

2007 SENATE BILL 51

February 20, 2007 – Introduced by Senators MILLER, RISSER and CARPENTER, cosponsored by Representatives BENEDICT, BERCEAU, BLACK, BOYLE, A. WILLIAMS, HEBL, PARISI, POCAN, POPE-ROBERTS, ZEPNICK, SINICKI, HILGENBERG, FIELDS, KESSLER and GRIGSBY. Referred to Committee on Health and Human Services.

1 **AN ACT** *to amend* 15.01 (3), 15.01 (4) and 59.17 (2) (c); and *to create* 15.07 (1)
2 (a) 7., 15.07 (2) (n), 15.07 (5) (m), 15.07 (5m) (c), 15.20, 15.207, 20.430, 59.53 (25),
3 62.09 (8) (cm) and chapter 152 of the statutes; **relating to:** establishing a
4 publicly financed health care system for residents of this state, creating the
5 Department of Health Planning and Finance, Health Policy Board, and
6 regional consumer health councils, granting rule-making authority, and
7 making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, payment for medical services that residents of this state receive is made from a combination of federal moneys (such as under the Medicare, Medical Assistance (commonly referred to as “Medicaid”), and various block grant programs); general purpose revenues (such as the “state share” of the joint federal-state Medical Assistance Program, the Badger Care Program, state contributions to relief block grants for health care services, and moneys appropriated for specific medical purposes, such as cancer control grants); local moneys, such as funding for medical relief health care services and county nursing homes and hospitals; private health insurance coverage that individuals purchase or that is provided, in part, as employee benefits; and out-of-pocket payments that are made by health care consumers.

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This bill establishes a health plan for Wisconsin, under which, beginning July 1, 2010, each state resident, with certain specified exceptions, shall receive reasonable medical services necessary to maintain health, enable diagnosis, and provide treatment or rehabilitation for an injury, disability, or disease. Specified persons who are excepted from the July 1, 2010, beginning date are phased in for eligibility that begins July 1, 2011.

To administer the health plan, the bill creates a Department of Health Planning and Finance (DHPF), with six regional offices, that is directed and supervised by an 11-member Health Policy Board that is also created in the bill. The Health Policy Board appoints the secretary of health planning and finance and is required to review that appointment after 36 months. The Health Policy Board also may appoint two advisory committees, which are advisory to the secretary of health planning and finance. The bill also creates six regional consumer health councils that are attached to DHPF and that report at least twice a year to the Health Policy Board on the health care needs, problems, and concerns of the region. Each regional consumer health council may create a regional advisory committee. The bill requires appropriation of general purpose revenues to DHPF for operation of the Health Policy Board for the 2007–09 fiscal biennium and requires that the Health Policy Board consider numerous specified issues related to the formation of a health plan in this state.

Under the bill, by July 1, 2009, DHPF must begin implementation of processes, in light of policies determined by the Health Policy Board, to effect numerous health-related matters, including specifying the amounts and sources of funds to finance payment to providers under the health plan, applying for waivers to federal Medicaid statutes and rules, and establishing a listing of approved medicinal substances and formulae. The secretary of health planning and finance and the secretary of administration must, until September 1, 2011, meet at least semimonthly to formulate decisions on issues concerning the health plan and DHPF and how the scope and functions of DHPF affect the scope and functions of the Department of Health and Family Services, the Office of the Commissioner of Insurance, the Board on Aging and Long-Term Care, and the duties or powers of any other state agency. The Health Policy Board must convey the decisions to the Legislative Reference Bureau for drafting of necessary proposed legislation for introduction in the legislature in 2010. The Legislative Reference Bureau must prepare, in proper form for introduction, the proposed legislation that relates to the decisions.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

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1 15.01 (3) “Committee” Except as provided in ss. 152.20 (5) and 152.30 (2m),
2 “committee” means a part-time body appointed to study a specific problem and to
3 recommend a solution or policy alternative with respect to that problem, and
4 intended to terminate on the completion of its assignment. Because of their
5 temporary nature, committees shall, except as provided in ss. 152.20 (5) and 152.30
6 (2m), be created by session law rather than by statute.

