sewerage  
14 district, drainage district, and, ~~without limitation because of enumeration,~~ any other  
15 political subdivision of the state.

16 **SECTION 8.** 66.0137 (5) of the statutes is renumbered 66.0137 (5) (a) amended  
17 to read:

18 66.0137 (5) (a) The state or a local governmental unit may provide for the  
19 payment of premiums for hospital, surgical and other health and accident insurance  
20 and life insurance for employees and officers and their spouses and dependent  
21 children. A local governmental unit may also provide for the payment of premiums  
22 for hospital and surgical care for its retired employees. In addition, a local  
23 governmental unit may, by ordinance or resolution, elect to offer to all of its  
24 employees a health care coverage plan through a program offered by the group  
25 insurance board under ch. 40. A local governmental unit that elects to participate

1 under s. 40.51 (7) is subject to the applicable sections of ch. 40 instead of this  
2 subsection paragraph.

3 **SECTION 9.** 66.0137 (5) (b), (c) and (d) of the statutes are created to read:

4 66.0137 (5) (b) If a local governmental unit solicits bids to provide health care  
5 coverage under par. (a), the local governmental unit shall use the uniform local  
6 governmental health care coverage request-for-proposals form developed by the  
7 commissioner of insurance under s. 601.41 (10) to solicit the bids.

8 (c) A local governmental unit shall submit information about a bid it receives  
9 to the department of electronic government in the format specified under s. 22.07 (10)  
10 no later than 30 days after the bid is received or, in the case of a sealed bid, no later  
11 than 30 days after the bid is opened. Except as provided in par. (d), at the time the  
12 information is submitted to the department of electronic government, the local  
13 governmental unit shall do at least one of the following:

14 1. Post the same information on the local government's Internet site, if any.

15 2. Post notice on the local government's Internet site, if any, that the  
16 information has been submitted to the department of electronic government and will  
17 be available on the state's Internet site, if any.

18 3. Post or publish as a class 1 notice under ch. 985 a statement that the  
19 information has been submitted to the department of electronic government and will  
20 be available on the state's Internet site, if any, or a statement that the information  
21 may be viewed at a specified location in the local governmental unit, or both.

22 (d) Paragraph (c) does not apply to a local governmental unit that has fewer  
23 than 50 employees.

24 **SECTION 10.** 111.70 (1) (a) of the statutes is amended to read:

1           111.70 (1) (a) “Collective bargaining” means the performance of the mutual  
2 obligation of a municipal employer, through its officers and agents, and the  
3 representative of its municipal employees in a collective bargaining unit, to meet and  
4 confer at reasonable times, in good faith, with the intention of reaching an  
5 agreement, or to resolve questions arising under such an agreement, with respect to  
6 wages, hours and conditions of employment, and with respect to a requirement of the  
7 municipal employer for a municipal employee to perform law enforcement and fire  
8 fighting services under s. 61.66, except as provided in sub. (4) (m), (n), and (o) and  
9 s. 40.81 (3) and except that a municipal employer shall not meet and confer with  
10 respect to any proposal to diminish or abridge the rights guaranteed to municipal  
11 employees under ch. 164. The duty to bargain, however, does not compel either party  
12 to agree to a proposal or require the making of a concession. Collective bargaining  
13 includes the reduction of any agreement reached to a written and signed document.  
14 The municipal employer shall not be required to bargain on subjects reserved to  
15 management and direction of the governmental unit except insofar as the manner  
16 of exercise of such functions affects the wages, hours and conditions of employment  
17 of the municipal employees in a collective bargaining unit. In creating this  
18 subchapter the legislature recognizes that the municipal employer must exercise its  
19 powers and responsibilities to act for the government and good order of the  
20 jurisdiction which it serves, its commercial benefit and the health, safety and welfare  
21 of the public to assure orderly operations and functions within its jurisdiction,  
22 subject to those rights secured to municipal employees by the constitutions of this  
23 state and of the United States and by this subchapter.

