State of Wisconsin
2005 - 2006 LEGISLATURE
LRB-1649/10
DAK/PJK/RAC/MJL/JK:wlj&cjs:jf

DOA:.....Johnston, BB0423 – Health care quality improvement

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

HEALTH

Under current law, DHFS must collect, analyze, and disseminate health care information from health care providers other than hospitals and ambulatory surgery centers; in addition, DOA must contract with an entity to collect, analyze, and disseminate health care information from hospitals and ambulatory surgery centers. Both DHFS and the entity under contract with DOA must, from the data collected, prepare certain reports that do not permit the identification of a patient, an employer, or a health care provider. The Board on Health Care Information, attached to DHFS, must advise DHFS on the collection, analysis, and dissemination of health care information; provide oversight on the reports issued by DHFS and the entity under contract with DOA; and develop overall strategy and direction for health care information collection activities. Activities of the Board on Health Care Information and DHFS are funded from fees for performance of certain work under contract and from assessments that are annually levied on health care providers other than hospitals and ambulatory surgery centers.

This bill eliminates the Board on Health Care Information as of October 1, 2005, and replaces it on that date with a nine-member Health Care Quality and Patient Safety Board (HCQPSB), attached to DOA, which assumes the duties and powers of the Board on Health Care Information. In addition, the HCQPSB must do all of the following:

1. By March 1, 2006, study and make recommendations concerning the feasibility of creating a centralized physician information database.

2. By October 1, 2006, study and make recommendations concerning rules required and authorized to be promulgated by DHFS concerning the collection, analysis, and dissemination of health care information; promote the collection and availability of certain health care information; and foster the evolution of certain partnerships and agreements and transparency of health care information.

3. By January 1, 2007, develop a plan and specific strategies to deploy health care information systems technology for health care quality, safety, and efficiency.

4. Annually report on its plans, activities, accomplishments, and recommendations.

5. Annually assess the extent to which automated information and decision support systems are used by health care providers in Wisconsin.

6. Annually assess options and develop a plan to achieve automation of all health care systems in Wisconsin by 2010.

7. Make grants or loans to clinics, health maintenance organizations, hospitals, or physicians for various projects.

The bill prohibits DHFS from enforcing rules promulgated before the effective date of this bill as an act that relate to the collection, from physicians, of workforce and practice information, health care plan affiliations, and hospital privileges and, from dentists, chiropractors, and podiatrists, of workforce and practice information. Beginning July 1, 2007, the bill also prohibits DHFS from enforcing rules promulgated before that date that relate to physician claims data. DHFS may only promulgate rules that relate to the collection and dissemination of health care information that are first approved by HCQPSB.

The bill creates the health care quality improvement fund, a segregated fund that consists of moneys transferred from the injured patients and families compensation fund, the net proceeds of certain revenue obligations, a portion of the annual assessments levied on health care providers other than hospitals and ambulatory surgery centers, the repayment of any loans made by the HCQPSB, and any moneys transferred by the secretary of administration. Funds of the health care quality improvement fund are, under the bill, appropriated for general program operations of the HCQPSB, for grants or loans made by the HCQPSB, and for benefits under the Medical Assistance (MA) program, including payments for direct graduate medical education, a major managed care supplement, a pediatric services supplement, rural hospital supplements, and an essential access city hospital.

Under the bill, before July 1, 2007, DHFS may promulgate only those rules relating to the collection, analysis, and dissemination of health care information that are first approved by the HCQPSB.

OTHER HEALTH AND HUMAN SERVICES

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) provides financial assistance to private and public health facilities and hospitals. This bill prohibits WHEFA from providing such financial assistance unless the health facility or hospital demonstrates to the Health Care Quality and

Patient Safety Board (HCQPSB) that the health facility or hospital is making progress to improve medical information systems technology.

INSURANCE

Under current law, certain health care providers are required to carry health care liability insurance with liability limits of at least $1,000,000 for each occurrence and at least $3,000,000 for all occurrences in a policy year. Any portion of a medical malpractice claim against a health care provider subject to the health care liability insurance requirements that exceeds the policy limits of the health care provider's health care liability insurance is paid by the injured patients and families compensation fund. Moneys for the fund come from annual assessments paid by the health care providers who are subject to the health care liability insurance requirements. Current law provides that the fund is established to curb the rising costs of health care by financing part of the liability incurred by health care providers as a result of medical malpractice claims and that the fund is held in irrevocable trust for the sole benefit of providers and proper claimants and may not be used for any other purpose of the state.

This bill transfers $169,703,400 in fiscal year 2005–06 and $9,714,000 in fiscal year 2006–07 from the injured patients and families compensation fund to the health care quality improvement fund, as created in the bill. The bill also adds to the stated purposes of the injured patients and families compensation fund the purposes of ensuring the availability of health care providers in Wisconsin and of enabling the deployment of health care information systems technology for health care quality, safety, and efficiency, by the Health Care Quality and Patient Safety Board (HCQPSB), as created in the bill.

STATE GOVERNMENT

STATE FINANCE

This bill creates a program to issue revenue obligations to fund costs of the Medical Assistance program. Under the bill, funds for the program may not exceed $130,000,000. The bill provides that the principal and interest costs on the revenue obligations are to be paid from excise taxes that are currently imposed on the sale of liquor, fermented malt beverages, cigarettes, and tobacco products. These taxes are to be deposited into the excise tax fund, a fund under current law that can be used for any revenue obligations issued to pay the state's unfunded prior service liability under the Wisconsin Retirement System (WRS). To dedicate moneys in the excise tax fund for the payment of these grants, the bill eliminates the state's authority to issue revenue obligations secured by tax revenues derived from the sale of liquor, fermented malt beverages, cigarettes, and tobacco products for the payment of the state's unfunded prior liability under the WRS. Obligations for this purpose have already been issued under other current law authority.

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:

SECTION 1. 15.07 (2) (b) of the statutes is repealed.

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

15.07 **(2)** (n) The chairperson of the health care quality and patient safety board shall be designated biennially by the governor.

SECTION 3. 15.07 (3) (bm) 1. of the statutes is repealed.

SECTION 4. 15.105 (13) of the statutes is created to read:

15.105 **(13)** HEALTH CARE QUALITY AND PATIENT SAFETY BOARD. (a) *Creation; membership.* There is created a health care quality and patient safety board, attached to the department of administration under s. 15.03, consisting of the following members:

1. The secretary of health and family services, the secretary of employee trust funds, and the secretary of administration or their designees.

