

**2003 DRAFTING REQUEST**

**Bill**

Received: **01/03/2003**

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: **Insurance - health  
Health - miscellaneous**

Extra Copies:

Submit via email: **NO**

**Pre Topic:**

DOA:.....Jablonsky - BB0308,

**Topic:**

Changes to HIRSP

**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 01/03/2003	kgilfoy 01/07/2003		_____			State
/P1			rschluet 01/07/2003	_____	amentkow 01/07/2003		State
/P2	pkahler 01/28/2003	kgilfoy 01/28/2003	pgreensl 01/29/2003	_____	amentkow 01/29/2003		State
/P3	pkahler 01/29/2003	kgilfoy 01/30/2003	rschluet 01/31/2003	_____	mbarman 01/31/2003		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	pkahler 02/02/2003	chanaman 02/02/2003	rschluet 02/02/2003	_____	sbasford 02/03/2003		

FE Sent For:

<END>

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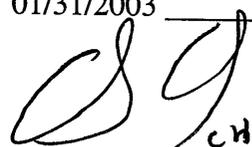
**Instructions:**

See Attached

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/P3	pkahler 01/29/2003	kgilfoy 01/30/2003	rschluet 01/31/2003	_____	mbarman 01/31/2003		

  
2-2-3 CH

FE Sent For:

**<END>**

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/P1			rschluet 01/07/2003		amentkow 01/07/2003		State
/P2	pkahler 01/28/2003	kgilfoy 01/28/2003	pgreensl 01/29/2003		amentkow 01/29/2003		

FE Sent For:

*1/3-1/30  
Kmg*

*[Signature]*  
*1-30-3*  
**<END>**

**2003 DRAFTING REQUEST**

**Bill**

Received: **01/03/2003**

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: **Insurance - health  
Health - miscellaneous**

Extra Copies:

Submit via email: **NO**

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**Pre Topic:**

DOA:.....Jablonsky - BB0308,

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**Topic:**

Changes to HIRSP

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**Instructions:**

See Attached

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**Drafting History:**

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/?	pkahler 01/03/2003	kgilfoy 01/07/2003					State
/P1		1/22-1/28 kmq	rschluet 01/07/2003	1/29 P8	amentkow 01/07/2003		
FE Sent For:			1/29 Pg	1/29 P8			<END>

2003 DRAFTING REQUEST

Bill

Received: 01/03/2003

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Wanted: Soon

Identical to LRB:

For: Administration-Budget 7-9546

By/Representing: Jablonsky

This file may be shown to any legislator: NO

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Addl. Drafters:

Subject: Insurance - health  
Health - miscellaneous

Extra Copies:

Submit via email: NO

Pre Topic:

DOA:.....Jablonsky - BB0308,

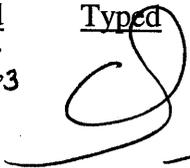
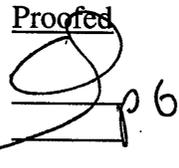
Topic:

Changes to HIRSP

Instructions:

See Attached

Drafting History:

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/?	pkahler	1/1-1/6/03 Kmg					

FE Sent For:

1-7-3

<END>



*HIRSP Reduction*  
**STATE OF WISCONSIN**

Department of Administration  
Division of State Executive Budget & Planning  
101 E. Wilson St., 10th Floor  
P.O. Box 7864  
Madison, WI 53707-7864

DATE: 12/30/02

TO: Steve Miller

FROM: Sue Lablonday 7-9546

I want to eliminate the \$9.5 million  
GDR subsidy (but keep the premium  
subsidy) + change the funding  
applies to 40% policyholder, 30%  
insurers + 30% to providers.

LRB-1300

660308



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-1300/7

PJK/.....  
*King*

DOA:.....Jablonsky - BB0308, Changes to HIRSP

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

*SOON  
(1-3)  
D-vote*

*do not  
get cut*

1 AN ACT *x*; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**OTHER HEALTH AND HUMAN SERVICES**

The Health Insurance Risk-Sharing Plan (HIRSP) provides major medical health insurance coverage for persons who are covered under medicare because they are disabled, persons who have tested positive for human immunodeficiency virus (HIV), 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. Also eligible for coverage are persons who do not currently have health insurance coverage, but who were covered under certain types of health insurance coverage for at least 18 months in the past. Responsibility for administering HIRSP is split between DHFS and a board of governors.

Under current law, a specified amount of general purpose revenue is used to pay the operating costs of HIRSP. The remainder of the operating costs are paid 60% by premiums paid by persons covered under HIRSP and 40% through insurer assessments and provider discounts, in equal amounts. Premiums and deductibles for covered persons with annual household incomes below \$25,000 are partially subsidized with more general purpose revenue and, if that is insufficient, with further insurer assessments and provider discounts. Generally, premiums may not be set at less than 140%, nor more than 200%, of the rate that a standard risk would be charged under an individual policy providing the same coverage and deductibles as are provided under HIRSP.

This bill changes the way in which the operating costs of HIRSP are paid. Except for the premium and deductible subsidies, which are not changed, general purpose revenue is no longer used to pay operating costs. Operating costs are paid 40% by premiums paid by covered persons and 60% through insurer assessments and provider discounts, in equal amounts. The requirement that premiums be set at not less than 140%, nor more than 200%, of the rate that a standard risk would be charged remains the same.

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. 20.435 (4) (af) of the statutes is repealed.

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

2 SECTION 2. 25.55 (1) of the statutes is repealed.

3 SECTION 3. 149.143 (1) (a) of the statutes is repealed.

4 SECTION 4. 149.143 (1) (b) (intro.) of the statutes is repealed.

5 SECTION 5. 149.143 (1) (b) 2. of the statutes is renumbered 149.143 (1) (bm), and  
6 149.143 (1) (bm) (intro.), as renumbered, is amended to read:

7 149.143 (1) (bm) (intro.) A total of 40% 60% as follows:

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

8 SECTION 9324. Initial applicability; health and family services.

9 (1) PAYMENT OF HEALTH INSURANCE RISK-SHARING PLAN COSTS. The treatment of  
10 sections ~~149.143~~ of the statutes first applies to the first plan year beginning after  
11 the effective date of this subsection.

