

AB 844
enrolling
cont.

1 **SECTION 93.** 149.14 (1) (a) of the statutes is amended to read:

2 149.14 (1) (a) The plan shall offer coverage for each eligible person in an
3 annually renewable policy ~~the coverage specified in this section for each eligible~~
4 ~~person.~~ If an eligible person is also eligible for ~~medicare~~ Medicare coverage, the plan
5 shall not pay or reimburse any person for expenses paid for by ~~medicare~~ Medicare.
6 If an eligible person is eligible for a type of medical assistance specified in s. 149.12
7 (2) (f) 2., the plan shall not pay or reimburse the person for expenses paid for by
8 Medical Assistance.

9 **SECTION 94.** 149.14 (2) (a) of the statutes is amended to read:

10 149.14 (2) (a) The plan shall provide every eligible person who is not eligible
11 for ~~medicare~~ Medicare with major medical expense coverage. Major medical expense
12 coverage offered under the plan under this section shall pay an eligible person's
13 covered expenses, subject to ~~sub. (3) and~~ deductible, copayment, and coinsurance
14 payments ~~authorized under sub. (5), up to a lifetime limit of \$1,000,000 per covered~~
15 individual. ~~The maximum limit under this paragraph shall not be altered by the~~
16 ~~board, and no actuarially equivalent benefit may be substituted by the board.~~

17 **SECTION 95.** 149.14 (3) (intro.) of the statutes is amended to read:

18 149.14 (3) COVERED EXPENSES. (intro.) ~~Except as provided in sub. (4), except~~
19 ~~as restricted by cost containment provisions under s. 149.17 (4) and except as~~
20 ~~reduced by the department under ss. 149.143 and 149.144, covered~~ Covered expenses
21 for the coverage under this section the plan shall be the payment rates established
22 by the department under s. 149.142 authority for the services provided by persons
23 licensed under ch. 446 and certified under s. 49.45 (2) (a) 11. ~~Except as provided in~~
24 ~~sub. (4), except as restricted by cost containment provisions under s. 149.17 (4) and~~
25 ~~except as reduced by the department under ss. 149.143 and 149.144, covered~~ Covered

1 expenses for the coverage under ~~this section~~ the plan shall also be the payment rates
2 established by the department ~~under s. 149.142~~ authority for, at a minimum, the
3 following services and articles if the service or article is prescribed by a physician
4 who is licensed under ch. 448 or in another state and who is certified under s. 49.45
5 (2) (a) 11. and if the service or article is provided by a provider certified under s. 49.45
6 (2) (a) 11.:

7 **SECTION 96.** 149.14 (3) (b) of the statutes is repealed and recreated to read:

8 149.14 (3) (b) Professional services for the diagnosis or treatment of injuries,
9 illnesses, or conditions, other than mental or dental.

10 **SECTION 97.** 149.14 (3) (c) 1. of the statutes is repealed and recreated to read:

11 149.14 (3) (c) 1. Inpatient hospital services, as defined in s. 632.89 (1) (d),
12 outpatient services, as defined in s. 632.89 (1) (e), and transitional treatment
13 arrangements, as defined in s. 632.89 (1) (f), at least to the extent required under s.
14 632.89.

15 **SECTION 98.** 149.14 (3) (c) 2. of the statutes is repealed.

16 **SECTION 99.** 149.14 (3) (c) 3. of the statutes is amended to read:

17 149.14 (3) (c) 3. Subject to the limits under subd. 2. and to rules promulgated
18 by the department of health and family services under s. 149.14 (3) (c) 3., 2003 stats.,
19 services for the chronically mentally ill in community support programs operated
20 under s. 51.421.

21 **SECTION 100.** 149.14 (3) (c) 3. of the statutes, as affected by 2005 Wisconsin Act
22 ... (this act), is amended to read:

23 149.14 (3) (c) 3. Subject to the limits under subd. 2. ~~and to rules promulgated~~
24 ~~by the department of health and family services under s. 149.14 (3) (c) 3., 2003 stats.~~

1 1., services for the chronically mentally ill in community support programs operated
2 under s. 51.421.

3 **SECTION 101.** 149.14 (3) (d) of the statutes is amended to read:

4 149.14 (3) (d) Drugs requiring a physician's prescription, ~~subject to sub. (4e).~~

5 **SECTION 102.** 149.14 (3) (e) of the statutes is amended to read:

6 149.14 (3) (e) ~~Services~~ For persons eligible for Medicare, services of a licensed
7 skilled nursing facility ~~for eligible persons eligible for medicare,~~ to the extent
8 required by s. 632.895 (3) and for not more than an aggregate 120 days during a
9 calendar year, if the services are of the type ~~which~~ that would qualify as reimbursable
10 services under ~~medicare~~ Medicare. Coverage under this paragraph ~~which~~ that is not
11 required by s. 632.895 (3) is subject to ~~the~~ any deductible and coinsurance
12 requirements ~~under sub. (5)~~ provided by the authority.

13 **SECTION 103.** 149.14 (3) (f) of the statutes is created to read:

14 149.14 (3) (f) Services of a home health agency, as defined in s. 50.49 (1) (a), only
15 to the extent required under s. 632.895 (2).

16 **SECTION 104.** 149.14 (3) (m) of the statutes is amended to read:

17 149.14 (3) (m) Oral surgery for excision of partially or completely unerupted,
18 impacted teeth and oral surgery with respect to the gums and other tissues of the
19 mouth when not performed in connection with the extraction or repair of teeth.

20 **SECTION 105.** 149.14 (3) (o) of the statutes is amended to read:

21 149.14 (3) (o) ~~Transportation~~ Emergency and other medically necessary
22 transportation provided by a licensed ambulance service to the nearest facility
23 qualified to treat ~~the~~ a covered condition.