7 **SECTION 2.** 15.01 (4) of the statutes is amended to read:

8 15.01 (4) “Council” means a part-time body appointed to function on a
9 continuing basis for the study, and recommendation of solutions and policy
10 alternatives, of the problems arising in a specified functional area of state
11 government, except the Milwaukee River revitalization council has the powers and
12 duties specified in s. 23.18, the council on physical disabilities has the powers and
13 duties specified in s. 46.29 (1) and (2), the state council on alcohol and other drug
14 abuse has the powers and duties specified in s. 14.24, and the electronic recording
15 council has the powers and duties specified in s. 706.25 (4), and the regional
16 consumer health councils have the powers and duties specified in s. 152.30 (1).

17 **SECTION 3.** 15.07 (1) (a) 7. of the statutes is created to read:

18 15.07 (1) (a) 7. Members of the health policy board elected under s. 15.20 (1)
19 shall be elected as provided in that subsection.

20 **SECTION 4.** 15.07 (2) (n) of the statutes is created to read:

21 15.07 (2) (n) The chairperson of the health policy board shall serve for a period
22 of 3 years and may be reelected for 2 additional successive terms.

23 **SECTION 5.** 15.07 (5) (m) of the statutes is created to read:

24 15.07 (5) (m) Members of the health policy board, \$50 per day.

25 **SECTION 6.** 15.07 (5m) (c) of the statutes is created to read:

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1 15.07 (5m) (c) *Health policy board.* Members of the health policy board may
2 be reimbursed for lost wages if required by their employers to use leave without pay
3 in order to attend meetings of the health policy board, and they may be reimbursed
4 for actual and necessary child care expenses without proof of financial hardship.

5 **SECTION 7.** 15.20 of the statutes is created to read:

6 **15.20 Department of health planning and finance.** There is created a
7 department of health planning and finance under the direction and supervision of
8 the health policy board. The health policy board shall consist of the following
9 members, each of whom is to serve for a 6-year term and, if reelected or reappointed,
10 for an additional 6-year term and none of whom may be a health care provider, as
11 defined in s. 152.01 (6), an administrator or owner of a health care facility or
12 organization, or an elected public official:

13 **(1)** One member elected by and from the current membership of each of the 6
14 regional consumer health councils specified under s. 15.207 (1) (b).

15 **(2)** Five members, nominated by the governor and with the advice and consent
16 of the senate appointed, who reflect as much as possible a balance of gender, race,
17 age, sexual orientation, ethnicity, religion, geographic area, and the interests of
18 management, labor, and individuals with disabilities.

19 **SECTION 8.** 15.207 of the statutes is created to read:

20 **15.207 Same; councils. (1) REGIONAL CONSUMER HEALTH COUNCILS.** (a) There
21 are created 6 regional consumer health councils that are attached to the department
22 of health planning and finance under s. 15.03, one of which is established in each of
23 the following areas of this state:

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1 1. The northern region, consisting of Ashland, Bayfield, Douglas, Florence,
2 Forest, Iron, Langlade, Lincoln, Marathon, Oneida, Portage, Price, Sawyer, Taylor,
3 Vilas, and Wood counties.

4 2. The southern region, consisting of Adams, Columbia, Crawford, Dane,
5 Dodge, Grant, Green, Iowa, Jefferson, Juneau, Lafayette, Richland, Rock, Sauk, and
6 Vernon counties.

7 3. The western region, consisting of Barron, Burnett, Buffalo, Chippewa,
8 Clark, Dunn, Eau Claire, Jackson, La Crosse, Monroe, Pepin, Pierce, Polk, Rusk, St.
9 Croix, Trempealeau, and Washburn counties.

10 4. The northeastern region, consisting of Brown, Calumet, Door, Fond du Lac,
11 Green Lake, Kewaunee, Manitowoc, Marinette, Marquette, Menominee, Oconto,
12 Outagamie, Shawano, Sheboygan, Waupaca, Waushara, and Winnebago counties.

13 5. The southeastern region, consisting of Kenosha, Ozaukee, Walworth,
14 Washington, Waukesha, and Racine counties.

15 6. The area within Milwaukee County.

16 (b) Each regional consumer health council shall consist of the following
17 members, none of whom may be a health care provider, as defined in s. 152.01 (6),
18 an administrator or owner of a health care facility or organization, or an elected
19 public official, to serve for no more than 3 3-year terms:

20 1. In the northern region, a total of 16 members, consisting of one member from
21 each county in that region. The county board of supervisors of each county in that
22 region shall appoint one person from that county.

