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1 **SECTION 96.** 149.14 (3) (b) of the statutes is repealed and recreated to read:

2 149.14 (3) (b) Professional services for the diagnosis or treatment of injuries,
3 illnesses, or conditions, other than mental or dental.

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 of the statutes is repealed and recreated to read:

5 149.14 (3) (c) 1. Inpatient hospital services, as defined in s. 632.89 (1) (d),
6 outpatient services, as defined in s. 632.89 (1) (e), and transitional treatment
7 arrangements, as defined in s. 632.89 (1) (f), only to the extent required under s.
8 632.89.

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 of the statutes is repealed.

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

11 149.14 (3) (c) 3. Subject to the limits under subd. 2. and to rules promulgated
12 by the department of health and family services under s. 149.14 (3) (c) 3., 2003 stats.,
13 services for the chronically mentally ill in community support programs operated
14 under s. 51.421.

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

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

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

22 149.14 (3) (d) Drugs requiring a physician's prescription, ~~subject to sub. (4e).~~

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

24 149.14 (3) (e) Services For persons eligible for Medicare, services of a licensed
25 skilled nursing facility ~~for eligible persons eligible for medicare~~, to the extent

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1 required by s. 632.895 (3) and for not more than an aggregate 120 days during a
2 calendar year, if the services are of the type ~~which~~ that would qualify as reimbursable
3 services under medicare Medicare. Coverage under this paragraph ~~which~~ that is not
4 required by s. 632.895 (3) is subject to the any deductible and coinsurance
5 requirements ~~under sub. (5)~~ provided by the authority.

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

7 149.14 (3) (f) Services of a home health agency, as defined in s. 50.49 (1) (a), only
8 to the extent required under s. 632.895 (2).

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

10 149.14 (3) (m) Oral surgery for excision of partially or completely unerupted,
11 impacted teeth and oral surgery with respect to the gums and other tissues of the
12 mouth when not performed in connection with the extraction or repair of teeth.

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

14 149.14 (3) (o) ~~Transportation~~ Emergency and other medically necessary
15 transportation provided by a licensed ambulance service to the nearest facility
16 qualified to treat ~~the~~ a covered condition.

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

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

20 149.14 (4) PLAN DESIGN. Subject to subs. (1) to (3), (5), and (6), the authority
21 shall establish the plan design, after taking into consideration the levels of health
22 insurance coverage provided in the state and medical economic factors, as
23 appropriate. Subject to subs. (1) to (3), (5), and (6), the authority shall provide benefit
24 levels, deductibles, copayment and coinsurance requirements, exclusions, and
25 limitations under the plan that the authority determines generally reflect and are

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1 commensurate with comprehensive health insurance coverage offered in the private
2 individual market in the state. The authority may develop additional benefit designs
3 that are responsive to market conditions.

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

5 149.14 (4) (d) That part of any charge for services or articles rendered or
6 prescribed by a physician, dentist, or other health care personnel that exceeds the
7 payment rate established by the ~~department~~ authority under s. 149.142 and ~~reduced~~
8 ~~under ss. 149.143 and 149.144~~ or any charge not medically necessary.

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

10 149.14 (4) (m) Experimental treatment, as determined by the ~~department~~
11 authority.

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

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

15 149.142 (2m) PAYMENT IS PAYMENT IN FULL. Except for copayments, coinsurance,
16 or deductibles required or authorized under the plan, a provider of a covered service
17 or article shall accept as payment in full for the covered service or article the payment
18 rate determined under ~~ss. 149.142, 149.143 and 149.144~~ sub. (1) and may not bill an
19 eligible person who receives the service or article for any amount by which the charge
20 for the service or article is reduced under ~~s. 149.142, 149.143 or 149.144~~ sub. (1).

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

23 149.14 (5) DEDUCTIBLE AND COPAYMENT SUBSIDIES. (a) The authority shall
24 establish and provide subsidies for deductibles paid by eligible persons with coverage
25 under s. 149.14 (2) (a) and household incomes specified in s. 149.165 (2) (a) 1. to 5.

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

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

4 149.14 (5) (b) Except as provided in ~~pars. (c) and (e)~~ par. (c), if the covered costs
5 incurred by the eligible person exceed the deductible for major medical expense
6 coverage in a calendar year, the plan shall pay at least 80% of any additional covered
7 costs incurred by the person during the calendar year.