24 **SECTION 106.** 149.14 (3) (p) of the statutes is renumbered 149.14 (3) (em).

1 **SECTION 107.** 149.14 (4) of the statutes, as affected by 2005 Wisconsin Act ...
2 (this act), is repealed and recreated to read:

3 **149.14 (4) PLAN DESIGN.** Subject to subs. (1) to (3), (5), and (6), the authority
4 shall establish the plan design, after taking into consideration the levels of health
5 insurance coverage provided in the state and medical economic factors, as
6 appropriate. Subject to subs. (1) to (3), (5), and (6), the authority shall provide benefit
7 levels, deductibles, copayment and coinsurance requirements, exclusions, and
8 limitations under the plan that the authority determines generally reflect and are
9 commensurate with comprehensive health insurance coverage offered in the private
10 individual market in the state. The authority may develop additional benefit designs
11 that are responsive to market conditions.

12 **SECTION 108.** 149.14 (4) (d) of the statutes is amended to read:

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

17 **SECTION 109.** 149.14 (4) (m) of the statutes is amended to read:

18 **149.14 (4) (m)** Experimental treatment, as determined by the ~~department~~
19 authority.

20 **SECTION 110.** 149.14 (4c) of the statutes is repealed.

21 **SECTION 111.** 149.14 (4m) of the statutes is renumbered 149.142 (2m) and
22 amended to read:

23 **149.142 (2m) PAYMENT IS PAYMENT IN FULL.** Except for copayments, coinsurance,
24 or deductibles required or authorized under the plan, a provider of a covered service
25 or article shall accept as payment in full for the covered service or article the payment

1 rate determined under ~~ss. 149.142, 149.143 and 149.144 sub. (1)~~ and may not bill an
2 eligible person who receives the service or article for any amount by which the charge
3 for the service or article is reduced under ~~s. 149.142, 149.143 or 149.144 sub. (1)~~.

4 **SECTION 112.** 149.14 (5) of the statutes, as affected by 2005 Wisconsin Act
5 (this act), is repealed and recreated to read:

6 **149.14 (5) DEDUCTIBLE AND COPAYMENT SUBSIDIES.** (a) The authority shall
7 establish and provide subsidies for deductibles paid by eligible persons with coverage
8 under s. 149.14 (2) (a) and household incomes specified in s. 149.165 (2) (a) 1. to 5.

9 (b) The authority may provide subsidies for prescription drug copayment
10 amounts paid by eligible persons specified in par. (a).

11 **SECTION 113.** 149.14 (5) (b) of the statutes is amended to read:

12 **149.14 (5) (b)** Except as provided in ~~pars. (e) and (e) par. (c)~~, if the covered costs
13 incurred by the eligible person exceed the deductible for major medical expense
14 coverage in a calendar year, the plan shall pay at least 80% of any additional covered
15 costs incurred by the person during the calendar year.

16 **SECTION 114.** 149.14 (5) (c) of the statutes is amended to read:

17 **149.14 (5) (c)** ~~Except as provided in par. (e), if~~ If the aggregate of the covered
18 costs not paid by the plan under par. (b) and the deductible exceeds \$500 for an
19 eligible person receiving medicare, \$2,000 for any other eligible person during a
20 calendar year or \$4,000 for all eligible persons in a family, the plan shall pay 100%
21 of all covered costs incurred by the eligible person during the calendar year after the
22 payment ceilings under this paragraph are exceeded.

23 **SECTION 115.** 149.14 (5) (d) of the statutes is repealed.

24 **SECTION 116.** 149.14 (5) (e) of the statutes is repealed.

25 **SECTION 117.** 149.14 (5m) of the statutes is repealed.

1 **SECTION 118.** 149.14 (6) (a) of the statutes is repealed.

2 **SECTION 119.** 149.14 (6) (b) of the statutes is renumbered 149.14 (6).

3 **SECTION 120.** 149.14 (7) (b) of the statutes is amended to read:

4 149.14 (7) (b) The ~~department~~ authority has a cause of action against an
5 eligible participant for the recovery of the amount of benefits paid ~~which that~~ are not
6 for covered expenses under the plan. Benefits under the plan may be reduced or
7 refused as a setoff against any amount recoverable under this paragraph.

8 **SECTION 121.** 149.14 (7) (c) of the statutes is amended to read:

9 149.14 (7) (c) The ~~department~~ authority is subrogated to the rights of an
10 eligible person to recover special damages for illness or injury to the person caused
11 by the act of a 3rd person to the extent that benefits are provided under the plan.
12 ~~Section 814.03 (3) applies to the department under this paragraph.~~

13 **SECTION 122.** 149.14 (8) of the statutes is repealed.

14 **SECTION 123.** 149.141 of the statutes is created to read:

15 **149.141 Premiums. (1) PERCENTAGE OF COSTS.** Except as provided in sub. (2),
16 the authority shall set premium rates for coverage under the plan at a level that is
17 sufficient to cover 60 percent of plan costs, as provided in s. 149.143 (1).

18 **(2) LIMITATION.** In no event may plan premium rates exceed 200 percent of rates
19 applicable to individual standard risks.

20 **SECTION 124.** 149.142 (1) (a) of the statutes is renumbered 149.142 (1) and
21 amended to read:

22 149.142 (1) ESTABLISHMENT OF RATES. ~~Except as provided in par. (b), the~~
23 ~~department~~ The authority shall establish provider payment rates for covered
24 expenses that consist of the allowable charges paid under s. 49.46 (2) for the services
25 and articles provided plus an enhancement determined by the ~~department~~ authority.