2. One physician, as defined in s. 448.01 (5).

3. One representative of hospitals.

4. One employer purchaser of health care.

5. One representative of the insurance industry.

6. One representative of health maintenance organizations, as defined in s. 609.01 (2).

7. One member who shall represent the public interest.

(b) *Terms.* The board members specified in par. (a) 2. to 7. shall be appointed for 4–year terms.

SECTION 5. 15.195 (6) of the statutes is repealed.

SECTION 6. 16.03 (3) of the statutes is amended to read:

16.03 **(3)** REPORT. The interagency coordinating council shall report at least twice annually to the health care quality and patient safety board ~~on health care information~~ in the department of ~~health and family services~~ administration, concerning the council's activities under this section.

SECTION 7. 16.526 (title) of the statutes is repealed and recreated to read:

16.526 (title) **Revenue obligation program to fund costs of the Medical Assistance program.**

SECTION 8. 16.526 (1) of the statutes is amended to read:

16.526 **(1)** For purposes of subch. II of ch. 18, the purposes of obtaining proceeds to ~~pay the state's anticipated unfunded prior service liability under s. 40.05 (2) (b) and of paying the state's unfunded prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40~~ fund costs of the Medical Assistance program is a special fund program, and the excise tax fund is a special fund. The legislature finds and determines that the excise tax fund is a segregated fund consisting of fees, penalties, or excise taxes and that financing the ~~special~~ Medical Assistance program to ~~pay the state's unfunded prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40~~ fund costs from the net proceeds of revenue obligations issued under this section is appropriate and will serve a public purpose by improving the quality of, and access of citizens of this state to, health care services.

SECTION 9. 16.526 (2) of the statutes is amended to read:

16.526 **(2)** The net proceeds of revenue obligations issued under subch. II of ch. 18, as authorized under this section, shall be deposited in a fund in the state treasury, or an account maintained by a trustee, created under s. 18.57 (1). The moneys shall be applied for ancillary payments and for the provision of reserves, as determined by the building commission, and for the payment of part or all of the ~~state's unfunded prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, as determined by the department,~~ costs of the Medical Assistance program, and any remainder shall be paid into ~~a retirement liability~~ an excise tax revenue obligation redemption fund created under 18.562 (3).

SECTION 10. 16.526 (5) (b) of the statutes is amended to read:

16.526 **(5)** (b) Except as otherwise provided in this paragraph, the secretary shall determine the requirements for funds to be obtained from revenue obligations issued under this section to pay the ~~state's anticipated unfunded prior service liability under s. 40.05 (2) (b) and funds used for the payment of the state's unfunded prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, that are to be paid from revenue obligations issued under this section, shall be determined by the secretary~~ costs of the Medical Assistance program. The ~~sum~~ amount of expenditures to be paid from revenue obligations issued under this section ~~and appropriation obligations issued under s. 16.527, if any,~~ excluding any ~~appropriation~~ revenue obligations that have been defeased under a cash optimization program administered by the building commission ~~and any appropriation obligations issued pursuant to s. 16.527 (3) (b) 3.,~~ shall not exceed ~~$1,500,000,000~~ $130,000,000.

SECTION 11. 16.526 (5) (c) of the statutes is created to read:

16.526 **(5)** (c) For the purpose of s. 18.58 (4), the department is carrying out program responsibilities for which the revenue obligations are authorized under this section.

SECTION 12. 16.527 (3) (b) 2. of the statutes is amended to read:

16.527 **(3)** (b) 2. The sum of appropriation obligations issued under this section, excluding any obligations that have been defeased under a cash optimization program administered by the building commission and any obligations issued pursuant to subd. 3., ~~and revenue obligations issued under s. 16.526, if any,~~ may not exceed $1,500,000,000.

SECTION 13. 18.55 (5) of the statutes is amended to read:

18.55 **(5)** EXERCISE OF AUTHORITY. Money may be borrowed and evidences of revenue obligation issued therefor pursuant to one or more authorizing resolutions, unless otherwise provided in the resolution or in this subchapter, at any time and from time to time, for any combination of purposes, in any specific amounts, at any rates of interest, for any term, payable at any intervals, at any place, in any manner and having any other terms or conditions deemed necessary or useful. Revenue obligation bonds may bear interest at variable or fixed rates, bear no interest or bear interest payable only at maturity or upon redemption prior to maturity. Unless sooner exercised or unless a ~~shorter~~ different period is provided in the resolution, every authorizing resolution, except as provided in s. 18.59 (1), shall expire one year after the date of its adoption.

SECTION 14. 18.61 (5) of the statutes is amended to read:

18.61 **(5)** The legislature may provide, with respect to any specific issue of revenue obligations, prior to their issuance, that if the special fund income or the enterprise or program income pledged to the payment of the principal and interest

of the issue is insufficient for that purpose, or is insufficient to replenish a reserve fund, if applicable, it will consider supplying the deficiency by appropriation of funds, from time to time, out of the treasury. If the legislature so provides, the commission may make the necessary provisions therefor in the authorizing resolution and other proceedings of the issue. Thereafter, if the contingency occurs, recognizing its moral obligation to do so, the legislature hereby expresses its expectation and aspiration that it shall make such appropriation.

SECTION 15. 20.435 (4) (hg) of the statutes is renumbered 20.435 (1) (hg) and amended to read:

20.435 **(1)** (hg) *General program operations; health care information.* The amounts in the schedule to fund the activities of the department of health and family services ~~and the board on health care information~~ under ch. 153. The contract fees paid under s. 153.05 (6m) and assessments paid under s. 153.60, less $250,000 in assessments paid in each fiscal year, shall be credited to this appropriation account.

****NOTE: This is reconciled s. 20.435 (4) (hg). This SECTION has been affected by drafts with the following LRB numbers: LRB–0316/2 and LRB–1649/3.

