ASSEMBLY AMENDMENT 34,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 100

June 21, 2005 − Offered by Representative COLON.

At the locations indicated, amend the substitute amendment as follows:

1. Page 82, line 4: delete lines 4 and 5.

2. Page 169, line 23: delete "3,535,500" and substitute "6,821,900".

3. Page 169, line 23: delete "−0−" and substitute "7,076,600".

4. Page 170, line 1: delete "75,649,500" and substitute "146,321,300".

5. Page 170, line 1: delete "−0−" and substitute "175,169,700".

6. Page 254, line 5: delete lines 5 to 8.

7. Page 291, line 7: delete lines 7 and 8.

8. Page 349, line 21: delete that line.

9. Page 354, line 16: delete lines 16 to 23.

10. Page 563, line 18: delete lines 18 to 20.

11. Page 616, line 3: delete lines 3 to 5.

12. Page 681, line 14: delete lines 14 to 17.

13. Page 800, line 8: delete the material beginning with that line and ending with page 812, line 21, and substitute:

"**SECTION 2033d.** 149.12 (2) (f) of the statutes is renumbered 149.12 (2) (f) 1. and amended to read:

149.12 **(2)** (f) 1. ~~No~~ Except as provided in subd. 2., no person who is eligible for medical assistance is eligible for coverage under the plan.

SECTION 2034d. 149.12 (2) (f) 2. of the statutes is created to read:

149.12 **(2)** (f) 2. Subdivision 1. does not apply to a person who is eligible for only any of the following types of medical assistance:

a. Family planning services under s. 49.45 (24r).

b. Care and services for the treatment of an emergency medical condition under 42 USC 1396b (v), as provided in s. 49.45 (27).

c. Medical assistance under s. 49.46 (1) (a) 15.

d. Ambulatory prenatal care under s. 49.465.

e. Medicare premium, coinsurance, and deductible payments under s. 49.46 (2) (c) 2. or 3., 49.468 (1) (b) or (c), or 49.47 (6) (a) 6. b. or c.

f. Medicare premium payments under s. 49.46 (2) (cm), 49.468 (1m) or (2), or 49.47 (6) (a) 6m.

SECTION 2035d. 149.12 (2) (g) of the statutes is created to read:

149.12 **(2)** (g) A person is not eligible for coverage under the plan if the person is eligible for any of the following:

1. Services under s. 46.27 (11), 46.275, 46.277, or 46.278.

2. Medical assistance provided as part of a family care benefit, as defined in s. 46.2805 (4).

3. Services provided under a waiver requested under 2001 Wisconsin Act 16, section 9123 (16rs), or 2003 Wisconsin Act 33, section 9124 (8c).

4. Services provided under the program of all−inclusive care for persons aged 55 or older authorized under 42 USC 1396u−4.

5. Services provided under the demonstration program under a federal waiver authorized under 42 USC 1315.

6. Health care coverage under the Badger Care health care program under s. 49.665.

SECTION 2036d. 149.14 (5) (b) of the statutes is amended to read:

149.14 **(5)** (b) Except as provided in pars. (c) and (e), if the covered costs incurred in a calendar year by ~~the~~ an eligible person who is not eligible for Medicare exceed the deductible for major medical expense coverage ~~in a calendar year~~, the plan shall pay at least 80% of any additional covered costs incurred by the person during the calendar year, and if the covered costs incurred in a calendar year by an eligible person who is eligible for Medicare exceed the deductible for major medical expense coverage or $2,000, whichever is less, the plan shall pay 100% of any additional covered costs incurred by the person during the calendar year.

SECTION 2037d. 149.14 (5) (c) of the statutes is amended to read:

149.14 **(5)** (c) Except as provided in par. (e), if the aggregate of the covered costs not paid by the plan under par. (b) and the deductible exceeds ~~$500 for an eligible person receiving medicare,~~ $2,000 ~~for any other~~ in a calendar year for an eligible person ~~during a calendar year~~ who is not eligible for Medicare, or $4,000 in a calendar year for all eligible persons in a family, the plan shall pay 100% of all covered costs

incurred by the eligible person or the eligible persons in the family during the calendar year after the payment ceilings under this paragraph are exceeded.