1 The rates shall be based on the allowable charges paid under s. 49.46 (2), projected
2 plan costs, and trend factors. Using the same methodology that applies to medical
3 assistance under subch. IV of ch. 49, the department authority shall establish
4 hospital outpatient per visit reimbursement rates and hospital inpatient
5 reimbursement rates that are specific to diagnostically related groups of eligible
6 persons. The adjustments to the usual and customary rates shall be sufficient to
7 cover the portion of plan costs specified in s. 149.143 (1) (c) and (2) (b).

8 **SECTION 125.** 149.142 (1) (b) of the statutes is repealed.

9 **SECTION 126.** 149.142 (2) of the statutes is repealed.

10 **SECTION 127.** 149.143 of the statutes is repealed and recreated to read:

11 **149.143 Payment of plan costs. (1) COSTS EXCLUDING SUBSIDIES.** The
12 authority shall pay plan costs, excluding any premium, deductible, and copayment
13 subsidies, first from federal funds, if any, that are transferred to the fund under s.
14 20.145 (5) (m) and that exceed premium, deductible, and copayment subsidy costs in
15 a policy year. The remainder of the plan costs, excluding premium, deductible, and
16 copayment subsidy costs, shall be paid as follows:

17 (a) Sixty percent from premiums paid by eligible persons.

18 (b) Twenty percent from insurer assessments under s. 149.13.

19 (c) Twenty percent from adjustments to provider payment rates under s.
20 149.142.

21 **(2) SUBSIDY COSTS.** The authority shall pay for premium, deductible, and
22 copayment subsidies in a policy year first from federal funds, if any, that are
23 transferred to the fund under s. 20.145 (5) (m) in that year. The remainder of the
24 subsidy costs shall be paid as follows:

25 (a) Fifty percent from insurer assessments under s. 149.13.

1 (b) Fifty percent from adjustments to provider payment rates under s. 149.142.

2 **SECTION 128.** 149.144 of the statutes is repealed.

3 **SECTION 129.** 149.145 of the statutes is repealed.

4 **SECTION 130.** 149.146 (1) (a) and (b) of the statutes are consolidated,
5 renumbered 149.14 (2) (c) 1. and amended to read:

6 149.14 (2) (c) 1. ~~Beginning on January 1, 1998, in~~ In addition to the coverage
7 ~~required under s. 149.14 pars. (a) and (b),~~ the plan shall offer to all eligible persons
8 who are not eligible for ~~medicare~~ Medicare a choice of coverage, as described in
9 section 2744 (a) (1) (C), P.L. 104–191. Any such choice of coverage shall be major
10 medical expense coverage. ~~(b) An eligible person under par. (a) who is not eligible~~
11 ~~for Medicare~~ may elect once each year, at the time and according to procedures
12 ~~established by the department authority, among the coverages offered under this~~
13 ~~section and s. 149.14 paragraph and par. (a).~~ If an eligible person elects new
14 coverage, any preexisting condition exclusion imposed under the new coverage is met
15 to the extent that the eligible person has been previously and continuously covered
16 ~~under this chapter~~ the plan. No preexisting condition exclusion may be imposed on
17 an eligible person who elects new coverage if the person was an eligible individual
18 when first covered ~~under this chapter~~ the plan and the person remained
19 continuously covered ~~under this chapter~~ the plan up to the time of electing the new
20 coverage.

21 **SECTION 131.** 149.146 (2) (a) of the statutes is renumbered 149.14 (2) (c) 2. and
22 amended to read:

23 149.14 (2) (c) 2. ~~Except as specified by the department, the terms of coverage~~
24 ~~under s. 149.14, including deductible reductions under s. 149.14 (5) (a) and~~
25 ~~prescription drug copayment reductions under s. 149.14 (5) (e), do not apply to the~~

1 ~~coverage offered under this section.~~ Premium reductions under s. 149.165 and
2 deductible subsidies and prescription drug copayment subsidies under s. 149.14 (5)
3 do not apply to the coverage offered under this ~~section~~ paragraph.

4 **SECTION 132.** 149.146 (2) (am) of the statutes is repealed.

5 **SECTION 133.** 149.146 (2) (b) of the statutes is repealed.

6 **SECTION 134.** 149.15 of the statutes is repealed.

7 **SECTION 135.** 149.16 of the statutes is repealed.

8 **SECTION 136.** 149.165 (1) of the statutes is amended to read:

9 149.165 (1) ~~Except as provided in s. 149.146 (2) (a), the department~~ The
10 authority shall reduce the premiums established under s. ~~149.11 in conformity with~~
11 ~~ss. 149.14 (5m), 149.143 and 149.17~~ s. 149.141 for the eligible persons and in the
12 manner set forth in subs. (2) and (3).

13 **SECTION 137.** 149.165 (2) (a) (intro.) of the statutes is amended to read:

14 149.165 (2) (a) (intro.) Subject to sub. (3m), if the household income, as defined
15 in s. 71.52 (5) and as determined under sub. (3), of an eligible person with coverage
16 under s. 149.14 (2) (a) is equal to or greater than the first amount and less than the
17 2nd amount listed in any of the following, the ~~department~~ authority shall reduce the
18 premium for the eligible person to the rate shown after the amounts:

19 **SECTION 138.** 149.165 (2) (bc) of the statutes is amended to read:

20 149.165 (2) (bc) Subject to sub. (3m), if the household income, as defined in s.
21 71.52 (5) and as determined under sub. (3), of an eligible person with coverage under
22 s. 149.14 (2) (b) is equal to or greater than the first amount and less than the 2nd
23 amount listed in par. (a) 1., 2., 3., 4., or 5., the ~~department~~ authority shall reduce the
24 premium established for the eligible person by the same percentage as the
25 ~~department~~ authority reduces, under par. (a), the premium established for an

1 eligible person with coverage under s. 149.14 (2) (a) who has a household income
2 specified in the same subdivision under par. (a) as the household income of the
3 eligible person with coverage under s. 149.14 (2) (b).