SECTION 16. 20.435 (4) (r) of the statutes is created to read:

20.435 **(4)** (r) *Health care quality improvement fund; Medical Assistance.* From the health care quality improvement fund, as a continuing appropriation, the amounts in the schedule to provide a portion of the state share of Medical Assistance program benefits administered under s. 49.45, to provide a portion of the Medical Assistance program benefits administered under s. 49.45 that are not also provided under par. (o), to fund the pilot project under s. 46.27 (9) and (10), to provide a portion of the facility payments under 1999 Wisconsin Act 9, section 9123 (9m), to fund

services provided by resource centers under s. 46.283, and for services under the family care benefit under s. 46.284 (5).

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

SECTION 17. 20.435 (4) (rg) of the statutes is created to read:

20.435 **(4)** (rg) *Health care quality improvement fund; Medical Assistance payments.* From the health care quality improvement fund, a sum sufficient equal to the amounts transferred under s. 16.518 (4), to provide a portion of the state share of Medical Assistance program benefits administered under s. 49.45, to provide a portion of the Medical Assistance program benefits administered under s. 49.45 that are not also provided under par. (o), to fund the pilot project under s. 46.27 (9) and (10), to provide a portion of the facility payments under 1999 Wisconsin Act 9, section 9123 (9m), to fund services provided by resource centers under s. 46.283, and for services under the family care benefit under s. 46.284 (5).

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

SECTION 18. 20.435 (4) (rg) of the statutes, as created by 2005 Wisconsin Act .... (this act), is repealed.

SECTION 19. 20.435 (4) (rm) of the statutes is created to read:

20.435 **(4)** (rm) *Health care quality improvement fund; hospital supplemental payments.* From the health care quality improvement fund, the amounts in the schedule to provide payments for direct graduate medical education, a major managed care supplement, a pediatric services supplement, rural hospital supplements under s. 49.45 (5m) (am), and an essential access city hospital under s. 49.45 (6x) (a).

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

SECTION 20. 20.505 (1) (sd) of the statutes is amended to read:

20.505 **(1)** (sd) *Revenue obligation proceeds to ~~pay the state's unfunded liability under the Wisconsin Retirement System~~ fund costs of the Medical Assistance program.* As a continuing appropriation, all proceeds from revenue obligations that are issued under subch. II of ch. 18, as authorized under s. 16.526, and deposited in a fund in the state treasury, or in an account maintained by a trustee, created under s. 18.57 (1), as authorized under s. 16.526 (2), to ~~pay part or all of the state's unfunded prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, as determined by the department of administration~~ be transferred to the health care quality improvement fund, and to provide for reserves and to make ancillary payments, as determined by the building commission, and the remainder to be transferred to ~~a retirement liability~~ an excise tax revenue obligation redemption fund created under s. 18.562 (3). Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

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

SECTION 21. 20.505 (1) (sh) of the statutes is amended to read:

20.505 **(1)** (sh) *Excise tax fund — revenue obligation repayment.* From the excise tax fund, a sum sufficient to pay ~~a retirement liability~~ an excise tax revenue obligation redemption fund created under s. 18.562 (3) the amount needed to pay the principal of and premium, if any, and interest on revenue obligations issued under subch. II of ch. 18, as authorized under s. 16.526, and to make ancillary payments authorized by the authorizing resolution for the revenue obligations. Estimated

disbursements under this paragraph shall not be included in the schedule under s. 20.005.

SECTION 22. 20.505 (1) (sm) of the statutes is amended to read:

20.505 **(1)** (sm) *Excise tax fund — provision of reserves and payment of ancillary costs relating to revenue obligations.* From the excise tax fund, a sum sufficient to provide for reserves and for ancillary payments relating to revenue obligations issued under subch. II of ch. 18, as authorized under s. 16.526 and the resolution authorizing the revenue obligations. Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

SECTION 23. 20.505 (1) (sp) of the statutes is amended to read:

20.505 **(1)** (sp) *Revenue obligation debt service.* From ~~a retirement liability~~ an excise tax revenue obligation redemption fund created under s. 18.562 (3), all moneys received by the fund for the payment of principal of and premium, if any, and interest on revenue obligations issued under subch. II of ch. 18, as authorized under s. 16.526, and for ancillary payments authorized by the authorizing resolution for the revenue obligations. All moneys received by the fund are irrevocably appropriated in accordance with subch. II of ch. 18 and further established in resolutions authorizing the issuance of the revenue obligations under. s. 16.526 and setting forth the distribution of funds to be received thereafter. Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

SECTION 24. 20.505 (4) (i) of the statutes is created to read:

20.505 **(4)** (i) *Health care quality and patient safety board; gifts and grants.* All money received from gifts, grants, bequests, and devises to the health care quality and patient safety board, for the purposes for which made.

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

SECTION 25. 20.505 (4) (q) of the statutes is created to read:

20.505 **(4)** (q) *Health care quality and patient safety board; general program operations.* Biennially, from the health care quality improvement fund, the amounts in the schedule for general program operations of the health care quality and patient safety board.

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

SECTION 26. 20.505 (4) (qb) of the statutes is created to read:

20.505 **(4)** (qb) *Health care quality and patient safety board; grants or loans.* As a continuing appropriation, from the health care quality improvement fund, the amounts in the schedule for grants or loans under s. 153.076.

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

SECTION 27. 25.17 (1) (gd) of the statutes is created to read:

25.17 **(1)** (gd) Health care quality improvement fund (s. 25.775);

SECTION 28. 25.775 of the statutes is created to read:

25.775 Health care quality improvement fund. There is created a separate nonlapsible trust fund designated as the health care quality improvement fund, consisting of all of the following:

(1) All moneys transferred under 2005 Wisconsin Act .... (this act), section 9225 (1).

(2) All moneys received from s. 20.505 (1) (sd).

(3) In each fiscal year, $250,000 of the assessments paid under s. 153.60.

(4) Repayment of any loans made under s. 153.076 (2).

(5) All moneys transferred under s. 16.518 (4).

SECTION 29. 25.775 (1) of the statutes, as created by 2005 Wisconsin Act .... (this act), is repealed.

SECTION 30. 25.775 (5) of the statutes, as created by 2005 Wisconsin Act .... (this act), is repealed.

SECTION 31. 46.27 (9) (a) of the statutes is amended to read:

46.27 **(9)** (a) The department may select up to 5 counties that volunteer to participate in a pilot project under which they will receive certain funds allocated for long–term care. The department shall allocate a level of funds to these counties equal to the amount that would otherwise be paid under s. 20.435 (4) (b), (gp), (r), (rg), or (w) to nursing homes for providing care because of increased utilization of nursing home services, as estimated by the department. In estimating these levels, the department shall exclude any increased utilization of services provided by state centers for the developmentally disabled. The department shall calculate these amounts on a calendar year basis under sub. (10).

