

2005 ASSEMBLY BILL 807

November 3, 2005 – Introduced by Representatives BENEDICT, BERCEAU, BLACK, BOYLE, FIELDS, GRIGSBY, KESSLER, PARISI, POCAN, POPE-ROBERTS and SHERIDAN, cosponsored by Senators MILLER, CARPENTER, ERPENBACH, RISSER, ROBSON and WIRCH. Referred to Joint Committee on Finance.

1 **AN ACT** *to amend* 15.01 (3), 15.01 (4) and 59.17 (2) (c); and *to create* 15.07 (1)
2 (a) 7., 15.07 (2) (n), 15.07 (5) (m), 15.07 (5m) (c), 15.20, 15.207, 20.430, 59.53 (25),
3 62.09 (8) (cm) and chapter 152 of the statutes; **relating to:** establishing a
4 publicly financed health care system for residents of this state, creating the
5 Department of Health Planning and Finance, Health Policy Board, and
6 regional consumer health councils, granting rule-making authority, and
7 making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, payment for medical services that residents of this state receive is made from a combination of federal moneys (such as under the Medicare, Medical Assistance (commonly referred to as “Medicaid”), and various block grant programs); general purpose revenues (such as the “state share” of the joint federal-state Medical Assistance Program, the Badger Care Program, state contributions to relief block grants for health care services, and moneys appropriated for specific medical purposes, such as cancer control grants); local moneys, such as funding for medical relief health care services and county nursing homes and hospitals; private health insurance coverage that individuals purchase or that is provided, in part, as employee benefits; and out-of-pocket payments that are made by health care consumers.

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This bill establishes a health plan for Wisconsin, under which, beginning July 1, 2008, each state resident, with certain specified exceptions, shall receive reasonable medical services necessary to maintain health, enable diagnosis, and provide treatment or rehabilitation for an injury, disability, or disease. Specified persons who are excepted from the July 1, 2008, beginning date are phased in for eligibility that begins July 1, 2009.

To administer the health plan, the bill creates a Department of Health Planning and Finance (DHPF), with six regional offices, that is directed and supervised by an 11-member Health Policy Board that is also created in the bill. The Health Policy Board appoints the secretary of health planning and finance and is required to review that appointment after 36 months. The Health Policy Board also may appoint two advisory committees, which are advisory to the secretary of health planning and finance. The bill also creates six regional consumer health councils that are attached to DHPF and that report at least twice a year to the Health Policy Board on the health care needs, problems, and concerns of the region. Each regional consumer health council may create a regional advisory committee. The bill requires appropriation of general purpose revenues to DHPF for operation of the Health Policy Board for the 2005–07 fiscal biennium and requires that the Health Policy Board consider numerous specified issues related to the formation of a health plan in this state.

Under the bill, by July 1, 2007, DHPF must begin implementation of processes, in light of policies determined by the Health Policy Board, to effect numerous health-related matters, including specifying the amounts and sources of funds to finance payment to providers under the health plan, applying for waivers to federal Medicaid statutes and rules, and establishing a listing of approved medicinal substances and formulae. The secretary of health planning and finance and the secretary of administration must, until September 1, 2009, meet at least semimonthly to formulate decisions on issues concerning the health plan and DHPF and how the scope and functions of DHPF affect the scope and functions of the Department of Health and Family Services, the Office of the Commissioner of Insurance, the Board on Aging and Long-Term Care, and the duties or powers of any other state agency. The Health Policy Board must convey the decisions to the Legislative Reference Bureau for drafting of necessary proposed legislation for introduction in the legislature in 2008. The Legislative Reference Bureau must prepare, in proper form for introduction, the proposed legislation that relates to the decisions.

For further information see the *state and local* 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:

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1 15.01 (3) “Committee” Except as provided in ss. 152.20 (5) and 152.30 (2m),
2 “committee” means a part-time body appointed to study a specific problem and to
3 recommend a solution or policy alternative with respect to that problem, and
4 intended to terminate on the completion of its assignment. Because of their
5 temporary nature, committees shall, except as provided in ss. 152.20 (5) and 152.30
6 (2m), be created by session law rather than by statute.