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

9 149.14 (5) (c) ~~Except as provided in par. (e), if~~ If the aggregate of the covered
10 costs not paid by the plan under par. (b) and the deductible exceeds \$500 for an
11 eligible person receiving medicare, \$2,000 for any other eligible person during a
12 calendar year or \$4,000 for all eligible persons in a family, the plan shall pay 100%
13 of all covered costs incurred by the eligible person during the calendar year after the
14 payment ceilings under this paragraph are exceeded.

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

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

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

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

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

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

21 149.14 (7) (b) The ~~department~~ authority has a cause of action against an
22 eligible participant for the recovery of the amount of benefits paid ~~which~~ that are not
23 for covered expenses under the plan. Benefits under the plan may be reduced or
24 refused as a setoff against any amount recoverable under this paragraph.

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

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1 149.14 (7) (c) The ~~department~~ authority is subrogated to the rights of an
2 eligible person to recover special damages for illness or injury to the person caused
3 by the act of a 3rd person to the extent that benefits are provided under the plan.
4 ~~Section 814.03 (3) applies to the department under this paragraph.~~

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

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

7 **149.141 Premiums. (1) PERCENTAGE OF COSTS.** Except as provided in sub. (2),
8 the authority shall set premium rates for coverage under the plan at a level that is
9 sufficient to cover 60 percent of plan costs, as provided in s. 149.143 (1).

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

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

14 149.142 (1) ESTABLISHMENT OF RATES. ~~Except as provided in par. (b), the~~
15 ~~department~~ The authority shall establish provider payment rates for covered
16 expenses that consist of the allowable charges paid under s. 49.46 (2) for the services
17 and articles provided plus an enhancement determined by the ~~department~~ authority.
18 The rates shall be based on the allowable charges paid under s. 49.46 (2), projected
19 plan costs, and trend factors. Using the same methodology that applies to medical
20 assistance under subch. IV of ch. 49, the ~~department~~ authority shall establish
21 hospital outpatient per visit reimbursement rates and hospital inpatient
22 reimbursement rates that are specific to diagnostically related groups of eligible
23 persons. The adjustments to the usual and customary rates shall be sufficient to
24 cover 20 percent of plan costs, as provided in s. 149.143 (3).

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

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

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

3 **149.143 Payment of plan costs.** (1) COSTS EXCLUDING SUBSIDIES. The
4 authority shall pay plan costs, excluding any premium, deductible, and copayment
5 subsidies, first from federal funds, if any, that are transferred to the fund under s.
6 20.145 (5) (m) and that exceed premium, deductible, and copayment subsidy costs in
7 a policy year. The remainder of the plan costs, excluding premium, deductible, and
8 copayment subsidy costs, shall be paid as follows:

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

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

11 (c) Twenty percent from adjustments to provider payment rates under s.
12 149.142.

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

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

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

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

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

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

23 149.14 (2) (c) 1. ~~Beginning on January 1, 1998, in~~ In addition to the coverage
24 required under s. 149.14 pars. (a) and (b), the plan shall offer to all eligible persons
25 who are not eligible for ~~medicare~~ Medicare a choice of coverage, as described in

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1 section 2744 (a) (1) (C), P.L. 104–191. Any such choice of coverage shall be major
2 medical expense coverage. ~~(b) An eligible person under par. (a) who is not eligible~~
3 ~~for Medicare~~ may elect once each year, at the time and according to procedures
4 established by the ~~department~~ authority, among the coverages offered under this
5 ~~section and s. 149.14 paragraph and par. (a).~~ If an eligible person elects new
6 coverage, any preexisting condition exclusion imposed under the new coverage is met
7 to the extent that the eligible person has been previously and continuously covered
8 under ~~this chapter~~ the plan. No preexisting condition exclusion may be imposed on
9 an eligible person who elects new coverage if the person was an eligible individual
10 when first covered under ~~this chapter~~ the plan and the person remained
11 continuously covered under ~~this chapter~~ the plan up to the time of electing the new
12 coverage.

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

15 149.14 (2) (c) 2. ~~Except as specified by the department, the terms of coverage~~
16 ~~under s. 149.14, including deductible reductions under s. 149.14 (5) (a) and~~
17 ~~prescription drug copayment reductions under s. 149.14 (5) (e), do not apply to the~~
18 ~~coverage offered under this section.~~ Premium reductions under s. 149.165 and
19 deductible subsidies and prescription drug copayment subsidies under s. 149.14 (5)
20 do not apply to the coverage offered under ~~this section~~ paragraph.

