

Insert 42-3

1 SUBCHAPTER III

2 HEALTH INSURANCE RISK-SHARING

3 PLAN AUTHORITY

4 ~~149.40~~ <sup>41</sup> **Creation and organization of authority.** (1) There is created a  
 5 public body corporate and politic to be known as the "Health Insurance Risk-Sharing  
 6 Plan Authority." The board of directors of the authority shall consist of the  
 7 commissioner of insurance, or his or her designee, as a nonvoting member, and the  
 8 following members, who shall be nominated by the governor, and with the advice and  
 9 consent of the senate appointed, for 3-year terms:

10 (a) Four members who represent insurers participating in the plan.

11 (b) Four members who represent health care providers, including one  
 12 representative of the Wisconsin Medical Society, one representative of the Wisconsin  
 13 Hospital Association, Inc., one representative of the Pharmacy Society of Wisconsin,  
 14 and one representative of health care providers that provide services to persons with  
 15 coverage under the plan.

16 (c) Five other members, at least one of whom represents small businesses that  
 17 purchase private health insurance and at least 2 of whom are persons with coverage  
 18 under the plan.

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

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

24 (4) Annually, the governor shall appoint one member other than the  
 25 commissioner as chairperson, and the members of the board may elect other officers

1 as they consider appropriate. Seven voting members of the board constitute a  
2 quorum for the purpose of conducting the business and exercising the powers of the  
3 authority, notwithstanding the existence of any vacancy. The board may take action  
4 upon a vote of a majority of the members present, unless the bylaws of the authority  
5 require a larger number.

6 (5) The board may appoint <sup>an</sup> a chief executive <sup>director</sup> officer who shall not be a member  
7 of the board and who shall serve at the pleasure of the board. The authority may  
8 delegate by resolution to one or more of its members or its executive director any  
9 powers and duties that it considers proper. The chief executive officer shall receive  
10 such compensation as may be determined by the board. The chief executive officer  
11 or other person designated by resolution of the board shall keep a record of the  
12 proceedings of the authority and shall be custodian of all books, documents, and  
13 papers filed with the authority, the minute book or journal of the authority, and its  
14 official seal. The chief executive officer or other person may cause copies to be made  
15 of all minutes and other records and documents of the authority and may give  
16 certificates under the official seal of the authority to the effect that such copies are  
17 true copies, and all persons dealing with the authority may rely upon such  
18 certificates.

19 **149.43 Duties of authority.** In addition to all other duties imposed under this  
20 chapter, the authority shall do all of the following:

- 21 (1) Adopt policies for the administration of this chapter.
- 22 (2) Contract with the plan administrator under s. 149.16, 2003 stats., in the  
23 manner required under 2005 Wisconsin Act .... (this act), section 9121 (1) (b)  
24 (3) Establish the authority's annual budget and monitor the fiscal  
25 management of the authority.

director

until the end of the contract term

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✓

not

1 (a) ~~(4)~~ Perform all eligibility and administrative claims payment functions  
2 relating to the plan.

3 (b) ~~(5)~~ Establish a premium billing procedure for collection of premiums from  
4 insured persons. Billings shall be made on a periodic basis as determined by the  
5 authority.

6 (c) ~~(6)~~ Perform all necessary functions to assure timely payment of benefits to  
7 covered persons under the plan, including:

8 1. ~~(a)~~ Making available information relating to the proper manner of submitting  
9 a claim for benefits under the plan and distributing forms upon which submissions  
10 shall be made.

11 2. ~~(b)~~ Evaluating the eligibility of each claim for payment under the plan.

12 3. ~~(c)~~ Notifying each claimant within 30 days after receiving a properly completed  
13 and executed proof of loss whether the claim is accepted, rejected, or compromised.

14 ~~(7)~~ Seek to qualify or maintain the plan as a state pharmacy assistance  
15 program, as defined in 42 CFR 423.464.

16 ~~(8)~~ Annually submit a report to the legislature under s. 13.172 (2) and to the  
17 governor on the operation of the plan.

18 **149.45 Powers of authority.** (1) Except as restricted under sub. (2), the  
19 authority shall have all the powers necessary or convenient to carry out the purposes  
20 and provisions of this chapter. In addition to all other powers granted by this chapter,  
21 the authority may:

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

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

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

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

3 (e) Contract for any ~~legal~~ services required for the authority.

4 (f) Appoint any technical or professional advisory committee that the authority

5 finds necessary to assist the authority in exercising its duties and powers. The

6 authority shall define the duties of the committee, and provide reimbursement for

7 the expenses of the committee.

8 (g) Execute contracts and other instruments.

9 (h) Accept gifts, grants, loans, or other contributions from private or public

10 sources.

11 (i) Procure liability insurance.

12 (2) The authority may not issue bonds.

13 **149.47 Contracting for professional services.** (1) Whenever contracting

14 for professional services, the authority shall solicit competitive sealed bids or

15 competitive sealed proposals, whichever is appropriate. Each request for

16 competitive sealed proposals shall state the relative importance of price and other

17 evaluation factors.

18 (2) (a) When the estimated cost exceeds \$25,000, the authority may invite

19 competitive sealed bids or proposals by publishing a class 2 notice under ch. 985 or

20 by posting notice on the Internet at a site determined or approved by the authority.