SECTION 32. 46.27 (9) (a) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

46.27 **(9)** (a) The department may select up to 5 counties that volunteer to participate in a pilot project under which they will receive certain funds allocated for long–term care. The department shall allocate a level of funds to these counties equal to the amount that would otherwise be paid under s. 20.435 (4) (b), (gp), (r), ~~(rg),~~ or (w) to nursing homes for providing care because of increased utilization of nursing home services, as estimated by the department. In estimating these levels, the department shall exclude any increased utilization of services provided by state centers for the developmentally disabled. The department shall calculate these amounts on a calendar year basis under sub. (10).

SECTION 33. 46.27 (10) (a) 1. of the statutes is amended to read:

46.27 **(10)** (a) 1. The department shall determine for each county participating in the pilot project under sub. (9) a funding level of state medical assistance expenditures to be received by the county. This level shall equal the amount that the department determines would otherwise be paid under s. 20.435 (4) (b), (gp), (r), (rg), or (w) because of increased utilization of nursing home services, as estimated by the department.

SECTION 34. 46.27 (10) (a) 1. of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

46.27 **(10)** (a) 1. The department shall determine for each county participating in the pilot project under sub. (9) a funding level of state medical assistance expenditures to be received by the county. This level shall equal the amount that the department determines would otherwise be paid under s. 20.435 (4) (b), (gp), (r), ~~(rg),~~ or (w) because of increased utilization of nursing home services, as estimated by the department.

SECTION 35. 46.275 (5) (a) of the statutes is amended to read:

46.275 **(5)** (a) Medical Assistance reimbursement for services a county, or the department under sub. (3r), provides under this program is available from the appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), (rg), and (w). If 2 or more counties jointly contract to provide services under this program and the department approves the contract, Medical Assistance reimbursement is also available for services provided jointly by these counties.

SECTION 36. 46.275 (5) (a) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

46.275 **(5)** (a) Medical Assistance reimbursement for services a county, or the department under sub. (3r), provides under this program is available from the appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), ~~(rg),~~ and (w). If 2 or more counties jointly contract to provide services under this program and the department approves the contract, Medical Assistance reimbursement is also available for services provided jointly by these counties.

SECTION 37. 46.275 (5) (c) of the statutes is amended to read:

46.275 **(5)** (c) The total allocation under s. 20.435 (4) (b), (gp), (o), (r), (rg), and (w) to counties and to the department under sub. (3r) for services provided under this section may not exceed the amount approved by the federal department of health and human services. A county may use funds received under this section only to provide services to persons who meet the requirements under sub. (4) and may not use unexpended funds received under this section to serve other developmentally disabled persons residing in the county.

SECTION 38. 46.275 (5) (c) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

46.275 **(5)** (c) The total allocation under s. 20.435 (4) (b), (gp), (o), (r), ~~(rg),~~ and (w) to counties and to the department under sub. (3r) for services provided under this section may not exceed the amount approved by the federal department of health and human services. A county may use funds received under this section only to provide services to persons who meet the requirements under sub. (4) and may not use unexpended funds received under this section to serve other developmentally disabled persons residing in the county.

SECTION 39. 46.278 (6) (d) of the statutes is amended to read:

46.278 **(6)** (d) If a county makes available nonfederal funds equal to the state share of service costs under a waiver received under sub. (3), the department may, from the appropriation under s. 20.435 (4) (o), provide reimbursement for services that the county provides under this section to persons who are in addition to those who may be served under this section with funds from the appropriation under s. 20.435 (4) (b), (r), (rg), or (w).

SECTION 40. 46.278 (6) (d) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

46.278 **(6)** (d) If a county makes available nonfederal funds equal to the state share of service costs under a waiver received under sub. (3), the department may, from the appropriation under s. 20.435 (4) (o), provide reimbursement for services that the county provides under this section to persons who are in addition to those who may be served under this section with funds from the appropriation under s. 20.435 (4) (b), (r), ~~(rg),~~ or (w).

SECTION 41. 46.283 (5) of the statutes is amended to read:

46.283 **(5)** FUNDING. From the appropriation accounts under s. 20.435 (4) (b), (bm), (gp), (pa), (r), (rg), and (w) and (7) (b), (bd), and (md), the department may contract with organizations that meet standards under sub. (3) for performance of the duties under sub. (4) and shall distribute funds for services provided by resource centers.

SECTION 42. 46.283 (5) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

46.283 **(5)** FUNDING. From the appropriation accounts under s. 20.435 (4) (b), (bm), (gp), (pa), (r), ~~(rg),~~ and (w) and (7) (b), (bd), and (md), the department may contract with organizations that meet standards under sub. (3) for performance of

the duties under sub. (4) and shall distribute funds for services provided by resource centers.

SECTION 43. 46.284 (5) (a) of the statutes is amended to read:

46.284 **(5)** (a) From the appropriation accounts under s. 20.435 (4) (b), (g), (gp), (im), (o), (r), (rg), and (w) and (7) (b) and (bd), the department shall provide funding on a capitated payment basis for the provision of services under this section. Notwithstanding s. 46.036 (3) and (5m), a care management organization that is under contract with the department may expend the funds, consistent with this section, including providing payment, on a capitated basis, to providers of services under the family care benefit.

SECTION 44. 46.284 (5) (a) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

46.284 **(5)** (a) From the appropriation accounts under s. 20.435 (4) (b), (g), (gp), (im), (o), (r), ~~(rg),~~ and (w) and (7) (b) and (bd), the department shall provide funding on a capitated payment basis for the provision of services under this section. Notwithstanding s. 46.036 (3) and (5m), a care management organization that is under contract with the department may expend the funds, consistent with this section, including providing payment, on a capitated basis, to providers of services under the family care benefit.

SECTION 45. 49.45 (2) (a) 17. of the statutes is amended to read:

49.45 **(2)** (a) 17. Notify the governor, the joint committee on legislative organization, the joint committee on finance, and appropriate standing committees, as determined by the presiding officer of each house, if the appropriation accounts under s. 20.435 (4) (b) ~~and~~, (gp), (r), and (rg) are insufficient to provide the state share of medical assistance.