4 **SECTION 139.** 149.165 (3) (a) of the statutes is amended to read:

5 149.165 (3) (a) Subject to par. (b), the ~~department~~ authority shall establish and
6 implement the method for determining the household income of an eligible person
7 under sub. (2).

8 **SECTION 140.** 149.165 (3) (b) (intro.) of the statutes is amended to read:

9 149.165 (3) (b) (intro.) In determining household income under sub. (2), the
10 ~~department~~ authority shall consider information submitted by an eligible person on
11 a completed federal profit or loss from farming form, schedule F, if all of the following
12 apply:

13 **SECTION 141.** 149.165 (3m) of the statutes is amended to read:

14 149.165 (3m) The ~~board~~ authority may approve adjustment of the household
15 income dollar amounts listed in sub. (2) (a) 1. to 5., except for the first dollar amount
16 listed in sub. (2) (a) 1., to reflect changes in the consumer price index for all urban
17 consumers, U.S. city average, as determined by the U.S. department of labor.

18 **SECTION 142.** 149.165 (4) of the statutes is repealed.

19 **SECTION 143.** 149.17 (1) of the statutes is amended to read:

20 149.17 (1) Subject to ~~ss. 149.14 (5m), s. 149.143 and 149.146 (2) (b)~~, a rating
21 plan calculated in accordance with generally accepted actuarial principles.

22 **SECTION 144.** 149.17 (2) of the statutes is repealed.

23 **SECTION 145.** 149.17 (4) of the statutes is repealed.

24 **SECTION 146.** 149.175 of the statutes is repealed.

25 **SECTION 147.** 149.18 of the statutes is amended to read:

1 and one representative of health care providers that provide services to persons with
2 coverage under the plan.

3 (c) Five other members, at least one of whom represents small businesses that
4 purchase private health insurance, one of whom is a professional consumer advocate
5 who is familiar with the plan, and at least 2 of whom are persons with coverage under
6 the plan.

7 (2) A vacancy on the board shall be filled in the same manner as the original
8 appointment to the board for the remainder of the unexpired term, if any.

9 (3) A member of the board may not be compensated for his or her services but
10 shall be reimbursed for actual and necessary expenses, including travel expenses,
11 incurred in the performance of his or her duties.

12 (4) Annually, the governor shall appoint one member other than the
13 commissioner as chairperson, and the members of the board may elect other officers
14 as they consider appropriate. Seven voting members of the board constitute a
15 quorum for the purpose of conducting the business and exercising the powers of the
16 authority, notwithstanding the existence of any vacancy. The board may take action
17 upon a vote of a majority of the members present, unless the bylaws of the authority
18 require a larger number.

19 (5) The board may appoint an executive director who shall not be a member of
20 the board and who shall serve at the pleasure of the board. The authority may
21 delegate by resolution to one or more of its members or its executive director any
22 powers and duties that it considers proper. The executive director shall receive such
23 compensation as may be determined by the board. The executive director or other
24 person designated by resolution of the board shall keep a record of the proceedings
25 of the authority and shall be custodian of all books, documents, and papers filed with

1 the authority, the minute book or journal of the authority, and its official seal. The
2 executive director or other person may cause copies to be made of all minutes and
3 other records and documents of the authority and may give certificates under the
4 official seal of the authority to the effect that such copies are true copies, and all
5 persons dealing with the authority may rely upon such certificates.

6 **149.43 Duties of authority.** In addition to all other duties imposed under this
7 chapter, the authority shall do all of the following:

8 (1) Adopt policies for the administration of this chapter.

9 (2) Contract with the plan administrator under s. 149.16, 2003 stats., in the
10 manner required under 2005 Wisconsin Act (this act), section 165 (1) (b) until the
11 end of the contract term.

12 (3) Establish the authority's annual budget and monitor the fiscal
13 management of the authority.

14 (4) Beginning on July 1, 2006, do, or contract with another person to do, all of
15 the following:

16 (a) Perform all eligibility and administrative claims payment functions
17 relating to the plan.

18 (b) Establish a premium billing procedure for collection of premiums from
19 insured persons. Billings shall be made on a periodic basis as determined by the
20 authority.

21 (c) Perform all necessary functions to assure timely payment of benefits to
22 covered persons under the plan, including:

23 1. Making available information relating to the proper manner of submitting
24 a claim for benefits under the plan and distributing forms upon which submissions
25 shall be made.

1 2. Evaluating the eligibility of each claim for payment under the plan.

2 3. Notifying each claimant within 30 days after receiving a properly completed
3 and executed proof of loss whether the claim is accepted, rejected, or compromised.

4 (5) Seek to qualify or maintain the plan as a state pharmacy assistance
5 program, as defined in 42 CFR 423.464.

6 (6) Annually submit a report to the legislature under s. 13.172 (2) and to the
7 governor on the operation of the plan.

8 **149.45 Powers of authority.** (1) Except as restricted under sub. (2), the
9 authority shall have all the powers necessary or convenient to carry out the purposes
10 and provisions of this chapter. In addition to all other powers granted by this chapter,
11 the authority may:

12 (a) Adopt bylaws and policies and procedures for the regulation of its affairs
13 and the conduct of its business.

14 (b) Have a seal and alter the seal at pleasure; have perpetual existence; and
15 maintain an office.

16 (c) Hire employees, define their duties, and fix their rate of compensation.

17 (d) Incur debt, except as restricted under sub. (2).

18 (e) Contract for any professional services required for the authority, subject to
19 ss. 149.43 (2) and 149.47.