SECTION 2038d. 149.14 (5) (e) of the statutes is amended to read:

149.14 **(5)** (e) Subject to sub. (8) (b), the department may~~, by rule under s. 149.17 (4), establish for prescription drug coverage under sub. (3) (d) copayment amounts, coinsurance rates, and~~ establish a 3−tiered copayment structure for prescription drugs. The copayment ~~and coinsurance~~ out−of−pocket ~~limits~~ limit for prescription drug coverage under sub. (3) (d) over which the plan will pay 100% of covered costs under sub. (3) (d) may be $300. The department may establish that only certain copayment amounts count toward the out−of−pocket limit. The department may provide subsidies for prescription drug copayment amounts paid by eligible persons under s. 149.165 (2) (a) 1. to 5. ~~Any copayment amount, coinsurance rate, or out−of−pocket limit established under this paragraph is subject to the approval of the board~~ Subject to sub. (8) (b), the department may change, by rule under s. 149.17 (4), the out−of−pocket limit. Using the procedure under s. 227.24, the department may promulgate rules under this paragraph for the period before the effective date of any permanent rules promulgated under this paragraph, but not to exceed the period authorized under s. 227.24 (1) (c) and (2). Notwithstanding s. 227.24 (1) (a), (2) (b), and (3), the department is not required to provide evidence that promulgating a rule under this paragraph as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to make a finding of emergency for promulgating a rule under this paragraph as an emergency rule. Copayments ~~and coinsurance~~ paid by an eligible person under this paragraph are separate from and do not count toward the deductible and covered costs not paid by the plan under pars. (a) to (c).

SECTION 2039d. 149.142 (1) (b) of the statutes is amended to read:

149.142 **(1)** (b) The payment rate for a prescription drug shall be ~~the allowable charge paid under s. 49.46 (2) (b) 6. h. for the prescription drug. Notwithstanding s. 149.17 (4), the department may not reduce the payment rate for prescription drugs below the rate specified in this paragraph, and the rate may not be adjusted under s. 149.143 or 149.144~~ set by the department, subject to the approval of the board.

SECTION 2040d. 149.142 (2) of the statutes is amended to read:

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

SECTION 2041d. 149.143 (1) (intro.) of the statutes is amended to read:

149.143 **(1)** (intro.) The department shall pay or recover the operating costs of the plan from the appropriation under s. 20.435 (4) (v) and administrative costs of the plan from the appropriation under s. 20.435 (4) (u). For purposes of determining premiums, insurer assessments and provider payment rate adjustments, the department shall apportion and prioritize responsibility for payment or recovery of plan costs, excluding deductible reductions under s. 149.14 (5) (a) and prescription drug copayment reductions under s. 149.14 (5) (e), from among the moneys constituting the fund as follows:

SECTION 2042d. 149.143 (1) (am) 1. of the statutes is amended to read:

149.143 **(1)** (am) 1. First, from premiums from eligible persons with coverage under s. 149.14 (2) (a) set at a rate that is 140% to 150% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as are provided under the plan and from eligible persons with coverage under s. 149.14 (2) (b) set in accordance with s. 149.14 (5m), including amounts received for premium~~, deductible, and prescription drug copayment~~

subsidies under s. 149.144, and from premiums collected from eligible persons with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b).

SECTION 2043d. 149.143 (1) (am) 3. of the statutes is amended to read:

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

SECTION 2044d. 149.143 (1) (am) 4. of the statutes is amended to read:

149.143 **(1)** (am) 4. Fourth, notwithstanding par. (bm), by increasing insurer assessments, excluding assessments under s. 149.144, and adjusting provider payment rates, ~~subject to s. 149.142 (1) (b) and~~ excluding adjustments to those rates under s. 149.144, in equal proportions and to the extent that the amounts under subds. 1. to 3. are insufficient to pay 60% of plan costs.

SECTION 2045d. 149.143 (1) (bm) 2. of the statutes is amended to read:

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

SECTION 2046d. 149.143 (2) (a) (intro.) of the statutes is amended to read:

149.143 **(2)** (a) (intro.) Prior to each plan year, the department shall estimate the operating and administrative costs of the plan and the costs of the premium reductions under s. 149.165~~, the deductible reductions under s. 149.14 (5) (a), and any prescription drug copayment reductions under s. 149.14 (5) (e)~~ for the new plan year and do all of the following:

SECTION 2047d. 149.143 (2) (a) 1. a. of the statutes is amended to read:

149.143 **(2)** (a) 1. a. Estimate the amount of enrollee premiums that would be received in the new plan year if the enrollee premiums were set at a level sufficient, when including amounts received for premium~~, deductible, and prescription drug copayment~~ subsidies under s. 149.144 and from premiums collected from eligible persons with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b), to cover 60% of the estimated plan costs for the new plan year.