7 **SECTION 2.** 15.01 (4) of the statutes, as affected by 2005 Wisconsin Act 25, is
8 amended to read:

9 15.01 (4) “Council” means a part-time body appointed to function on a
10 continuing basis for the study, and recommendation of solutions and policy
11 alternatives, of the problems arising in a specified functional area of state
12 government, except the Milwaukee River revitalization council has the powers and
13 duties specified in s. 23.18, the council on physical disabilities has the powers and
14 duties specified in s. 46.29 (1) and (2), and the state council on alcohol and other drug
15 abuse has the powers and duties specified in s. 14.24, and the regional consumer
16 health councils have the powers and duties specified in s. 152.30 (1).

17 **SECTION 3.** 15.07 (1) (a) 7. of the statutes is created to read:

18 15.07 (1) (a) 7. Members of the health policy board elected under s. 15.20 (1)
19 shall be elected as provided in that subsection.

20 **SECTION 4.** 15.07 (2) (n) of the statutes is created to read:

21 15.07 (2) (n) The chairperson of the health policy board shall serve for a period
22 of 3 years and may be reelected for 2 additional successive terms.

23 **SECTION 5.** 15.07 (5) (m) of the statutes is created to read:

24 15.07 (5) (m) Members of the health policy board, \$50 per day.

25 **SECTION 6.** 15.07 (5m) (c) of the statutes is created to read:

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1 15.07 (5m) (c) *Health policy board.* Members of the health policy board may
2 be reimbursed for lost wages if required by their employers to use leave without pay
3 in order to attend meetings of the health policy board, and they may be reimbursed
4 for actual and necessary child care expenses without proof of financial hardship.

5 **SECTION 7.** 15.20 of the statutes is created to read:

6 **15.20 Department of health planning and finance.** There is created a
7 department of health planning and finance under the direction and supervision of
8 the health policy board. The health policy board shall consist of the following
9 members, each of whom is to serve for a 6-year term and, if reelected or reappointed,
10 for an additional 6-year term and none of whom may be a health care provider, as
11 defined in s. 152.01 (6), an administrator or owner of a health care facility or
12 organization, or an elected public official:

13 **(1)** One member elected by and from the current membership of each of the 6
14 regional consumer health councils specified under s. 15.207 (1) (b).

15 **(2)** Five members, nominated by the governor and with the advice and consent
16 of the senate appointed, who reflect as much as possible a balance of gender, race,
17 age, sexual orientation, ethnicity, religion, geographic area, and the interests of
18 management, labor, and individuals with disabilities.

19 **SECTION 8.** 15.207 of the statutes is created to read:

20 **15.207 Same; councils. (1) REGIONAL CONSUMER HEALTH COUNCILS.** (a) There
21 are created 6 regional consumer health councils that are attached to the department
22 of health planning and finance under s. 15.03, one of which is established in each of
23 the following areas of this state:

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1 1. The northern region, consisting of Ashland, Bayfield, Douglas, Florence,
2 Forest, Iron, Langlade, Lincoln, Marathon, Oneida, Portage, Price, Sawyer, Taylor,
3 Vilas, and Wood counties.

4 2. The southern region, consisting of Adams, Columbia, Crawford, Dane,
5 Dodge, Grant, Green, Iowa, Jefferson, Juneau, Lafayette, Richland, Rock, Sauk, and
6 Vernon counties.

7 3. The western region, consisting of Barron, Burnett, Buffalo, Chippewa,
8 Clark, Dunn, Eau Claire, Jackson, La Crosse, Monroe, Pepin, Pierce, Polk, Rusk, St.
9 Croix, Trempealeau, and Washburn counties.

10 4. The northeastern region, consisting of Brown, Calumet, Door, Fond du Lac,
11 Green Lake, Kewaunee, Manitowoc, Marinette, Marquette, Menominee, Oconto,
12 Outagamie, Shawano, Sheboygan, Waupaca, Waushara, and Winnebago counties.

13 5. The southeastern region, consisting of Kenosha, Ozaukee, Walworth,
14 Washington, Waukesha, and Racine counties.

15 6. The area within Milwaukee County.

16 (b) Each regional consumer health council shall consist of the following
17 members, none of whom may be a health care provider, as defined in s. 152.01 (6),
18 an administrator or owner of a health care facility or organization, or an elected
19 public official, to serve for no more than 3 3-year terms:

20 1. In the northern region, a total of 16 members, consisting of one member from
21 each county in that region. The county board of supervisors of each county in that
22 region shall appoint one person from that county.