20 (f) Appoint any technical or professional advisory committee that the authority
21 finds necessary to assist the authority in exercising its duties and powers. The
22 authority shall define the duties of the committee, and provide reimbursement for
23 the expenses of the committee.

24 (g) Execute contracts and other instruments.

1 (h) Accept gifts, grants, loans, or other contributions from private or public
2 sources.

3 (i) Procure liability insurance.

4 (2) The authority may not issue bonds.

5 **149.47 Contracting for professional services.** (1) Whenever contracting
6 for professional services, the authority shall solicit competitive sealed bids or
7 competitive sealed proposals, whichever is appropriate. Each request for
8 competitive sealed proposals shall state the relative importance of price and other
9 evaluation factors.

10 (2) (a) When the estimated cost exceeds \$25,000, the authority may invite
11 competitive sealed bids or proposals by publishing a class 2 notice under ch. 985 or
12 by posting notice on the Internet at a site determined or approved by the authority.
13 The notice shall describe the contractual services to be purchased, the intent to make
14 the procurement by solicitation of bids or proposals, any requirement for surety, and
15 the date the bids or proposals will be opened, which shall be at least 7 days after the
16 date of the last insertion of the notice or at least 7 days after the date of posting on
17 the Internet.

18 (b) When the estimated cost is \$25,000 or less, the authority may award the
19 contract in accordance with simplified procedures established by the authority for
20 such transactions.

21 (c) For purposes of clarification, the authority may discuss the requirements
22 of the proposed contract with any person who submits a bid or proposal and shall
23 permit any offerer to revise his or her bid or proposal to ensure its responsiveness to
24 those requirements.

1 **(3)** (a) The authority shall determine which bids or proposals are reasonably
2 likely to be awarded the contract and shall provide each offerer of such a bid or
3 proposal a fair and equal opportunity to discuss the bid or proposal. The authority
4 may negotiate with each offerer in order to obtain terms that are advantageous to
5 the authority. Prior to the award of the contract, any offerer may revise his or her
6 bid or proposal. The authority shall keep a written record of all meetings,
7 conferences, oral presentations, discussions, negotiations, and evaluations of bids or
8 proposals under this section.

9 (b) In opening, discussing, and negotiating bids or proposals, the authority may
10 not disclose any information that would reveal the terms of a competing bid or
11 proposal.

12 **(4)** (a) After receiving each offerer's best and final offer, the authority shall
13 determine which proposal is most advantageous and shall award the contract to the
14 person who offered it. The authority's determination shall be based only on price and
15 the other evaluation factors specified in the request for bids or proposals. The
16 authority shall state in writing the reason for the award and shall place the
17 statement in the contract file.

18 (b) Following the award of the contract, the authority shall prepare a register
19 of all bids or proposals.

20 **149.50 Political activities.** (1) No employee of the authority may directly
21 or indirectly solicit or receive subscriptions or contributions for any partisan political
22 party or any political purpose while engaged in his or her official duties as an
23 employee. No employee of the authority may engage in any form of political activity
24 calculated to favor or improve the chances of any political party or any person seeking
25 or attempting to hold partisan political office while engaged in his or her official

1 duties as an employee or engage in any political activity while not engaged in his or
2 her official duties as an employee to such an extent that the person's efficiency during
3 working hours will be impaired or that he or she will be tardy or absent from work.
4 Any violation of this section is adequate grounds for dismissal.

5 (2) If an employee of the authority declares an intention to run for partisan
6 political office, the employee shall be placed on a leave of absence for the duration
7 of the election campaign and if elected shall no longer be employed by the authority
8 on assuming the duties and responsibilities of such office.

9 (3) An employee of the authority may be granted, by the executive director, a
10 leave of absence to participate in partisan political campaigning.

11 (4) Persons on leave of absence under sub. (2) or (3) shall not be subject to the
12 restrictions of sub. (1), except as they apply to the solicitation of assistance,
13 subscription, or support from any other employee in the authority.

14 **149.53 Liability limited.** (1) Neither the state nor any political subdivision
15 of the state nor any officer, employee, or agent of the state or a political subdivision
16 who is acting within the scope of employment or agency is liable for any debt,
17 obligation, act, or omission of the authority.

18 (2) All of the expenses incurred by the authority in exercising its duties and
19 powers under this chapter shall be payable only from funds of the authority.

20 **SECTION 151.** 149.40 of the statutes, as created by 2005 Wisconsin Act (this
21 act), is repealed.

22 **SECTION 152.** Subchapter IV of chapter 149 [precedes 149.60] of the statutes
23 is created to read:

24 **CHAPTER 149**

1 SUBCHAPTER IV

2 HEALTH CARE TAX CREDIT PROGRAM

3 **149.60 Definition.** In this subchapter, “eligible individual” has the meaning
4 given in 26 USC 35 (c).

5 **149.65 Program requirements.** (1) Subject to sub. (2), the authority shall
6 design and administer a program of health care coverage, called the Health Care Tax
7 Credit Program, under which a covered eligible individual may receive an income tax
8 credit under 26 USC 35 for a portion of premiums paid for the coverage. The Health
9 Care Tax Credit Program shall be designed to satisfy the requirements of qualified
10 health insurance under 26 USC 35 (e) (1) (E), (2), and (3).

11 (2) Subsection (1) applies only as long as federal law provides for income tax
12 credits for premiums paid for coverage that satisfies the requirements specified in
13 sub. (1).

14 **149.70 Eligibility.** An individual shall be eligible for coverage under the
15 Health Care Tax Credit Program if the individual is any of the following:

16 (1) An eligible individual for whom all of the following apply:

17 (a) The aggregate of the individual’s periods of creditable coverage, determined
18 in the manner provided by rule under s. 149.115, is 3 months or more.

