

State of Misconsin 2005 - 2006 LEGISLATURE

LRB-3798/P8
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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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AN ACT to repeal 20.435 (4) (u), 20.435 (4) (v), 149.10 (2m), 149.10 (10), 149.12 (3) (c), 149.14 (3) (c) 2., 149.14 (3) (r), 149.14 (4c), 149.14 (5m), 149.14 (6) (a), 149.14 (8), 149.142 (1) (b), 149.142 (2), 149.144, 149.145, 149.146 (2) (am), 149.146 (2) (b), 149.15, 149.16, 149.165 (4), 149.17 (2), 149.17 (4), 149.175, 149.20 and 149.25; to renumber 88.172 (2), 149.14 (3) (p), 149.14 (6) (b), 181.0670 (3) (a), 181.0855 (2) and 185.367 (2); to renumber and amend 149.12 (2) (f), 149.14 (3) (intro.), 149.14 (4m), 149.142 (1) (a), 149.146 (2) (a) and 186.096 (2); to consolidate, renumber and amend 149.146 (1) (a) and (b); to amend 1.12 (1) (b), 13.172 (1), 13.62 (2), 13.94 (1) (g), 13.95 (intro.), 16.002 (2), 16.004 (4), 16.004 (5), 16.004 (12) (a), 16.045 (1) (a), 16.15 (1) (ab), 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), 16.72 (2) (e) (intro.), 16.765 (1), 16.765 (2), 16.765 (4), 16.765 (5), 16.765 (6), 16.765 (7) (intro.), 16.765 (7) (d), 16.765 (8), 16.865 (8), 19.42 (5), 25.55 (3), 71.21 (4), 71.26 (1) (be), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2) (a) 10., 76.67 (2), 77.54 (9a) (a), 77.92

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(4), 88.172 (3), 101.055 (2) (a), 101.177 (1) (d), 103.10 (1) (c), 103.15 (1) (a), chapter 149 (title), 149.10 (intro.), 149.10 (2), 149.10 (2i) (a) 3., 149.10 (2t) (c). 149.10 (3), 149.10 (3e), 149.10 (7), 149.10 (8), 149.10 (9), 149.115, 149.12 (1) (intro.), 149.12 (1) (a), 149.12 (1m), 149.12 (3) (a), 149.13 (1), 149.13 (3) (a), 149.13 (3) (b), 149.13 (4), 149.14 (1) (a), 149.14 (2) (a), 149.14 (3) (c) 3., 149.14 (3) (d), 149.14 (3) (e), 149.14 (3) (m), 149.14 (3) (o), 149.14 (7) (b), 149.14 (7) (c), 149.165 (1), 149.165 (2) (a) (intro.), 149.165 (2) (a) 1., 149.165 (2) (a) 2., 149.165 (2) (a) 3., 149.165 (2) (a) 4., 149.165 (2) (a) 5., 149.165 (2) (bc), 149.165 (3) (a), 149.165 (3) (b) (intro.), 149.165 (3m), 149.17 (1), 149.18, 181.0670 (3) (b), 181.0855 (3), 185.367 (3), 186.096 (3), 230.03 (3), 230.80 (4), 287.01 (5m), 287.22 (2) (b), 287.22 (2m), 341.17 (9) (a) 4., 343.235 (1) (d), 343.24 (4) (a) 4., 601.41 (1). 601.415 (12), 601.64 (1), 601.64 (3) (a), 601.64 (3) (c), 601.64 (4), 611.62 (1), 613.03 (4), 632.785 (title), 644.18 (1) and 895.65 (1) (c); to repeal and recreate 149.11, 149.14 (3) (b), 149.14 (3) (c), 149.14 (4), 149.14 (5) and 149.143; and to create 20.145 (5), 25.55 (1), 70.11 (41m), 71.07 (5g), 71.10 (4) (cp), 71.28 (5g). 71.30 (3) (dm), 71.47 (5g), 71.49 (1) (dm), 76.655, 88.172 (2) (am), subchapter I (title) of chapter 149 [precedes 149.10], 149.10 (1), 149.105, subchapter II (title) of chapter 149 [precedes 149.11], 149.12 (2) (f) 2., 149.12 (2) (g), 149.12 (4) and (5), 149.14 (3) (f), 149.141, subchapter III of chapter 149 [precedes 149.40], subchapter III of chapter 149 [precedes 149.60], 181.0670 (3) (ac), 181.0855 (2) (am), 185.367 (2) (am), 186.096 (2) (am) and 631.20 (2) (f) of the statutes: relating to: the Health Insurance Risk-Sharing Plan; creating the Health

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2005 - 2006 Legislature

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Health businame Risk-Maring Clan asserments;

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Insurance Risk-Sharing Plan Authority; a health benefit program for persons eligible for tax credits for payment of premiums; and making an appropriation.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 1.12 (1) (b) of the statutes is amended to read:

1.12 (1) (b) "State agency" means an office, department, agency, institution of higher education, the legislature, a legislative service agency, the courts, a judicial branch agency, an association, society, or other body in state government which that is created or authorized to be created by the constitution or by law, for which appropriations are made by law, excluding the Health Insurance Risk-Sharing Plan Authority.

****NOTE: Are you sure you want to exclude the HIRSP Authority from conserving energy? It would be the only exclusion.

Section 2. 13.172 (1) of the statutes is amended to read:

13.172 (1) In this section, "agency" means an office, department, agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, which that is entitled to expend moneys appropriated by law, including the legislature and the courts, and any authority created in <u>subch. III of ch. 149 or in ch. 231, 233, or 234.</u>

SECTION 3. 13.62 (2) of the statutes is amended to read:

13.62 (2) "Agency" means any board, commission, department, office, society, institution of higher education, council, or committee in the state government, or any

authority created in <u>subch. III of ch. 149 or in</u> ch. 231, 232, 233, 234, or 237, except that the term does not include a council or committee of the legislature.

SECTION 4. 13.94 (1) (g) of the statutes is amended to read:

13.94 (1) (g) Require each state department, board, commission, independent agency, or authority, excluding the Health Insurance Risk—Sharing Plan Authority, to file with the bureau on or before September 1 of each year a report on all receivables due the state as of the preceding June 30 which were occasioned by activities of the reporting unit. The report may also be required of other departments, except counties, cities, villages, towns, and school districts. The report shall show the aggregate amount of such receivables according to fiscal year of origin and collections thereon during the fiscal year preceding the report. The state auditor may require any department to file with the bureau a detailed list of the receivables comprising the aggregate amounts shown on the reports prescribed by this paragraph.

SECTION 5. 13.95 (intro.) of the statutes, as affected by 2005 Wisconsin Act 25, is amended to read:

13.95 Legislative fiscal bureau. (intro.) There is created a bureau to be known as the "Legislative Fiscal Bureau" headed by a director. The fiscal bureau shall be strictly nonpartisan and shall at all times observe the confidential nature of the research requests received by it; however, with the prior approval of the requester in each instance, the bureau may duplicate the results of its research for distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's designated employees shall at all times, with or without notice, have access to all state agencies, the University of Wisconsin Hospitals and Clinics Authority, the Health Insurance Risk—Sharing Plan Authority, and the Fox River Navigational

System Authority, and to any books, records, or other documents maintained by such
agencies or authorities and relating to their expenditures, revenues, operations, and
structure.