23 2. In the southern region, a total of 15 members, consisting of one member from
24 each county in that region. The county board of supervisors of each county in that
25 region shall appoint one person from that county.

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1 **20.430 Health planning and finance, department of.** There is
2 appropriated to the department of health planning and finance for the following
3 program:

4 **(1) HEALTH PLANNING AND FINANCE.** (a) *General program operations.* The
5 amounts in the schedule for the general program operations of the department of
6 health planning and finance.

7 (b) *Health plan services and benefits.* The amounts in the schedule for health
8 care services and benefits provided under s. 152.10 (4).

9 (c) *Job retraining and placement.* The amounts in the schedule for job
10 retraining and placement services under s. 152.40 (6).

11 (i) *Gifts and grants.* All moneys received from gifts, grants, bequests, and
12 devises to carry out the purposes for which made.

13 (m) *Federal funds; state operations.* All moneys received from the federal
14 government, as authorized by the governor under s. 16.54, for the purposes for which
15 made and received.

16 **SECTION 11.** 59.17 (2) (c) of the statutes is amended to read:

17 59.17 **(2)** (c) Appoint the members of all boards and, commissions, and councils
18 where appointments are required and where the statutes provide that the
19 appointments are made by the county board ~~or by the~~ chairperson of the county
20 board, or county executive. All appointments to boards and, commissions, and
21 councils by the county executive are subject to confirmation by the county board.

22 **SECTION 12.** 59.53 (25) of the statutes is created to read:

23 59.53 **(25)** REGIONAL CONSUMER HEALTH COUNCIL. The board shall appoint
24 members of a regional consumer health council, as specified in s. 15.207 (1) (b) 1. to
25 5.

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1 **(8)** “Reimbursement” means payment for the provision of services and other
2 benefits that are specified under s. 152.10 (4).

3 **(9)** “Secretary” means the secretary of health planning and finance.

4 **(10)** “Veteran” has the meaning given in 38 USC 101 (2).

5 **152.10 Health plan. (1)** There is created a health plan in this state, under
6 which, beginning on July 1, 2008, each eligible person, regardless of any preexisting
7 condition, shall receive reasonable medical service necessary to maintain health,
8 enable diagnosis, or provide treatment or rehabilitation for an injury, condition,
9 disability, or disease, for which reimbursement shall be made by the department.
10 Coverage is provided under the health plan for orthodontia or for the performance
11 of reconstructive or cosmetic surgery that is determined to be necessary under
12 criteria that are promulgated as rules by the department.

13 **(2)** Each individual in this state who is not excluded from residency, as specified
14 in sub. (3) (c), is eligible for coverage under the health plan, except as provided in sub.
15 (5), and except that all of the following may be phased in for eligibility under this
16 subsection, beginning no later than July 1, 2009:

17 (a) Individuals, other than those specified in par. (b), who have no coverage
18 under disability insurance policies.

19 (b) Individuals who have no coverage under disability insurance policies and
20 who receive health care, treatment for nervous or mental disorders, or treatment or
21 prevention services for alcohol and other drug abuse that are funded by state or local
22 funding.

23 (c) Individuals who are employees of the state or any county, city, village, or
24 town, and who, as a benefit of the employment, have coverage for themselves and

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1 family members under provisions of group disability insurance policies or under
2 self-insured health plans.

3 (d) Individuals, other than those specified in par. (c) or (h), who, by reason of
4 their employment or as family members of individuals who are employed, have
5 coverage under group disability insurance policies.

6 (e) Individuals who have coverage under individual disability insurance
7 policies.

8 (f) Individuals who have coverage under the health insurance risk-sharing
9 plan under ch. 149.

10 (g) Individuals who are eligible for benefits or services under s. 49.46, 49.468,
11 49.47, or 49.665, Medicare, or block grants that provide health care services.

12 (h) Individuals who are employees of self-insured employers, other than those
13 specified in par. (c), and who receive health care benefits for themselves and family
14 members under self-insured health plans.

15 (i) Individuals who receive medical benefits under worker's compensation.