12 (END)

Insert 2-4

Insert 2-7

Insert 2-10

Insert 2-4 ✓

is renumbered 149.143 (1)(am), and 149.143 (1)(am) (intro.), 2., 3., and 4., as renumbered,

Section #. 149.143 (1) (b) 1. of the statutes ~~are~~ amended to read:

(am) (intro.) → 40%

149.143 (1) ~~is~~ A total of ~~60%~~ from the following sources, calculated as follows:

1. ~~First, from premiums from eligible persons with coverage under s. 149.14 (2) (a) set at a rate that is 140% to 150% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as are provided under the plan and from eligible persons with coverage under s. 149.14 (2) (b) set in accordance with s. 149.14 (5m), including amounts received for premium and deductible subsidies under s. 149.144 and under the transfer to the fund from the appropriation account under s. 20.435 (4) (ah), and from premiums collected from eligible persons with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b).~~

2. ~~Second, from moneys specified under sub. (2m), to the extent that the amounts under subd.~~

1. ~~a.~~ are insufficient to pay ~~60%~~ of plan costs. → 40%  
↑ strike

3. ~~Third, by increasing premiums from eligible persons with coverage under s. 149.14 (2) (a) to more than the rate at which premiums were set under subd. 1. a. but not more than 200% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as are provided under the plan and from eligible persons with coverage under s. 149.14 (2) (b) by a comparable amount in accordance with s. 149.14 (5m), including amounts received for premium and deductible subsidies under s. 149.144 and under the transfer to the fund from the appropriation account under s. 20.435 (4) (ah), and by increasing premiums from eligible persons with coverage under s. 149.146 in accordance with s. 149.146 (2) (b), to the extent that the amounts under subd. 1. a. and b. are insufficient to pay 60% of plan costs.~~

4. ~~Fourth, notwithstanding subd. 2. b. by increasing insurer assessments, excluding assessments under s. 149.144, and adjusting provider payment rates, subject to s. 149.142 (1) (b) and excluding adjustments to those rates under s. 149.144, in equal proportions and to the extent that the amounts under subd. 1. a. to c. are insufficient to pay 60% of plan costs.~~

subds. 1. and 2. → 40%  
par. (bm) ✓

4. ~~Fourth, notwithstanding subd. 2. b. by increasing insurer assessments, excluding assessments under s. 149.144, and adjusting provider payment rates, subject to s. 149.142 (1) (b) and excluding adjustments to those rates under s. 149.144, in equal proportions and to the extent that the amounts under subd. 1. a. to c. are insufficient to pay 60% of plan costs.~~ → 40%

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

subds. 1. to 3. ✓

(end of insert 2-4)

insert 2-7 ✓

100% 10

Section #. 149.143 (2) (a) 1. of the statutes is amended to read:

149.143 (2) (a) 1. a. Estimate the amount of enrollee premiums that would be received in the new plan year if the enrollee premiums were set at a level sufficient, when including amounts received for premium and deductible subsidies under s. 149.144 and under the transfer to the fund from the appropriation account under s. 20.435 (4) (ah) and from premiums collected from eligible persons with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b), to cover ~~60%~~ <sup>40%</sup> of the estimated plan costs for the new plan year, ~~after deducting from the estimated plan costs the amount available for transfer to the fund from the appropriation account under s. 20.435 (4) (af) for that plan year.~~

<sup>1.</sup> b. Estimate the amount of enrollee premiums that will be received under sub. (1) ~~(b) 1.~~ <sup>(am) 1. ✓</sup>

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

SECTION #. AM; 149.143 (2) (a) 1. b.



Ins 2-7

2009/10

Section #. 149.143 (2) (a) 2. of the statutes is amended to read:

149.143 (2) (a) 2. After making the determinations under subd. 1., by rule set premium rates for the new plan year, including the rates under s. 149.146 (2) (b), in the manner specified in sub. (1) ~~(b) 1. a. and c.~~ and such that a rate for coverage under s. 149.14 (2) (a) is approved by the board and is not less than 140% nor more than 200% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as are provided under the plan.

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

(am) 1. and 3.



ens 2-7

30/16

Section #. 149.143 (2) (a) 3. of the statutes is amended to read:

149.143 (2) (a) 3. By rule set the total insurer assessments under s. 149.13 for the new plan year by estimating and setting the assessments at the amount necessary to equal the amounts specified in sub. (1) ~~(b) 1. d. and 2. a.~~ and notify the commissioner of the amount.

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

(am) 4. and (bm) 1.



Ins 2-7

48910

Section #. 149.143 (2) (a) 4. of the statutes is amended to read:

149.143 (2) (a) 4. By the same rule as under subd. 3. adjust the provider payment rate for the new plan year, subject to s. 149.142 (1) (b), by estimating and setting the rate at the level necessary to equal the amounts specified in sub. (1) ~~(b) 1. d. and 2. b.~~ and as provided in s. 149.145.

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

(am) 4. and (bm) 2.



Ins 2-7

50710

Section #. 149.143 (2) (b) of the statutes is amended to read:

149.143 (2) (b) In setting the premium rates under par. (a) 2., the insurer assessment amount under par. (a) 3. and the provider payment rate under par. (a) 4. for the new plan year, the department shall include any increase or decrease necessary to reflect the amount, if any, by which the rates and amount set under par. (a) for the current plan year differed from the rates and amount which would have equaled the amounts specified in sub. (1) ~~(b)~~ in the current plan year.

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

✓ ✓  
(am) and (bm)

Ins 2-7

658910

Section #. 149.143 (2m) (a) 2. of the statutes is amended to read:

149.143 (2m) (a) 2. The amount of premiums, including amounts received for premium and deductible subsidies, necessary to cover 40% of the plan costs for the plan year, ~~after deducting the amount transferred to the fund from the appropriation account under s. 20.435 (4) (a).~~

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.



Ins 2-7

7-6-09 10

Section #. 149.143 (2m) (b) 1. of the statutes is amended to read:

(am) 2:

149.143 (2m) (b) 1. To reduce premiums in succeeding plan years as provided in sub. (1) ~~(b) 1.~~  
~~b.~~ For eligible persons with coverage under s. 149.14 (2) (a), premiums may not be reduced below 140% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as are provided under the plan.