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

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

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

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

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

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

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

6 149.165 (2) (a) (intro.) Subject to sub. (3m), if the household income, as defined
7 in s. 71.52 (5) and as determined under sub. (3), of an eligible person with coverage
8 under s. 149.14 (2) (a) is equal to or greater than the first amount and less than the
9 2nd amount listed in any of the following, the ~~department~~ authority shall reduce the
10 premium for the eligible person to the rate shown after the amounts:

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

12 149.165 (2) (bc) Subject to sub. (3m), if the household income, as defined in s.
13 71.52 (5) and as determined under sub. (3), of an eligible person with coverage under
14 s. 149.14 (2) (b) is equal to or greater than the first amount and less than the 2nd
15 amount listed in par. (a) 1., 2., 3., 4., or 5., the ~~department~~ authority shall reduce the
16 premium established for the eligible person by the same percentage as the
17 ~~department~~ authority reduces, under par. (a), the premium established for an
18 eligible person with coverage under s. 149.14 (2) (a) who has a household income
19 specified in the same subdivision under par. (a) as the household income of the
20 eligible person with coverage under s. 149.14 (2) (b).

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

22 149.165 (3) (a) Subject to par. (b), the ~~department~~ authority shall establish and
23 implement the method for determining the household income of an eligible person
24 under sub. (2).

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

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1 149.165 (3) (b) (intro.) In determining household income under sub. (2), the
2 department authority shall consider information submitted by an eligible person on
3 a completed federal profit or loss from farming form, schedule F, if all of the following
4 apply:

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

6 149.165 (3m) The ~~board~~ authority may approve adjustment of the household
7 income dollar amounts listed in sub. (2) (a) 1. to 5., except for the first dollar amount
8 listed in sub. (2) (a) 1., to reflect changes in the consumer price index for all urban
9 consumers, U.S. city average, as determined by the U.S. department of labor.

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

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

12 149.17 (1) Subject to ~~ss. 149.14 (5m), s. 149.143 and 149.146 (2) (b)~~, a rating
13 plan calculated in accordance with generally accepted actuarial principles.

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

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

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

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

18 **149.18 Chapters 600 to 645 applicable.** Except as otherwise provided in this
19 ~~chapter~~ subchapter, the plan shall comply and be administered in compliance with
20 chs. 600 to 645.

21 **SECTION 148.** 149.20 of the statutes is repealed.

22 **SECTION 149.** 149.25 of the statutes is repealed.

23 **SECTION 150.** Subchapter III of chapter 149 [precedes 149.40] of the statutes
24 is created to read:

CHAPTER 149

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SUBCHAPTER III

HEALTH INSURANCE RISK–SHARING

PLAN AUTHORITY

149.40 Definitions. In this subchapter:

(1) “Authority” means the Health Insurance Risk–Sharing Plan Authority.

(2) “Board” means the board of directors of the authority.

149.41 Creation and organization of authority. (1) There is created a public body corporate and politic to be known as the “Health Insurance Risk–Sharing Plan Authority.” The board of directors of the authority shall consist of the commissioner of insurance, or his or her designee, as a nonvoting member, and the following members, who shall be nominated by the governor, and with the advice and consent of the senate appointed, for 3–year terms:

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

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

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

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

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

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

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

23 **149.43 Duties of authority.** In addition to all other duties imposed under this
24 chapter, the authority shall do all of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (g) Execute contracts and other instruments.

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

20 (i) Procure liability insurance.

21 (2) The authority may not issue bonds.

22 **149.47 Contracting for professional services.** (1) Whenever contracting
23 for professional services, the authority shall solicit competitive sealed bids or
24 competitive sealed proposals, whichever is appropriate. Each request for

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1 competitive sealed proposals shall state the relative importance of price and other
2 evaluation factors.

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

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

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

18 (3) (a) The authority shall determine which bids or proposals are reasonably
19 likely to be awarded the contract and shall provide each offerer of such a bid or
20 proposal a fair and equal opportunity to discuss the bid or proposal. The authority
21 may negotiate with each offerer in order to obtain terms that are advantageous to
22 the authority. Prior to the award of the contract, any offerer may revise his or her
23 bid or proposal. The authority shall keep a written record of all meetings,
24 conferences, oral presentations, discussions, negotiations, and evaluations of bids or
25 proposals under this section.

