

**2003 DRAFTING REQUEST**

**Bill**

Received: **09/18/2002**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 7-9546**

By/Representing: **Jablonsky**

This file may be shown to any legislator: **NO**

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Health - miscellaneous  
Insurance - health**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

**Pre Topic:**

DOA:.....Jablonsky - BB0022

**Topic:**

Eliminate HIRSP administrator requirement

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 09/18/2002	kgilfoy 09/18/2002		_____			State
/P1			pgreensl 09/19/2002	_____	sbasford 09/19/2002		State
/1	pkahler	kgilfoy	pgreensl	_____	sbasford		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	01/08/2003	01/08/2003	01/09/2003	_____	01/09/2003		

FE Sent For:

<END>

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/P1		11-1/8/03 kmj	pgreensl 09/19/2002	1/9/03 seth	sbasford 09/19/2002		
			1/9/03 pg				

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FE Sent For:		PI-9/18 Kmg	9/19 PS	9/19 <END> PS/R			

# DHFS

*Department of Health and Family Services*  
2003-2005 Biennial Budget Statutory Language Request  
September 13, 2002

## Competitive Procurement for the Health Insurance Risk Sharing Plan (HIRSP) Administrator

### Current Language

S. 149.16 (1) requires that the HIRSP plan administrator must be the Medicaid fiscal agent.

### Proposed Change

Remove the requirement that the HIRSP plan administrator be the Medicaid fiscal agent.

### Effect of the Change

This change would allow the Department to competitively procure a plan administrator for the HIRSP program.

### Rationale for the Change

At the end of 2005 the current Medicaid fiscal agent contract will expire. The Department will be issuing a competitive RFP to award a new contract. Under current statutes, the HIRSP plan administrator contract would be bid as a part of the Medicaid contract.

By removing the requirement that the HIRSP plan administrator be the Medicaid fiscal agent, the Department will be able to competitively procure a plan administrator for the HIRSP program. As a result, the HIRSP plan administrator could differ from the MA fiscal agent. A competitive bid process would ensure that the Department gets the benefit of the most cost-effective contractor.

**Desired Effective Date:** Upon Passage of the Budget Bill  
**Agency:** DHFS  
**Agency Contact:** Curtis Cunningham  
**Phone:** 266-5362



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-0133/P1  
PJK: /...  
img

DOA:.....Jablonsky – Eliminate HIRSP administrator requirement  
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

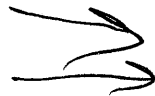
SOON  
(9-18)  
D-note

do not  
get cut

1 AN ACT <sup>✓</sup>; relating to: the administrator of the health insurance risk-sharing  
2 plan.

*Analysis by the Legislative Reference Bureau*  
**HEALTH AND HUMAN SERVICES**

**OTHER HEALTH AND HUMAN SERVICES**



The health insurance risk-sharing plan (HIRSP) under current law provides major medical health insurance coverage for persons who are covered under medicare because they are disabled, persons who have tested positive for the human immunodeficiency virus, and persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition. HIRSP is administered by DHFS, in conjunction with a plan administrator and a board of governors ~~with~~ Current law provides that the plan administrator is the <sup>same</sup> fiscal agent with which DHFS contracts to administer the medical assistance program. This bill eliminates the requirement that the plan administrator be the fiscal agent for the medical assistance program and provides that the plan administrator be selected by DHFS in a competitive bidding process.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

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

2 SECTION 2. 149.16 (1) of the statutes is repealed.

3 SECTION 3. 149.10 (1m) of the statutes is created to read:

4 149.10 (1m) The plan administrator shall be selected by the department in a  
5 competitive bidding process.

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

7 149.16 (4) ~~The~~ If the plan administrator selected under sub. (1m) is the fiscal  
8 agent under s. 49.45 (2) (b) 2., the plan administrator shall account for costs related  
9 to the plan separately from costs related to medical assistance ~~under subch. IV of ch.~~  
10 49.

11 History: 1997 a. 27 ss. 3030, 3031, 4882 to 4884c, 4886; 1999 a. 9.

(END)

*D-note*



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

LRB-0133/dn

PJK:.....

PI  
King

Sue:

I wasn't sure if removing the MA fiscal agent requirement would automatically authorize DHFS to select the plan administrator through competitive bidding, so I specified that the plan administrator must be selected in that way. Perhaps "may be selected in a competitive bidding process" would be preferable to "shall be selected in a competitive bidding process."

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.state.wi.us](mailto:pam.kahler@legis.state.wi.us)

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

LRB-0133/P1dn  
PJK:kmg:pg

September 19, 2002

Sue:

I wasn't sure if removing the MA fiscal agent requirement would automatically authorize DHFS to select the plan administrator through competitive bidding, so I specified that the plan administrator must be selected in that way. Perhaps "may be selected in a competitive bidding process" would be preferable to "shall be selected in a competitive bidding process."