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.



ins 2-7

9070910

Section #. 149.143 (3) (a) of the statutes is amended to read:

149.143 (3) (a) If, during a plan year, the department determines that the amounts estimated to be received as a result of the rates and amount set under sub. (2) (a) 2. to 4. and any adjustments in insurer assessments and the provider payment rate under s. 149.144 will not be sufficient to cover plan costs, the department may by rule increase the premium rates set under sub. (2) (a) 2. for the remainder of the plan year, subject to s. 149.146 (2) (b) and the maximum specified in sub. (2) (a) 2., by rule increase the assessments set under sub. (2) (a) 3. for the remainder of the plan year, subject to sub. (1) ~~(b) 2.~~ and by the same rule under which assessments are increased adjust the provider payment rate set under sub. (2) (a) 4. for the remainder of the plan year, subject to sub. (1) ~~(b) 2.~~ and s. 149.142 (1) (b).

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

✓  
(bm) 1.

✓  
(bm) 2.



plus 2-7

9 88910

Section #. 149.143 (3) (b) of the statutes is amended to read:

149.143 (3) (b) If the department increases premium rates and insurer assessments and adjusts the provider payment rate under par. (a) and determines that there will still be a deficit and that premium rates have been increased to the maximum extent allowable under par. (a), the department may further adjust, in equal proportions, assessments set under sub. (2) (a) 3. and the provider payment rate set under sub. (2) (a) 4., without regard to sub. (1) ~~(b) 2.~~ but subject to s. 149.142 (1) (b).

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

(bm)



Ins 2-7

10 900 910

Section #. 149.144 of the statutes is amended to read:

**149.144 Adjustments to insurer assessments and provider payment rates for premium and deductible reductions.** If the moneys transferred to the fund under the appropriation under s. 20.435 (4) (ah) are insufficient to reimburse the plan for premium reductions under s. 149.165 and deductible reductions under s. 149.14 (5) (a), or the department determines that the moneys transferred or to be transferred to the fund under the appropriation under s. 20.435 (4) (ah) will be insufficient to reimburse the plan for premium reductions under s. 149.165 and deductible reductions under s. 149.14 (5) (a), the department may, by rule, adjust in equal proportions the amount of the assessment set under s. 149.143 (2) (a) 3. and the provider payment rate set under s. 149.143 (2) (a) 4., subject to ss. 149.142 (1) (b) and 149.143 (1) ~~(b) 1~~ sufficient to reimburse the plan for premium reductions under s. 149.165 and deductible reductions under s. 149.14 (5) (a). If the department makes the adjustment under this section, the department shall notify the commissioner so that the commissioner may levy any increase in insurer assessments.

History: 1997 a. 27 ss. 4840c, 4845c; 1999 a. 9; 2001 a. 16.

(am) ✓

(end of ins 2-7)

Insert 2-10

20.435 (4) (a-f), 25.55 (1), 149.143 (1) (a) and  
(b) (intro.), 1., and 2., (2) (a) 1. a. and b.,  
2., 3., and 4., and (b), (2m) (a) 2., and (b) 1., and  
(3) (a) and (b), and 149.144

(end of ins 2-10)

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

LRB-1300/7dn

PJK: i...  
King

Sue:

Is the initial applicability okay? I couldn't remember if the plan years begin on January 1 or July 1. Regardless of when they begin, I assume that some additional GPR will be required before the new premiums, assessments, and discounts can be calculated and put into effect. Obviously, if GPR is not going to be available for the 2003-2004 fiscal year, any existing contract/policy language will have to be considered, as well as the existing statutory authority to raise premiums, assessments, and discounts in the middle of a plan year.

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

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

LRB-1300/P1dn  
PJK:kmg:rs

January 7, 2003

Sue:

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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)



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-1300/P2  
PJK:kmg:rs

stays

revision  
(to P2)

DOA:.....Jablonsky - BB0308, Changes to HIRSP

FOR 2003-05 BUDGET - NOT READY FOR INTRODUCTION

SOON  
9-28  
D-note

do not  
gen cost

1 AN ACT relating to: the budget.

Analysis by the Legislative Reference Bureau  
HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

The Health Insurance Risk-Sharing Plan (HIRSP) provides major medical health insurance coverage for persons who are covered under Medicare because they are disabled, persons who have tested positive for human immunodeficiency virus (HIV), 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. Also eligible for coverage are persons who do not currently have health insurance coverage, but who were covered under certain types of health insurance coverage for at least 18 months in the past. Responsibility for administering HIRSP is split between DHFS and a board of governors.

Under current law, a specified amount of general purpose revenue is used to pay the operating costs of HIRSP. The remainder of the operating costs are paid 60% by premiums paid by persons covered under HIRSP and 40% through insurer assessments and provider discounts, in equal amounts. Premiums and deductibles for ~~persons~~ persons with annual household incomes below \$25,000 are partially subsidized with more general purpose revenue and, if that is insufficient, with further insurer assessments and provider discounts. Generally, premiums may not be set at less than 140%, nor more than 200%, of the rate that a standard risk would be charged under an individual policy providing the same coverage and deductibles as are provided under HIRSP.

(eligible persons)

(eligible individuals)

eligible

58%  
Insert 2-A

Under this bill, general

~~This bill changes the way in which the operating costs of 4HRSP are paid. Except for the premium and deductible subsidies, which are not changed, general purpose revenue is no longer used to pay operating costs. Operating costs are paid ~~42%~~ by premiums paid by covered persons and ~~58%~~ through insurer assessments and provider discounts, in equal amounts. The requirement that premiums be set at not less than 140%, nor more than 200%, of the rate that a standard risk would be charged remains the same.~~

42%

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:**

Insert 2-2

1 SECTION 1. 20.435 (4) (af) of the statutes is repealed.

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

2 SECTION 2. 25.55 (1) of the statutes is repealed.

3 SECTION 3. 149.143 (1) (a) of the statutes is repealed.

4 SECTION 4. 149.143 (1) (b) (intro.) of the statutes is repealed.

and

5 SECTION 5. 149.143 (1) (b) 1. of the statutes is renumbered 149.143 (1) (am) ~~and~~

6 149.143 (1) (am) (intro), 2., 3., and 4. as renumbered and amended to read:

Insert 2-8

7 149.143 (1) (am) (intro) A total of 60% ~~from~~ <sup>58%</sup> from the following sources, calculated as follows:

8  
9 2. Second, from moneys specified under sub. (2m), to the extent that the  
10 amounts under subd. 1. -a- are insufficient to pay 60% ~~of~~ <sup>58%</sup> of plan costs.