24           **SECTION 11.** 111.70 (4) (c) 2m. of the statutes is created to read:

1           111.70 (4) (c) 2m. ‘Factors used in arbitration to settle disputes.’ If the parties  
2 to a dispute agree to have the commission or any other appropriate agency serve as  
3 arbitrator to resolve the dispute and if the commission or any other appropriate  
4 agency compares the wages, hours, and conditions of employment of the municipal  
5 employees involved in the arbitration proceedings with the wages, hours, and  
6 conditions of employment of any other employees, the commission or other  
7 appropriate agency shall compare the wages, hours, and conditions of employment  
8 as a whole, rather than as individual elements.

9           **SECTION 12.** 111.70 (4) (cm) 7r. d. of the statutes is amended to read:

10           111.70 (4) (cm) 7r. d. Comparison of wages, hours and conditions of employment  
11 of the municipal employees involved in the arbitration proceedings with the wages,  
12 hours and conditions of employment of other employees performing similar services.  
13 In making this comparison, the arbitrator or arbitration panel shall consider wages,  
14 hours, and conditions of employment as a whole, rather than as individual elements.

15           **SECTION 13.** 111.70 (4) (cm) 7r. e. of the statutes is amended to read:

16           111.70 (4) (cm) 7r. e. Comparison of the wages, hours and conditions of  
17 employment of the municipal employees involved in the arbitration proceedings with  
18 the wages, hours and conditions of employment of other employees generally in  
19 public employment in the same community and in comparable communities. In  
20 making this comparison, the arbitrator or arbitration panel shall consider wages,  
21 hours, and conditions of employment as a whole, rather than as individual elements.

22           **SECTION 14.** 111.70 (4) (cm) 7r. f. of the statutes is amended to read:

23           111.70 (4) (cm) 7r. f. Comparison of the wages, hours and conditions of  
24 employment of the municipal employees involved in the arbitration proceedings with  
25 the wages, hours and conditions of employment of other employees in private

1 employment in the same community and in comparable communities. In making  
2 this comparison, the arbitrator or arbitration panel shall consider wages, hours, and  
3 conditions of employment as a whole, rather than as individual elements.

4 **SECTION 15.** 111.70 (4) (cm) 7r. g. of the statutes is amended to read:

5 111.70 (4) (cm) 7r. g. The average consumer prices for goods and services,  
6 commonly known as the cost of living, including specifically average housing costs  
7 and other costs significantly affecting the quality of life.

8 **SECTION 16.** 111.70 (4) (cm) 7r. h. of the statutes is amended to read:

9 111.70 (4) (cm) 7r. h. The overall compensation presently received by the  
10 municipal employees, including direct wage compensation, vacation, holidays and  
11 excused time, insurance and pensions, medical and hospitalization benefits, the  
12 continuity and stability of employment, and all other benefits received. In making  
13 this comparison, the arbitrator or arbitration panel shall consider wages, hours, and  
14 conditions of employment as a whole, rather than as individual elements.

15 **SECTION 17.** 111.70 (4) (jm) 4m. of the statutes is created to read:

16 111.70 (4) (jm) 4m. For the purpose of setting wages and determining hours and  
17 conditions of employment under subd. 4., if the arbitrator compares the wages,  
18 hours, and conditions of employment with the wages, hours, and conditions of  
19 employment of other employees performing similar services or in the same  
20 community or comparable communities, the arbitrator shall consider wages, hours,  
21 and conditions of employment as a whole, rather than as individual elements.

22 **SECTION 18.** 111.70 (4) (n) of the statutes is created to read:

23 111.70 (4) (n) *Municipal employer-initiated change in health care coverage*  
24 *plan provider.* 1. Notwithstanding the terms of a collective bargaining agreement,  
25 a municipal employer may unilaterally change its employees' health care coverage

1 plan provider without the consent of any affected employee in the collective  
2 bargaining unit if the benefits provided by the new health care coverage plan  
3 provider are substantially similar to those provided by the former health care  
4 coverage plan provider and if the persons who provide health care coverage under  
5 the new plan are the same as under the former plan. Any such unilateral change in  
6 health care coverage plan provider is not a violation of a collective bargaining  
7 agreement or a prohibited practice under sub. (3) (a) and, for purposes of a qualified  
8 economic offer, satisfies the requirement to maintain fringe benefits under sub. (1)  
9 (nc).