19 (b) The individual does not have other health care coverage.

20 (c) The individual is not confined in a prison, jail, or house of correction.

21 (2) An individual who is a qualifying family member, as defined in 26 USC 35
22 (d), of an eligible individual described in sub. (1) and who does not have health
23 care coverage.

24 **SECTION 153.** 230.03 (3) of the statutes is amended to read:

1 230.03 (3) “Agency” means any board, commission, committee, council, or
2 department in state government or a unit thereof created by the constitution or
3 statutes if such board, commission, committee, council, department, unit, or the
4 head thereof, is authorized to appoint subordinate staff by the constitution or
5 statute, except a legislative or judicial board, commission, committee, council,
6 department, or unit thereof or an authority created under chs. subch. III of ch. 149
7 or under ch. 231, 232, 233, 234, 235, or 237. “Agency” does not mean any local unit
8 of government or body within one or more local units of government that is created
9 by law or by action of one or more local units of government.

10 **SECTION 154.** 230.80 (4) of the statutes is amended to read:

11 230.80 (4) “Governmental unit” means any association, authority, board,
12 commission, department, independent agency, institution, office, society, or other
13 body in state government created or authorized to be created by the constitution or
14 any law, including the legislature, the office of the governor, and the courts, but
15 excluding the Health Insurance Risk-Sharing Plan Authority. “Governmental unit”
16 does not mean any political subdivision of the state or body within one or more
17 political subdivisions which that is created by law or by action of one or more political
18 subdivisions.

19 **SECTION 155.** 601.41 (1) of the statutes is amended to read:

20 601.41 (1) DUTIES. The commissioner shall administer and enforce chs. 600 to
21 655 and ss. 59.52 (11) (c), 66.0137 (4) and (4m), 100.203, 120.13 (2) (b) to (g), and
22 149.13, and 149.144 and shall act as promptly as possible under the circumstances
23 on all matters placed before the commissioner.

24 **SECTION 156.** 601.415 (12) of the statutes is amended to read:

1 601.415 (12) ~~HEALTH INSURANCE RISK SHARING PLAN~~ INSURANCE RISK-SHARING
2 PLAN. The commissioner shall perform the duties specified to be performed by the
3 commissioner in ~~ss. s. 149.13 and 149.144~~. The commissioner, or his or her designee,
4 ~~shall serve as a member of the board under s. 149.15.~~

5 **SECTION 157.** 601.64 (1) of the statutes is amended to read:

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

12 **SECTION 158.** 601.64 (3) (a) of the statutes is amended to read:

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

17 **SECTION 159.** 601.64 (3) (c) of the statutes is amended to read:

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

25 **SECTION 160.** 601.64 (4) of the statutes is amended to read:

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

7 **SECTION 161.** 613.03 (4) of the statutes is amended to read:

8 613.03 (4) ~~MANDATORY HEALTH INSURANCE RISK-SHARING PLAN~~ HEALTH INSURANCE
9 RISK-SHARING PLAN. Service insurance corporations organized or operating under
10 this chapter are subject to the requirements that apply to insurers and insurance
11 under ch. 149.

12 **SECTION 162.** 631.20 (2) (f) of the statutes is created to read:

13 631.20 (2) (f) In the case of a policy form under ch. 149, that any of the following
14 applies:

15 1. The benefit design is not comparable to a typical comprehensive individual
16 health insurance policy offered in the private sector market in this state.

17 2. The benefit levels are not generally reflective of and commensurate with
18 comprehensive health insurance coverage offered in the private individual market
19 in the state.

20 3. The copayments, deductibles, and coinsurance are not actuarially equivalent
21 to comprehensive individual plans and would create undue financial hardship.

22 4. It is inconsistent with the purpose of providing health care coverage to those
23 unable to obtain coverage in the private market.

24 **SECTION 163.** 632.785 (title) of the statutes is amended to read:

1 **632.785 (title) Notice of ~~mandatory risk-sharing plan~~ Health Insurance**
2 **Risk-Sharing Plan.**

3 **SECTION 164.** 895.65 (1) (c) of the statutes is amended to read:

4 895.65 (1) (c) “Governmental unit” means any association, authority, board,
5 commission, department, independent agency, institution, office, society or other
6 body in state government created or authorized to be created by the constitution or
7 any law, including the legislature, the office of the governor and the courts.
8 “Governmental unit” does not mean the University of Wisconsin Hospitals and
9 Clinics Authority, the Health Insurance Risk-Sharing Plan Authority, or any
10 political subdivision of the state or body within one or more political subdivisions
11 which is created by law or by action of one or more political subdivisions.

12 **SECTION 165. Nonstatutory provisions.**

13 (1) ADMINISTRATOR CONTRACT.

14 (a) Because the legislature has determined that it is in the best interest of the
15 Health Insurance Risk-Sharing Plan to have the Health Insurance Risk-Sharing
16 Plan Authority administer the Health Insurance Risk-Sharing Plan beginning on
17 July 1, 2006, the department of health and family services shall, no later than
18 January 1, 2006, give written notice to the plan administrator under section 149.16,
19 2003 stats., terminating the contract between the department of health and family
20 services and the plan administrator effective July 1, 2006.