16 (j) Veterans who receive medical benefits under s. 45.351 (1j) or 38 USC 1701
17 to 1774, or both, and the children of veterans who receive medical benefits under 38
18 USC 1801 to 1806.

19 (k) Members of federally-recognized American Indian tribes or bands who
20 receive health and other services under 25 USC 1651 to 1683.

21 **(3)** (a) Any individual who is eligible under sub. (2) may receive services that
22 are available under the health plan from any participating health care provider in
23 this state. Services that correspond to those that are available under the health plan
24 and that are provided to the individual in another state are reimbursable at rates
25 under the health plan that are current at the time of service provision.

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1 (b) No individual who is eligible under sub. (2) may under this section be
2 required to pay an amount as a deductible or copayment as a condition for receipt of
3 services under this section from a health care facility or health care provider.

4 (c) An individual who has a fixed habitation outside the state but not inside the
5 state is not a resident for purposes of this chapter. Any reimbursement paid under
6 the health plan for health care services rendered to an individual who is determined
7 not to be a resident is a liability of the individual.

8 **(4)** Health care services and other benefits provided under the health plan shall
9 include all of the following:

10 (a) Services of all persons licensed, certified, registered, or permitted to treat
11 the sick under chs. 441, 446, 447, 448, 449, 450, 451, 455, 457, and 459.

12 (b) Health care services that are provided by health care facilities and the
13 offices and clinics of persons under par. (a).

14 (c) Preventive health care services and health promotional programs, including
15 well-child care, immunizations, screening, outreach, and education.

16 (d) Medical or surgical supplies and durable medical or surgical equipment,
17 supplies and appliances, including valves, pacemakers, prostheses, eyeglasses, and
18 hearing aids.

19 (e) Prescription drugs specified in the listing of approved medicinal substances
20 and formulae under s. 152.40 (5) (m) and any other drugs specified by the department
21 by rule.

22 (f) Blood and blood products.

23 (g) Long-term care services that are necessary for the physical health, mental
24 and emotional well-being, and social and personal needs of individuals who have
25 limited self-care capabilities, including services of health care facilities; home

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1 health care; hospice care; home-based and community-based services, including
2 personal assistance and attendant care; and periodic needs assessments.

3 (h) Mental health treatment and services, including substance abuse and brain
4 injury treatment.

5 (i) Dental services, as specified under s. 49.46 (2) (b) 1.

6 **(5)** The health plan is the payer of last resort, and coverage under the health
7 plan is supplemental to any health care coverage in force that is held by an
8 individual.

9 **(6)** As a condition of participation by a health care provider in the health plan,
10 the health care provider shall accept reimbursement only under the health plan for
11 all services or other benefits that the health care provider provides under the health
12 plan.

13 **152.20 Health policy board; powers and duties.** **(1)** The board shall
14 approve and continually evaluate the listing of approved medicinal substances and
15 formulae that is required under s. 152.40 (5) (n).

16 **(2)** The board shall biennially evaluate and oversee cost containment
17 guidelines and policies, including the evaluation of mechanisms used to contain costs
18 of providing services, and shall revise the guidelines and policies as necessary.

19 **(3)** The board shall review all of the following issues and formulate or revise
20 policies, as appropriate, with respect to the issues:

21 (a) Duties of the department that require policy determinations.

22 (b) The sources and amounts of revenues for the administration of the
23 department and the board and for financing the payment of health care services that
24 are provided to residents under the health plan.

25 (c) Information provided by the regional consumer health councils.

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1 (d) Development of a system for determination and periodic review of areas in
2 this state, and specific populations within those areas, that are medically
3 underserved; and development of plans for providing health care services to those
4 areas and populations, including the establishment of community health centers.

5 (e) Development of a system for periodic reviews and evaluations of all aspects
6 of the operation of the health plan, including the adequacy, cost, effectiveness, and
7 quality of health care services provided. These reviews and evaluations shall be
8 made available to the public by the board.

9 (f) Development of a notice and hearing procedure for review of complaints of
10 residents about the health plan, in accordance with the requirements of ch. 227.

11 (g) Other issues that the board determines are relevant to the health plan.

12 (h) State statutory changes that may be necessary to effect pars. (a) to (g).