11 3. Third, by increasing premiums from eligible persons with coverage under s.  
12 149.14 (2) (a) to more than the rate at which premiums were set under subd. 1. -a-  
13 but not more than 200% of the rate that a standard risk would be charged under an  
14 individual policy providing substantially the same coverage and deductibles as are  
15 provided under the plan and from eligible persons with coverage under s. 149.14 (2)  
16 (b) by a comparable amount in accordance with s. 149.14 (5m), ~~including amounts~~

1 received ~~for premium and deductible subsidies under s. 149.144 and under the~~  
 2 ~~transfer to the fund from the appropriation account under s. 20.435 (4) (ah), (and by)~~  
 3 increasing premiums from eligible persons with coverage under s. 149.146 in  
 4 accordance with s. 149.146 (2) (b), to the extent that the amounts under subd. 1. a.  
 5 subds. 1. and b. 2. are insufficient to pay 60% ~~of~~ 58% of plan costs.

6 4. Fourth, notwithstanding subd. 2. par. (bm), by increasing insurer  
 7 assessments, ~~excluding assessments under s. 149.144,~~ and adjusting provider  
 8 payment rates, subject to s. 149.142 (1) (b) ~~and excluding adjustments to those rates~~  
 9 ~~under s. 149.144,~~ <sup>no strike</sup> in equal proportions and to the extent that the amounts under  
 10 subd. 1. a. ~~to c.~~ subds. 1. to 3. are insufficient to pay 60% ~~of~~ 58% of plan costs.

insert 3-13

11 SECTION 6. 149.143 (1) (b) 2. of the statutes is renumbered 149.143 (1) (bm) and  
 12 ~~149.143 (1) (bm) (intro), as renumbered,~~ <sup>hand 2. are</sup> amended to read:  
 13 149.143 (1) (bm) ~~intro~~ A total of 40% ~~of~~ 42% as follows:

14 SECTION 7. 149.143 (2) (a) 1. a. of the statutes is amended to read:  
 15 149.143 (2) (a) 1. a. Estimate the amount of enrollee premiums that would be  
 16 received in the new plan year if the enrollee premiums were set at a level sufficient,  
 17 when including amounts received ~~for premium and deductible subsidies under s.~~  
 18 ~~149.144 and under the transfer to the fund from the appropriation account under s.~~  
 19 ~~20.435 (4) (ah) and from premiums collected from eligible persons with coverage~~  
 20 under s. 149.146 set in accordance with s. 149.146 (2) (b), to cover 60% ~~of~~ 58% of the  
 21 estimated plan costs for the new plan year, ~~after deducting from the estimated plan~~  
 22 ~~costs the amount available for transfer to the fund from the appropriation account~~  
 23 ~~under s. 20.435 (4) (af) for that plan year.~~

24 SECTION 8. 149.143 (2) (a) 1. b. of the statutes is amended to read:

1           149.143 (2) (a) 1. b. Estimate the amount of enrollee premiums that will be  
2 received under sub. (1) ~~(b) 1. a.~~ (am) 1.

3           **SECTION 9.** 149.143 (2) (a) 2. of the statutes is amended to read:

4           149.143 (2) (a) 2. After making the determinations under subd. 1., by rule set  
5 premium rates for the new plan year, including the rates under s. 149.146 (2) (b), in  
6 the manner specified in sub. (1) ~~(b) 1. a. and c.~~ (am) 1. and 3. and such that a rate for  
7 coverage under s. 149.14 (2) (a) is approved by the board and is not less than 140%  
8 nor more than 200% of the rate that a standard risk would be charged under an  
9 individual policy providing substantially the same coverage and deductibles as are  
10 provided under the plan.

11          **SECTION 10.** 149.143 (2) (a) 3. of the statutes is amended to read:

12          149.143 (2) (a) 3. By rule set the total insurer assessments under s. 149.13 for  
13 the new plan year by estimating and setting the assessments at the amount  
14 necessary to equal the amounts specified in sub. (1) ~~(b) 1. d. and 2. a.~~ (am) 4. and (bm)  
15 1. and notify the commissioner of the amount.

16          **SECTION 11.** 149.143 (2) (a) 4. of the statutes is amended to read:

17          149.143 (2) (a) 4. By the same rule as under subd. 3. adjust the provider  
18 payment rate for the new plan year, subject to s. 149.142 (1) (b), by estimating and  
19 setting the rate at the level necessary to equal the amounts specified in sub. (1) ~~(b)~~  
20 ~~1. d. and 2. b.~~ (am) 4. and (bm) 2. and as provided in s. 149.145.

21          **SECTION 12.** 149.143 (2) (b) of the statutes is amended to read:

22          149.143 (2) (b) In setting the premium rates under par. (a) 2., the insurer  
23 assessment amount under par. (a) 3. and the provider payment rate under par. (a)  
24 4. for the new plan year, the department shall include any increase or decrease  
25 necessary to reflect the amount, if any, by which the rates and amount set under par.

Subsect 5-2

1 (a) for the current plan year differed from the rates and amount which would have  
2 equaled the amounts specified in sub. (1) ~~(b)~~ (am) and (bm) in the current plan year.

3 **SECTION 13.** 149.143 (2m) (a) 2. of the statutes is amended to read:

4 149.143 (2m) (a) 2. The amount of premiums, ~~including amounts received for~~  
5 ~~premium and deductible subsidies,~~ necessary to cover 60% ~~of the plan costs for~~ <sup>58%</sup>  
6 the plan year, ~~after deducting the amount transferred to the fund from the~~  
7 ~~appropriation account under s. 20.435 (4) (af).~~

8 **SECTION 14.** 149.143 (2m) (b) 1. of the statutes is amended to read:

9 149.143 (2m) (b) 1. To reduce premiums in succeeding plan years as provided  
10 in sub. (1) ~~(b) 1. b.~~ (am) 2. For eligible persons with coverage under s. 149.14 (2) (a),  
11 premiums may not be reduced below 140% of the rate that a standard risk would be  
12 charged under an individual policy providing substantially the same coverage and  
13 deductibles as are provided under the plan.