21 (b) Notwithstanding the treatment of sections 149.11 (1), 149.12 (1) (intro.) and
22 (1m), and 149.16 of the statutes, as affected by this act, the Health Insurance
23 Risk-Sharing Plan Authority shall enter into a contract with the plan administrator
24 under section 149.16, 2003 stats., that has the same terms and conditions as the
25 contract under paragraph (a) and under which the plan administrator has the same

1 rights, duties, and obligations as it had under the contract under paragraph (a) and
2 the Health Insurance Risk–Sharing Plan Authority has the same rights, duties, and
3 obligations as the department of health and family services had under the contract
4 under paragraph (a). The contract under this paragraph shall have a term beginning
5 on July 1, 2006, and ending on the same date as the contract under paragraph (a)
6 would have ended had the contract not been terminated under paragraph (a). The
7 department of health and family services, the plan administrator, and the Health
8 Insurance Risk–Sharing Plan Authority shall cooperate with one another to ensure
9 that the administration of the Health Insurance Risk–Sharing Plan continues
10 without interruption after the termination of the contract under paragraph (a) and
11 the commencement of the contract under this paragraph.

12 (2) TERMS OF INITIAL MEMBERS OF BOARD. Notwithstanding the length of terms
13 specified for the members of the board of directors of the Health Insurance
14 Risk–Sharing Plan Authority under section 149.41 (1) of the statutes, as created by
15 this act, the initial members of the board of directors shall be appointed for the
16 following terms:

17 (a) At the governor’s discretion, one member appointed under section 149.41
18 (1) (a) of the statutes, one member appointed under section 149.41 (1) (b) of the
19 statutes, and one member appointed under section 149.41 (1) (c) of the statutes for
20 one–year terms.

21 (b) At the governor’s discretion, 2 members appointed under section 149.41 (1)
22 (a) of the statutes, 2 members appointed under section 149.41 (1) (b) of the statutes,
23 and 2 members appointed under section 149.41 (1) (c) of the statutes, for 2–year
24 terms.

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1 (c) At the governor’s discretion, one member appointed under section 149.41
2 (1) (a) of the statutes, one member appointed under section 149.41 (1) (b) of the
3 statutes, and 2 members appointed under section 149.41 (1) (c) of the statutes, for
4 3-year terms.

5 (3) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE TREATMENT BENEFIT. The
6 Health Insurance Risk-Sharing Plan Authority shall assess the historic utilization
7 experience and diagnosis-related needs of the persons who are, and persons who
8 have been, covered under the Health Insurance Risk-Sharing Plan to determine if
9 the mental health and alcoholism and other drug abuse treatment benefit under
10 section 632.89 of the statutes allows for the use of evidence-based treatment to meet
11 the mental health and alcoholism and other drug abuse treatment needs of persons
12 covered under the Health Insurance Risk-Sharing Plan. On or after January 1,
13 2007, the Health Insurance Risk-Sharing Plan Authority shall make any necessary
14 adjustments to the minimum required benefit under section 149.14 (3) (c) of the
15 statutes, as affected by this act, to ensure appropriate access to evidence-based
16 mental health and alcoholism and other drug abuse treatment strategies for persons
17 covered under the Health Insurance Risk-Sharing Plan.

18 **SECTION 166. Appropriation changes.**

19 (1) TRANSFERS FOR FUNDING HEALTH INSURANCE RISK-SHARING PLAN. The
20 unencumbered balance in the Health Insurance Risk-Sharing Plan fund under
21 section 25.55, 2003 stats., immediately before the effective date of this subsection,
22 and the unencumbered balances in the appropriation accounts under section 20.435
23 (4) (u), 2003 stats., and section 20.435 (4) (v), 2003 stats., immediately before the
24 effective date of this subsection, are transferred to the Health Insurance

1 Risk-Sharing Plan fund under section 149.11 (2) of the statutes, as affected by this
2 act.

3 (2) HEALTH INSURANCE RISK-SHARING PLAN.

4 (a) *Administration.* In the schedule under section 20.005 (3) of the statutes for
5 the appropriation to the department of health and family services under section
6 20.435 (4) (u) of the statutes, as affected by the acts of 2005, the dollar amount is
7 increased by \$3,535,500 for fiscal year 2005–06 to fund the costs of the department
8 for administering the Health Insurance Risk-Sharing Plan until July 1, 2006, and
9 to increase the authorized FTE positions for the department by 4.83 SEG positions
10 for the period ending on July 1, 2006, for administration of the Health Insurance
11 Risk-Sharing Plan.

12 (b) *Program benefits.* In the schedule under section 20.005 (3) of the statutes
13 for the appropriation to the department of health and family services under section
14 20.435 (4) (v) of the statutes, as affected by the acts of 2005, the dollar amount is
15 increased by \$78,643,800 for fiscal year 2005–06 to increase funding for the purposes
16 for which the appropriation is made.

17 **SECTION 167. Initial applicability.**

18 (1) RESIDENCY FOR THE HEALTH INSURANCE RISK-SHARING PLAN. The treatment
19 of section 149.10 (9) of the statutes first applies to persons who submit applications
20 for coverage under the Health Insurance Risk-Sharing Plan on the effective date of
21 this subsection.

22 (2) PLAN DESIGN. The treatment of section 149.14 (3) (b), (c) 1., 2., and 3. (by
23 SECTION 100), (e), (f), (m), (o), and (p), and (6) (a) and (b) of the statutes and the repeal
24 and recreation of section 149.14 (4) and (5) of the statutes first apply to the plan year
25 beginning on January 1, 2007.

1 (3) INCOME TAX EXEMPTIONS. The treatment of sections 71.07 (5g), 71.10 (4) (cp),
2 71.21 (4), 71.26 (1) (be) and (2) (a), 71.28 (5g), 71.30 (3) (dm), 71.34 (1) (g), 71.45 (2)
3 (a) 10., 71.47 (5g), 71.49 (1) (dm), 76.655, 76.67 (2), and 77.92 (4) of the statutes first
4 applies to taxable years beginning on January 1, 2006.