13 **(4)** By January 1, April 1, July 1, and October 1 of each year, the board shall
14 report to the governor on the revenues and expenditures of the health plan for the
15 calendar quarter immediately preceding the most recently completed calendar
16 quarter.

17 **(5)** (a) The board may appoint up to 2 advisory committees, each with not more
18 than 12 members, that shall be advisory to the secretary. Appointees shall reflect
19 as much as possible a balance of gender, race, age, sexual orientation, ethnicity,
20 religion, disability, and geographic area. The board may determine the length of
21 terms of advisory committee members and the frequency of meetings, and may
22 terminate the committees.

23 (b) If appointed under par. (a), all of the following apply:

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1 1. Only one advisory committee shall reflect the interests and concerns of
2 consumer advocacy and may not include a health care provider or representative of
3 a health care provider or the agency or organization of a health care provider.

4 2. Only one advisory committee shall reflect the interests and concerns of
5 health care providers and agencies and organizations of health care providers and
6 may not include a representative of a consumer advocacy agency or organization.

7 3. An advisory committee shall report annually to the board and the secretary
8 concerning the committee's activities in the immediately preceding fiscal year, shall
9 provide advice relative to health policy issues, and shall make recommendations
10 concerning departmental policies and procedures.

11 **152.30 Regional consumer health councils. (1)** Each regional consumer
12 health council shall do all of the following:

13 (a) Elect one member of the regional consumer health council to serve as a
14 member of the board under s. 15.20 (1). If the term of the member who is so elected
15 expires with respect to the regional consumer health council or with respect to the
16 board under s. 15.20 (1), the regional consumer health council shall elect a current
17 member of the council to serve as a member of the board in his or her stead.

18 (b) Study and continuously monitor the delivery and quality of and access to
19 health care services in the region of the regional consumer health council and
20 recommend to the board and regional office ways to improve the quality of and help
21 ensure access to health care services.

22 (c) Recommend to the board payment rates and conditions appropriate to
23 specific regional needs and advise on regional health care policy issues and
24 administrative policies and procedures.

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1 (d) Study and continuously monitor the unmet health care service needs in the
2 region of the regional consumer health council and recommend to the board ways by
3 which the needs may be met.

4 (e) Report at least annually to the board with respect to the health care needs,
5 problems, and concerns of the region, including any issues elicited at public hearings
6 under par. (g), and provide to the board recommendations to alleviate these needs,
7 problems, and concerns.

8 (f) Require reports from and advise the member of the staff of the appropriate
9 regional office whose duties are specified under s. 152.40 (1), concerning issues that
10 arise under pars. (b) to (e).

11 (g) In at least 2 localities of the region, hold public hearings at least annually
12 to elicit public opinion concerning the health plan under this chapter. The council
13 shall give notice of each hearing by publishing a class 1 notice, under ch. 985, at least
14 15 days before the hearing in a newspaper covering the affected area.

15 (h) Perform other duties as required by the board.

16 **(2)** Each regional consumer health council may, for cause, recall the member
17 elected under sub. (1) (a) and may elect another member to fulfill that term on the
18 board if all of the following are done:

19 (a) The elected member of the board for whom recall is sought receives notice
20 of the recall at least 10 working days before the meeting at which recall is voted upon.

21 (b) Notice of the vote to recall the elected member is made on the agenda of the
22 meeting of the regional consumer health council that is immediately prior to the
23 meeting at which recall is voted upon.

24 **(2m)** The regional consumer health council may appoint a regional advisory
25 committee. If appointed, the regional advisory committee shall consist of 18

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1 members who reflect as much as possible a balance of gender, race, age, sexual
2 orientation, ethnicity, religion, geographic area, and the interests of management,
3 labor, and individuals with disabilities, and may consist of consumer advocates and
4 health care providers.

5 (3) The staff of the appropriate regional office shall provide services to each
6 regional consumer health council to deal with issues of health consumer advocacy
7 and health ombudsman functions.

8 **152.40 Department of health planning and finance.** (1) The department
9 shall administer the health plan under this chapter, including establishing a
10 regional office in each of the regions specified under s. 15.207 (1) (a) 1. to 6. Each
11 regional office shall have at least one staff member who acts in a full-time capacity
12 as a regional consumer advocate and health care ombudsman.