SECTION 6. 16.002 (2) of the statutes is amended to read:

16.002 (2) "Departments" means constitutional offices, departments, and independent agencies and includes all societies, associations, and other agencies of state government for which appropriations are made by law, but not including authorities created in <u>subch. III of ch. 149 and in chs. 231, 232, 233, 234, 235, and 237.</u>

SECTION 7. 16.004 (4) of the statutes is amended to read:

16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the department as the secretary designates may enter into the offices of state agencies and authorities created under <u>subch</u>. III of <u>ch</u>. 149 and <u>under</u> <u>ch</u>s. 231, 233, 234, and 237, and may examine their books and accounts and any other matter <u>which that</u> in the secretary's judgment should be examined and may interrogate the agency's employees publicly or privately relative thereto.

Section 8. 16.004 (5) of the statutes is amended to read:

16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, and 237, and their officers and employees, shall cooperate with the secretary and shall comply with every request of the secretary relating to his or her functions.

Section 9. 16.004 (12) (a) of the statutes is amended to read:

16.004 (12) (a) In this subsection, "state agency" means an association, authority, board, department, commission, independent agency, institution, office, society, or other body in state government created or authorized to be created by the

1	constitution or any law, including the legislature, the office of the governor, and the
2	courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,
3	the Health Insurance Risk-Sharing Plan Authority, and the Fox River Navigational
4	System Authority.
	****Note: I wasn't sure if by responding in the negative you meant that the HIRSP Authority should be excluded from this provision, as drafted, or not added to the provision.
5	SECTION 10. 16.045 (1) (a) of the statutes is amended to read:
6	16.045 (1) (a) "Agency" means an office, department, independent agency,
7	institution of higher education, association, society, or other body in state
8	government created or authorized to be created by the constitution or any law, which
9	that is entitled to expend moneys appropriated by law, including the legislature and
10	the courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
11	232, 233, 234, 235, or 237.
12	SECTION 11. 16.15 (1) (ab) of the statutes is amended to read:
13	16.15 (1) (ab) "Authority" has the meaning given under s. 16.70 (2), but
14	excludes the University of Wisconsin Hospitals and Clinics Authority and the Health
15	Insurance Risk-Sharing Plan Authority.
16	SECTION 12. 16.41 (4) of the statutes is amended to read:
17	16.41 (4) In this section, "authority" means a body created under subch. III of
18	<u>ch. 149 or under</u> ch. 231, 233, 234, or 237.
19	SECTION 13. 16.417 (1) (a) of the statutes is amended to read:
20	16.417 (1) (a) "Agency" means an office, department, independent agency,
21	institution of higher education, association, society, or other body in state
22	government created or authorized to be created by the constitution or any law. which

that is entitled to expend moneys appropriated by law, including the legislature and

the courts, but not including an authority <u>or the body created under subch. III of ch.</u>

2 <u>149</u>.

SECTION 14. 16.52 (7) of the statutes is amended to read:

which that is authorized to maintain a contingent fund under s. 20.920 may establish a petty cash account from its contingent fund. The procedure for operation and maintenance of petty cash accounts and the character of expenditures therefrom shall be prescribed by the secretary. In this subsection, "agency" means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, which that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in subch. III of ch. 149 or in ch. 231, 233, 234, or 237.

SECTION 15. 16.528 (1) (a) of the statutes is amended to read:

16.528 (1) (a) "Agency" means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, which that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in <u>subch. III of ch. 149 or in ch. 231</u>, 233, 234, or 237.

SECTION 16. 16.53 (2) of the statutes is amended to read:

16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed invoice, the agency shall notify the sender of the invoice within 10 working days after it receives the invoice of the reason it is improperly completed. In this subsection, "agency" means an office, department, independent agency, institution of higher

education, association, society, or other body in state government created or authorized to be created by the constitution or any law, which that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in <u>subch. III of ch. 149 or in ch. 231, 233, 234, or 237.</u>

SECTION 17. 16.54 (9) (a) 1. of the statutes is amended to read:

16.54 (9) (a) 1. "Agency" means an office, department, independent agency, institution of higher education, association, society or other body in state government created or authorized to be created by the constitution or any law, which is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in <u>subch. III of ch. 149 or in ch. 231, 233, 234, or 237.</u>

SECTION 18. 16.70 (2) of the statutes is amended to read:

16.70 (2) "Authority" means a body created under <u>subch. III of ch. 149 or under</u> ch. 231, 232, 233, 234, 235, or 237.

SECTION 19. 16.72 (2) (e) (intro.) of the statutes is amended to read:

16.72 (2) (e) (intro.) In writing the specifications under this subsection, the department and any other designated purchasing agent under s. 16.71 (1) shall incorporate requirements for the purchase of products made from recycled materials and recovered materials if their use is technically and economically feasible. Each authority other than the University of Wisconsin Hospitals and Clinics Authority and the Health Insurance Risk—Sharing Plan Authority, in writing specifications for purchasing by the authority, shall incorporate requirements for the purchase of products made from recycled materials and recovered materials if their use is technically and economically feasible. The specifications shall include requirements for the purchase of the following materials:

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SECTION 20. 16.72 (2) (f) of the statutes is amended to read:

16.72 (2) (f) In writing specifications under this subsection, the department, any other designated purchasing agent under s. 16.71 (1), and each authority other than the University of Wisconsin Hospitals and Clinics Authority and the Health Insurance Risk—Sharing Plan Authority shall incorporate requirements relating to the recyclability and ultimate disposition of products and, wherever possible, shall write the specifications so as to minimize the amount of solid waste generated by the state, consistent with the priorities established under s. 287.05 (12). All specifications under this subsection shall discourage the purchase of single—use, disposable products and require, whenever practical, the purchase of multiple—use, durable products.

SECTION 21. 16.75 (1m) of the statutes is amended to read:

16.75 (1m) The department shall award each order or contract for materials, supplies or equipment on the basis of life cycle cost estimates, whenever such action is appropriate. Each authority other than the University of Wisconsin Hospitals and Clinics Authority and the Health Insurance Risk—Sharing Plan Authority shall award each order or contract for materials, supplies or equipment on the basis of life cycle cost estimates, whenever such action is appropriate. The terms, conditions and evaluation criteria to be applied shall be incorporated in the solicitation of bids or proposals. The life cycle cost formula may include, but is not limited to, the applicable costs of energy efficiency, acquisition and conversion, money, transportation, warehousing and distribution, training, operation and maintenance and disposition or resale. The department shall prepare documents containing technical guidance for the development and use of life cycle cost estimates, and shall make the documents available to local governmental units.



****NOTE: Should the HIRSP Authority be excluded, as drafted?

Section 22. 16.75 (8) (a) 1. of the statutes is amended to read:

16.75 (8) (a) 1. The department, any other designated purchasing agent under s. 16.71 (1), any agency making purchases under s. 16.74, and each authority other than the University of Wisconsin Hospitals and Clinics Authority and the Health Insurance Risk-Sharing Plan Authority shall, to the extent practicable, make purchasing selections using specifications developed under s. 16.72 (2) (e) to maximize the purchase of materials utilizing recycled materials and recovered materials.