10 2. A municipal employer shall use 50% of the net savings that accrue to the  
11 municipal employer as a result of a change in health care coverage plan provider  
12 under subd. 1. to increase the wages paid to the affected municipal employees and  
13 to pay wage-related costs incurred by the municipal employer for those municipal  
14 employees during the 12-month period following the effective date of the change.  
15 The payment of any such increase in wages and wage-related costs by the municipal  
16 employer is not a prohibited practice under sub. (3) (a).

17 **SECTION 19.** 111.70 (4) (o) of the statutes is created to read:

18 111.70 (4) (o) *Prohibited subject of collective bargaining.* 1. A municipal  
19 employer is prohibited from bargaining collectively with respect to the employer's  
20 selection of a health care coverage plan if the municipal employer offers to enroll the  
21 employees in a health care coverage plan under s. 40.51 (7) or in a health care  
22 coverage plan that is substantially similar to a plan offered under s. 40.51 (7). The  
23 commission shall use the criteria in rules promulgated by the commissioner of  
24 insurance under s. 601.41 (12) to determine if health care coverage plans are  
25 substantially similar.

1           2. This paragraph does not apply to a municipal employer with respect to its  
2 school district professional employees.

3           **SECTION 20.** 111.77 (6) (dm) of the statutes is created to read:

4           111.77 **(6)** (dm) In making the comparison of wages, hours, and conditions of  
5 employment under par (d), the arbitrator shall consider wages, hours, and conditions  
6 of employment as a whole, rather than as individual elements.

7           **SECTION 21.** 601.41 (10) of the statutes is created to read:

8           601.41 **(10)** LOCAL GOVERNMENT HEALTH CARE COVERAGE REQUEST-FOR-PROPOSALS  
9 FORM. The commissioner shall by rule develop a uniform local government health  
10 care coverage request-for-proposals form that a local governmental unit must use  
11 under s. 66.0137 (5) (b) if the local governmental unit solicits bids for health care  
12 coverage. The commissioner shall publish a notice in the Wisconsin Administrative  
13 Register that states the effective date of the rule required under this subsection.

14           **SECTION 22.** 601.41 (11) of the statutes is created to read:

15           601.41 **(11)** LOCAL GOVERNMENT HEALTH CARE CLAIMS EXPERIENCE FORM. The  
16 commissioner shall by rule develop a uniform local government health claims  
17 experience form that an insurer must use under s. 632.797 (1) (d). The form may not  
18 require the disclosure of information that identifies an individual or that is  
19 confidential under s. 51.30, 146.82, or 252.15 or any applicable federal law. The  
20 commissioner shall publish a notice in the Wisconsin Administrative Register that  
21 states the effective date of the rule required under this subsection.

22           **SECTION 23.** 601.41 (12) of the statutes is created to read:

23           601.41 **(12)** SUBSTANTIALLY SIMILAR HEALTH CARE COVERAGE PLAN. The  
24 commissioner shall promulgate rules, that set out a standardized summary of  
25 benefits provided under health care coverage plans, including plans offered under

1 s. 40.51 (7), for use in determining whether a health care coverage plan is  
2 substantially similar to a plan offered under s. 40.51 (7).

3 **SECTION 24.** 610.66 of the statutes is created to read:

4 **610.66 Local government health care coverage request-for-proposals**  
5 **form.** Every insurer shall use the uniform local government health care coverage  
6 request-for-proposals form developed by the commissioner under s. 601.41 (10)  
7 when submitting a bid to a local governmental unit under s. 66.0137 (5) (b).

8 **SECTION 25.** 632.797 (1) (d) of the statutes is created to read:

9 632.797 (1) (d) 1. “Local governmental unit” has the meaning given in s.  
10 66.0137 (1).

11 2. A policyholder or employer that is a local governmental unit and that  
12 requests information under par. (a) that an insurer is required to provide under this  
13 section shall notify the department of electronic government when it makes the  
14 request for the information.

15 3. An insurer that is required to provide the information under par. (a) to a local  
16 governmental unit shall also provide the information to the department of electronic  
17 government at the same time as the insurer provides the information to the local  
18 governmental unit.

19 4. The insurer shall use the uniform local government health claims experience  
20 form developed by the commissioner under s. 601.41 (11) to submit the claims  
21 experience information to the local governmental unit and to the department of  
22 electronic government.

23 5. If the insurer fails to provide the information to the department of electronic  
24 government by the deadline specified in par. (b), the department of electronic  
25 government may report the failure to the commissioner.