14 **SECTION 15.** 149.143 (3) (a) of the statutes is amended to read:

15 149.143 (3) (a) If, during a plan year, the department determines that the  
16 amounts estimated to be received as a result of the rates and amount set under sub.  
17 (2) (a) 2. to 4. ~~and any adjustments in insurer assessments and the provider payment~~  
18 ~~rate under s. 149.144~~ will not be sufficient to cover plan costs, the department may  
19 by rule increase the premium rates set under sub. (2) (a) 2. for the remainder of the  
20 plan year, subject to s. 149.146 (2) (b) and the maximum specified in sub. (2) (a) 2.,  
21 by rule increase the assessments set under sub. (2) (a) 3. for the remainder of the plan  
22 year, subject to sub. (1) ~~(b) 2. a.~~ (bm) 1., and by the same rule under which  
23 assessments are increased adjust the provider payment rate set under sub. (2) (a) 4.  
24 for the remainder of the plan year, subject to sub. (1) ~~(b) 2. b.~~ (bm) 2. and s. 149.142  
25 (1) (b).

1 SECTION 16. 149.143 (3) (b) of the statutes is amended to read:

2 149.143 (3) (b) If the department increases premium rates and insurer  
3 assessments and adjusts the provider payment rate under par. (a) and determines  
4 that there will still be a deficit and that premium rates have been increased to the  
5 maximum extent allowable under par. (a), the department may further adjust, in  
6 equal proportions, assessments set under sub. (2) (a) 3. and the provider payment  
7 rate set under sub. (2) (a) 4., without regard to sub. (1) (b) 2. (bm) but subject to s.  
8 149.142 (1) (b).

9 SECTION 17. 149.144 of the statutes is amended to read:

10 **149.144 Adjustments to insurer assessments and provider payment**  
11 **rates for premium and deductible reductions.** If the moneys transferred to the  
12 fund under the appropriation under s. 20.435 (4) (ah) are insufficient to reimburse  
13 the plan for premium reductions under s. 149.165 and deductible reductions under  
14 s. 149.14 (5) (a), or the department determines that the moneys transferred or to be  
15 transferred to the fund under the appropriation under s. 20.435 (4) (ah) will be  
16 insufficient to reimburse the plan for premium reductions under s. 149.165 and  
17 deductible reductions under s. 149.14 (5) (a), the department may, by rule, adjust in  
18 equal proportions the amount of the assessment set under s. 149.143 (2) (a) 3. and  
19 the provider payment rate set under s. 149.143 (2) (a) 4., subject to ss. 149.142 (1) (b)  
20 and 149.143 (1) (b) 1. (am), sufficient to reimburse the plan for premium reductions  
21 under s. 149.165 and deductible reductions under s. 149.14 (5) (a). If the department  
22 makes the adjustment under this section, the department shall notify the  
23 commissioner so that the commissioner may levy any increase in insurer  
24 assessments.

Insert 6-24

25 SECTION 9324. Initial applicability; health and family services.

*and (ah)*

*(intro.)*

1 (1) PAYMENT OF HEALTH INSURANCE RISK-SHARING PLAN COSTS. The treatment of  
 2 sections 20.435 (4) (af), 25.55 (1), 149.143 (1) (a) and (b) (intro.), 1., and 2., (2) (a) 1.  
 3 a. and b., 2., 3., and 4. and (b), (2m) (a) 2. and (b) 1. ~~and~~ (3) (a) and (b), and 149.144  
 4 of the statutes first applies to the first plan year beginning after the effective date  
 5 of this subsection.  
 6

(END)

*and (2), 149.13 (2), 149.14 (3) (intro.), (4) (d), (4m), and (5) (a),  
 149.142 (1) (b) and (2)*

*Take out initial op*

*, 149.145, 149.146 (2) (a), 149.165,  
 601.41 (1), 601.415 (12), and 601.64  
 (1), (3) (a) and (c), and (4)*

*D. note*

2003-2004 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1300/P2ins  
PJK:kgz

INSERT 2-A ✓

✕ The bill also eliminates the premium and deductible subsidies. Thus, general purpose revenue is no longer needed for this purpose; eligible persons with incomes below \$25,000 do not pay reduced premiums; and, except for eligible persons who are eligible for Medicare, all eligible persons pay the same deductible of \$1,000.

(END OF INSERT 2-A)

INSERT 2-2 ✓

1 SECTION 1. 20.435 (4) (ah) ✓ of the statutes is repealed.

**History:** 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats. ✓

2 SECTION 2. 25.55 (1) ✓ of the statutes is repealed.

3 SECTION 3. 25.55 (2) ✓ of the statutes is repealed.

4 SECTION 4. 149.13 (2) of the statutes is amended to read:

5 149.13 (2) Every participating insurer shall share in the operating, and  
6 administrative and subsidy expenses of the plan in proportion to the ratio of the  
7 insurer's total health care coverage revenue for residents of this state during the  
8 preceding calendar year to the aggregate health care coverage revenue of all  
9 participating insurers for residents of this state during the preceding calendar year,  
10 as determined by the commissioner.

**History:** 1979 c. 313; 1981 c. 83; 1981 c. 314 s. 146; 1985 a. 29; 1989 a. 187 s. 29; 1991 a. 39, 269; 1997 a. 27 ss. 4834 to 4838; Stats. 1997 s. 149.13; 2001 a. 16.