SECTION 2048d. 149.143 (2) (a) 2. of the statutes is amended to read:

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

SECTION 2049d. 149.143 (2) (a) 3. of the statutes is amended to read:

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

SECTION 2050d. 149.143 (2) (a) 4. of the statutes is amended to read:

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

SECTION 2051d. 149.143 (2) (a) 4. of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

149.143 **(2)** (a) 4. Adjust the provider payment rate for the new plan year~~,~~ ~~subject to s. 149.142 (1) (b),~~ by estimating and setting the rate at the level necessary to equal the amounts specified in sub. (1) (am) 4. and (bm) 2. and as provided in s. 149.145.

SECTION 2052d. 149.143 (2m) (a) 1. of the statutes is amended to read:

149.143 **(2m)** (a) 1. The amount of premiums received in a plan year from all eligible persons, including amounts received for premium~~, deductible, and prescription drug copayment~~ subsidies.

SECTION 2053d. 149.143 (2m) (a) 2. of the statutes is amended to read:

149.143 **(2m)** (a) 2. The amount of premiums, including amounts received for premium~~, deductible, and prescription drug copayment~~ subsidies, necessary to cover 60% of the plan costs for the plan year.

SECTION 2054d. 149.143 (3) (a) of the statutes is amended to read:

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

plan year, subject to s. 149.146 (2) (b) and the maximum specified in sub. (2) (a) 2., ~~by rule~~ increase the assessments set under sub. (2) (a) 3. for the remainder of the plan year, subject to sub. (1) (bm) 1., and ~~by the same rule under which assessments are increased~~ adjust the provider payment rate set under sub. (2) (a) 4. for the remainder of the plan year, subject to sub. (1) (bm) 2. and s. 149.142 (1) (b).

SECTION 2055d. 149.143 (3) (a) of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

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

SECTION 2056d. 149.143 (3) (b) of the statutes is amended to read:

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

SECTION 2057d. 149.143 (4) of the statutes is repealed.

Section 2058d. 149.143 (5) (a) of the statutes is amended to read:

149.143 **(5)** (a) Annually, no later than April 30, the department shall perform a reconciliation with respect to plan costs, premiums, insurer assessments, and provider payment rate adjustments based on data from the previous calendar year. On the basis of the reconciliation, the department shall make any necessary adjustments in premiums, insurer assessments, or provider payment rates~~, subject to s. 149.142 (1) (b),~~ for the fiscal year beginning on the first July 1 after the reconciliation, as provided in sub. (2) (b).

Section 2059d. 149.143 (5) (b) of the statutes is amended to read:

149.143 **(5)** (b) Except as provided in sub. (3) and s. 149.144, the department shall adjust the provider payment rates to meet the providers' specified portion of the plan costs no more than once annually~~, subject to s. 149.142 (1) (b)~~. The department may not determine the adjustment on an individual provider basis or on the basis of provider type, but shall determine the adjustment for all providers in the aggregate~~, subject to s. 149.142 (1) (b)~~.

Section 2060d. 149.144 of the statutes is amended to read:

149.144 Adjustments to insurer assessments and provider payment rates for premium, deductible, and prescription drug copayment reductions. The department shall~~, by rule,~~ adjust in equal proportions the amount of the assessment set under s. 149.143 (2) (a) 3. and the provider payment rate set under s. 149.143 (2) (a) 4., subject to ss. 149.142 (1) (b) and 149.143 (1) (am), sufficient to reimburse the plan for premium reductions under s. 149.165, deductible reductions under s. 149.14 (5) (a), and any prescription drug copayment reductions under s. 149.14 (5) (e). The department shall notify the commissioner so that the commissioner may levy any increase in insurer assessments.

SECTION 2061d. 149.144 of the statutes, as affected by 2005 Wisconsin Act .... (this act), is amended to read:

149.144 Adjustments to insurer assessments and provider payment rates for premium, deductible, and prescription drug copayment reductions. The department shall adjust in equal proportions the amount of the assessment set under s. 149.143 (2) (a) 3. and the provider payment rate set under s. 149.143 (2) (a) 4., subject to ~~ss. 149.142 (1) (b) and~~ s. 149.143 (1) (am), sufficient to reimburse the plan for premium reductions under s. 149.165, deductible reductions under s. 149.14 (5) (a), and any prescription drug copayment reductions under s. 149.14 (5) (e). The department shall notify the commissioner so that the commissioner may levy any increase in insurer assessments.