SECTION 46. 49.45 (2) (a) 17. of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.45 **(2)** (a) 17. Notify the governor, the joint committee on legislative organization, the joint committee on finance and appropriate standing committees, as determined by the presiding officer of each house, if the appropriation accounts under s. 20.435 (4) (b), (gp), and (r), ~~and (rg)~~ are insufficient to provide the state share of medical assistance.

SECTION 47. 49.45 (5m) (am) of the statutes is amended to read:

49.45 **(5m)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) ~~(b), (gp),~~ (o), ~~and~~ ~~(w)~~ (rm), the department shall distribute not more than $2,256,000 in each fiscal year, to provide supplemental funds to rural hospitals that, as determined by the department, have high utilization of inpatient services by patients whose care is provided from governmental sources, and to provide supplemental funds to critical access hospitals, except that the department may not distribute funds to a rural hospital or to a critical access hospital to the extent that the distribution would exceed any limitation under 42 USC 1396b (i) (3).

SECTION 48. 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

49.45 **(6m)** (ag) (intro.) Payment for care provided in a facility under this subsection made under s. 20.435 (4) (b), (gp), (pa), (o), (r), (rg), (w), or (wm) shall, except as provided in pars. (bg), (bm), and (br), be determined according to a prospective payment system updated annually by the department. The payment system shall implement standards that are necessary and proper for providing patient care and that meet quality and safety standards established under subch. II of ch. 50 and ch. 150. The payment system shall reflect all of the following:

SECTION 49. 49.45 (6m) (ag) (intro.) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.45 **(6m)** (ag) (intro.) Payment for care provided in a facility under this subsection made under s. 20.435 (4) (b), (gp), (pa), (o), (r), ~~(rg),~~ (w), or (wm) shall, except as provided in pars. (bg), (bm), and (br), be determined according to a prospective payment system updated annually by the department. The payment system shall implement standards that are necessary and proper for providing patient care and that meet quality and safety standards established under subch. II of ch. 50 and ch. 150. The payment system shall reflect all of the following:

SECTION 50. 49.45 (6v) (b) of the statutes is amended to read:

49.45 **(6v)** (b) The department shall, each year, submit to the joint committee on finance a report for the previous fiscal year~~, except for the 1997–98 fiscal year,~~ that provides information on the utilization of beds by recipients of medical assistance in facilities and a discussion and detailed projection of the likely balances, expenditures, encumbrances, and carry over of currently appropriated amounts in the appropriation accounts under s. 20.435 (4) (b), (gp), ~~and~~ (o), (r), and (rg).

SECTION 51. 49.45 (6v) (b) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.45 **(6v)** (b) The department shall, each year, submit to the joint committee on finance a report for the previous fiscal year, except for the 1997–98 fiscal year, that provides information on the utilization of beds by recipients of medical assistance in facilities and a discussion and detailed projection of the likely balances, expenditures, encumbrances and carry over of currently appropriated amounts in the appropriation accounts under s. 20.435 (4) (b), (gp), (o), and (r)~~, and (rg)~~.

SECTION 52. 49.45 (6x) (a) of the statutes is amended to read:

49.45 **(6x)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) ~~(b), (gp),~~ (o)~~,~~ and ~~(w)~~ (rm), the department shall distribute not more than ~~$4,748,000~~ $6,248,000 in each fiscal year, to provide funds to an essential access city hospital, except that the department may not allocate funds to an essential access city hospital to the extent that the allocation would exceed any limitation under 42 USC 1396b (i) (3).

SECTION 53. 49.45 (6y) (a) of the statutes is amended to read:

49.45 **(6y)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), (rg), and (w), the department shall distribute funding in each fiscal year to provide supplemental payment to hospitals that enter into a contract under s. 49.02 (2) to provide health care services funded by a relief block grant, as determined by the department, for hospital services that are not in excess of the hospitals' customary charges for the services, as limited under 42 USC 1396b (i) (3). If no relief block grant is awarded under this chapter or if the allocation of funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department may distribute funds to hospitals that have not entered into a contract under s. 49.02 (2).

SECTION 54. 49.45 (6y) (a) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.45 **(6y)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), ~~(rg),~~ and (w), the department shall distribute funding in each fiscal year to provide supplemental payment to hospitals that enter into a contract under s. 49.02 (2) to provide health care services funded by a relief block grant, as determined by the department, for hospital services that are not in excess of the hospitals' customary charges for the services, as limited under 42 USC

1396b (i) (3). If no relief block grant is awarded under this chapter or if the allocation of funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department may distribute funds to hospitals that have not entered into a contract under s. 49.02 (2).

SECTION 55. 49.45 (6y) (am) of the statutes is amended to read:

49.45 **(6y)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), (h), (gp), (o), (r), (rg), and (w), the department shall distribute funding in each fiscal year to provide supplemental payments to hospitals that enter into contracts under s. 49.02 (2) with a county having a population of 500,000 or more to provide health care services funded by a relief block grant, as determined by the department, for hospital services that are not in excess of the hospitals' customary charges for the services, as limited under 42 USC 1396b (i) (3).

SECTION 56. 49.45 (6y) (am) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.45 **(6y)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), (h), (gp), (o), (r), ~~(rg),~~ and (w), the department shall distribute funding in each fiscal year to provide supplemental payments to hospitals that enter into contracts under s. 49.02 (2) with a county having a population of 500,000 or more to provide health care services funded by a relief block grant, as determined by the department, for hospital services that are not in excess of the hospitals' customary charges for the services, as limited under 42 USC 1396b (i) (3).