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

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

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

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

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

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

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

6 **149.53 Liability limited.** (1) Neither the state nor any political subdivision
7 of the state nor any officer, employee, or agent of the state or a political subdivision
8 who is acting within the scope of employment or agency is liable for any debt,
9 obligation, act, or omission of the authority.

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

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

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

CHAPTER 149**SUBCHAPTER IV****HEALTH CARE TAX CREDIT PROGRAM**

16 **149.60 Definition.** In this subchapter, “eligible individual” has the meaning
17 given in 26 USC 35 (c).

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

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

6 **149.70 Eligibility.** An individual shall be eligible for coverage under the
7 Health Care Tax Credit Program if the individual is any of the following:

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

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

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

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

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

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

17 230.03 (3) "Agency" means any board, commission, committee, council, or
18 department in state government or a unit thereof created by the constitution or
19 statutes if such board, commission, committee, council, department, unit, or the
20 head thereof, is authorized to appoint subordinate staff by the constitution or
21 statute, except a legislative or judicial board, commission, committee, council,
22 department, or unit thereof or an authority created under ~~chs.~~ subch. III of ch. 149
23 or under ch. 231, 232, 233, 234, 235, or 237. "Agency" does not mean any local unit
24 of government or body within one or more local units of government that is created
25 by law or by action of one or more local units of government.

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

2 230.80 (4) “Governmental unit” means any association, authority, board,
3 commission, department, independent agency, institution, office, society, or other
4 body in state government created or authorized to be created by the constitution or
5 any law, including the legislature, the office of the governor, and the courts, but
6 excluding the Health Insurance Risk-Sharing Plan Authority. “Governmental unit”
7 does not mean any political subdivision of the state or body within one or more
8 political subdivisions ~~which~~ that is created by law or by action of one or more political
9 subdivisions.

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

11 601.41 (1) DUTIES. The commissioner shall administer and enforce chs. 600 to
12 655 and ss. 59.52 (11) (c), 66.0137 (4) and (4m), 100.203, 120.13 (2) (b) to (g), and
13 149.13, ~~and 149.144~~ and shall act as promptly as possible under the circumstances
14 on all matters placed before the commissioner.

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

16 601.415 (12) ~~HEALTH INSURANCE RISK SHARING PLAN~~ INSURANCE RISK-SHARING
17 PLAN. The commissioner shall perform the duties specified to be performed by the
18 commissioner in ~~ss. s. 149.13 and 149.144.~~ The commissioner, or his or her designee,
19 ~~shall serve as a member of the board under s. 149.15.~~

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

21 601.64 (1) INJUNCTIONS AND RESTRAINING ORDERS. The commissioner may
22 commence an action in circuit court in the name of the state to restrain by temporary
23 or permanent injunction or by temporary restraining order any violation of chs. 600
24 to 655, or s. 149.13 ~~or 149.144~~, any rule promulgated under chs. 600 to 655, or any

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1 order issued under s. 601.41 (4). The commissioner need not show irreparable harm
2 or lack of an adequate remedy at law in an action commenced under this subsection.

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

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

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

9 601.64 (3) (c) *Forfeiture for violation of statute or rule.* Whoever violates an
10 insurance statute or rule or s. 149.13 ~~or 149.144~~, intentionally aids a person in
11 violating an insurance statute or rule or s. 149.13 ~~or 149.144~~, or knowingly permits
12 a person over whom he or she has authority to violate an insurance statute or rule
13 or s. 149.13 ~~or 149.144~~ shall forfeit to the state not more than \$1,000 for each
14 violation. If the statute or rule imposes a duty to make a report to the commissioner,
15 each week of delay in complying with the duty is a new violation.

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

17 601.64 (4) **CRIMINAL PENALTY.** Whoever intentionally violates or intentionally
18 permits any person over whom he or she has authority to violate or intentionally aids
19 any person in violating any insurance statute or rule of this state, s. 149.13 ~~or~~
20 ~~149.144~~, or any effective order issued under s. 601.41 (4) is guilty of a Class I felony,
21 unless a specific penalty is provided elsewhere in the statutes. Intent has the
22 meaning expressed under s. 939.23.