21 The notice shall describe the contractual services to be purchased, the intent to make

22 the procurement by solicitation of bids or proposals, any requirement for surety, and

23 the date the bids or proposals will be opened, which shall be at least 7 days after the

24 date of the last insertion of the notice or at least 7 days after the date of posting on

25 the Internet.

*professional*  
*subject to ✓*  
*2.149.43(2)*

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

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

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

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

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

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

\*\*\*\*NOTE: The section above is a revised version of s. 16.715 (2m), which is limited to competitive sealed proposals, unlike this section, which includes both bids and proposals. Pay special attention to whether you want the option of bids or proposals for contracts for professional services. You may determine that only proposals are appropriate, since professional services usually involve more than pure cost.

3 **149.50 Political activities.** (1) No employee of the authority may directly  
4 or indirectly solicit or receive subscriptions or contributions for any partisan political  
5 party or any political purpose while engaged in his or her official duties as an  
6 employee. No employee of the authority may engage in any form of political activity  
7 calculated to favor or improve the chances of any political party or any person seeking  
8 or attempting to hold partisan political office while engaged in his or her official  
9 duties as an employee or engage in any political activity while not engaged in his or  
10 her official duties as an employee to such an extent that the person's efficiency during  
11 working hours will be impaired or that he or she will be tardy or absent from work.  
12 Any violation of this section is adequate grounds for dismissal.

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

17 (3) An employee of the authority may be granted, by the ~~chief executive officer~~<sup>director</sup>  
18 a leave of absence to participate in partisan political campaigning.

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

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

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

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7           **SECTION 151.** Subchapter <sup>IV</sup> III of chapter 149 [precedes 149.60] of the statutes  
 8           is created to read:

**CHAPTER 149**

**SUBCHAPTER IV**

**HEALTH CARE TAX CREDIT PROGRAM**

12           **149.60 Definition.** In this subchapter, “eligible individual” has the meaning  
 13           given in 26 USC 35 (c).

14           **149.65 Program requirements.** The authority shall design and administer  
 15           a program of health care coverage, called the Health Care Tax Credit Program, under  
 16           which a covered eligible individual may receive an income tax credit under 26 USC  
 17           35 for a portion of premiums paid for the coverage. The Health Care Tax Credit  
 18           Program shall be designed to satisfy the requirements of qualified health insurance  
 19           under 26 USC 35 (e) (1) (E), (2), and (3).

(1) Subject to sub. (2),

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20           **149.70 Eligibility.** An individual shall be eligible for coverage under the  
 21           Health Care Tax Credit Program if the individual is any of the following:

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

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

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

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

2 (2) An individual who is a qualifying family member, as defined in 26 USC 35

3 (d), of an eligible individual described in sub. (1) and who does not have other health

4 care coverage.

5 **SECTION 152.** 181.0670 (3) (a) of the statutes is renumbered 181.0670 (3) (am).

6 **SECTION 153.** 181.0670 (3) (ac) of the statutes is created to read:

7 181.0670 (3) (ac) In this subsection, “authority” does not include the Health

8 Insurance Risk-Sharing Plan Authority.

9 **SECTION 154.** 181.0670 (3) (b) of the statutes is amended to read:

10 181.0670 (3) (b) Paragraph (a) (am) 1. and 2. does not apply to a proceeding  
11 brought by or on behalf of a governmental unit, authority, or agency in its capacity  
12 as a contractor.

13 **SECTION 155.** 181.0855 (2) of the statutes is renumbered 181.0855 (2) (bm).

14 **SECTION 156.** 181.0855 (2) (am) of the statutes is created to read:

15 181.0855 (2) (am) In this subsection and sub. (3), “authority” does not include  
16 the Health Insurance Risk-Sharing Plan Authority.

17 **SECTION 157.** 181.0855 (3) of the statutes is amended to read:

18 181.0855 (3) **GOVERNMENTAL ENTITY ACTING IN CAPACITY AS PRIVATE PARTY.**

19 Subsection (2) ~~(a) and (b)~~ (bm) 1. and 2. does not apply to a proceeding brought by a  
20 governmental unit, authority, or agency in its capacity as a private party or  
21 contractor.

22 **SECTION 158.** 185.367 (2) of the statutes is renumbered 185.367 (2) (bm).

23 **SECTION 159.** 185.367 (2) (am) of the statutes is created to read:

24 185.367 (2) (am) In this subsection and sub. (3), “authority” does not include  
25 the Health Insurance Risk-Sharing Plan Authority.



1           **SECTION 160.** 185.367 (3) of the statutes is amended to read:

2           185.367 (3) Subsection (2) ~~(a) and (b)~~ (bm) 1. and 2. does not apply to a  
3 proceeding brought by a governmental unit, authority, or agency in its capacity as  
4 a private party or contractor.

5           **SECTION 161.** 186.096 (2) of the statutes is renumbered 186.096 (2) (bm), and  
6 186.096 (2) (bm) 2., as renumbered, is amended to read.

7           186.096 (2) (bm) 2. A civil or criminal proceeding, other than a proceeding  
8 described in ~~par. (a) subd. 1.~~, brought by or on behalf of any governmental unit,  
9 authority, or agency.

10          **SECTION 162.** 186.096 (2) (am) of the statutes is created to read:

11          186.096 (2) (am) In this subsection and sub. (3), “authority” does not include  
12 the Health Insurance Risk-Sharing Plan Authority.