SECTION 23. 16.75 (8) (a) 2. of the statutes is amended to read:

16.75 (8) (a) 2. Each agency and authority other than the University of Wisconsin Hospitals and Clinics Authority and the Health Insurance Risk-Sharing Plan Authority shall ensure that the average recycled or recovered content of all paper purchased by the agency or authority measured as a proportion, by weight, of the fiber content of paper products purchased in a fiscal year, is not less than 40% of all purchased paper.

SECTION 24. 16.75 (9) of the statutes is amended to read:

16.75 (9) The department, any other designated purchasing agent under s. 16.71 (1), any agency making purchases under s. 16.74, and any authority other than the University of Wisconsin Hospitals and Clinics Authority and the Health Insurance Risk-Sharing Plan Authority shall, to the extent practicable, make purchasing selections using specifications prepared under s. 16.72 (2) (f).

SECTION 25. 16.75 (10m) of the statutes is amended to read:

16.75 (10m) The department, any other designated purchasing agent under s.

16.71(1), any agency making purchases under s. 16.74, and any authority other than

the Health Insurance Risk-Sharing Plan Authority shall not enter into any contract or order for the purchase of materials, supplies, equipment, or contractual services with a person if the name of the person, or the name of an affiliate of that person, is certified to the department by the secretary of revenue under s. 77.66.

Section 26. 16.765 (1) of the statutes is amended to read:

16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority, and the Bradley Center Sports and Entertainment Corporation shall include in all contracts executed by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s. 51.01 (5), sexual orientation as defined in s. 111.32 (13m), or national origin and, except with respect to sexual orientation, obligating the contractor to take affirmative action to ensure equal employment opportunities.

Section 27. 16.765 (2) of the statutes is amended to read:

16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority, and the Bradley Center Sports and Entertainment Corporation shall include the following provision in every contract executed by them: "In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s. 51.01 (5), sexual orientation or national origin. This provision shall include, but not be limited to, the following: employment.

upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the contractor further agrees to take affirmative action to ensure equal employment opportunities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause".

Section 28. 16.765 (4) of the statutes is amended to read:

16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority, and the Bradley Center Sports and Entertainment Corporation shall take appropriate action to revise the standard government contract forms under this section.

Section 29. 16.765 (5) of the statutes is amended to read:

16.765 (5) The head of each contracting agency and the boards of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Health Insurance Risk—Sharing Plan Authority, and the Bradley Center Sports and Entertainment Corporation shall be primarily responsible for obtaining compliance by any contractor with the nondiscrimination and affirmative action provisions prescribed by this section, according to procedures recommended by the department. The department shall make recommendations to the contracting agencies and the boards of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Health Insurance Risk—Sharing Plan Authority, and the Bradley Center Sports and Entertainment Corporation for improving and making more effective the

nondiscrimination and affirmative action provisions of contracts. The department shall promulgate such rules as may be necessary for the performance of its functions under this section.

SECTION 30. 16.765 (6) of the statutes is amended to read:

16.765 (6) The department may receive complaints of alleged violations of the nondiscrimination provisions of such contracts. The department shall investigate and determine whether a violation of this section has occurred. The department may delegate this authority to the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority, or the Bradley Center Sports and Entertainment Corporation for processing in accordance with the department's procedures.

SECTION 31. 16.765 (7) (intro.) of the statutes is amended to read:

16.765 (7) (intro.) When a violation of this section has been determined by the department, the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority, or the Bradley Center Sports and Entertainment Corporation, the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority, or the Bradley Center Sports and Entertainment Corporation shall:

SECTION 32. 16.765 (7) (d) of the statutes is amended to read:

16.765 (7) (d) Direct the violating party to take immediate steps to prevent further violations of this section and to report its corrective action to the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River

Navigational System Authority, <u>the Health Insurance Risk-Sharing Plan Authority</u>, or the Bradley <u>center sports and entertainment corporation</u> <u>Center Sports and Entertainment Corporation</u>.

Section 33. 16.765 (8) of the statutes is amended to read:

16.765 (8) If further violations of this section are committed during the term of the contract, the contracting agency, the Fox River Navigational System Authority, the Health Insurance Risk—Sharing Plan Authority, or the Bradley Center Sports and Entertainment Corporation may permit the violating party to complete the contract, after complying with this section, but thereafter the contracting agency, the Fox River Navigational System Authority, the Health Insurance Risk—Sharing Plan Authority, or the Bradley Center Sports and Entertainment Corporation shall request the department to place the name of the party on the ineligible list for state contracts, or the contracting agency, the Fox River Navigational System Authority, the Health Insurance Risk—Sharing Plan Authority, or the Bradley Center Sports and Entertainment Corporation may terminate the contract without liability for the uncompleted portion or any materials or services purchased or paid for by the contracting party for use in completing the contract.

SECTION 34. 16.865 (8) of the statutes is amended to read:

16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a proportionate share of the estimated costs attributable to programs administered by the agency to be paid from the appropriation under s. 20.505 (2) (k). The department may charge premiums to agencies to finance costs under this subsection and pay the costs from the appropriation on an actual basis. The department shall deposit all collections under this subsection in the appropriation account under s. 20.505 (2) (k). Costs assessed under this subsection may include judgments, investigative and

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adjustment fees, data processing and staff support costs, program administration costs, litigation costs, and the cost of insurance contracts under sub. (5). In this subsection, "agency" means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, which that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in <u>subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235, or 237.</u>

SECTION 35. 19.42 (5) of the statutes is amended to read:

19.42 (5) "Department" means the legislature, the University of Wisconsin System, any authority or public corporation created and regulated by an act of the legislature, except the Health Insurance Risk-Sharing Plan Authority, and any office, department, independent agency, or legislative service agency created under ch. 13, 14, or 15, any technical college district, or any constitutional office other than a judicial office. In the case of a district attorney, "department" means the department of administration unless the context otherwise requires.

SECTION 36. 20.145 (5) of the statutes is created to read:

20.145 (5) Health Insurance Risk-Sharing Plan. (g) *Insurer assessments*. All moneys received in insurer assessments under s. 149.13, to be transferred to the Health Insurance Risk-Sharing Plan fund.

- (m) Federal grants for high risk pool. All moneys received from the federal government in high risk pool grants, to be transferred to the Health Insurance Risk-Sharing Plan fund.
- Section 37. 20.435 (4) (u) of the statutes is repealed.
- 25 Section 38. 20.435 (4) (v) of the statutes is repealed.

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Section 39. 25.55 (1) of the statutes is created to read:

25.55 (1) All federal moneys transferred from the appropriation account under s. 20.145 (5) (m).

SECTION 40. 25.55 (3) of the statutes is amended to read:

25.55 (3) Insurer assessments under ch. 149 s. 149.13, transferred from the appropriation account under s. 20.145 (5) (g).

Section 41. 70.11 (41m) of the statutes is created to read:

70.11 (41m) HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY. All property owned by the Health Insurance Risk-Sharing Plan Authority, provided that use of the property is primarily related to the purposes of the authority.