11 SECTION 5. 149.14 (3) (intro.) of the statutes is amended to read:

12 149.14 (3) COVERED EXPENSES. (intro.) Except as provided in sub. (4), except  
13 as restricted by cost containment provisions under s. 149.17 (4), and except as  
14 reduced by the department under ss. s. 149.143 and 149.144, ✓ covered expenses for  
15 the coverage under this section shall be the payment rates established by the

1 department under s. 149.142 for the services provided by persons licensed under ch.  
 2 446 and certified under s. 49.45 (2) (a) 11. Except as provided in sub. (4), except as  
 3 restricted by cost containment provisions under s. 149.17 (4), and except as reduced  
 4 by the department under ~~ss. s. 149.143 and 149.144~~, covered expenses for the  
 5 coverage under this section shall also be the payment rates established by the  
 6 department under s. 149.142 for the following services and articles if the service or  
 7 article is prescribed by a physician who is licensed under ch. 448 or in another state  
 8 and who is certified under s. 49.45 (2) (a) 11. and if the service or article is provided  
 9 by a provider certified under s. 49.45 (2) (a) 11.:

History: 1979 c. 313; 1981 c. 39 s. 22; 1981 c. 83; 1981 c. 314 ss. 117, 146; 1983 a. 27; 1985 a. 29 s. 3202 (30); 1985 a. 332 s. 253; 1987 a. 27, 239; 1989 a. 332; 1991 a. 39, 269; 1995 a. 463; 1997 a. 27 ss. 3026c, 4847 to 4859; Stats. 1997 s. 149.14; 1997 a. 237; 1999 a. 9, 165; 2001 a. 16.

10 **SECTION 6.** 149.14 (4) (d) of the statutes is amended to read:

11 149.14 (4) (d) That part of any charge for services or articles rendered or  
 12 prescribed by a physician, <sup>a</sup>dentist, or other health care personnel that exceeds the  
 13 payment rate established by the department under s. 149.142 and reduced under ~~ss.~~  
 14 s. 149.143 and 149.144 or any charge not medically necessary.

History: 1979 c. 313; 1981 c. 39 s. 22; 1981 c. 83; 1981 c. 314 ss. 117, 146; 1983 a. 27; 1985 a. 29 s. 3202 (30); 1985 a. 332 s. 253; 1987 a. 27, 239; 1989 a. 332; 1991 a. 39, 269; 1995 a. 463; 1997 a. 27 ss. 3026c, 4847 to 4859; Stats. 1997 s. 149.14; 1997 a. 237; 1999 a. 9, 165; 2001 a. 16.

15 **SECTION 7.** 149.14 (4m) of the statutes is amended to read:

16 149.14 (4m) PAYMENT IS PAYMENT IN FULL. Except for copayments, coinsurance,  
 17 or deductibles required or authorized under the plan, a provider of a covered service  
 18 or article shall accept as payment in full for the covered service or article the payment  
 19 rate determined under ss. 149.142, and 149.143 and 149.144 and may not bill an  
 20 eligible person who receives the service or article for any amount by which the charge  
 21 for the service or article is reduced under s. 149.142, or 149.143 or 149.144.

History: 1979 c. 313; 1981 c. 39 s. 22; 1981 c. 83; 1981 c. 314 ss. 117, 146; 1983 a. 27; 1985 a. 29 s. 3202 (30); 1985 a. 332 s. 253; 1987 a. 27, 239; 1989 a. 332; 1991 a. 39, 269; 1995 a. 463; 1997 a. 27 ss. 3026c, 4847 to 4859; Stats. 1997 s. 149.14; 1997 a. 237; 1999 a. 9, 165; 2001 a. 16.

22 **SECTION 8.** 149.14 (5) (a) of the statutes is amended to read:

1           149.14 (5) (a) The plan shall offer a deductible in combination with appropriate  
 2 premiums determined under this chapter for major medical expense coverage  
 3 required under this section. For coverage offered to those persons eligible for  
 4 medicare, the plan shall offer a deductible equal to the deductible charged by part  
 5 A of title XVIII of the federal social security act, as amended. ~~The deductible~~  
 6 ~~amounts for all other eligible persons shall be dependent upon household income as~~  
 7 ~~determined under s. 149.165.~~ For eligible persons under s. 149.165 (2) (a) 1., the  
 8 deductible shall be \$500. For eligible persons under s. 149.165 (2) (a) 2., the  
 9 deductible shall be \$600. For eligible persons under s. 149.165 (2) (a) 3., the  
 10 deductible shall be \$700. For eligible persons under s. 149.165 (2) (a) 4., the  
 11 deductible shall be \$800. For all other eligible persons who are not eligible for  
 12 medicare, the deductible shall be \$1,000. With respect to all eligible persons,  
 13 expenses used to satisfy the deductible during the last 90 days of a calendar year  
 14 shall also be applied to satisfy the deductible for the following calendar year.

History: 1979 c. 313; 1981 c. 39 s. 22; 1981 c. 83; 1981 c. 314 ss. 117, 146; 1983 a. 27; 1985 a. 29 s. 3202 (30); 1985 a. 332 s. 253; 1987 a. 27, 239; 1989 a. 332; 1991 a. 39, 269; 1995 a. 463; 1997 a. 27 ss. 3026c, 4847 to 4859; Stats. 1997 s. 149.14; 1997 a. 237; 1999 a. 9, 165; 2001 a. 16.

15           **SECTION 9.** 149.142 (1) (b) of the statutes is amended to read:

16           149.142 (1) (b) The payment rate for a prescription drug shall be the allowable  
 17 charge paid under s. 49.46 (2) (b) 6. h. for the prescription drug. Notwithstanding  
 18 s. 149.17 (4), the department may not reduce the payment rate for prescription drugs  
 19 below the rate specified in this paragraph, and the rate may not be adjusted under  
 20 s. 149.143 ~~or 149.144.~~

History: 1999 a. 9; 2001 a. 16.

21           **SECTION 10.** 149.142 (2) of the statutes is amended to read:

1           149.142 (2) Except as provided in sub. (1) (b), the rates established under this  
2 section are subject to adjustment under ~~ss. s.~~ s. 149.143 and 149.144.

History: 1999 a. 9; 2001 a. 16.