13          **SECTION 163.** 186.096 (3) of the statutes is amended to read:

14          186.096 (3) **APPLICABILITY TO GOVERNMENTS.** Subsection (2) ~~(b) and (c)~~ (bm) 2.  
15 and 3. does not apply to a proceeding brought by a governmental unit, authority, or  
16 agency in its capacity as a private party or contractor.

17          **SECTION 164.** 230.03 (3) of the statutes is amended to read:

18          230.03 (3) “Agency” means any board, commission, committee, council, or  
19 department in state government or a unit thereof created by the constitution or  
20 statutes if such board, commission, committee, council, department, unit, or the  
21 head thereof, is authorized to appoint subordinate staff by the constitution or  
22 statute, except a legislative or judicial board, commission, committee, council,  
23 department, or unit thereof or an authority created under ~~chs.~~ subch. III of ch. 149  
24 or under ch. 231, 232, 233, 234, 235, or 237. “Agency” does not mean any local unit

1 of government or body within one or more local units of government that is created  
2 by law or by action of one or more local units of government.

3 **SECTION 165.** 230.80 (4) of the statutes is amended to read:

4 230.80 (4) "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, but  
8 excluding the Health Insurance Risk-Sharing Plan Authority. "Governmental unit"  
9 does not mean any political subdivision of the state or body within one or more  
10 political subdivisions ~~which~~ that is created by law or by action of one or more political  
11 subdivisions.

12 **SECTION 166.** 287.01 (5m) of the statutes is amended to read:

13 287.01 (5m) "Person" includes any individual, corporation, limited liability  
14 company, partnership, association, local governmental unit, as defined in s. 66.0131  
15 (1) (a), state agency or authority, excluding the Health Insurance Risk-Sharing Plan  
16 Authority, or federal agency.

17 **SECTION 167.** 287.22 (2) (b) of the statutes is amended to read:

18 287.22 (2) (b) Advise and assist state agencies and, excluding the Health  
19 Insurance Risk-Sharing Plan Authority, authorities and county and municipal  
20 officials in the coordination of programs and the exchange of information related to  
21 solid waste reduction, recovery, and recycling. This assistance, whenever practical,  
22 shall be provided with an emphasis on documents and material easy to read and  
23 understand by the general public.

24 **SECTION 168.** 287.22 (2m) of the statutes is amended to read:

1           287.22 (2m) STATUS REPORTS. The council may request a status report from any  
2 state agency or authority, excluding the Health Insurance Risk-Sharing Plan  
3 Authority, implementing a solid waste reduction, recovery, or recycling program.

4           **SECTION 169.** 341.17 (9) (a) 4. of the statutes is amended to read:

5           341.17 (9) (a) 4. "State authority" has the meaning given in s. 19.62 (8), except  
6 that "state authority" does not include the Health Insurance Risk-Sharing Plan  
7 Authority.

8           **SECTION 170.** 343.235 (1) (d) of the statutes is amended to read:

9           343.235 (1) (d) "State authority" has the meaning given in s. 19.62 (8), except  
10 that "state authority" does not include the Health Insurance Risk-Sharing Plan  
11 Authority.

12           **SECTION 171.** 343.24 (4) (a) 4. of the statutes is amended to read:

13           343.24 (4) (a) 4. "State authority" has the meaning given in s. 19.62 (8), except  
14 that "state authority" does not include the Health Insurance Risk-Sharing Plan  
15 Authority.

\*\*\*\*NOTE: I did not include the HIRSP Authority in s. 560.9810. I assumed that's what you meant by responding "no" to question number 9 of the 39 questions, and that you didn't mean it is *not* ok for the definition in s. 560.9810 (1) not to include the authority.

16           **SECTION 172.** 601.41 (1) of the statutes is amended to read:

17           601.41 (1) DUTIES. The commissioner shall administer and enforce chs. 600 to  
18 655 and ss. 59.52 (11) (c), 66.0137 (4) and (4m), 100.203, 120.13 (2) (b) to (g), and  
19 149.13, and 149.144 and shall act as promptly as possible under the circumstances  
20 on all matters placed before the commissioner.

21           **SECTION 173.** 601.415 (12) of the statutes is amended to read:

22           601.415 (12) ~~HEALTH INSURANCE RISK-SHARING PLAN~~ INSURANCE RISK-SHARING  
23 PLAN. The commissioner shall perform the duties specified to be performed by the

1 commissioner in ~~ss. s. 149.13 and 149.144~~. ~~The commissioner, or his or her designee,~~  
2 ~~shall serve as a member of the board under s. 149.15.~~

3 **SECTION 174.** 601.64 (1) of the statutes is amended to read:

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

10 **SECTION 175.** 601.64 (3) (a) of the statutes is amended to read:

11 601.64 (3) (a) *Restitutionary forfeiture.* Whoever violates an effective order  
12 issued under s. 601.41 (4), any insurance statute or rule, or s. 149.13 ~~or 149.144~~ shall  
13 forfeit to the state twice the amount of any profit gained from the violation, in  
14 addition to any other forfeiture or penalty imposed.