13 (2) The department shall establish provider payment rates, taking into
14 consideration regional, rural, and urban differences, and conditions of payment for
15 the provision of health care services under the health plan.

16 (3) The department shall, after review and approval by the board, promulgate
17 as rules all of the following:

18 (a) Guidelines for cost containment under the health plan, including the
19 purchasing and distribution of major diagnostic, medical, and surgical equipment.

20 (b) Criteria, as recommended by the medical advisory committee appointed by
21 the secretary under sub. (7), for determining necessity for orthodontia and for the
22 performance of reconstructive or cosmetic surgery for coverage under the health
23 plan.

24 (4) The department shall biennially evaluate and recommend to the board cost
25 control measures for the health plan.

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1 **(5)** The department shall, by July 1, 2007, begin implementation of processes,
2 in light of policies formulated or revised under s. 152.20 (3), to effect all of the
3 following:

4 (a) Specification of the amounts and sources of revenues to finance payment to
5 providers under the health plan, which may not include any premiums, copayments,
6 deductibles, and other forms of direct payment by patients, and which shall include
7 all of the following:

8 1. Use of federal, state, and local moneys that fund, as of July 1, 2008, health
9 care services, including medicare, medical assistance, health care services funded by
10 a relief block grant under s. 49.02 or 49.025, health care services under s. 49.665,
11 veterans medical benefits, services specified in s. 152.10 (2) (k), services provided
12 under federal block grants, alcohol and other drug abuse services, and services
13 provided by local health departments.

14 2. Use of revenues from a tax on employers, based on the amount of wages that
15 they pay, that generates, in the aggregate, revenues that are at least equal to
16 amounts that employers contribute, as of the effective date of this subdivision
17 [revisor inserts date], for employee health care benefit costs, including the costs of
18 worker's compensation attributable to health care for injured employees.

19 3. Use of revenues from a graduated income tax on individuals that generates,
20 in the aggregate, revenues that are not greater than expenditures that individuals
21 make, as of July 1, 2008, for health care costs for which coverage under disability
22 insurance policies is not obtained.

23 4. An indexing of the sources of revenues under this paragraph that provides
24 for revenue growth that is equivalent to the anticipated growth of health care costs
25 under the health plan.

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1 (b) Application for waivers to 42 USC 1396 to 1396v or consideration of the
2 feasibility of statutory changes to 42 USC 1396 to 1396v in order to effect all of the
3 following:

4 1. Administration of the Medical Assistance program in this state by the
5 department, rather than by the department of health and family services.

6 2. Use of federal financial participation to fund a portion of the administrative
7 costs, after June 30, 2008, of the department.

8 3. Use of federal financial participation, after June 30, 2008, to fund, under the
9 health plan, the health care services received by a percentage of the residents that
10 corresponds to the percentage of the residents, as determined by the board, that is
11 eligible to receive health care services under the Medical Assistance program on July
12 1, 2008.

13 4. The formulation of criteria and procedures for payment of out-of-state
14 health care costs incurred by residents specified in subd. 3.

15 5. Use of federal financial participation to fund the scope, or a portion of the
16 scope, of medical services to be provided under the health plan.

17 (c) Application for waivers to Medicare or consideration of the feasibility of
18 statutory changes to 42 USC 1395 to 1395ddd in order to effect all of the following:

19 1. Administration of the Medicare program in this state by the department,
20 rather than by private insurers.

21 2. Use of federal Medicare funds to fund a portion of the administrative costs,
22 after June 30, 2008, of the department.

23 3. Use of federal Medicare funds to fund, under the health plan, the health care
24 services received by residents who are eligible to receive services under Medicare
25 beginning on July 1, 2008.

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1 4. The formulation of criteria and procedures for payment of out-of-state
2 health care costs incurred by residents specified in subd. 3.

3 5. Use of federal Medicare funds to fund the scope, or a portion of the scope, of
4 medical services to be provided under the health plan.

5 6. The assignment to the state, as represented by the department, of rights of
6 an individual to payment for medical care from any 3rd party.

7 (d) Application for waivers or consideration of the feasibility of statutory
8 changes to federal laws, other than those specified in pars. (b) and (c), in order to use
9 moneys available under those federal laws for payment of health care services under
10 the health plan or in order to provide services to all residents under the health plan.