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

24 613.03 (4) ~~MANDATORY HEALTH INSURANCE RISK-SHARING PLAN~~ HEALTH INSURANCE
25 RISK-SHARING PLAN. Service insurance corporations organized or operating under

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1 this chapter are subject to the requirements that apply to insurers and insurance
2 under ch. 149.

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

4 631.20 (2) (f) In the case of a policy form under ch. 149, that any of the following
5 applies:

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

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

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

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

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

16 **632.785 (title) Notice of mandatory risk-sharing plan Health Insurance**
17 **Risk-Sharing Plan.**

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

19 895.65 (1) (c) “Governmental unit” means any association, authority, board,
20 commission, department, independent agency, institution, office, society or other
21 body in state government created or authorized to be created by the constitution or
22 any law, including the legislature, the office of the governor and the courts.
23 “Governmental unit” does not mean the University of Wisconsin Hospitals and
24 Clinics Authority, the Health Insurance Risk-Sharing Plan Authority, or any

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1 political subdivision of the state or body within one or more political subdivisions
2 which is created by law or by action of one or more political subdivisions.

SECTION 165. Nonstatutory provisions.**(1) ADMINISTRATOR CONTRACT.**

5 (a) Because the legislature has determined that it is in the best interest of the
6 Health Insurance Risk-Sharing Plan to have the Health Insurance Risk-Sharing
7 Plan Authority administer the Health Insurance Risk-Sharing Plan beginning on
8 July 1, 2006, the department of health and family services shall, no later than
9 January 1, 2006, give written notice to the plan administrator under section 149.16,
10 2003 stats., terminating the contract between the department of health and family
11 services and the plan administrator effective July 1, 2006.

12 (b) Notwithstanding the treatment of sections 149.11 (1), 149.12 (1) (intro.) and
13 (1m), and 149.16 of the statutes, as affected by this act, the Health Insurance
14 Risk-Sharing Plan Authority shall enter into a contract with the plan administrator
15 under section 149.16, 2003 stats., that has the same terms and conditions as the
16 contract under paragraph (a) and under which the plan administrator has the same
17 rights, duties, and obligations as it had under the contract under paragraph (a) and
18 the Health Insurance Risk-Sharing Plan Authority has the same rights, duties, and
19 obligations as the department of health and family services had under the contract
20 under paragraph (a). The contract under this paragraph shall have a term beginning
21 on July 1, 2006, and ending on the same date as the contract under paragraph (a)
22 would have ended had the contract not been terminated under paragraph (a). The
23 department of health and family services, the plan administrator, and the Health
24 Insurance Risk-Sharing Plan Authority shall cooperate with one another to ensure
25 that the administration of the Health Insurance Risk-Sharing Plan continues

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1 without interruption after the termination of the contract under paragraph (a) and
2 the commencement of the contract under this paragraph.

3 (2) **TERMS OF INITIAL MEMBERS OF BOARD.** Notwithstanding the length of terms
4 specified for the members of the board of directors of the Health Insurance
5 Risk-Sharing Plan Authority under section 149.41 (1) of the statutes, as created by
6 this act, the initial members of the board of directors shall be appointed for the
7 following terms:

8 (a) At the governor's discretion, one member appointed under section 149.41
9 (1) (a) of the statutes, one member appointed under section 149.41 (1) (b) of the
10 statutes, and one member appointed under section 149.41 (1) (c) of the statutes for
11 one-year terms.

12 (b) At the governor's discretion, 2 members appointed under section 149.41 (1)
13 (a) of the statutes, 2 members appointed under section 149.41 (1) (b) of the statutes,
14 and 2 members appointed under section 149.41 (1) (c) of the statutes, for 2-year
15 terms.

16 (c) At the governor's discretion, one member appointed under section 149.41
17 (1) (a) of the statutes, one member appointed under section 149.41 (1) (b) of the
18 statutes, and 2 members appointed under section 149.41 (1) (c) of the statutes, for
19 3-year terms.

20 **SECTION 166. Appropriation changes.**

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

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1 effective date of this subsection, are transferred to the Health Insurance
2 Risk-Sharing Plan fund under section 149.11 (2) of the statutes, as affected by this
3 act.

4 (2) HEALTH INSURANCE RISK-SHARING PLAN.