Section 42. 71.07 (5g) of the statutes is created to read:

- 71.07 (5g) Health Insurance Risk-Sharing Plan assessments credit. (a) In this subsection, "claimant" means a partner, limited liability company member, or tax-option corporation shareholder who files a claim under this subsection and who is a partner, member, or shareholder of an entity that is an insurer, as defined in s. 149.10 (5).
- (b) Filing claims. Subject to the limitations provided under this subsection, for taxable years beginning after December 31, 2005, a claimant may claim as a credit against the taxes imposed under s. 71.02 an amount that is equal to a percentage of the amount of the assessment under s. 149.13 that the claimant paid in the taxable year, as determined under par. (c).
- (c) Limitations. 1. The department of revenue, in consultation with the office of the commissioner of insurance, shall determine the percentage under par. (b) for each claimant for each taxable year so that the cost of the credit under this subsection awarded to all

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- 1 and ss. 71.28 (5g), 71.47 (5g), and 76.655 is as close as practicable to \$5,000,000 in each fiscal year.
 - 2. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts described under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.
 - (d) *Administration*. Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.
- 13 **SECTION 43.** 71.10 (4) (cp) of the statutes is created to read:
- 71.10 (4) (cp) Health Insurance Risk-Sharing Plan assessments credit under s. 71.07 (5g).
- SECTION 44. 71.21 (4) of the statutes is amended to read:
- 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di), (2dj), (2dj), (2dk), (2dx), (3g), (3n), (3s), (3t), and (5b), and (5g) and passed through to partners shall be added to the partnership's income.
- **Section 45.** 71.26 (1) (be) of the statutes is amended to read:
- 71.26 (1) (be) Certain authorities. Income of the University of Wisconsin
 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan
 Authority, and of the Fox River Navigational System Authority.
- Section 46. 71.26 (2) (a) of the statutes is amended to read:

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71.26 (2) (a) Corporations in general. The "net income" of a corporation means the gross income as computed under the Internal Revenue Code as modified under sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c) 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income under this paragraph at the time that the taxpayer first claimed the credit plus the amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), (3n), (3t), and (5b), (5g) and not passed through by a partnership. limited liability company, or tax-option corporation that has added that amount to the partnership's, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or other disposition of assets the gain from which would be wholly exempt income, as defined in sub. (3) (L), if the assets were sold or otherwise disposed of at a gain and minus deductions, as computed under the Internal Revenue Code as modified under sub. (3), plus or minus, as appropriate, an amount equal to the difference between the federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or otherwise disposed of in a taxable transaction during the taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

Section 47. 71.28 (5g) of the statutes is created to read:

71.28 (5g) Health Insurance Risk-Sharing Plan assessments credit. (a) Definitions. In this subsection, "claimant" means an insurer, as defined in s. 149.10 (5), who files a claim under this subsection.

(b) *Filing claims*. Subject to the limitations provided under this subsection, for taxable years beginning after December 31, 2005, a claimant may claim as a credit against the taxes imposed under s. 71.23 an amount that is equal to a percentage of

each fiscal year.

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- 1 the amount of assessment under s. 149.13 that the claimant paid in the taxable year. 2 as determined under par. (c) 1. 3 (c) Limitations. 1. The department of revenue, in consultation with the office of the commissioner of insurance, shall determine the percentage under par. (b) for 4 each claimant for each taxable year so that the cost of the credit under this subsection 5 6 and ss. 71.07 (5g), 71.47 (5g), and 76.655 is as close as practicable to \$5,000,000 in 7
 - 2. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts described under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.
 - (d) Administration. Subsection (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.
 - **Section 48.** 71.30 (3) (dm) of the statutes is created to read:
- 19 71.30 (3) (dm) Health Insurance Risk-Sharing Plan assessments credit under 20 s. 71.28 (5g).
 - **SECTION 49.** 71.34 (1) (g) of the statutes is amended to read:
- 2271.34 (1) (g) An addition shall be made for credits computed by a tax-option 23 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g), 24 (3n), (3t), and (5b), and (5g) and passed through to shareholders.
- 25 **Section 50.** 71.45 (2) (a) 10. of the statutes is amended to read:

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71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed under s. 71.47 (1dd) to (1dx), (3n), and (5b), and (5g) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

Section 51. 71.47 (5g) of the statutes is created to read:

- 71.47 (5g) Health Insurance Risk-Sharing Plan assessments credit. (a) Definitions. In this subsection, "claimant" means an insurer, as defined in s. 149.10 (5), who files a claim under this subsection.
- (b) Filing claims. Subject to the limitations provided under this subsection, for taxable years beginning after December 31, 2005, a claimant may claim as a credit against the taxes imposed under s. 71.43 an amount that is equal to a percentage of the amount of assessment under s. 149.13 that the claimant paid in the taxable year, as determined under par. (c) 1.
- (c) Limitations. 1. The department of revenue, in consultation with the office of the commissioner of insurance, shall determine the percentage under par. (b) for each claimant for each taxable year so that the cost of the credit under this subsection and ss. 71.07 (5g), 71.28 (5g), and 76.655 is as close as practicable to \$5,000,000 in each fiscal year.
- 2. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of. the credit are based on their payment of amounts described under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and

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- 1 shall provide that information to each of them. Partners, members of limited liability 2 companies, and shareholders of tax-option corporations may claim the credit in 3 proportion to their ownership interests. (d) Administration. Section 71.28 (4) (e) to (h), as it applies to the credit under 4 s. 71.28 (4), applies to the credit under this subsection. 5 6 **Section 52.** 71.49 (1) (dm) of the statutes is created to read:
- 7 71.49 (1) (dm) Health Insurance Risk-Sharing Plan assessments credit under 8 s. 71.47 (5g).
 - **SECTION 53.** 76.655 of the statutes is created to read:
 - 76.655 Health Insurance Risk-Sharing Plan assessments credit. (1) DEFINITIONS. In this section, "claimant" means an insurer, as defined in s. 149.10 (5), who files a claim under this section.
 - (2) FILING CLAIMS. Subject to the limitations provided under this section, for taxable years beginning after December 31, 2005, a claimant may claim as a credit against the fees imposed under ss. 76.60, 76.63, 76.65, 76.66 or 76.67 an amount that is equal to a percentage of the amount of assessment under s. 149.13 that the claimant paid in the taxable year, as determined under sub. (3).
 - (3) LIMITATIONS. The department of revenue, in consultation with the office of the commissioner of insurance, shall determine the percentage under sub. (2) for each claimant for each taxable year so that the cost of the credit under this section and ss. 71.07 (5g), 71.28 (5g), and 71.47 (5g) is as close as practicable to \$5,000,000 in each fiscal year.
 - (4) CARRY-FORWARD. If the credit under sub. (2) is not entirely offset against the fees imposed under ss. 76.60, 76.63, 76.65, 76.66, or 76.67 that are otherwise due, the unused balance may be carried forward and credited against those fees in the

awarded to all claimants

following 15 years to the extent that it is not offset by those fees otherwise due in all the years between the year in which the assessment was paid and the year in which the carry-forward credit is claimed.

SECTION 54. 76.67 (2) of the statutes is amended to read:

76.67 (2) If any domestic insurer is licensed to transact insurance business in another state, this state may not require similar insurers domiciled in that other state to pay taxes greater in the aggregate than the aggregate amount of taxes that a domestic insurer is required to pay to that other state for the same year less the eredit credits under s. ss. 76.635 and 76.655, except that the amount imposed shall not be less than the total of the amounts due under ss. 76.65 (2) and 601.93 and, if the insurer is subject to s. 76.60, 0.375% of its gross premiums, as calculated under s. 76.62, less offsets allowed under s. 646.51 (7) or under s. ss. 76.635 and 76.655 against that total, and except that the amount imposed shall not be less than the amount due under s. 601.93.