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.state.wi.us](mailto:pam.kahler@legis.state.wi.us)

## Kahler, Pam

---

**From:** Jablonsky, Sue  
**Sent:** Wednesday, January 08, 2003 4:42 PM  
**To:** Kahler, Pam  
**Subject:** FW: FW: LRB Draft: 03-0133/P1 Eliminate HIRSP administrator requirement

Thanks and here's the spreadsheet for taking all the GPR and changing the splits

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

**From:** Cunningham, Curtis  
**Sent:** Wednesday, January 08, 2003 3:49 PM  
**To:** Jablonsky, Sue  
**Cc:** Dombrowicki, Angela; Kristan, Margaret; Bove, Fredi-Ellen; Cunningham, Curtis; Megna, Richard  
**Subject:** Re: FW: LRB Draft: 03-0133/P1 Eliminate HIRSP administrator requirement

Sue,  
We have two changes.

1) Please add in the analysis section that HIRSP also provides coverage for individuals who have lost their employer sponsored health insurance coverage.

2) Either eliminate the 149.16 (1m) language or incorporate the language that is included in the drafters's notes so that the language would change from:

"The plan administrator shall be selected by the Department in a competitive bidding process"

to

"The plan administrator may be selected by the Department in a competitive bidding process"

The main purpose of this language change is to separate the MA fiscal agent and the HIRSP plan administrator. This will allow the program to have the maximum flexibility to procure the most cost effective and efficient plan administrator. Although we are proposing to competitively bid the PA contract we don't want to restrict or dictate how this should be done. The Board could determine after competitively bidding the contract that it may want to continue with the MA fiscal agent or decide to procure a fiscal agent through a sole source contract.

Please let me know if you have any questions.

Regards,  
Curtis

>>> Jablonsky, Sue 12/18/02 02:42PM >>>

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

**From:** Greenslet, Patty  
**Sent:** Thursday, September 19, 2002 10:47 AM  
**To:** Jablonsky, Sue  
**Cc:** Kraus, Jennifer; Hanaman, Cathlene; Haugen, Caroline  
**Subject:** LRB Draft: 03-0133/P1 Eliminate HIRSP administrator requirement

Following is the PDF version of draft 03-0133/P1.



*r m is run*

DOA:.....Jablonsky - Eliminate HIRSP administrator requirement  
FOR 2003-05 BUDGET -- NOT READY FOR INTRODUCTION

*SOON  
(1-8)*

*do not get out*

1 AN ACT *relating to:* the administrator of the health insurance risk-sharing  
2 plan.

*Analysis by the Legislative Reference Bureau*  
**HEALTH AND HUMAN SERVICES**

**OTHER HEALTH AND HUMAN SERVICES**

The health insurance risk-sharing plan (HIRSP) under current law provides major medical health insurance coverage for persons who are covered under Medicare because they are disabled, persons who have tested positive for the human immunodeficiency virus, and persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition. HIRSP is administered by DHFS, in conjunction with a plan administrator and a board of governors. Current law provides that the plan administrator is the same fiscal agent with which DHFS contracts to administer the medical assistance program. This bill eliminates the requirement that the plan administrator be the fiscal agent for the ~~medical assistance~~ program and provides that the plan administrator be selected by DHFS in a competitive bidding process.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*Insert A*

*(MA)*

*may*

*MAA*

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8 agent under s. 49.45 (2) (b) 2., the plan administrator shall account for costs related  
9 to the plan separately from costs related to medical assistance ~~under subch. IV of ch.~~  
10 49.

11 (END)

**2003-2004 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0133/lins  
PJK:kg:pg

**INSERT A** ✓

wof Also eligible for coverage are persons who currently do not have health insurance coverage, but who were covered under certain types of health insurance coverage for at least 18 months in the past and have exhausted any continuation coverage for which they were eligible.

**(END OF INSERT A)**



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-0133/1  
PJK:kmg:pg

DOA:.....Jablonsky – BB0022 Eliminate HIRSP administrator requirement

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

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*Analysis by the Legislative Reference Bureau*

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HIRSP is administered by DHFS, in conjunction with a plan administrator and a board of governors. Current law provides that the plan administrator is the same fiscal agent with which DHFS contracts to administer the Medical Assistance (MA) Program. This bill eliminates the requirement that the plan administrator be the fiscal agent for the MA Program and provides that the plan administrator may be selected by DHFS in a competitive bidding process.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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7           **149.16 (4)** The If the plan administrator is the fiscal agent under s. 49.45 (2)

8 (b) 2., the plan administrator shall account for costs related to the plan separately

9 from costs related to medical assistance under subch. IV of ch. 49.

10

(END)