15 **SECTION 176.** 601.64 (3) (c) of the statutes is amended to read:

16 601.64 (3) (c) *Forfeiture for violation of statute or rule.* Whoever violates an  
17 insurance statute or rule or s. 149.13 ~~or 149.144~~, intentionally aids a person in  
18 violating an insurance statute or rule or s. 149.13 ~~or 149.144~~, or knowingly permits  
19 a person over whom he or she has authority to violate an insurance statute or rule  
20 or s. 149.13 ~~or 149.144~~ shall forfeit to the state not more than \$1,000 for each  
21 violation. If the statute or rule imposes a duty to make a report to the commissioner,  
22 each week of delay in complying with the duty is a new violation.

23 **SECTION 177.** 601.64 (4) of the statutes is amended to read:

24 601.64 (4) CRIMINAL PENALTY. Whoever intentionally violates or intentionally  
25 permits any person over whom he or she has authority to violate or intentionally aids

1 any person in violating any insurance statute or rule of this state, s. 149.13 or  
2 149.144, or any effective order issued under s. 601.41 (4) is guilty of a Class I felony,  
3 unless a specific penalty is provided elsewhere in the statutes. Intent has the  
4 meaning expressed under s. 939.23.

5 **SECTION 178.** 611.62 (1) of the statutes is amended to read:

6 611.62 (1) LIABILITY. Sections 180.0826 to 180.0828, 180.0832 and 180.0833  
7 apply to stock corporations and ss. 181.0850 to 181.0855, except s. 181.0855 (2) (e)  
8 (bm) 3., apply to mutuals.

9 **SECTION 179.** 613.03 (4) of the statutes is amended to read:

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

14 **SECTION 180.** 631.20 (2) (f) of the statutes is created to read:

15 631.20 (2) (f) In the case of a policy form under ch. 149, that any of the following  
16 applies:

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

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

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

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

1 SECTION 181. 632.785 (title) of the statutes is amended to read:

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

4 SECTION 182. 644.18 (1) of the statutes is amended to read:

5 644.18 (1) LIABILITY. Sections 181.0850 to 181.0855, except s. 181.0855 (2) (e)  
6 (bm) 3., apply to mutual holding companies.

7 SECTION 183. 895.65 (1) (c) of the statutes is amended to read:

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

16 SECTION 184. **Nonstatutory provisions.**

17 (1) ~~TERMINATING~~ ADMINISTRATOR CONTRACT.

18 (a) Because the legislature has determined that it is in the best interest of the  
19 Health Insurance Risk-Sharing Plan to have the Health Insurance Risk-Sharing  
20 Plan Authority administer the Health Insurance Risk-Sharing Plan, the  
21 department of health and family services shall immediately give written notice to the  
22 plan administrator under section 149.16, 2003 stats., terminating the contract  
23 between the department of health and family services and the plan administrator  
24 180 days after the notice is given.

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*create a.r. red (p.43) (58-23)  
create a.r. purple (ins 56-11) (58-23)*

*no later than  
January 1, 2006*

*effective July 1, 2006*

*beginning on July 1, 2006*

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(b) Notwithstanding the treatment of sections 149.11 (1), 149.12 (1) (intro.) and (1m), and 149.16 of the statutes, as affected by this act, the Health Insurance Risk-Sharing Plan Authority shall enter into a contract with the plan administrator under section 149.16, 2003 stats., that has the same terms and conditions as the contract under paragraph (a) and under which the plan administrator has the same rights, duties, and obligations as it had under the contract under paragraph (a) and the Health Insurance Risk-Sharing Plan Authority has the same rights, duties, and obligations as the department of health and family services had under the contract under paragraph (a). The contract under this paragraph shall have a term beginning

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on the date on which the contract under paragraph (a) is terminated under

paragraph (a). The department of health and family services, the plan administrator, and the Health Insurance Risk-Sharing Plan Authority shall cooperate with one another to ensure that the administration of the Health Insurance Risk-Sharing Plan continues without interruption after the termination of the contract under paragraph (a) and the commencement of the contract under this paragraph.

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(2) TERMS OF INITIAL MEMBERS OF BOARD. Notwithstanding the length of terms specified for the members of the board of directors of the Health Insurance Risk-Sharing Plan Authority under section 149.40 (1) of the statutes, as created by this act, the initial members of the board of directors shall be appointed for the following terms:

*41*

(a) At the governor's discretion, one member appointed under section 149.40 (1) (a) of the statutes, one member appointed under section 149.40 (1) (b) of the statutes, and one member appointed under section 149.40 (1) (c) of the statutes for one-year terms.

*41*

*41*

*41*

1 (b) At the governor's discretion, 2 members appointed under section 149.40 (1)  
 2 (a) of the statutes, 2 members appointed under section 149.40 (1) (b) of the statutes,  
 3 and 2 members appointed under section 149.40 (1) (c) of the statutes, for 2-year  
 4 terms.

5 (c) At the governor's discretion, one member appointed under section 149.40  
 6 (1) (a) of the statutes, one member appointed under section 149.40 (1) (b) of the  
 7 statutes, and 2 members appointed under section 149.40 (1) (c) of the statutes, for  
 8 3-year terms.

9 **SECTION 185. Appropriation changes.**

10 (1) TRANSFERS FOR FUNDING HEALTH INSURANCE RISK-SHARING PLAN. The  
 11 unencumbered balances in the appropriation accounts under section 20.435 (4) (u),  
 12 2003 stats., and section 20.435 (4) (v), 2003 stats., immediately before the effective  
 13 date of this subsection, are transferred to the Health Insurance Risk-Sharing Plan  
 14 fund, as affected by this act.