23 2. In the southern region, a total of 15 members, consisting of one member from
24 each county in that region. The county board of supervisors of each county in that
25 region shall appoint one person from that county.

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1 3. In the western region, a total of 17 members, consisting of one member from
2 each county in that region. The county board of supervisors of each county in that
3 region shall appoint one person from that county.

4 4. In the northeastern region, a total of 17 members, consisting of one member
5 from each county in that region. The county board of supervisors of each county in
6 that region shall appoint one person from that county.

7 5. In the southeastern region, a total of 12 members, consisting of 2 members
8 from each county in that region. The county board of supervisors of each county in
9 that region shall appoint 2 persons from that county.

10 6. In the area within Milwaukee County, a total of 12 members, consisting of
11 6 persons who are residents of the city of Milwaukee and are appointed by the mayor
12 of the city of Milwaukee as provided under s. 62.09 (8) (cm), and 6 persons who are
13 residents of Milwaukee County but are not residents of the city of Milwaukee and are
14 appointed by the county executive of Milwaukee County.

15 SECTION 9. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
16 the following amounts for the purposes indicated:

	2007-08	2008-09
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18 **20.430 Health planning and finance, department**
19 **of**

20	(1) HEALTH PLANNING AND FINANCE				
21	(a) General program operations	GPR	A	-0-	-0-
22	(c) Job retraining and placement	GPR	A	-0-	-0-

23 SECTION 10. 20.430 of the statutes is created to read:

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1 **20.430 Health planning and finance, department of.** There is
2 appropriated to the department of health planning and finance for the following
3 program:

4 **(1) HEALTH PLANNING AND FINANCE.** (a) *General program operations.* The
5 amounts in the schedule for the general program operations of the department of
6 health planning and finance.

7 (b) *Health plan services and benefits.* The amounts in the schedule for health
8 care services and benefits provided under s. 152.10 (4).

9 (c) *Job retraining and placement.* The amounts in the schedule for job
10 retraining and placement services under s. 152.40 (6).

11 (i) *Gifts and grants.* All moneys received from gifts, grants, bequests, and
12 devises to carry out the purposes for which made.

13 (m) *Federal funds; state operations.* All moneys received from the federal
14 government, as authorized by the governor under s. 16.54, for the purposes for which
15 made and received.

16 **SECTION 11.** 59.17 (2) (c) of the statutes is amended to read:

17 59.17 **(2)** (c) Appoint the members of all boards and, commissions, and councils
18 where appointments are required and where the statutes provide that the
19 appointments are made by the county board ~~or by the~~ chairperson of the county
20 board, or county executive. All appointments to boards and, commissions, and
21 councils by the county executive are subject to confirmation by the county board.

22 **SECTION 12.** 59.53 (25) of the statutes is created to read:

23 59.53 **(25)** REGIONAL CONSUMER HEALTH COUNCIL. The board shall appoint
24 members of a regional consumer health council, as specified in s. 15.207 (1) (b) 1. to
25 5.

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SECTION 13

1 **SECTION 13.** 62.09 (8) (cm) of the statutes is created to read:

2 62.09 (8) (cm) The mayor of the city of Milwaukee shall, with the advice and
3 consent of the common council of that city, appoint 6 members of a regional consumer
4 health council, as specified under s. 15.207 (1) (b) 6.

5 **SECTION 14.** Chapter 152 of the statutes is created to read:

6 **CHAPTER 152**

7 **HEALTH PLAN**

8 **152.01 Definitions.** In this chapter:

9 **(1)** “Block grant” has the meaning given in s. 16.54 (2) (a) 3.

10 **(2)** “Board” means the health policy board.

11 **(3)** “Department” means the department of health planning and finance.

12 **(4)** “Disability insurance policy” has the meaning given in s. 632.895 (1) (a).

13 **(5)** “Health care facility” means a facility, as defined in s. 647.01 (4), or any
14 hospital, nursing home, community-based residential facility, county home, county
15 infirmary, county hospital, county mental health center, community health center,
16 primary health center, tuberculosis sanatorium, adult family home, assisted living
17 facility, rural medical center, hospice, or other place licensed, certified, or approved
18 by the department of health and family services under s. 49.70, 49.71, 49.72, 50.02,
19 50.03, 50.032, 50.033, 50.034, 50.35, 50.52, 50.92 (2), 51.08, or 51.09 or a facility
20 under s. 45.50, 51.05, 51.06, or 252.10 or ch. 233, or licensed or certified by a county
21 department under s. 50.032 or 50.033.