SECTION 2062d. 149.145 of the statutes is amended to read:

149.145 Program budget. The department, in consultation with the board, shall establish a program budget for each plan year. The program budget shall be based on the provider payment rates specified in s. 149.142 and in the most recent provider contracts that are in effect and on the funding sources specified in ss. 149.143 (1) and 149.144, including the methodologies specified in ss. 149.143, 149.144, and 149.146 for determining premium rates, insurer assessments, and provider payment rates. Except as otherwise provided in s. 149.143 (3) (a) and (b) ~~and subject to s. 149.142 (1) (b)~~, from the program budget the department shall derive the actual provider payment rate for a plan year that reflects the providers' proportional share of the plan costs, consistent with ss. 149.143 and 149.144. The department may not implement a program budget established under this section unless it is approved by the board.

SECTION 2063d. 149.146 (2) (am) 5. of the statutes is amended to read:

149.146 **(2)** (am) 5. Subject to s. 149.14 (8) (b), the department may~~, by rule under s. 149.17 (4), establish for prescription drug coverage under this section copayment amounts, coinsurance rates, and~~ establish a 3−tiered copayment structure for prescription drugs. The copayment ~~and coinsurance~~ out−of−pocket ~~limits~~ limit for prescription drug coverage under this section over which the plan will pay 100% of covered costs for prescription drugs~~. Any copayment amount, coinsurance rate, or out−of−pocket limit established under this subdivision is subject to the approval of the board~~ under this section may be $400. The department may establish that only certain copayment amounts count toward the out−of−pocket limit. Subject to s. 149.14 (8) (b), the department may change, by rule under s. 149.17 (4), the out−of−pocket limit. Using the procedure under s. 227.24, the department may promulgate rules under this subdivision for the period before the effective date of any permanent rules promulgated under this subdivision, but not to exceed the period authorized under s. 227.24 (1) (c) and (2). Notwithstanding s. 227.24 (1) (a), (2) (b), and (3), the department is not required to provide evidence that promulgating a rule under this subdivision as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to make a finding of emergency for promulgating a rule under this subdivision as an emergency rule. Copayments ~~and coinsurance~~ paid by an eligible person under this subdivision are separate from and do not count toward the deductible and covered costs not paid by the plan under subds. 1. to 3.

Section 2064d. 149.146 (2) (b) (intro.) of the statutes is amended to read:

149.146 **(2)** (b) (intro.) The schedule of premiums for coverage under this section shall be ~~promulgated by rule~~ set by the department, as provided in s. 149.143. The rates for coverage under this section shall be set such that they differ from the

rates for coverage under s. 149.14 (2) (a) by the same percentage as the percentage difference between the following:".

14. Page 823, line 8: after that line insert:

"**SECTION 2103d.** 227.01 (13) (nm) of the statutes is created to read:

227.01 **(13)** (nm) Sets or adjusts premium rates, insurer assessments, or provider payment rates under ch. 149.".

15. Page 906, line 20: delete the material beginning with that line and ending with page 908, line 18.

16. Page 976, line 9: delete lines 9 to 25.

17. Page 977, line 1: delete lines 1 to 6.

18. Page 1019, line 14: delete lines 14 to 20.

19. Page 1030, line 22: delete lines 22 to 25.

20. Page 1031, line 1: delete lines 1 to 11 and substitute:

"(4mw) HEALTH INSURANCE RISK-SHARING PLAN PRESCRIPTION DRUG COPAYS AND OUT-OF-POCKET LIMITS. The treatment of sections 149.14 (5) (e) and 149.146 (2) (am) 5. of the statutes first applies to prescription drug coverage on July 1, 2006.".

21. Page 1039, line 13: delete lines 13 to 15.

22. Page 1044, line 7: delete lines 7 to 17 and substitute:

"(3v) HEALTH INSURANCE RISK-SHARING PLAN DEDUCTIBLE. The treatment of section 149.14 (5) (b) and (c) of the statutes takes effect on January 1, 2006.

(4w) HEALTH INSURANCE RISK-SHARING PLAN PAYMENT RATE FOR PRESCRIPTION DRUGS. The treatment of sections 149.142 (1) (b) and (2), 149.143 (1) (am) 4. and (bm) 2., (2) (a) 4. (by SECTION 2051d), (3) (a) (by SECTION 2055d) and (b), and (5) (a) and (b),

149.144 (by SECTION 2061d), and 149.145 of the statutes takes effect on October 1, 2005.".

(END)