SECTION 57. 49.45 (6z) (a) (intro.) of the statutes is amended to read:

49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), (rg), and (w), the department shall distribute funding in each fiscal year to supplement payment for services to hospitals

that enter into a contract under s. 49.02 (2) to provide health care services funded by a relief block grant under this chapter, if the department determines that the hospitals serve a disproportionate number of low–income patients with special needs. If no medical relief block grant under this chapter is awarded or if the allocation of funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department may distribute funds to hospitals that have not entered into a contract under s. 49.02 (2). The department may not distribute funds under this subsection to the extent that the distribution would do any of the following:

SECTION 58. 49.45 (6z) (a) (intro.) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), ~~(rg),~~ and (w), the department shall distribute funding in each fiscal year to supplement payment for services to hospitals that enter into a contract under s. 49.02 (2) to provide health care services funded by a relief block grant under this chapter, if the department determines that the hospitals serve a disproportionate number of low–income patients with special needs. If no medical relief block grant under this chapter is awarded or if the allocation of funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department may distribute funds to hospitals that have not entered into a contract under s. 49.02 (2). The department may not distribute funds under this subsection to the extent that the distribution would do any of the following:

SECTION 59. 49.45 (8) (b) of the statutes is amended to read:

49.45 **(8)** (b) Reimbursement under s. 20.435 (4) (b), (gp), (o), (r), (rg), and (w) for home health services provided by a certified home health agency or independent nurse shall be made at the home health agency's or nurse's usual and customary fee

per patient care visit, subject to a maximum allowable fee per patient care visit that is established under par. (c).

SECTION 60. 49.45 (8) (b) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.45 **(8)** (b) Reimbursement under s. 20.435 (4) (b), (gp), (o), (r), ~~(rg),~~ and (w) for home health services provided by a certified home health agency or independent nurse shall be made at the home health agency's or nurse's usual and customary fee per patient care visit, subject to a maximum allowable fee per patient care visit that is established under par. (c).

SECTION 61. 49.45 (24m) (intro.) of the statutes is amended to read:

49.45 **(24m)** HOME HEALTH CARE AND PERSONAL CARE PILOT PROGRAM. (intro.) From the appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), (rg), and (w), in order to test the feasibility of instituting a system of reimbursement for providers of home health care and personal care services for medical assistance recipients that is based on competitive bidding, the department shall:

SECTION 62. 49.45 (24m) (intro.) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.45 **(24m)** HOME HEALTH CARE AND PERSONAL CARE PILOT PROGRAM. (intro.) From the appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), ~~(rg),~~ and (w), in order to test the feasibility of instituting a system of reimbursement for providers of home health care and personal care services for medical assistance recipients that is based on competitive bidding, the department shall:

SECTION 63. 49.472 (6) (a) of the statutes is amended to read:

49.472 **(6)** (a) Notwithstanding sub. (4) (a) 3., from the appropriation account under s. 20.435 (4) (b), (gp), (r), (rg), or (w), the department shall, on the part of an

individual who is eligible for medical assistance under sub. (3), pay premiums for or purchase individual coverage offered by the individual's employer if the department determines that paying the premiums for or purchasing the coverage will not be more costly than providing medical assistance.

SECTION 64. 49.472 (6) (a) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.472 **(6)** (a) Notwithstanding sub. (4) (a) 3., from the appropriation account under s. 20.435 (4) (b), (gp), (r), ~~(rg),~~ or (w), the department shall, on the part of an individual who is eligible for medical assistance under sub. (3), pay premiums for or purchase individual coverage offered by the individual's employer if the department determines that paying the premiums for or purchasing the coverage will not be more costly than providing medical assistance.

SECTION 65. 49.472 (6) (b) of the statutes is amended to read:

49.472 **(6)** (b) If federal financial participation is available, from the appropriation account under s. 20.435 (4) (b), (gp), (r), (rg), or (w), the department may pay ~~medicare~~ Medicare Part A and Part B premiums for individuals who are eligible for ~~medicare~~ Medicare and for medical assistance under sub. (3).

SECTION 66. 49.472 (6) (b) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.472 **(6)** (b) If federal financial participation is available, from the appropriation account under s. 20.435 (4) (b), (gp), (r), ~~(rg),~~ or (w), the department may pay Medicare Part A and Part B premiums for individuals who are eligible for Medicare and for medical assistance under sub. (3).

SECTION 67. 49.473 (5) of the statutes is amended to read:

49.473 **(5)** The department shall audit and pay, from the appropriation accounts under s. 20.435 (4) (b), (gp), ~~and~~ (o), (r), and (rg) allowable charges to a provider who is certified under s. 49.45 (2) (a) 11. for ~~medical assistance~~ Medical Assistance on behalf of a woman who meets the requirements under sub. (2) for all benefits and services specified under s. 49.46 (2).

SECTION 68. 49.473 (5) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

49.473 **(5)** The department shall audit and pay, from the appropriation accounts under s. 20.435 (4) (b), (gp), (o), and (r)~~, and (rg)~~ allowable charges to a provider who is certified under s. 49.45 (2) (a) 11. for medical assistance on behalf of a woman who meets the requirements under sub. (2) for all benefits and services specified under s. 49.46 (2).

SECTION 69. 139.02 (1) of the statutes is amended to read:

139.02 **(1)** TAX IMPOSED; RATE; LIMITATION. An ~~occupational~~ excise tax is imposed upon the removal for consumption or sale or selling of fermented malt beverages at the rate of $2 per barrel of 31 gallons and at a proportionate rate for any other quantity or fractional parts thereof. Not more than one ~~occupational~~ excise tax shall be required to be paid on any one container of fermented malt beverages.

SECTION 70. 139.03 (intro.) of the statutes is amended to read:

139.03 Liquor tax. (intro.) An ~~occupational~~ excise tax is imposed upon the selling of intoxicating liquor as follows:

SECTION 71. 139.03 (3) of the statutes is amended to read:

139.03 **(3)** Not more than one ~~occupational~~ excise tax shall be required to be paid on any one container of intoxicating liquor.

SECTION 72. 139.05 (2) of the statutes is amended to read:

139.05 **(2)** Each brewer and bottler in this state and each wholesaler of malt beverages within this state to whom malt beverages are shipped from outside this state shall on or before the fifteenth day of each month file with the secretary on forms prescribed by the secretary a verified return containing such information as may be required to compute and show the amount of ~~occupational~~ excise tax payable by the brewer, bottler or wholesaler or by the shipper for the next preceding calendar month on malt beverages.

SECTION 73. 139.05 (3) of the statutes is amended to read:

139.05 **(3)** The amount of the ~~occupational~~ excise tax disclosed by the return shall accompany the return and shall be paid to the department.

SECTION 74. 139.09 of the statutes is amended to read:

139.09 Registration. Every brewer, bottler, manufacturer, rectifier, wholesaler or retailer liable for payment of the ~~occupational~~ excise tax imposed in ss. 139.01 to 139.25 shall hold a valid certificate under s. 73.03 (50). The secretary shall assign the person a registration number.