SECTION 55. 77.54 (9a) (a) of the statutes is amended to read:

77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin Hospitals and Clinics Authority, the Health Insurance Risk-Sharing Plan Authority, and the Fox River Navigational System Authority.

Section 56. 77.92 (4) of the statutes is amended to read:

77.92 (4) "Net business income," with respect to a partnership, means taxable income as calculated under section 703 of the Internal Revenue Code; plus the items of income and gain under section 702 of the Internal Revenue Code, including taxable state and municipal bond interest and excluding nontaxable interest income or dividend income from federal government obligations; minus the items of loss and deduction under section 702 of the Internal Revenue Code, except items that are not

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1	deductible under s. 71.21; plus guaranteed payments to partners under section 707
2	(c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
3	$(2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), \\ and (5b), and (5g); and (5g), (2dx), $
4	plus or minus, as appropriate, transitional adjustments, depreciation differences,
5	and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding
6	income, gain, loss, and deductions from farming. "Net business income," with respect
7	to a natural person, estate, or trust, means profit from a trade or business for federal
8	income tax purposes and includes net income derived as an employee as defined in
9	section 3121 (d) (3) of the Internal Revenue Code.
10	SECTION 57. 88.172 (2) of the statutes is renumbered 88.172 (2) (bm).
11	Section 58. 88.172 (2) (am) of the statutes is created to read:
12	88.172 (2) (am) In this subsection and sub. (3), "authority" does not include the
13	Health Insurance Risk-Sharing Plan Authority.
14	SECTION 59. 88.172 (3) of the statutes is amended to read:
15	88.172 (3) Subsection (2) (bm) does not apply to a proceeding brought by a
16	governmental unit, authority, or agency in its capacity as a private party or
17	contractor.
18	SECTION 60. 101.055 (2) (a) of the statutes is amended to read:
19	101.055 (2) (a) "Agency" means an office, department, independent agency.

101.055 (2) (a) "Agency" means an office, department, independent agency, authority, institution, association, society, or other body in state government created or authorized to be created by the constitution or any law, and includes the legislature and the courts, but excludes the Health Insurance Risk-Sharing Plan Authority.

SECTION 61. 101.177 (1) (d) of the statutes is amended to read:

101.177 (1) (d) "State agency" means any office, department, agency,
institution of higher education, association, society, or other body in state
government created or authorized to be created by the constitution or any law which
, that is entitled to expend moneys appropriated by law, including the legislature and
the courts, the Wisconsin Housing and Economic Development Authority, the
Bradley Center Sports and Entertainment Corporation, the University of Wisconsin
Hospitals and Clinics Authority, and the Wisconsin Health and Educational
Facilities Authority, but excluding the Health Insurance Risk-Sharing Plan
Authority.

Section 62. 103.10 (1) (c) of the statutes is amended to read:

103.10 (1) (c) Except as provided in sub. (14) (b), "employer" means a person engaging in any activity, enterprise, or business in this state employing at least 50 individuals on a permanent basis. "Employer" includes the state and any office, department, independent agency, authority, institution, association, society, or other body in state government created or authorized to be created by the constitution or any law, including the legislature and the courts, but excluding the Health Insurance Risk—Sharing Plan Authority.

SECTION 63. 103.15 (1) (a) of the statutes is amended to read:

103.15 (1) (a) "Employer" includes the state, its political subdivisions, and any office, department, independent agency, authority, institution, association, society, or other body in state or local government created or authorized to be created by the constitution or any law, including the legislature and the courts, but excluding the Health Insurance Risk-Sharing Plan Authority.

SECTION 64. Chapter 149 (title) of the statutes is amended to read:

CHAPTER 149

1	MANDATORY HEALTH INSURANCE
2	RISK-SHARING PLAN PLANS
3	Section 65. Subchapter I (title) of chapter 149 [precedes 149.10] of the statutes
4	is created to read:
5	CHAPTER 149
6	SUBCHAPTER I
7	GENERAL PROVISIONS
8	SECTION 66. 149.10 (intro.) of the statutes is amended to read:
9	149.10 Definitions. (intro.) In this chapter, unless the context requires
10	<u>otherwise</u> :
11	Section 67. 149.10 (1) of the statutes is created to read:
12	149.10 (1) "Authority" means the Health Insurance Risk-Sharing Plan
13	Authority.
14	SECTION 68. 149.10 (2) of the statutes is amended to read:
15	149.10 (2) "Board" means the board of governors established under s. 149.15
16	directors of the authority.
17	Section 69. 149.10 (2j) (a) 3. of the statutes is amended to read:
18	149.10 (2j) (a) 3. Part A or, part B, or part D of title XVIII of the federal Social
19	Security Act.
20	SECTION 70. 149.10 (2m) of the statutes is repealed.
21	SECTION 71. 149.10 (2t) (c) of the statutes is amended to read:
22	149.10 (2t) (c) The individual does not have creditable coverage and is not
23	eligible for coverage under a group health plan, part A or, part B, or part D of title
24	XVIII of the federal Social Security Act or a state plan under title XIX of the federal
25	Social Security Act or any successor program.

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1	SECTION 72. 149.10 (3) of the statutes is amended to read:
2	149.10 (3) "Eligible person" means a resident of this state who qualifies under
3	s. 149.12 whether or not the person is legally responsible for the payment of medical
4	expenses incurred on the person's behalf.
5	SECTION 73. 149.10 (3e) of the statutes is amended to read:
6	149.10 (3e) "Fund" means the health insurance risk-sharing plan Health
7	Insurance Risk-Sharing Plan fund.
8	SECTION 74. 149.10 (7) of the statutes is amended to read:
9	149.10 (7) "Medicare" means coverage under both part A and, part B, and part
10	$\underline{\mathrm{D}}$ of Title XVIII of the federal social security act, 42 USC 1395 et seq., as amended.
11	SECTION 75. 149.10 (8) of the statutes is amended to read:
12	149.10 (8) "Plan" means the health care insurance plan established and
13	administered under subchapter II of this chapter.
14	SECTION 76. 149.10 (9) of the statutes is amended to read:
15	149.10 (9) "Resident" means a person who has been legally domiciled in this
16	state for a period of at least 30 days 3 months or, with respect to an eligible individual,
17	an individual who resides in this state. For purposes of this chapter, legal domicile
18	is established by living in this state and obtaining a Wisconsin motor vehicle
19	operator's license, registering to vote in Wisconsin, or filing a Wisconsin income tax
20	return. A child is legally domiciled in this state if the child lives in this state and if
21	at least one of the child's parents or the child's guardian is legally domiciled in this
22	state. A person with a developmental disability or another disability which that

prevents the person from obtaining a Wisconsin motor vehicle operator's license,

registering to vote in Wisconsin, or filing a Wisconsin income tax return, is legally

domiciled in this state by living in this state.