15 (2) HEALTH INSURANCE RISK-SHARING PLAN.

16 (a) *Administration.* In the schedule under section 20.005 (3) of the statutes for  
 17 the appropriation to the department of health and family services under section  
 18 20.435 (4) (u) of the statutes, as affected by the acts of 2005, the dollar amount is  
 19 increased by \$3,535,500 for fiscal year 2005-06 to fund the costs of the department  
 20 for administering the Health Insurance Risk-Sharing Plan until July 1, 2006, and  
 21 to increase the authorized FTE positions for the department by 4.83 SEG positions  
 22 for the period ending on July 1, 2006, for administration of the Health Insurance  
 23 Risk-Sharing Plan.

24 (b) *Program benefits.* In the schedule under section 20.005 (3) of the statutes  
 25 for the appropriation to the department of health and family services under section

↙ auto ref c (insert 1b-3)

↙ create a.r. black (insert 1b-3)

↙ create a.r. orange (58-23 10F4)

→ +1

→ 41

→ 41

→ 41

→ 41

→ 41



\$ 78,643,800

1 20.435 (4) (v) of the statutes, as affected by the acts of 2005, the dollar amount is  
2 increased by ~~\$123,594,300~~ for fiscal year 2005-06 to increase funding for the  
3 purposes for which the appropriation is made.

\*\*\*\*NOTE: I know that you may need to change the amounts shown above.

**SECTION 186. Initial applicability.**

(1) TRANSFER OF ADMINISTRATION. The treatment of sections 20.145 (5), 20.435  
(4) (u) and (v), 25.17 (1) (gf), 25.55 (intro.), (3), and (4), 149.10 (2), (2j) (a) 3., (2m), (2t)  
(c), (3e), (7), and (10), 149.11, 149.115, 149.12 (1) (intro.) and (a), (1m), (3) (a) and (c),  
(4), and (5), 149.13 (1), (3) (a) and (b), and (4), 149.14 (1) (a), (2) (a), (3) (intro.) and  
(a) to (p), (4), (4c), (4m), (5), (5m), (6) (a) and (b), (7) (b) and (c), and (8), 149.141,  
149.142 (1) (a) and (b) and (2), 149.143, 149.144, 149.145, 149.146 (1) (a) and (b) and  
(2), 149.15, 149.155, 149.16 (title), (1m), (3) (a), (b), (c), and (e), (4), and (5), 149.165,  
149.17 (1), (2), and (4), 149.175, 149.20, 601.41 (1), 601.415 (12), 601.64 (1), (3) (a) and  
(c), and (4), 613.03 (4), 631.20 (2) (f), and 632.785 (title) and chapter 149 (title) of the  
statutes first applies to the plan year beginning on January 1, 2006.

\*\*\*\*NOTE: Due to time constraints and anticipated changes, this subsection has not  
been changed from LRB-0243/P5 for this version of the draft.

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

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

**SECTION 187. Effective date.**

This act takes effect  
as follows:

Insert 58-23

↑  
LPS:  
Type as  
shown.

create  
auto ref d  
(ins 58-23)  
4014)

Insert 58-18

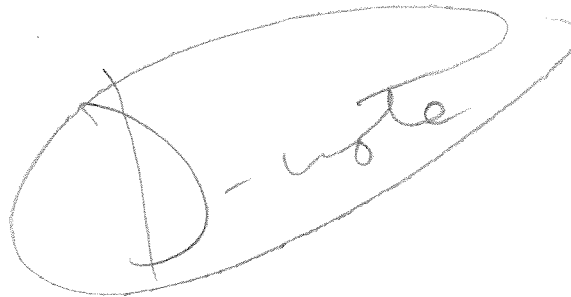
don't  
change  
component

1 (1) TRANSFER OF ADMINISTRATION. The treatment of sections 20.145 (5), 20.435  
2 (4) (u) and (v), 25.17 (1) (gf), 25.55 (intro.), (3), and (4), 149.10 (2), (2j) (a) 3., (2m), (2t)  
3 (c), (3e), (7), (9), and (10), 149.115, 149.12 (1) (intro.) and (a), (1m), (3) (a) and (c), (4),  
4 and (5), ~~149.13 (1), (3) (a) and (b), and (4), 149.14 (1) (a), (2) (a), (3) (intro.) and (a) to~~  
5 (r), (4), (4c), (4m), (5), (5m), (6) (a) and (b), (7) (b) and (c), and (8), 149.141, 149.142  
6 (1) (a) and (b) and (2), 149.143, 149.144, 149.145, 149.146 (1) (a) and (b) and (2),  
7 149.15, 149.155, 149.16 (title), (1m), (3) (a), (b), (c), and (e), (4), and (5), 149.165,  
8 149.17 (1), (2), and (4), 149.175, 149.20, 601.41 (1), 601.415 (12), 601.64 (1), (3) (a) and  
9 (c), and (4), 613.03 (4), 631.20 (2) (f), and 632.785 (title) and chapter 149 (title) of the  
10 statutes and SECTIONS 9221 (1) and 9321 (2) of this act take effect on January 1, 2006.

\*\*\*NOTE: Due to time constraints and anticipated changes, this subsection has not  
been changed from LRB-0243/P5 for this version of the draft.