SECTION 75. 153.01 (2) of the statutes is amended to read:

153.01 **(2)** "Board" means the health care quality and patient safety board ~~on health care information~~.

SECTION 76. 153.07 (5) of the statutes is created to read:

153.07 **(5)** By January 1, 2006, and at least annually thereafter, the board shall report to the governor on the plans, activities, accomplishments, and recommendations of the board.

SECTION 77. 153.07 (6) of the statutes is created to read:

153.07 **(6)** The board shall annually assess the extent to which automated information and decision support systems are used by health care providers in this state.

SECTION 78. 153.07 (7) of the statutes is created to read:

153.07 **(7)** The board shall annually assess options and develop a plan and specific strategies to achieve automation of all health care systems in the state by 2010 or as soon as practicable.

SECTION 79. 153.07 (8) of the statutes is created to read:

153.07 **(8)** The board shall administer the health care quality improvement fund.

SECTION 80. 153.07 (9) of the statutes is created to read:

153.07 **(9)** The board may accept gifts, grants, bequests, and devises to be used in the execution of its functions.

SECTION 81. 153.076 of the statutes is created to read:

153.076 Grants and loans. (1) In this section:

(a) "Clinic" means a place, other than a residence, that is used primarily for the provision of nursing, medical, podiatric, dental, chiropractic, or optometric care and treatment.

(b) "Health maintenance organization" has the meaning given in s. 609.01 (2).

(c) "Hospital" has the meaning given in s. 50.33 (2).

(d) "Physician" has the meaning given in s. 448.01 (5).

(2) (a) From the appropriation under s. 20.505 (4) (qb), the board may make grants or loans, under procedures and criteria determined by the board, to clinics, health maintenance organizations, or other health care systems, hospitals, or physicians for any of the following projects:

1. Installation of computer–assisted physician order entry, electronic medical records, or other information system infrastructure, including clinical decision support systems, to improve the quality, safety, and efficiency of patient care.

2. Development of health information exchanges, integrated health care data repositories, and interoperable systems to facilitate the reporting of quality, safety, and efficiency information for purposes of health care system improvement or related purposes by informing consumers and health care purchasers.

3. Demonstration, through pilot projects, of rapid cycle improvement in quality, safety, and efficiency of care.

4. Facilitation of group purchases of medical technology systems by assisting health care providers in forming collaborative agreements for technology.

(b) Repayment of any loans made under par. (a) shall be deposited into the health care quality improvement fund.

SECTION 82. 153.75 (title) of the statutes is amended to read:

153.75 (title) **Rule making and enforcement.**

SECTION 83. 153.75 (3) of the statutes is created to read:

153.75 **(3)** Notwithstanding sub. (1) (a), (b), (f), (m), (n), (o), (s), (t), and (u) and ss. 153.05 (1), (5), and (8) and 153.45, after June 30, 2007, the department may not enforce rules promulgated under this chapter before July 1, 2007, relating to claims data to be submitted by physicians, to procedures for verification, review, and comment on the claims data, to adjustment of the data, and to waiver of the data submission requirement.

SECTION 84. 153.75 (4) of the statutes is created to read:

153.75 **(4)** Notwithstanding sub. (1) (a), (b), (f), (m), (n), (o), (q), (t), and (u), and ss. 153.05 (1), (5) and (8), 153.21, and 153.45, after the effective date of this

subsection .... [revisor inserts date], the department may not enforce rules promulgated under this chapter before the effective date of this subsection .... [revisor inserts date], relating to any of the following:

(a) The collection, from physicians, of health care plan affiliations and updating information, hospital privileges updating information, and workforce and practice information.

(b) The collection, from dentists, chiropractors, and podiatrists, of workforce and practice information.

(c) Procedures for verification, review, and comment on the information specified under pars. (a) and (b), to adjustment of the information, and to waiver of the information collection requirement.

SECTION 85. 153.75 (5) of the statutes is created to read:

153.75 **(5)** After the effective date of this subsection .... [revisor inserts date], notwithstanding ss. 227.10 (1) and 227.11 (2) (a) and (d), the department may promulgate under this chapter only rules that are first approved by the health care quality and patient safety board.

SECTION 86. 153.76 of the statutes is amended to read:

153.76 Rule–making by the independent review board. Notwithstanding s. 15.01 (1r), the independent review board may promulgate only those rules that are first reviewed and approved by the health care quality and patient safety board ~~on health care information~~.

SECTION 87. 231.03 (intro.) of the statutes is amended to read:

231.03 Powers. (intro.) The authority has all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter.

In addition to all other powers granted by this chapter, subject to s. 231.035 the authority may:

SECTION 88. 231.035 of the statutes is created to read:

231.035 Health care quality and patient safety board approval. Beginning on the effective date of this section .... [revisor inserts date], the authority may not provide any financial assistance to a health facility, hospital, or participating health institution unless the health facility, hospital, or participating health institution demonstrates to the health care quality and patient safety board that it is making progress to improve medical information systems technology.

SECTION 89. 655.27 (6) of the statutes is amended to read:

655.27 **(6)** PURPOSE AND INTEGRITY OF FUND. The fund is established to ensure the availability of health care providers in this state, to curb the rising costs of health care by financing part of the liability incurred by health care providers as a result of medical malpractice claims ~~and~~, to ensure that proper claims are satisfied, and to enable the deployment of health care information systems technology for health care quality, safety, and efficiency, as specified in s. 153.076 (2). The fund, including any net worth of the fund, is held in irrevocable trust for the sole benefit of health care providers participating in the fund and proper claimants and for the deployment of health care information systems technology for health care quality, safety, and efficiency by the health care quality and patient safety board. Moneys in the fund may not be used for any other purpose of the state.

SECTION 9101. Nonstatutory provisions; administration.

(1) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; INITIAL APPOINTMENTS. Notwithstanding the length of terms specified in section 15.105 (13) (b) of the statutes, as created by this act, the initial members of the health care quality and

patient safety board shall be appointed by the first day of the 4th month beginning after the effective date of this subsection for the following terms:

(a) The representative of hospitals, the employer purchaser of health care, and the representative of the insurance industry, for terms expiring on May 1, 2009.