1	SECTION 77. 149.10 (10) of the statutes is repealed.									
2	SECTION 78. 149.105 of the statutes is created to read:									
3	149.105 Immunity. No cause of action of any nature may arise against, and									
4	no liability may be imposed upon, the authority, plan, or board; or any agent,									
5	employee, or director of any of them; or participating insurers; or the commissioner;									
6	or any of the commissioner's agents, employees, or representatives, for any act or									
7	omission by any of them in the performance of their powers and duties under this									
8	chapter, unless the person asserting liability proves that the act or omission									
9	constitutes willful misconduct.									
10	SECTION 79. Subchapter II (title) of chapter 149 [precedes 149.11] of the									
11	statutes is created to read:									
12	CHAPTER 149									
13	SUBCHAPTER II									
14	SUBCHAPTER II HEALTH INSURANCE RISK-SHARING PLAN PROVISIONS									
15	PLAN PROVISIONS									
16	SECTION 80. 149.11 of the statutes is repealed and recreated to read:									
17	149.11 Administration of plan. (1) AUTHORITY. The authority shall be									
18	responsible for the operation of the plan and, subject to \$1149.1470 may enter into									
19	contracts for the plan's administration.									
20	(2) FUND. The authority shall pay the operating and administrative expenses									
21	of the plan from the fund. Moneys in the fund may be expended only for the purposes									
22	specified in this subsection.									
23	SECTION 81. 149.115 of the statutes is amended to read:									
24	149.115 Rules relating to creditable coverage. The commissioner, in									
25	consultation with the department, shall promulgate rules that specify how									

T	creditable coverage is to be aggregated for purposes of s. 149.10 (2t) (a) and that
2	determine the creditable coverage to which s. 149.10 (2t) (b) and (d) applies. The
3	rules shall comply with section 2701 (c) of P.L. 104-191.
4	SECTION 82. 149.12 (1) (intro.) of the statutes is amended to read:
5	149.12 (1) (intro.) Except as provided in subs. (1m) and, (2), and (3), the board
6	or plan administrator authority shall certify as eligible a person who is covered by
7	medicare Medicare because he or she is disabled under 42 USC 423, a person who
8	submits evidence that he or she has tested positive for the presence of HIV, antigen
9	or nonantigenic products of HIV, or an antibody to HIV, a person who is an eligible
10	individual, and any person who receives and submits any of the following based
11	wholly or partially on medical underwriting considerations within 9 months prior to
12	making application for coverage by the plan:
13	Section 83. 149.12 (1) (a) of the statutes is amended to read:
14	149.12 (1) (a) A notice of rejection of coverage from one $\underline{2}$ or more insurers.
15	Section 84. 149.12 (1m) of the statutes is amended to read:
16	149.12 (1m) The board or plan administrator authority may not certify a
17	person as eligible under circumstances requiring notice under sub. (1) (a) to (d) if the
18	required notices were issued by an insurance intermediary who is not acting as an
19	administrator, as defined in s. 633.01.
20	SECTION 85. 149.12 (2) (f) of the statutes is renumbered 149.12 (2) (f) 1. and
21	amended to read:
22	149.12 (2) (f) 1. No Except as provided in subd. 2., no person who is eligible for
23	medical assistance is eligible for coverage under the plan.
24	Section 86. 149.12 (2) (f) 2. of the statutes is created to read:

authorized under 42 USC 1315.

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1	149.12 (2) (f) 2. Subdivision 1. does not apply to a person who is otherwise
2	eligible for coverage under the plan and who is eligible for only any of the following
3	types of medical assistance:
4	a. Family planning services under s. 49.45 (24r).
5	b. Care and services for the treatment of an emergency medical condition under
6	42 USC 1396b (v), as provided in s. 49.45 (27).
7	c. Medical assistance under s. 49.46 (1) (a) 15.
8	d. Ambulatory prenatal care under s. 49.465.
9	e. Medicare premium, coinsurance, and deductible payments under s. 49.46 (2)
10	(c) 2. or 3., 49.468 (1) (b) or (c), or 49.47 (6) (a) 6. b. or c.
11	f. Medicare premium payments under s. 49.46 (2) (cm), 49.468 (1m) or (2), or
12	49.47 (6) (a) 6m.
13	SECTION 87. 149.12 (2) (g) of the statutes is created to read:
14	149.12 (2) (g) A person is not eligible for coverage under the plan if the person
15	is eligible for any of the following:
16	1. Services under s. 46.27 (11), 46.275, 46.277, or 46.278.
17	2. Medical assistance provided as part of a family care benefit, as defined in s.
18	46.2805 (4).
19	3. Services provided under a waiver requested under 2001 Wisconsin Act 16,
20	section 9123 (16rs), or 2003 Wisconsin Act 33, section 9124 (8c).
21	4. Services provided under the program of all-inclusive care for persons aged
22	55 or older authorized under 42 USC 1396u-4.
23	5. Services provided under the demonstration program under a federal waiver

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

SECTION 88. 149.12 (3) (a) of the statutes is amended to read:

149.12 (3) (a) Except as provided in pars. (b) to (e) and (bm), no person is eligible for coverage under the plan for whom a premium, deductible, or coinsurance amount is paid or reimbursed by a federal, state, county, or municipal government or agency as of the first day of any term for which a premium amount is paid or reimbursed and as of the day after the last day of any term during which a deductible or coinsurance amount is paid or reimbursed.

SECTION 89. 149.12 (3) (c) of the statutes is repealed.

SECTION 90. 149.12 (4) and (5) of the statutes are created to read:

149.12 (4) Subject to subs. (1m), (2), and (3), the authority may establish criteria that would enable additional persons to be eligible for coverage under the plan. The authority shall ensure that any expansion of eligibility is consistent with the purpose of the plan to provide health care coverage for those who are unable to obtain health insurance in the private market and does not endanger the solvency of the plan.

(5) The authority shall establish policies for determining and verifying the continued eligibility of an eligible person.

Section 91. 149.13 (1) of the statutes is amended to read:

149.13 (1) Every insurer shall participate in the cost of administering the plan, except the commissioner may by rule exempt as a class those insurers whose share as determined under sub. (2) would be so minimal as to not exceed the estimated cost of levying the assessment. The commissioner shall advise the department authority of the insurers participating in the cost of administering the plan.

SECTION 92.	149.13 (3)	(a)	of the statutes	is	amended	to	read:
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149.13 (3) (a) Each insurer's proportion of participation under sub. (2) shall be determined annually by the commissioner based on annual statements and other reports filed by the insurer with the commissioner. The commissioner shall assess an insurer for the insurer's proportion of participation based on the total assessments estimated by the department under s. 149.143 (2) (a) 3. authority.

SECTION 93. 149.13 (3) (b) of the statutes is amended to read:

149.13 (3) (b) If the department authority or the commissioner finds that the commissioner's authority to require insurers to report under chs. 600 to 646 and 655 is not adequate to permit the department, the commissioner or the board authority to carry out the department's, commissioner's or board's authority's responsibilities under this chapter subchapter, the commissioner shall promulgate rules requiring insurers to report the information necessary for the department, commissioner and board authority to make the determinations required under this chapter subchapter.

SECTION 94. 149.13 (4) of the statutes is amended to read:

149.13 (4) Notwithstanding subs. (1) to (3), the department authority, with the agreement of the commissioner, may perform various administrative functions related to the assessment of insurers participating in the cost of administering the plan.