1           **SECTION 26.** 632.797 (5) of the statutes is amended to read:

2           632.797 (5) An insurer is not required under sub. (1) to provide information  
3 that identifies an individual or that is confidential under s. 51.30, 146.82, or 252.15  
4 or any applicable federal law.

5           **SECTION 27. Nonstatutory provisions.**

6           (1) GROUP INSURANCE BOARD STUDY.

7           (a) The group insurance board shall consult with representatives of group  
8 insurance plans regarding the feasibility of developing the following plans for  
9 employers to offer their employees under section 40.51 (7) of the statutes:

10           1. A group health insurance plan with at least 3 cost levels, for the purpose of  
11 offering a greater choice of plans based on cost to employers and employees.

12           2. A low-cost health insurance plan that provides coverage for catastrophic  
13 illness or injury.

14           (b) The group insurance board shall report its findings under paragraph (a) to  
15 the governor and to the legislature in the manner provided under section 13.172 (2)  
16 of the statutes no later than July 1, 2003.

17           (2) INTERAGENCY TASK FORCE ON BULK PURCHASING OF PRESCRIPTION DRUGS.

18           (a) The secretary of administration shall organize, and provide staff support  
19 for, an interagency task force on bulk purchasing of prescription drugs consisting of  
20 the heads of the following state agencies or their designees:

21           1. Department of administration.

22           2. Department of health and family services.

23           3. Department of employee trust funds.

24           4. Department of veterans affairs.

25           5. Department of corrections.

1           6. Board of regents of the University of Wisconsin System.

2           7. Any other state agency that purchases prescription drugs.

3           (b) The interagency task force shall examine all of the following:

4           1. Which state agencies would benefit from the bulk purchasing of prescription  
5 drugs.

6           2. Which methods of purchasing prescription drugs would result in the greatest  
7 cost savings.

8           3. Whether the state should directly administer the bulk purchasing of  
9 prescription drugs or whether the state should contract with a private entity.

10          4. Whether combining prescription drug purchasing efforts with other states  
11 is feasible and cost effective.

12          5. How local governmental units could participate in the bulk purchasing of  
13 prescription drugs.

14          6. Whether it is feasible to include private sector entities in the bulk purchasing  
15 of prescription drugs.

16          7. The estimated cost savings that could be realized from the bulk purchasing  
17 of prescription drugs.

18          (c) The interagency task force shall submit its finding to the governor and to  
19 the legislature in the manner provided under section 13.172 (2) of the statutes no  
20 later than June 1, 2003. Upon submittal of its findings, the interagency task force  
21 ceases to exist.

22          (3) SUBMISSION OF RULES. The commissioner of insurance shall submit in  
23 proposed form the rules required under section 601.41 (10) and (11) of the statutes,  
24 as created by this act, to the legislative council staff under section 227.15 (1) of the

1 statutes no later than the first day of the 4th month beginning after the effective date  
2 of this subsection.

3 **SECTION 28. Initial applicability.**

4 (1) The treatment of sections 62.61 (2) and (3), 66.0137 (5) (b), (c), and (d),  
5 610.66 of the statutes first applies to bids solicited by a local governmental unit on  
6 the first day of the 3rd month beginning after the date stated in the notice published  
7 by the commissioner of insurance in the Wisconsin Administrative Register under  
8 section 601.41 (10) of the statutes.

9 (2) The treatment of section 111.70 (1) (a) and (4) (n) and (o) of the statutes first  
10 applies to collective bargaining agreements entered into, extended, modified, or  
11 renewed, whichever occurs first, on the effective date of this subsection.

12 (3) The treatment of sections 111.70 (4) (c) 2m., (cm) 7r. d., 7r. e., 7r. f., 7r. g.,  
13 and 7r. h., and (jm) and 111.77 (6) (dm) of the statutes first applies to an arbitration  
14 decision that results from a petition for arbitration submitted on the effective date  
15 of this subsection.

16 (4) The treatment of section 632.797 (1) (d) of the statutes first applies to  
17 requests for health claims experience information made by a local governmental unit  
18 on the first day of the 3rd month beginning after the date stated in the notice  
19 published by the commissioner of insurance in the Wisconsin Administrative  
20 Register under section 601.41 (11) of the statutes.

21 (END)