22 **(6)** “Health care provider” means a provider of health care services or other
23 benefits in this state that are specified under s. 152.10 (4).

24 **(7)** “Medicare” means coverage under part A or part B of Title XVIII of the
25 federal Social Security Act, 42 USC 1395 to 1395hhh.

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1 **(8)** “Reimbursement” means payment for the provision of services and other
2 benefits that are specified under s. 152.10 (4).

3 **(9)** “Secretary” means the secretary of health planning and finance.

4 **(10)** “Veteran”, except as otherwise provided, has the meaning given in 38 USC
5 101 (2).

6 **152.10 Health plan. (1)** There is created a health plan in this state, under
7 which, beginning on July 1, 2010, each eligible person, regardless of any preexisting
8 condition, shall receive reasonable medical service necessary to maintain health,
9 enable diagnosis, or provide treatment or rehabilitation for an injury, condition,
10 disability, or disease, for which reimbursement shall be made by the department.
11 Coverage is provided under the health plan for orthodontia or for the performance
12 of reconstructive or cosmetic surgery that is determined to be necessary under
13 criteria that are promulgated as rules by the department.

14 **(2)** Each individual in this state who is not excluded from residency, as specified
15 in sub. (3) (c), is eligible for coverage under the health plan, except as provided in sub.
16 (5), and except that all of the following may be phased in for eligibility under this
17 subsection, beginning no later than July 1, 2011:

18 (a) Individuals, other than those specified in par. (b), who have no coverage
19 under disability insurance policies.

20 (b) Individuals who have no coverage under disability insurance policies and
21 who receive health care, treatment for nervous or mental disorders, or treatment or
22 prevention services for alcohol and other drug abuse that are funded by state or local
23 funding.

24 (c) Individuals who are employees of the state or any county, city, village, or
25 town, and who, as a benefit of the employment, have coverage for themselves and

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1 family members under provisions of group disability insurance policies or under
2 self-insured health plans.

3 (d) Individuals, other than those specified in par. (c) or (h), who, by reason of
4 their employment or as family members of individuals who are employed, have
5 coverage under group disability insurance policies.

6 (e) Individuals who have coverage under individual disability insurance
7 policies.

8 (f) Individuals who have coverage under the health insurance risk-sharing
9 plan under subch. II of ch. 149.

10 (g) Individuals who are eligible for benefits or services under s. 49.46, 49.468,
11 49.47, 49.473, or 49.665, waiver programs under medical assistance, Medicare, or
12 block grants that provide health care services.

13 (h) Individuals who are employees of self-insured employers, other than those
14 specified in par. (c), and who receive health care benefits for themselves and family
15 members under self-insured health plans.

16 (i) Individuals who receive medical benefits under worker's compensation.

17 (j) Veterans who receive medical benefits under 38 USC 1701 to 1754 and
18 certain spouses and dependents of veterans who receive benefits under 38 USC 1781
19 to 1785 or 38 USC 1802 to 1834; and veterans, as defined in s. 45.01 (12), who receive
20 medical benefits under s. 45.40 (2) and certain spouses and dependents of these
21 veterans who receive medical benefits under s. 45.40 (2m).

22 (k) Members of federally-recognized American Indian tribes or bands who
23 receive health and other services under 25 USC 1621 to 1683.

24 **(3)** (a) Any individual who is eligible under sub. (2) may receive services that
25 are available under the health plan from any participating health care provider in

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1 this state. Services that correspond to those that are available under the health plan
2 and that are provided to the individual in another state are reimbursable at rates
3 under the health plan that are current at the time of service provision.

4 (b) No individual who is eligible under sub. (2) may under this section be
5 required to pay an amount as a deductible or copayment as a condition for receipt of
6 services under this section from a health care facility or health care provider.

7 (c) An individual who has a fixed habitation outside the state but not inside the
8 state is not a resident for purposes of this chapter. Any reimbursement paid under
9 the health plan for health care services rendered to an individual who is determined
10 not to be a resident is a liability of the individual.

11 **(4)** Health care services and other benefits provided under the health plan shall
12 include all of the following:

13 (a) Services of all persons licensed, certified, registered, or permitted to treat
14 the sick under chs. 441, 446, 447, 448, 449, 450, 451, 455, 457, and 459.