(END OF INSERT 2-2)

INSERT 2-8 ✓

3           1. First, from premiums from eligible persons with coverage under s. 149.14 (2)  
4 (a) set at a rate that is 140% to 150% of the rate that a standard risk would be charged  
5 under an individual policy providing substantially the same coverage and  
6 deductibles as are provided under the plan and from eligible persons with coverage  
7 under s. 149.14 (2) (b) set in accordance with s. 149.14 (5m), including amounts  
8 received for ~~premium and deductible subsidies under s. 149.144~~ and under the  
9 ~~transfer to the fund from the appropriation account under s. 20.435 (4) (ah),~~ and from  
10 premiums collected from eligible persons with coverage under s. 149.146 set in  
11 accordance with s. 149.146 (2) (b).

(END OF INSERT 2-8)

INSERT 3-13 ✓

12           1. Fifty percent from insurer assessments, ~~excluding assessments under s.~~  
13 149.144.

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

14           2. Fifty percent from adjustments to provider payment rates, subject to s.  
15 149.142 (1) (b) and ~~excluding adjustments to those rates under s. 149.144.~~

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

16           **SECTION 11.** 149.143 (2) (a) (intro.) of the statutes is amended to read:

17           149.143 (2) (a) (intro.) Prior to each plan year, the department shall estimate  
18 the operating and administrative costs of the plan and ~~the costs of the premium~~

1 ~~reductions under s. 149.165 and the deductible reductions under s. 149.14 (5) (a) for~~  
2 the new plan year and do all of the following:

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

(END OF INSERT 3-13)

INSERT 5-2 ✓

3 SECTION 12. 149.143 (2m) (a) 1. of the statutes is amended to read:  
4 149.143 (2m) (a) 1. The amount of premiums received in a plan year from all  
5 eligible persons, ~~including amounts received for premium and deductible subsidies.~~

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

(END OF INSERT 5-2)

INSERT 6-24 ✓

6 SECTION 13. 149.143 (5) (b) of the statutes is amended to read:  
7 149.143 (5) (b) Except as provided in sub. (3) and s. 149.144, the department  
8 shall adjust the provider payment rates to meet the providers' specified portion of the  
9 plan costs no more than once annually, subject to s. 149.142 (1) (b). The department  
10 may not determine the adjustment on an individual provider basis or on the basis  
11 of provider type, but shall determine the adjustment for all providers in the  
12 aggregate, subject to s. 149.142 (1) (b).

History: 1997 a. 27; 1999 a. 9, 165; 2001 a. 16, 109.

13 SECTION 14. 149.144 of the statutes is repealed.

14 SECTION 15. 149.145 of the statutes is amended to read:

15 149.145 Program budget. The department, in consultation with the board,  
16 shall establish a program budget for each plan year. The program budget shall be  
17 based on the provider payment rates specified in s. 149.142 and in the most recent  
18 provider contracts that are in effect and on the funding sources specified in s. 149.143  
19 (1), including the methodologies specified in ss. 149.143, 149.144, and 149.146 for

1 determining premium rates, insurer assessments, and provider payment rates.  
 2 Except as otherwise provided in s. 149.143 (3) (a) and (b) and subject to s. 149.142  
 3 (1) (b), from the program budget the department shall derive the actual provider  
 4 payment rate for a plan year that reflects the providers' proportional share of the  
 5 plan costs, consistent with ~~ss. s. 149.143 and 149.144~~. The department may not  
 6 implement a program budget established under this section unless it is approved by  
 7 the board.

History: 1997 a. 27; 1999 a. 9; 2001 a. 16.

8 **SECTION 16.** 149.146 (2) (a) of the statutes is amended to read:

9 149.146 (2) (a) Except as specified by the department, the terms of coverage  
 10 under s. 149.14, ~~including deductible reductions under s. 149.14 (5) (a),~~ do not apply  
 11 to the coverage offered under this section. ~~Premium reductions under s. 149.165 do~~  
 12 ~~not apply to the coverage offered under this section.~~

History: 1997 a. 27 ss. 4860c, 4860d; Stats. 1997 s. 149.146; 1997 a. 237; 1999 a. 9, 165; 2001 a. 16.

13 **SECTION 17.** 149.165 of the statutes is repealed.

14 **SECTION 18.** 601.41 (1) of the statutes is amended to read:

15 601.41 (1) DUTIES. The commissioner shall administer and enforce chs. 600 to  
 16 655 and ss. 59.52 (11) (c), 66.0137 (4) and (4m), 120.13 (2) (b) to (g), and 149.13 and  
 17 149.144 and shall act as promptly as possible under the circumstances on all matters  
 18 placed before the commissioner.

History: 1977 c. 339 s. 43; 1979 c. 89, 102, 177; 1983 a. 358 s. 14; 1985 a. 29; 1985 a. 182 s. 57; 1987 a. 247; 1989 a. 187 s. 29; 1989 a. 201, 336; 1991 a. 39; 1993 a. 16; 1995 a. 201; 1997 a. 27, 51, 252; 1999 a. 150 s. 672; 2001 a. 16, 65, 109.

19 **SECTION 19.** 601.415 (12) of the statutes is amended to read:

20 601.415 (12) HEALTH INSURANCE RISK-SHARING PLAN. The commissioner shall  
 21 perform the duties specified to be performed by the commissioner in ss. s. 149.13 and  
 22 149.144. The commissioner, or his or her designee, shall serve as a member of the  
 23 board under s. 149.15.

History: 1979 c. 102; 1981 c. 96, 314; 1983 a. 358 s. 14; 1985 a. 256; 1987 a. 27, 47, 247; 1989 a. 31; 1989 a. 187 s. 29; 1991 a. 243; 1995 a. 27, 462; 1997 a. 27.

1           **SECTION 20.** 601.64 (1) of the statutes is amended to read:

2           **601.64 (1) INJUNCTIONS AND RESTRAINING ORDERS.** The commissioner may  
3 commence an action in circuit court in the name of the state to restrain by temporary  
4 or permanent injunction or by temporary restraining order any violation of chs. 600  
5 to 655, s. 149.13 ~~or 149.144~~, any rule promulgated under chs. 600 to 655, or any order  
6 issued under s. 601.41 (4). Except as provided in s. 641.20, the commissioner need  
7 not show irreparable harm or lack of an adequate remedy at law in an action  
8 commenced under this subsection.