11

(END)



text:ms: eff date LRB

3084 LRB

Insert 58-23 cont'd

#(3) Transfer of administration.

(move up)

MF

The treatment of sections 20.145(5), 20.435(4)(u) and (v), 25.55(1), (2), and (3), 149.10(intro.), (1), (2), (2m), (9), and (10), 149.105, 149.11, 149.115, 149.12(1)(intro.) and (a), (1m), (3)(a) and (c), (4), and (5), 149.13(1), (3)(a) and (b), and (4), 149.14(1)(a), (2)(a), (3)(intro.), (c) 3. (by SECTION X ← auto ref B), and (d), (4c) X, (4m), (5m), (7)(b) and (c), and (8), 149.141, 149.142(1)(a) and (b) and (2), 149.143, 149.144, 149.145, 149.146(1)(a) and (b) and (2)(a), (am), and (b), 149.15, 149.16, 149.165(1), (2)(a)(intro.) and (bc), (3)(a) and (b)(intro.), (3m), and (4), 149.17(1), (2), and (4), 149.175, 149.20, 601.41(1), 601.415(12), 601.64(1), (3)(a) and (c), and (4), 613.03(4), 631.20(2)(f), 632.785(title), and subchapter IV of chapter 149 of the statutes,

the repeal of sections 149.14(5)(d) and (e) and 149.40 of the statutes,

the renumbering and amendment of section 149.12(2)(f) of the statutes,

the amendment of section 149.14(4)(d) and (m) and (5)(b) and (c) of the statutes,

the creation of section 149.12(2)(f) 2. of the statutes, and SECTIONS 185(1) and 186(1) A.R. use yellow (p58)

use auto ref c

use a.r. black (p57)

use auto ref d

take effect on July 1, 2006



2005-2006 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-3798/P4ins  
PJK:.....

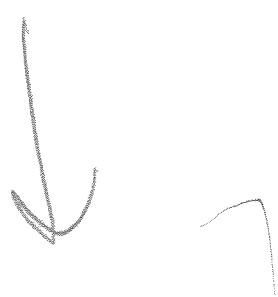
INSERT 4-2

1 SECTION ~~1~~ 13.94 (1) (b) of the statutes is amended to read:

2 13.94 (1) (b) Audit the records of every state department, board, commission,  
3 independent agency, or authority, excluding the Health Insurance Risk-Sharing  
4 Plan Authority, at least once each 5 years and audit the records of other departments  
5 as defined in sub. (4) when the state auditor deems it advisable or when he or she is  
6 so directed and, in conjunction therewith, reconcile the records of the department  
7 audited with those of the department of administration. Audits of the records of a  
8 county, city, village, town, or school district may be performed only as provided in par.  
9 (m). Within 30 days after completion of any such audit, the bureau shall file with the  
10 chief clerk of each house of the legislature, the governor, the department of  
11 administration, the legislative reference bureau, the joint committee on finance, the  
12 legislative fiscal bureau, and the department audited, a detailed report thereof,  
13 including its recommendations for improvement and efficiency and including  
14 specific instances, if any, of illegal or improper expenditures. The chief clerks shall  
15 distribute the report to the joint legislative audit committee, the appropriate  
16 standing committees of the legislature, and the joint committee on legislative  
17 organization.

History: 1971 c. 270 s. 104; 1971 c. 307; 1973 c. 334; 1975 c. 39, 199, 224, 421; 1977 c. 26, 29; 1977 c. 196 s. 131; 1977 c. 418; 1979 c. 34, 314, 324; 1981 c. 20, 335; 1983 a. 27, 36, 96, 381; 1985 a. 29, 57, 120, 176; 1987 a. 27, 119, 186, 320, 328, 354, 399, 403; 1989 a. 31, 122; 1991 a. 39, 269, 316; 1993 a. 16, 27, 107, 263, 399, 491; 1995 a. 27 ss. 43g to 47n, 9116 (5); 1995 a. 56, 216, 225, 274, 289; 1997 a. 27, 252; 1999 a. 9, 65, 105, 167, 197; 2001 a. 16, 105; 2003 a. 33, 111; 2005 a. 25.

18 SECTION ~~2~~ 13.94 (1) (dh) of the statutes is created to read:



*Ins. 4-2 cont'd*

1 13.94 (1) (dh) Notwithstanding par. (b), annually conduct a financial audit of  
2 the Health Insurance Risk-Sharing Plan under subch. II of ch. 149 and file copies  
3 of each audit report under this paragraph with the distributees specified in par. (b).

(END OF INSERT 4-2)

INSERT 14-17

4 SECTION ~~3~~ 16.85 (2) of the statutes is amended to read:

5 16.85 (2) To furnish engineering, architectural, project management, and other  
6 building construction services whenever requisitions therefor are presented to the  
7 department by any agency. The department may deposit moneys received from the  
8 provision of these services in the account under s. 20.505 (1) (kc) or in the general  
9 fund as general purpose revenue — earned. In this subsection, “agency” means an  
10 office, department, independent agency, institution of higher education, association,  
11 society, or other body in state government created or authorized to be created by the  
12 constitution or any law, which is entitled to expend moneys appropriated by law,  
13 including the legislature and the courts, but not including an authority created in  
14 subch. III of ch. 149 or in ch. 231, 233, 234, or 237.