15 (b) Health care services that are provided by health care facilities and the
16 offices and clinics of persons under par. (a).

17 (c) Preventive health care services and health promotional programs, including
18 well-child care, immunizations, screening, outreach, and education.

19 (d) Medical or surgical supplies and durable medical or surgical equipment,
20 supplies and appliances, including valves, pacemakers, prostheses, eyeglasses, and
21 hearing aids.

22 (e) Prescription drugs specified in the listing of approved medicinal substances
23 and formulae under s. 152.40 (5) (n) and any other drugs specified by the department
24 by rule.

25 (f) Blood and blood products.

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1 (g) Long-term care services that are necessary for the physical health, mental
2 and emotional well-being, and social and personal needs of individuals who have
3 limited self-care capabilities, including services of health care facilities; home
4 health care; hospice care; home-based and community-based services, including
5 personal assistance and attendant care; and periodic needs assessments.

6 (h) Mental health treatment and services, including substance abuse and brain
7 injury treatment.

8 (i) Dental services, as specified under s. 49.46 (2) (b) 1.

9 **(5)** The health plan is the payer of last resort, and coverage under the health
10 plan is supplemental to any health care coverage in force that is held by an
11 individual.

12 **(6)** As a condition of participation by a health care provider in the health plan,
13 the health care provider shall accept reimbursement only under the health plan for
14 all services or other benefits that the health care provider provides under the health
15 plan.

16 **152.20 Health policy board; powers and duties.** **(1)** The board shall
17 approve and continually evaluate the listing of approved medicinal substances and
18 formulae that is required under s. 152.40 (5) (n).

19 **(2)** The board shall biennially evaluate and oversee cost containment
20 guidelines and policies, including the evaluation of mechanisms used to contain costs
21 of providing services, and shall revise the guidelines and policies as necessary.

22 **(3)** The board shall review all of the following issues and formulate or revise
23 policies, as appropriate, with respect to the issues:

24 (a) Duties of the department that require policy determinations.

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1 (b) The sources and amounts of revenues for the administration of the
2 department and the board and for financing the payment of health care services that
3 are provided to residents under the health plan.

4 (c) Information provided by the regional consumer health councils.

5 (d) Development of a system for determination and periodic review of areas in
6 this state, and specific populations within those areas, that are medically
7 underserved; and development of plans for providing health care services to those
8 areas and populations, including the establishment of community health centers.

9 (e) Development of a system for periodic reviews and evaluations of all aspects
10 of the operation of the health plan, including the adequacy, cost, effectiveness, and
11 quality of health care services provided. These reviews and evaluations shall be
12 made available to the public by the board.

13 (f) Development of a notice and hearing procedure for review of complaints of
14 residents about the health plan, in accordance with the requirements of ch. 227.

15 (g) Other issues that the board determines are relevant to the health plan.

16 (h) State statutory changes that may be necessary to effect pars. (a) to (g).

17 **(4)** By January 1, April 1, July 1, and October 1 of each year, the board shall
18 report to the governor on the revenues and expenditures of the health plan for the
19 calendar quarter immediately preceding the most recently completed calendar
20 quarter.

21 **(5)** (a) The board may appoint up to 2 advisory committees, each with not more
22 than 12 members, that shall be advisory to the secretary. Appointees shall reflect
23 as much as possible a balance of gender, race, age, sexual orientation, ethnicity,
24 religion, disability, and geographic area. The board may determine the length of

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1 terms of advisory committee members and the frequency of meetings, and may
2 terminate the committees.

3 (b) If appointed under par. (a), all of the following apply:

4 1. Only one advisory committee shall reflect the interests and concerns of
5 consumer advocacy and may not include a health care provider or representative of
6 a health care provider or the agency or organization of a health care provider.

7 2. Only one advisory committee shall reflect the interests and concerns of
8 health care providers and agencies and organizations of health care providers and
9 may not include a representative of a consumer advocacy agency or organization.

10 3. An advisory committee shall report annually to the board and the secretary
11 concerning the committee's activities in the immediately preceding fiscal year, shall
12 provide advice relative to health policy issues, and shall make recommendations
13 concerning departmental policies and procedures.

14 **152.30 Regional consumer health councils. (1)** Each regional consumer
15 health council shall do all of the following:

16 (a) Elect one member of the regional consumer health council to serve as a
17 member of the board under s. 15.20 (1). If the term of the member who is so elected
18 expires with respect to the regional consumer health council or with respect to the
19 board under s. 15.20 (1), the regional consumer health council shall elect a current
20 member of the council to serve as a member of the board in his or her stead.