History: 1971 c. 260; Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1975 c. 218, 371, 421; 1977 c. 203; 1977 c. 339 s. 43; 1979 c. 89; 1979 c. 102 ss. 78, 236 (5); 1979 c. 177; 1985 a. 29; 1987 a. 167, 247; 1989 a. 332; 1995 a. 396; 1997 a. 27, 283; 2001 a. 109.

9           **SECTION 21.** 601.64 (3) (a) of the statutes is amended to read:

10           **601.64 (3) (a) Restitutionary forfeiture.** Whoever violates an effective order  
11 issued under s. 601.41 (4), any insurance statute or rule or s. 149.13 ~~or 149.144~~ shall  
12 forfeit to the state twice the amount of any profit gained from the violation, in  
13 addition to any other forfeiture or penalty imposed.

History: 1971 c. 260; Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1975 c. 218, 371, 421; 1977 c. 203; 1977 c. 339 s. 43; 1979 c. 89; 1979 c. 102 ss. 78, 236 (5); 1979 c. 177; 1985 a. 29; 1987 a. 167, 247; 1989 a. 332; 1995 a. 396; 1997 a. 27, 283; 2001 a. 109.

14           **SECTION 22.** 601.64 (3) (c) of the statutes is amended to read:

15           **601.64 (3) (c) Forfeiture for violation of statute or rule.** Whoever violates an  
16 insurance statute or rule or s. 149.13 ~~or 149.144~~, intentionally aids a person in  
17 violating an insurance statute or rule or s. 149.13 ~~or 149.144~~ or knowingly permits  
18 a person over whom he or she has authority to violate an insurance statute or rule  
19 or s. 149.13 ~~or 149.144~~ shall forfeit to the state not more than \$1,000 for each  
20 violation. If the statute or rule imposes a duty to make a report to the commissioner,  
21 each week of delay in complying with the duty is a new violation.

History: 1971 c. 260; Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1975 c. 218, 371, 421; 1977 c. 203; 1977 c. 339 s. 43; 1979 c. 89; 1979 c. 102 ss. 78, 236 (5); 1979 c. 177; 1985 a. 29; 1987 a. 167, 247; 1989 a. 332; 1995 a. 396; 1997 a. 27, 283; 2001 a. 109.

22           **SECTION 23.** 601.64 (4) of the statutes, as affected by 2001 Wisconsin Act 109,  
23 is amended to read:

1           601.64 (4) CRIMINAL PENALTY. Whoever intentionally violates or intentionally  
 2 permits any person over whom he or she has authority to violate or intentionally aids  
 3 any person in violating any insurance statute or rule of this state, s. 149.13 or  
 4 149.144, or any effective order issued under s. 601.41 (4) is guilty of a Class I felony,  
 5 unless a specific penalty is provided elsewhere in the statutes. Intent has the  
 6 meaning expressed under s. 939.23.

NOTE: NOTE: Sub. (4) is shown as amended eff. 2-1-03 by 2001 Wis. Act 109. Prior to 2-1-03 it reads:NOTE:

7  
8  
9  
10

(4) CRIMINAL PENALTY. Whoever intentionally violates or intentionally permits any person over whom he or she has authority to violate or intentionally aids any person in violating any insurance statute or rule of this state, s. 149.13 or 149.144 or any effective order issued under s. 601.41 (4) may, unless a specific penalty is provided elsewhere in the statutes, be fined not more than \$10,000 if a corporation or if a natural person be fined not more than \$5,000 or imprisoned for not more than 4 years and 6 months or both. Intent has the meaning expressed under s. 939.23.

History: 1971 c. 260; Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1975 c. 218, 371, 421; 1977 c. 203; 1977 c. 339 s. 43; 1979 c. 89; 1979 c. 102 ss. 78, 236 (5); 1979 c. 177; 1985 a. 29; 1987 a. 167, 247; 1989 a. 332; 1995 a. 396; 1997 a. 27, 283; 2001 a. 109.

(END OF INSERT 6-24)

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

LRB-1300/P2dn

PJK:lmg/rs

*lmg*

Sue:

*because, as*

I took out the Initial Applicability provision ~~we~~ we discussed, unless the new plan year begins on July 1, 2003, and the budget passes before then, we would have to wait until either January 1 or July 1 of 2004 before the change in this draft applies and there is no GPR appropriated for HIRSP for fiscal year 2003-04.

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

**Kahler, Pam**

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**From:** Jablonsky, Sue  
**Sent:** Wednesday, January 29, 2003 1:10 PM  
**To:** Kahler, Pam  
**Subject:** RE: HIRSP Stat. Language Intent

Yes please

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

**From:** Kahler, Pam  
**Sent:** Wednesday, January 29, 2003 11:42 AM  
**To:** Jablonsky, Sue  
**Subject:** RE: HIRSP Stat. Language Intent

Sue:

Do you want to add the subsidy programs back - to be funded with insurer assessments and provider discounts as Curtis suggests?

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

**From:** Jablonsky, Sue  
**Sent:** Wednesday, January 29, 2003 11:40 AM  
**To:** Kahler, Pam  
**Subject:** FW: HIRSP Stat. Language Intent

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

**From:** Cunningham, Curtis  
**Sent:** Wednesday, January 29, 2003 11:37 AM  
**To:** Jablonsky, Sue  
**Cc:** Dombrowicki, Angela; Kristan, Margaret; Cunningham, Curtis; Megna, Richard  
**Subject:** HIRSP Stat. Language Intent

Sue,

Per our conversation, it is my understanding that for the HIRSP budget proposal the intent of the legislation is to:

- 1) Change the program operations funding from 60/20/20 to 58/21/21.
- 2) Eliminate the 9,500,000 GPR funding for program operations
- 3) Eliminate the 741,800 GPR funding to subsidize the premium and deductible program.

The premium and deductible subsidy program still should remain even though the GPR will be eliminated. Currently there is approximately 4,000,000 in premium and deductible subsidies given to low income policyholders. Once the 741,000 GPR is subtracted from this costs, the rest of the funding is split 50% to insurers and 50% to providers.

Also, we will assume that all three programs (plan 1A, 1B, and plan 2) should continue as currently structure. Unless we hear otherwise, these are our assumptions that we will use when providing comments regarding the statutory language and analysis section.

Regards,  
Curtis