History: 1971 c. 42; 1973 c. 90; 1973 c. 335 s. 13; 1977 c. 29 s. 1654 (8) (c); 1979 c. 221; 1983 a. 36 s. 96 (4); 1985 a. 29; 1987 a. 142, 399; 1989 a. 31, 336; 1991 a. 39, 269, 316; 1993 a. 263; 1995 a. 27 ss. 398 to 400, 9116 (5), 9126 (19), 9130 (4); 1997 a. 27; 1999 a. 197; 2001 a. 16.

(END OF INSERT 14-17)

INSERT 16-3

(END OF INSERT 16-3)

15 SECTION ~~4~~ 25.55 (2) of the statutes is created to read:

16 25.55 (2) The moneys transferred under 2005 Wisconsin Act .... (this act),

17 section X (1). auto ref c

INSERT 31-24

*use auto ref c p.57*

*use auto ref black (p57)*



*Ins. 31-24*

1 *not* Medicare. If an eligible person is eligible for a type of medical assistance  
2 specified in s. 149.12 (2) (f) 2., the plan shall not pay or reimburse any person for  
3 expenses paid for by Medical Assistance ✓

(END OF INSERT 31-24)

INSERT 33-12

4 149.14 (3) (c) 3. Subject to the limits under subd. 2. and to rules promulgated  
5 by the department of health and family services under s. 149.14 (3) (c) 3., 2003 stats.,  
6 services for the chronically mentally ill in community support programs operated  
7 under s. 51.421. ✓

*check*  
*auto*  
*ref*  
*(p4)*  
*insert*  
*58-23*  
8 **History:** 1979 c. 313; 1981 c. 39 s. 22; 1981 c. 83; 1981 c. 314 ss. 117, 146; 1983 a. 27; 1985 a. 29 s. 3202 (30); 1985 a. 332 s. 253; 1987 a. 27, 239; 1989 a. 332; 1991 a. 39, 269; 1995 a. 463; 1997 a. 27 ss. 3026c, 4847 to 4859; Stats. 1997 s. 149.14; 1997 a. 237; 1999 a. 9, 165; 2001 a. 16; 2003 a. 33.

8 **SECTION 5.** 149.14 (3) (c) 3. of the statutes, as affected by 2005 Wisconsin Act

9 .... (this act), 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 of health and family services under s. 149.14 (3) (c) 3., 2003 stats.  
12 1., services for the chronically mentally ill in community support programs operated  
13 under s. 51.421. ✓

(END OF INSERT 33-12)

INSERT 34-19

14 **SECTION 6.** 149.14 (4) (d) of the statutes is amended to read:

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

**History:** 1979 c. 313; 1981 c. 39 s. 22; 1981 c. 83; 1981 c. 314 ss. 117, 146; 1983 a. 27; 1985 a. 29 s. 3202 (30); 1985 a. 332 s. 253; 1987 a. 27, 239; 1989 a. 332; 1991 a. 39, 269; 1995 a. 463; 1997 a. 27 ss. 3026c, 4847 to 4859; Stats. 1997 s. 149.14; 1997 a. 237; 1999 a. 9, 165; 2001 a. 16; 2003 a. 33.



*Ins 34-19 cont'd*

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**SECTION 7.** 149.14 (4) (m) of the statutes is amended to read:

149.14 (4) (m) Experimental treatment, as determined by the department authority.

History: 1979 c. 313; 1981 c. 39 s. 22; 1981 c. 83; 1981 c. 314 ss. 117, 146; 1983 a. 27; 1985 a. 29 s. 3202 (30); 1985 a. 332 s. 253; 1987 a. 27, 239; 1989 a. 332; 1991 a. 39, 269; 1995 a. 463; 1997 a. 27 ss. 3026c, 4847 to 4859; Stats. 1997 s. 149.14; 1997 a. 237; 1999 a. 9, 165; 2001 a. 16; 2003 a. 33.

(END OF INSERT 34-19)

**INSERT 35-9**

**SECTION 8.** 149.14 (5) (b) of the statutes is amended to read:

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

History: 1979 c. 313; 1981 c. 39 s. 22; 1981 c. 83; 1981 c. 314 ss. 117, 146; 1983 a. 27; 1985 a. 29 s. 3202 (30); 1985 a. 332 s. 253; 1987 a. 27, 239; 1989 a. 332; 1991 a. 39, 269; 1995 a. 463; 1997 a. 27 ss. 3026c, 4847 to 4859; Stats. 1997 s. 149.14; 1997 a. 237; 1999 a. 9, 165; 2001 a. 16; 2003 a. 33.

**SECTION 9.** 149.14 (5) (c) of the statutes is amended to read:

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

History: 1979 c. 313; 1981 c. 39 s. 22; 1981 c. 83; 1981 c. 314 ss. 117, 146; 1983 a. 27; 1985 a. 29 s. 3202 (30); 1985 a. 332 s. 253; 1987 a. 27, 239; 1989 a. 332; 1991 a. 39, 269; 1995 a. 463; 1997 a. 27 ss. 3026c, 4847 to 4859; Stats. 1997 s. 149.14; 1997 a. 237; 1999 a. 9, 165; 2001 a. 16; 2003 a. 33.