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

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

18 **SECTION 167. Initial applicability.**

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

23 (2) PLAN DESIGN. The treatment of section 149.14 (3) (b), (c) 1., 2., and 3. (by
24 SECTION 100), (e), (f), (m), (o), and (p), and (6) (a) and (b) of the statutes and the repeal

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1 and recreation of section 149.14 (4) and (5) of the statutes first apply to the plan year
2 beginning on January 1, 2007.

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

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

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

13 (1) ADMINISTRATOR CONTRACT. SECTIONS 165 (1) (a) and 166 (2) of this act take
14 effect on the day after publication.

15 (2) CREATION OF AUTHORITY; INSURER ASSESSMENT TAX CREDIT; MISCELLANEOUS. The
16 treatment of sections 1.12 (1) (b), 13.172 (1), 13.62 (2), 13.94 (1) (b), (dh), and (g),
17 13.95 (intro.), 16.002 (2), 16.004 (4), (5), and (12) (a), 16.045 (1) (a), 16.15 (1) (ab),
18 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),
19 16.72 (2) (e) (intro.) and (f), 16.75 (1m), (8) (a) 1. and 2., and (9), 16.765 (1), (2), (4),
20 (5), (6), (7) (intro.) and (d), and (8), 16.85 (2), 16.865 (8), 70.11 (41m), 71.07 (5g), 71.10
21 (4) (cp), 71.21 (4), 71.26 (1) (be) and (2) (a), 71.28 (5g), 71.30 (3) (dm), 71.34 (1) (g),
22 71.45 (2) (a) 10., 71.47 (5g), 71.49 (1) (dm), 76.655, 76.67 (2), 77.54 (9a) (a), 77.92 (4),
23 101.055 (2) (a), 101.177 (1) (d), 149.10 (2j) (a) 3., (2t) (c), (3), (7), and (8), 149.12 (2)
24 (g), 149.18, 149.25, 230.03 (3), 230.80 (4), and 895.65 (1) (c), subchapter I (title) of
25 chapter 149, and subchapter II (title) of chapter 149 of the statutes, the creation of

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1 subchapter III of chapter 149 of the statutes, and SECTION 165 (1) (b) and (2) of this
2 act take effect on January 1, 2006, or on the day after publication, whichever is later.

3 (3) **TRANSFER OF ADMINISTRATION.** The treatment of sections 20.145 (5), 20.435
4 (4) (u) and (v), 25.17 (1) (gf), 25.55 (intro.), (3), and (4), 149.10 (intro.), (1), (2), (2m),
5 (3e), (9), and (10), 149.105, 149.11, 149.115, 149.12 (1) (intro.) and (a), (1m), (3) (a)
6 and (c), (4), and (5), 149.13 (1), (3) (a) and (b), and (4), 149.14 (1) (a), (2) (a), (3) (intro.),
7 (c) 3. (by SECTION 99), and (d), (4c), (4m), (5m), (7) (b) and (c), and (8), 149.141, 149.142
8 (1) (a) and (b) and (2), 149.143, 149.144, 149.145, 149.146 (1) (a) and (b) and (2) (a),
9 (am), and (b), 149.15, 149.16, 149.165 (1), (2) (a) (intro.) and (bc), (3) (a) and (b)
10 (intro.), (3m), and (4), 149.17 (1), (2), and (4), 149.175, 149.20, 601.41 (1), 601.415
11 (12), 601.64 (1), (3) (a) and (c), and (4), 613.03 (4), 631.20 (2) (f), 632.785 (title), and
12 subchapter IV of chapter 149 of the statutes, the repeal of sections 149.14 (5) (d) and
13 (e) and 149.40 of the statutes, the renumbering and amendment of section 149.12 (2)
14 (f) of the statutes, the amendment of section 149.14 (4) (d) and (m) and (5) (b) and (c)
15 of the statutes, the creation of section 149.12 (2) (f) 2. of the statutes, and SECTIONS
16 166 (1) and 167 (1) of the statutes take effect on July 1, 2006.

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

21 (END)

Emery, Lynn

From: Peer, Adam

Sent: Tuesday, November 22, 2005 9:29 AM

To: LRB.Legal

Subject: Draft review: LRB 05-3798/2 Topic: Create authority to administer HIRSP, changes to HIRSP, Health Care Tax Credit plan

It has been requested by <Peer, Adam> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 05-3798/2 Topic: Create authority to administer HIRSP, changes to HIRSP, Health Care Tax Credit plan

11/22/2005