11 (e) The establishment and maintenance, with reserves of no less than 5 percent
12 of the total annual amount appropriated under s. 20.430 (1) (b), of a health trust fund
13 in the department, for receipt of revenues specified in par. (a).

14 (f) The formulation of criteria for determining payment and the formulation of
15 procedures for determining payment and negotiating applicable rates to be used for
16 payment for health care providers, including health care facilities, under the health
17 plan. The criteria and procedures for determining payment shall include periodic
18 overall budgeting, including separately budgeting for operational costs; for health
19 care facilities and services; for negotiations with professional groups or associations
20 of practitioners; for consideration of inflation costs and increased patient
21 populations; and for research and teaching.

22 (g) The development and implementation of a system to provide an electronic
23 or other identification card, bearing a unique number that is not a social security
24 number, to each health plan participant, for receipt of benefits under the plan, and
25 to each health care provider, for receipt of reimbursement.

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1 (h) The formulation of criteria and procedures to review and to provide funding
2 for capital expenditures, from an account separate from that from which health care
3 services are paid, for the establishment, maintenance, or expansion of health care
4 facilities.

5 (i) The formulation of criteria and procedures for recovery of overpayments
6 made to health care providers under the health plan.

7 (j) The determination and use of factors requisite to establishing an annual
8 state health budget for the provision of services under the health plan.

9 (k) Application for waivers of 29 USC 1144 (a) or consideration of the feasibility
10 of statutory change to 29 USC 1144 (a) or the means by which operation of the health
11 plan may avoid conflict with 29 USC 1144 (a).

12 (L) Investigation of the feasibility of providing the state with subrogation
13 rights to payments for injury or disease to residents that are provided under motor
14 vehicle or other liability insurance policies or plans.

15 (m) Formulation of criteria and procedures for payment under the health plan
16 of out-of-state health care costs incurred by residents.

17 (n) Establishment of a listing of approved medicinal substances and formulae,
18 including all of the following:

19 1. Negotiation with pharmaceutical manufacturers or distributors to obtain
20 the lowest possible cost for each medicinal substance. The negotiation shall include
21 as parties on behalf of the health plan the secretary of the department and the
22 chairperson of the board.

23 2. Establishment of a single statewide price, under the health plan, for each
24 medicinal substance.

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1 3. Monitoring the listing to oversee its currency and revising the listing by
2 January 1 and July 1 annually.

3 4. Negotiating a statewide uniform dispensing fee with representatives of
4 pharmacists or pharmacies.

5 (p) Exemption of operation of the health plan from ch. 133, if necessary.

6 (q) Other issues relevant to the health plan, as determined by the board.

7 **(6)** From the appropriation under s. 20.430 (1) (c), the department shall, in
8 cooperation with the department of workforce development and any other applicable
9 state agency, as defined in s. 20.001 (1), provide job retraining or job placement
10 services to individuals employed by insurers, as defined in s. 600.03 (27) and by
11 health care providers whose employment is or will be terminated because of
12 implementation of the health plan under this chapter. The department may award
13 moneys as grants to applying organizations, under the department's
14 request-for-proposal procedures, for the provision of job retraining or placement
15 services under this subsection.

16 **(7)** The secretary shall create a medical advisory committee and appoint
17 members of the committee, to recommend criteria under sub. (3) (b).

18 **SECTION 15. Nonstatutory provisions; health planning and finance.**

19 **(1) HEALTH POLICY BOARD; APPOINTMENT OF MEMBERS.** Notwithstanding the
20 length of terms specified for the members of the health policy board under section
21 15.20 (intro.) of the statutes, as created by this act, the initial members of the health
22 policy board shall be appointed or elected by the first day of the 4th month beginning
23 after the effective date of this subsection for the following terms:

24 (a) Two members specified under section 15.20 (1) of the statutes, as created
25 by this act, one of whom is elected from the northern regional consumer health

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1 council and one of whom is elected from the southeastern regional health council, and
2 2 members specified under section 15.20 (2) of the statutes, as created by this act, for
3 terms expiring on May 1, 2009.