**SECTION 10.** 149.14 (5) (d) of the statutes is repealed.

**SECTION 11.** 149.14 (5) (e) of the statutes is repealed.

(END OF INSERT 35-9)

**INSERT 39-11**



*ens. 39-11 (USE 5X)*

1 *not* substantially the same deductibles as provided under s. 149.14 (4), unreduced  
2 by any subsidy under s. 149.14 (5) (a)

(END OF INSERT 39-11)

INSERT 42-3

3 **149.40 Definitions.** In this subchapter:  
4 (1) "Authority" means the Health Insurance Risk-Sharing Plan Authority.  
5 (2) "Board" means the board of directors of the authority.

(END OF INSERT 42-3)

INSERT 44-1

6 *R* (4) Beginning on July 1, 2006, do, or contract with another person to do, all of  
7 the following:

(END OF INSERT 44-1)

INSERT 48-6

*DELETED*  
*SEE*  
SECTION ~~12~~ 149.40 of the statutes, as created by 2005 Wisconsin Act .... (this act), is repealed.

(END OF INSERT 48-6)

INSERT 48-19

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

(END OF INSERT 48-19)

INSERT 56-11



*LES:  
If  
moves  
this  
to  
it  
back  
with  
line  
p. 48  
6.*



*Ins 56-11*

*use a.r. purple (p. 55)*

- 1 *not* July 1, 2006, and ending on the same date as the contract under paragraph (a)
- 2 would have ended had the contract not been terminated under paragraph (a)

(END OF INSERT 56-11)

2004

insert 58-23 could

71.07(5g), 71.10(4)(cp), 71.21(4)

text: as eff date

CS

4 (1) Creation of authority, miscellaneous.

MDA (move up)

The treatment of sections 1.12(1)(b), 13.172(1), 13.62(2), 13.94(1) (B) (dh) and (g), 13.95(intro.), 16.002(2), 16.004(4), (5), and (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.) and (f), 16.75(1m), (8)(a) 1. and 2., and (9), 16.765(1), (2), (4), (5), (6), (7)(intro.) and (d), and (8), 16.85(2), 16.865(8), 70.11(4)(m), 71.26(1)(be), 77.54(9a)(a), 101.055(2)(a), 101.177(1)(d), 149.10(2)(a) 3., (2)(3), (3e), (7), and (8), 149.12(2)(g), 149.18, 149.25, 230.03(3), 230.80(4), and 895.65(1)(c) 1., subchapter I (title) of chapter 149, and subchapter II (title) of chapter 149 of the statutes, the creation of subchapter III of chapter 149 of the statutes, and SECTION 184 (1) (b) and (2) of

auto ref A PBS

use AR red PBS

use air. blue PBS

use air. pink p. 5b

this act

INSERT A

71.92(4),

take effect on January 1, 2006, or on the day after publication, whichever is later.



insert A

and (2)(a), 71.28(Sg), 71.30(3)(dm), 71.34(1)(g),  
71.45(2)(a) 10., 71.47(Sg), 71.49(1)(dm),  
76.655, 76.67(2),

4074

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

insert 58-23 cont'd

text: NS:  
eff date

4 (4)

Plan design.

CS

(move up)

The treatment of sections 149.14(3)(b), (c) 1., 2., and 3. (by SECTION X), (e), (f), (m), (o), and (p), and (b) and (b) 149.165(2) and

auto ref e

(a) 1., 2., 3., 4., and 5. and subchapter III of chapter

of the statutes, and

the repeal and recreation of section 149.14 (4) and (5) of the statutes,

and SECTION 186 (2) of this act

use auto ref d p58

use AR green (58-18 ins)

take effect on January 1, 2007

(end of insert 58-23)



create air.  
green (ins 58-23 for 4)  
insert 58-18

4 (2) Plan design. The treatment of  
sections 149.14 (3) (b), (c), 10, 20, and 30 (by  
(c) SECTION X), (e), (f), (m), (o), and (p),  
(use article ref. ET ins 3312)  
and (b) (a) and (b) and 149.165 (2) (a)  
10, 20, 30, 40, and 50 of the statutes and the  
repeal and recreation of section 149.14 (4)  
and (5) of the statutes first apply to the  
plan year beginning on January 1, 2007

(end of ins 58-18)

~~SECTION #~~ Effective dates.

ext. NS:  
eff date  
→

(1) Administrator contract.

(move up)

~~184. D (2)(g) of the statute book~~ *use AR purple* *use auto ref C PST*

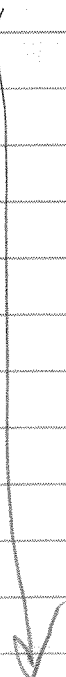
*use auto ref A p. 55*

SECTIONS 184 (1) (a) and 185 (2)

*use AR red*

of this act take effect on the  
day after publication.

*use ar orange p. 57*



**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-3798/P4dn  
PJK&JK:wj&lk:pg

(date)

keep

We are waiting for more information on the Health Insurance Risk-Sharing Plan assessment credit and for the correct amounts for the DHFS appropriations increases.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.state.wi.us](mailto:pam.kahler@legis.state.wi.us)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-3798/P4dn  
PJK:lmk:pg

November 17, 2005

We are waiting for more information on the Health Insurance Risk-Sharing Plan assessment credit and for the correct amounts for the DHFS appropriations increases.

Pamela J. Kahler  
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