5 (4) PREEXISTING CONDITION EXCLUSION. The treatment of section 149.14 (6) (a)
6 and (b) of the statutes and the repeal and recreation of section 149.14 (4) (with
7 respect to establishing preexisting condition exclusions) of the statutes first apply
8 to persons who submit applications for coverage under the Health Insurance
9 Risk-Sharing Plan on the effective date of this subsection.

10 (5) MEDICARE PART D.

11 (a) Notwithstanding SECTION 168 (2) with respect to the treatment of section
12 149.10 (2j) (a) 3., (2t) (c), and (7) of the statutes, the treatment of section 149.10 (2j)
13 (a) 3., (2t) (c), and (7) of the statutes first applies to persons who have coverage under
14 the Health Insurance Risk-Sharing Plan on the effective date of this paragraph, on
15 May 15, 2006.

16 (b) The treatment of section 149.10 (2j) (a) 3., (2t) (c), and (7) of the statutes first
17 applies to all persons not specified in paragraph (a), on the effective date of this
18 paragraph.

19 **SECTION 168. Effective dates.** This act takes effect as follows:

20 (1) ADMINISTRATOR CONTRACT. The treatment of section 149.13 (4) (by SECTION
21 91) of the statutes and SECTIONS 165 (1) (a) and 166 (2) of this act take effect on the
22 day after publication.

23 (2) CREATION OF AUTHORITY; INSURER ASSESSMENT TAX CREDIT; MISCELLANEOUS. The
24 treatment of sections 1.12 (1) (b), 13.172 (1), 13.62 (2), 13.94 (1) (dh) and (1s) (c) 4.,
25 13.95 (intro.), 16.002 (2), 16.004 (4), (5), and (12) (a), 16.045 (1) (a), 16.15 (1) (ab),

1 16.41 (4), 16.417 (1) (a), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.70 (2),
2 16.72 (2) (e) (intro.) and (f), 16.75 (1m), (8) (a) 1. and 2., and (9), 16.765 (1), (2), (4),
3 (5), (6), (7) (intro.) and (d), and (8), 16.85 (2), 16.865 (8), 70.11 (41m), 71.07 (5g), 71.10
4 (4) (cp), 71.21 (4), 71.26 (1) (be) and (2) (a), 71.28 (5g), 71.30 (3) (dm), 71.34 (1) (g),
5 71.45 (2) (a) 10., 71.47 (5g), 71.49 (1) (dm), 76.655, 76.67 (2), 77.54 (9a) (a), 77.92 (4),
6 101.055 (2) (a), 101.177 (1) (d), 149.10 (2j) (a) 3., (2t) (c), (3), (7), and (8), 149.12 (2)
7 (g), 149.18, 149.25, 230.03 (3), 230.80 (4), and 895.65 (1) (c), subchapter I (title) of
8 chapter 149, and subchapter II (title) of chapter 149 of the statutes, the creation of
9 subchapter III of chapter 149 of the statutes, and SECTIONS 165 (1) (b), (2), and (3) and
10 167 (5) of this act take effect on January 1, 2006, or on the day after publication,
11 whichever is later.

12 (3) TRANSFER OF ADMINISTRATION. The treatment of sections 20.145 (5), 20.435
13 (4) (u) and (v), 25.17 (1) (gf), 25.55 (intro.), (3), and (4), 149.10 (intro.), (1), (2), (2m),
14 (3e), (9), and (10), 149.105, 149.11, 149.115, 149.12 (1) (intro.) and (a), (1m), (3) (a)
15 and (c), (4), and (5), 149.13 (1), (3) (a) and (b), and (4) (by SECTION 92), 149.14 (1) (a),
16 (2) (a), (3) (intro.), (c) 3. (by SECTION 99), and (d), (4c), (4m), (5m), (7) (b) and (c), and
17 (8), 149.141, 149.142 (1) (a) and (b) and (2), 149.143, 149.144, 149.145, 149.146 (1)
18 (a) and (b) and (2) (a), (am), and (b), 149.15, 149.16, 149.165 (1), (2) (a) (intro.) and
19 (bc), (3) (a) and (b) (intro.), (3m), and (4), 149.17 (1), (2), and (4), 149.175, 149.20,
20 601.41 (1), 601.415 (12), 601.64 (1), (3) (a) and (c), and (4), 613.03 (4), 631.20 (2) (f),
21 632.785 (title), and subchapter IV of chapter 149 of the statutes, the repeal of sections
22 149.14 (5) (d) and (e) and 149.40 of the statutes, the renumbering and amendment
23 of section 149.12 (2) (f) of the statutes, the amendment of section 149.14 (4) (d) and
24 (m) and (5) (b) and (c) of the statutes, the creation of section 149.12 (2) (f) 2. of the
25 statutes, and SECTIONS 166 (1) and 167 (1) of the statutes take effect on July 1, 2006.

1 (4) PLAN DESIGN. The treatment of section 149.14 (3) (b), (c) 1., 2., and 3. (by
2 SECTION 100), (e), (f), (m), (o), and (p), and (6) (a) and (b) of the statutes, the repeal
3 and recreation of section 149.14 (4) and (5) of the statutes, and SECTION 167 (2) and
4 (4) of this act take effect on January 1, 2007.

5

(END)

**ASSEMBLY AMENDMENT 2,
TO ASSEMBLY SUBSTITUTE AMENDMENT 2,
TO 2005 ASSEMBLY BILL 844**

December 6, 2005 - Offered by Representatives RHOADES and RICHARDS.

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

2 **1.** Page 60, line 12: after "Plan." insert "On or before December 1, 2006, the
3 Health Insurance Risk-Sharing Plan Authority shall submit a report detailing the
4 results of its assessment under this subsection to the joint committee on finance."

5 (END)

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