(b) The physician, the representative of health maintenance organizations, and the member who represents the public interest, for terms expiring on May 1, 2011.

(2) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; STUDY OF PHYSICIAN INFORMATION DATABASE. By March 1, 2006, the health care quality and patient safety board shall study and make recommendations to the governor concerning the feasibility of creating a centralized physician information database, including through a joint public and private effort.

(3) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; STUDY OF RULES. By October 1, 2006, the health care quality and patient safety board shall do all of the following:

(a) Study and make recommendations to the governor concerning the rules required and authorized to be promulgated by the department of health and family services under section 153.75 of the statutes.

(b) Promote the collection and availability of information regarding the quality and price of health care required to enable consumers and health care purchasers to make wise health care choices.

(c) Foster the creation and evolution of public–private health care partnerships, agreements on standard health care data sets and reporting protocols, and transparency of health care information for purchasing purposes, including the development of an integrated health care data repository.

(4) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; PLAN AND STRATEGIES. By January 1, 2007, develop a plan and specific strategies, including awarding grants

or making loans under section 153.076 (2) of the statutes, as created by this act, to deploy health care information systems technology for health care quality, safety, and efficiency, within a reasonable time and using reasonable financial investments. The plan shall consider the extent to which an integrated or interoperable system or underlying technology may be most cost effective, including by assessing benefits of the system for supporting rapid deployment for supporting medical care practitioners, promoting accurate and appropriate shared information about individual patients among health care providers, standardizing performance indicators among health care provider organizations to improve organization performance, and public reporting of quality, safety, and efficiency data for consumer and health care purchaser decision making.

SECTION 9121. Nonstatutory provisions; health and family services.

(1) TRANSFER OF FUNCTIONS OF THE BOARD ON HEALTH CARE INFORMATION.

(a) *Assets and liabilities.* On the effective date of this paragraph, the assets and liabilities of the department of health and family services primarily related to the functions of the board on health care information, as determined by the secretary of administration, shall become the assets and liabilities of the department of administration.

(b) *Position and employee transfers.* All incumbent employees holding positions in the department of health and family services performing duties primarily related to the functions of the board on health care information, as determined by the secretary of administration, are transferred on the effective date of this paragraph to the department of administration.

(c) *Employee status.* Employees transferred under paragraph (b) have all the rights and the same status under subchapter V of chapter 111 and chapter 230 of the

statutes in the department of administration that they enjoyed in the department of health and family services immediately before the transfer. Notwithstanding section 230.28 (4) of the statutes, no employee so transferred who has attained permanent status in class is required to serve a probationary period.

(d) *Tangible personal property.* On the effective date of this paragraph, all tangible personal property, including records, of the department of health and family services that is primarily related to the functions of the board on health care information, as determined by the secretary of administration, is transferred to the department of administration.

(e) *Contracts.* 1. All contracts entered into by the board on health care information in effect on the effective date of this subdivision remain in effect and are transferred to the health care quality and patient safety board. The health care quality and patient safety board shall carry out any obligations under such a contract until the contract is modified or rescinded by the health care quality and patient safety board to the extent allowed under the contract.

2. All contracts entered into by the department of health and family services in effect on the effective date of this subdivision that are primarily related to the functions of the board on health care information, as determined by the secretary of administration, remain in effect and are transferred to the department of administration. The department of administration shall carry out any obligations under such a contract until the contract is modified or rescinded by the department of administration to the extent allowed under the contract.

(f) *Rules and orders.* All rules promulgated by the board on health care information that are in effect on the effective date of this subdivision remain in effect

until their specified expiration date or until amended or repealed by the health care quality and patient safety board.

(g) *Pending matters.* Any matter pending with the board on health care information on the effective date of this paragraph is transferred to the health care quality and patient safety board and all materials submitted to or actions taken by the board on health care information with respect to the pending matter are considered as having been submitted to or taken by the health care quality and patient safety board.

(2) HEALTH CARE INFORMATION; RULE MAKING. Notwithstanding the requirement and authorization for the department of health and family services to promulgate rules under section 153.75 of the statutes, as affected by this act, before July 1, 2007, the department of health and family services may promulgate under section 153.75 of the statutes only rules that are first approved by the health care quality and patient safety board.

SECTION 9225. Appropriation changes; insurance.

(1) HEALTH CARE QUALITY IMPROVEMENT FUND. There is transferred from the injured patients and families compensation fund to the health care quality improvement fund $169,703,400 in fiscal year 2005–06 and $9,714,000 in fiscal year 2006–07.

SECTION 9401. Effective dates; administration.

(1) CREATION OF HEALTH CARE QUALITY AND PATIENT SAFETY BOARD. The treatment of sections 15.07 (2) (n), 15.105 (13), 153.07 (5) to (9), 153.076, 231.03, and 231.035 of the statutes and SECTION 9101 (1), (2), (3), and (4) of this act take effect on October 1, 2005.

SECTION 9421. Effective dates; health and family services.

(1) ELIMINATION OF BOARD ON HEALTH CARE INFORMATION. The treatment of sections 15.07 (2) (b) and (3) (bm) 1., 15.195 (6), 16.03 (3), 20.435 (4) (hg), 153.01 (2), and 153.76 of the statutes and SECTION 9121 (1) and (2) of this act take effect on October 1, 2005.

(2) MEDICAL ASSISTANCE PAYMENTS. The repeal of sections 20.435 (4) (rg) and 25.775 (1) and (5) of the statutes and the amendment of sections 46.27 (9) (a) (by SECTION 32) and (10) (a) 1. (by SECTION 34), 46.275 (5) (a) (by SECTION 36) and (c) (by SECTION 38), 46.278 (6) (d) (by SECTION 40), 46.283 (5) (by SECTION 42), 46.284 (5) (a) (by SECTION 44), 49.45 (2) (a) 17. (by (SECTION 46), (6m) (ag) (intro.) (by SECTION 49), (6v) (b) (by SECTION 51), (6y) (a) (by SECTION 54) and (am) (by SECTION 56), (6z) (a) (intro.) (by SECTION 58), (8) (b) (by SECTION 60), and (24m) (intro.) (by SECTION 62), 49.472 (6) (a) (by SECTION 64) and (b) (by SECTION 66), and 49.473 (5) (by SECTION 68) of the statutes take effect on June 30, 2007.

(END)