SECTION 95. 149.14 (1) (a) of the statutes is amended to read:

149.14 (1) (a) The plan shall offer <u>coverage for each eligible person</u> in an annually renewable policy the <u>coverage specified in this section for each eligible person</u>. If an eligible person is also eligible for <u>medicare Medicare</u> coverage, the plan shall not pay or reimburse any person for expenses paid for by <u>medicare Medicare</u>

SECTION 96. 149.14 (2) (a) of the statutes is amended to read:

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149.14 (2) (a) The plan shall provide every eligible person who is not eligible

2 for medicare Medicare with major medical expense coverage. Major medical expense 3 coverage offered under the plan under this section shall pay an eligible person's 4 covered expenses, subject to sub. (3) and deductible, copayment, and coinsurance 5 payments authorized under sub. (5), up to a lifetime limit of \$1,000,000 per covered 6 individual. The maximum limit under this paragraph shall not be altered by the 7 board, and no actuarially equivalent benefit may be substituted by the board.

Section 97. 149.14 (3) (intro.) of the statutes is renumbered 149.14 (3) and (intro.)

9 amended to read:

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

Section 98. 149.14 (3) (b) of the statutes is repealed and recreated to read:

to the extent required under s. 632.895(2).

1	149.14 (3) (b) Professional services for the diagnosis or treatment of injuries,
2	illnesses, or conditions, other than mental or dental.
(3	SECTION 99. 149.14 (3) (c) of the statutes is repealed and recreated to read:
4	149.14 (3) (c) 1. Inpatient hospital services, as defined in s. 632.89 (1) (d),
5	outpatient services, as defined in s. 632.89 (1) (e), and transitional treatment
6	arrangements, as defined in s. 632.89 (1) (f), only to the extent required under s.
7	632.89.
8 a	CRAIL SECTION 100. 149.14 (3) (c) 2. of the statutes is repealed.
9	from Section 101. 149.14 (3) (c) 3. of the statutes is amended to read:
10	149.14 (3) (c) 3. Subject to the limits under subd. 2. and to rules promulgated
11	by the department 1., services for the chronically mentally ill in community support
12	programs operated under s. 51.421.
13	SECTION 102. 149.14 (3) (d) of the statutes is amended to read:
14	149.14 (3) (d) Drugs requiring a physician's prescription, subject to sub. (4e).
15	SECTION 103. 149.14 (3) (e) of the statutes is amended to read:
16	149.14 (3) (e) Services For persons eligible for Medicare, services of a licensed
17	skilled nursing facility for eligible persons eligible for medicare, to the extent
18	required by s. 632.895 (3) and for not more than an aggregate 120 days during a
19	calendar year, if the services are of the type which that would qualify as reimbursable
20	services under medicare Medicare. Coverage under this paragraph which that is not
21	required by s. 632.895 (3) is subject to the any deductible and coinsurance
22	requirements under sub. (5) provided by the authority.
23	SECTION 104. 149.14 (3) (f) of the statutes is created to read:
24	149.14 (3) (f) Services of a home health agency, as defined in s. 50.49 (1) (a), only

SECTION 105. 149.14 (3) (m) of the statutes is amended to read:

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

SECTION 106. 149.14 (3) (o) of the statutes is amended to read:

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

SECTION 107. 149.14 (3) (p) of the statutes is renumbered 149.14 (3) (em).

Section 108. 149.14 (4) of the statutes is repealed and recreated to read:

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

SECTION 109. 149.14 (4c) of the statutes is repealed.

Section 110. 149.14 (4m) of the statutes is renumbered 149.142 (2m) and amended to read:

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

is consin act !!! (this act)

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

SECTION 111. 149.14 (5) of the statutes is repealed and recreated to read:

- 149.14 (5) DEDUCTIBLE AND COPAYMENT SUBSIDIES. (a) The authority shall establish and provide subsidies for deductibles paid by eligible persons with coverage under s. 149.14 (2) (a) and household incomes specified in s. 149.165 (2) (a) 1. to 5.
- (b) The authority may provide subsidies for prescription drug copayment amounts paid by eligible persons specified in par. (a).
 - SECTION 112. 149.14 (5m) of the statutes is repealed.
- 11 **SECTION 113.** 149.14 (6) (a) of the statutes is repealed.
- 12 **SECTION 114.** 149.14 (6) (b) of the statutes is renumbered 149.14 (6).
- 13 **SECTION 115.** 149.14 (7) (b) of the statutes is amended to read:
 - 149.14 (7) (b) The department authority has a cause of action against an eligible participant for the recovery of the amount of benefits paid which that are not for covered expenses under the plan. Benefits under the plan may be reduced or refused as a setoff against any amount recoverable under this paragraph.
 - **SECTION 116.** 149.14 (7) (c) of the statutes is amended to read:
 - 149.14 (7) (c) The department <u>authority</u> is subrogated to the rights of an eligible person to recover special damages for illness or injury to the person caused by the act of a 3rd person to the extent that benefits are provided under the plan. Section 814.03 (3) applies to the department under this paragraph.
 - SECTION 117. 149.14 (8) of the statutes is repealed.
 - **SECTION 118.** 149.141 of the statutes is created to read:

1	149.141 Premiums. (1) PERCENTAGE OF COSTS. Except as provided in sub. (2),
2	the authority shall set premium rates for coverage under the plan at a level that is
3	sufficient to cover 60 percent of plan costs, as provided in s. 149.143 (1).
4	(2) LIMITATION. In no event may plan premium rates exceed 200 percent of rates
5	applicable to individual standard risks.
6	Section 119. 149.142 (1) (a) of the statutes is renumbered 149.142 (1) and
7	amended to read:
8	149.142 (1) ESTABLISHMENT OF RATES. Except as provided in par. (b), the
9	department The authority shall establish provider payment rates for covered
10	expenses that consist of the allowable charges paid under s. 49.46 (2) for the services
11	and articles provided plus an enhancement determined by the department authority.
12	The rates shall be based on the allowable charges paid under s. 49.46 (2), projected
13	plan costs, and trend factors. Using the same methodology that applies to medical
14	assistance under subch. IV of ch. 49, the department authority shall establish
15	hospital outpatient per visit reimbursement rates and hospital inpatient
16	reimbursement rates that are specific to diagnostically related groups of eligible
17	persons. The adjustments to the usual and customary rates shall be sufficient to
18	cover 20 percent of plan costs, as provided in s. 149.143 (3).
19	SECTION 120. 149.142 (1) (b) of the statutes is repealed.
20	SECTION 121. 149.142 (2) of the statutes is repealed.
21	SECTION 122. 149.143 of the statutes is repealed and recreated to read:
22	149.143 Payment of plan costs. (1) Costs excluding subsidies. The
23	authority shall pay plan costs, excluding any premium, deductible, and copayment
24	subsidies, first from federal funds, if any, that are transferred to the fund under s.
25	20.145 (5) (m) and that exceed premium, deductible, and copayment subsidy costs in

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- a policy year. The remainder of the plan costs, excluding premium, deductible, and copayment subsidy costs, shall be paid as follows:
 - (a) Sixty percent from premiums paid by eligible persons.
 - (b) Twenty percent from insurer assessments under s. 149.13.
- 5 (c) Twenty percent from adjustments to provider payment rates under s. 6 149.142.
 - (2) Subsidy costs. The authority shall pay for premium, deductible, and copayment subsidies in a policy year first from federal funds, if any, that are transferred to the fund under s. 20.145 (5) (m) in that year. The remainder of the subsidy costs shall be paid as follows:
 - (a) Fifty percent from insurer assessments under s. 149.13.
 - (b) Fifty percent from adjustments to provider payment rates under s. 149.142.
- 13 Section 123. 149.144 of the statutes is repealed.
- 14 Section 124. 149.145 of the statutes is repealed.
 - SECTION 125. 149.146 (1) (a) and (b) of the statutes are consolidated, renumbered 149.14 (2) (c) 1. and amended to read:
 - 149.14 (2) (c) 1. Beginning on January 1, 1998, in In addition to the coverage required under s. 149.14 pars. (a) and (b), the plan shall offer to all eligible persons who are not eligible for medicare Medicare a choice of coverage, as described in section 2744 (a) (1) (C), P.L. 104–191. Any such choice of coverage shall be major medical expense coverage. (b) An eligible person under par. (a) who is not eligible for Medicare may elect once each year, at the time and according to procedures established by the department authority, among the coverages offered under this section and s. 149.14 paragraph and par. (a). If an eligible person elects new coverage, any preexisting condition exclusion imposed under the new coverage is met

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to the extent that the eligible person has been previously and continuously covered under this chapter the plan. No preexisting condition exclusion may be imposed on an eligible person who elects new coverage if the person was an eligible individual when first covered under this chapter the plan and the person remained continuously covered under this chapter the plan up to the time of electing the new coverage.