4 (b) Two members specified under section 15.20 (1) of the statutes, as created
5 by this act, one of whom is elected from the northeastern regional consumer health
6 council and one of whom is elected from the regional consumer health council for the
7 area within Milwaukee County, and 2 members specified under section 15.20 (2) of
8 the statutes, as created by this act, for terms expiring on May 1, 2011.

9 (c) Two members specified under section 15.20 (1) of the statutes, as created by
10 this act, one of whom is elected from the southern regional consumer health council
11 and one of whom is elected from the western regional consumer health council, and
12 one member specified under section 15.20 (2) of the statutes, as created by this act,
13 for terms expiring on May 1, 2013.

14 (2) REGIONAL CONSUMER HEALTH COUNCILS; APPOINTMENT OF MEMBERS.

15 Notwithstanding the length of terms specified for the members of regional consumer
16 health councils under section 15.207 (1) (b) of the statutes, as created by this act, the
17 initial members of the regional consumer health councils shall be appointed by the
18 first day of the 3rd month beginning after the effective date of this subsection for the
19 following terms:

20 (a) For the regional consumer health council under section 15.207 (1) (b) 1. of
21 the statutes, as created by this act:

- 22 1. Five members, for terms expiring on July 1, 2010.
- 23 2. Five members, for terms expiring on July 1, 2011.
- 24 3. Six members, for terms expiring on July 1, 2012.

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1 (b) For the regional consumer health council under section 15.207 (1) (b) 2. of
2 the statutes, as created by this act:

3 1. Five members, for terms expiring on July 1, 2010.

4 2. Five members, for terms expiring on July 1, 2011.

5 3. Five members, for terms expiring on July 1, 2012.

6 (c) For each regional consumer health council under section 15.207 (1) (b) 3. or
7 4. of the statutes, as created by this act:

8 1. Five members, for terms expiring on July 1, 2010.

9 2. Five members, for terms expiring on July 1, 2011.

10 3. Seven members, for terms expiring on July 1, 2012.

11 (d) For each regional consumer health council under section 15.207 (1) (b) 5.
12 or 6. of the statutes, as created by this act:

13 1. Four members, for terms expiring on July 1, 2010.

14 2. Four members, for terms expiring on July 1, 2011.

15 3. Four members, for terms expiring on July 1, 2012.

16 (3) PROPOSED IMPLEMENTATION.

17 (a) The department of administration shall expedite the creation of regional
18 consumer health councils in accord with section 15.207 (1) (b) of the statutes, as
19 created by this act, by initiating and making follow-up contacts with boards of
20 supervisors in counties other than Milwaukee County and with the county executive
21 of Milwaukee County and the mayor of the city of Milwaukee.

22 (b) The department of administration shall provide staff assistance to complete
23 all activities required to create the 6 regional consumer health councils and enable
24 each regional consumer health council to elect one member of the health policy board
25 as required under section 15.20 (1) of the statutes, as created by this act.

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1 (c) The health policy board shall appoint the secretary of health planning and
2 finance within 6 months after the first meeting at which all appointed and at least
3 3 elected board members assemble.

4 (d) The secretary of health planning and finance and the secretary of
5 administration shall, until September 1, 2009, meet at least semimonthly to
6 formulate decisions on issues concerning the health plan and the department of
7 health planning and finance, as specified in chapter 152 of the statutes, as created
8 by this act, and how the scope and functions of the department of health planning
9 and finance affect the scope and functions of the department of health and family
10 services, the office of the commissioner of insurance, and the board on aging and
11 long-term care and the duties or powers of any other state agency. Following
12 approval by the health policy board, the department of health planning and finance
13 shall convey these decisions to, and cooperate with, the legislative reference bureau
14 in the drafting of proposed legislation that is necessary to implement those decisions,
15 for introduction in the legislature in 2008 by the appropriate committee of the
16 legislature.

17 (e) Within 2 months after the first day of the 36th month after the appointment
18 of the first secretary of health planning and finance under paragraph (c), the health
19 policy board shall evaluate, in writing, the performance of the secretary, shall decide
20 whether or not to continue the appointment, and shall provide a copy of the
21 evaluation to the governor. If the health policy board decides to discontinue the
22 appointment, the board shall, within 6 months, implement the decision and appoint
23 a successor.

24 **SECTION 16. Nonstatutory provisions; legislative reference bureau.**