SECTION 126. 149.146 (2) (a) of the statutes is renumbered 149.14 (2) (c) 2. and amended to read:

149.14 (2) (c) 2. Except as specified by the department, the terms of coverage under s. 149.14, including deductible reductions under s. 149.14 (5) (a) and prescription drug copayment reductions under s. 149.14 (5) (e), do not apply to the coverage offered under this section. Premium reductions under s. 149.165 and deductible subsidies and prescription drug copayment subsidies under s. 149.14 (5) do not apply to the coverage offered under this section paragraph.

SECTION 127. 149.146 (2) (am) of the statutes is repealed.

SECTION 128. 149.146 (2) (b) of the statutes is repealed.

*****Note: I have modified the treatment of s. 149.146 from the previous version of this draft.

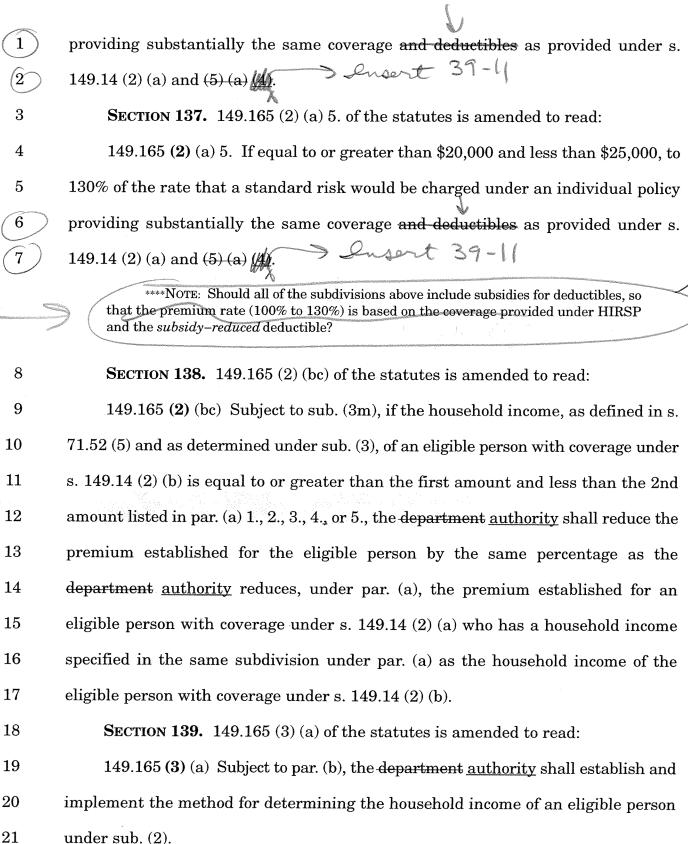
17 Section 129. 149.15 of the statutes is repealed.

SECTION 130. 149.16 of the statutes is repealed.

19 Section 131. 149.165 (1) of the statutes is amended to read:

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

1	SECTION 132. 149.165 (2) (a) (intro.) of the statutes is amended to read:
2	149.165 (2) (a) (intro.) Subject to sub. (3m), if the household income, as defined
3	in s. 71.52 (5) and as determined under sub. (3), of an eligible person with coverage
4	under s. 149.14 (2) (a) is equal to or greater than the first amount and less than the
5	2nd amount listed in any of the following, the department authority shall reduce the
6	premium for the eligible person to the rate shown after the amounts:
7	Section 133. 149.165 (2) (a) 1. of the statutes is amended to read:
8	149.165 (2) (a) 1. If equal to or greater than \$0 and less than \$10,000, to $100%$
9	of the rate that a standard risk would be charged under an individual policy
(10)	providing substantially the same coverage and deductibles as provided under s.
11)	149.14(2)(a) and (5)(a) (b) Susert 39-11
12	SECTION 134. 149.165 (2) (a) 2. of the statutes is amended to read:
13	149.165 (2) (a) 2. If equal to or greater than \$10,000 and less than \$14,000, to
14	106.5% of the rate that a standard risk would be charged under an individual policy
15	providing substantially the same coverage and deductibles as provided under s.
16)	149.14(2)(a) and (5)(a) (4).
17	SECTION 135. 149.165 (2) (a) 3. of the statutes is amended to read:
18	149.165 (2) (a) 3. If equal to or greater than \$14,000 and less than \$17,000, to
19	115.5% of the rate that a standard risk would be charged under an individual policy
20	providing substantially the same coverage and deductibles as provided under s.
21	149.14(2)(a) and (5)(a) 2. Suset 39-11
22	SECTION 136. 149.165 (2) (a) 4. of the statutes is amended to read:
23	149.165 (2) (a) 4. If equal to or greater than \$17,000 and less than \$20,000, to
24	124.5% of the rate that a standard risk would be charged under an individual policy



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

149.165 (3) (b) (intro.) In determining household income under sub. (2), the
department authority shall consider information submitted by an eligible person on
a completed federal profit or loss from farming form, schedule F, if all of the following
apply:
SECTION 141. 149.165 (3m) of the statutes is amended to read:
149.165 (3m) The board authority may approve adjustment of the household
income dollar amounts listed in sub. (2) (a) 1. to 5., except for the first dollar amount
listed in sub. (2) (a) 1., to reflect changes in the consumer price index for all urban
consumers, U.S. city average, as determined by the U.S. department of labor.
SECTION 142. 149.165 (4) of the statutes is repealed.
SECTION 143. 149.17 (1) of the statutes is amended to read:
149.17 (1) Subject to ss. 149.14 (5m), s. 149.143 and 149.146 (2) (b), a rating
plan calculated in accordance with generally accepted actuarial principles.
SECTION 144. 149.17 (2) of the statutes is repealed.
SECTION 145. 149.17 (4) of the statutes is repealed.
Section 146. 149.175 of the statutes is repealed.
SECTION 147. 149.18 of the statutes is amended to read:
149.18 Chapters 600 to 645 applicable. Except as otherwise provided in this
chapter subchapter, the plan shall comply and be administered in compliance with
chs. 600 to 645.
SECTION 148. 149.20 of the statutes is repealed.
SECTION 149. 149.25 of the statutes is repealed.
SECTION 150. Subchapter III of chapter 149 [precedes 149.40] of the statutes
is created to read:

CHAPTER 149