21 (b) Study and continuously monitor the delivery and quality of and access to
22 health care services in the region of the regional consumer health council and
23 recommend to the board and regional office ways to improve the quality of and help
24 ensure access to health care services.

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1 (c) Recommend to the board payment rates and conditions appropriate to
2 specific regional needs and advise on regional health care policy issues and
3 administrative policies and procedures.

4 (d) Study and continuously monitor the unmet health care service needs in the
5 region of the regional consumer health council and recommend to the board ways by
6 which the needs may be met.

7 (e) Report at least annually to the board with respect to the health care needs,
8 problems, and concerns of the region, including any issues elicited at public hearings
9 under par. (g), and provide to the board recommendations to alleviate these needs,
10 problems, and concerns.

11 (f) Require reports from and advise the member of the staff of the appropriate
12 regional office whose duties are specified under s. 152.40 (1), concerning issues that
13 arise under pars. (b) to (e).

14 (g) In at least 2 localities of the region, hold public hearings at least annually
15 to elicit public opinion concerning the health plan under this chapter. The council
16 shall give notice of each hearing by publishing a class 1 notice, under ch. 985, at least
17 15 days before the hearing in a newspaper covering the affected area.

18 (h) Perform other duties as required by the board.

19 **(2)** Each regional consumer health council may, for cause, recall the member
20 elected under sub. (1) (a) and may elect another member to fulfill that term on the
21 board if all of the following are done:

22 (a) The elected member of the board for whom recall is sought receives notice
23 of the recall at least 10 working days before the meeting at which the recall is voted
24 upon.

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1 (b) Notice of the vote to recall the elected member is made on the agenda of the
2 meeting of the regional consumer health council that is immediately prior to the
3 meeting at which recall is voted upon.

4 **(2m)** The regional consumer health council may appoint a regional advisory
5 committee. If appointed, the regional advisory committee shall consist of 18
6 members who reflect as much as possible a balance of gender, race, age, sexual
7 orientation, ethnicity, religion, geographic area, and the interests of management,
8 labor, and individuals with disabilities, and may consist of consumer advocates and
9 health care providers.

10 **(3)** The staff of the appropriate regional office shall provide services to each
11 regional consumer health council to deal with issues of health consumer advocacy
12 and health ombudsman functions.

13 **152.40 Department of health planning and finance. (1)** The department
14 shall administer the health plan under this chapter, including establishing a
15 regional office in each of the regions specified under s. 15.207 (1) (a) 1. to 6. Each
16 regional office shall have at least one staff member who acts in a full-time capacity
17 as a regional consumer advocate and health care ombudsman.

18 **(2)** The department shall establish provider payment rates, taking into
19 consideration regional, rural, and urban differences, and conditions of payment for
20 the provision of health care services under the health plan.

21 **(3)** The department shall, after review and approval by the board, promulgate
22 as rules all of the following:

23 (a) Guidelines for cost containment under the health plan, including the
24 purchasing and distribution of major diagnostic, medical, and surgical equipment.

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1 (b) Criteria, as recommended by the medical advisory committee appointed by
2 the secretary under sub. (7), for determining necessity for orthodontia and for the
3 performance of reconstructive or cosmetic surgery for coverage under the health
4 plan.

5 (4) The department shall biennially evaluate and recommend to the board cost
6 control measures for the health plan.

7 (5) The department shall, by July 1, 2009, begin implementation of processes,
8 in light of policies formulated or revised under s. 152.20 (3), to effect all of the
9 following:

10 (a) Specification of the amounts and sources of revenues to finance payment to
11 providers under the health plan, which may not include any premiums, copayments,
12 deductibles, and other forms of direct payment by patients, and which shall include
13 all of the following:

14 1. Use of federal, state, and local moneys that fund, as of July 1, 2010, health
15 care services, including medicare, medical assistance, health care services funded by
16 a relief block grant under s. 49.02, 49.025, or 49.029; health care services under s.
17 49.665; veterans medical benefits; services specified in s. 152.10 (2) (k); services
18 provided under federal block grants; alcohol and other drug abuse services; and
19 services provided by local health departments.

20 2. Use of revenues from a tax on employers, based on the amount of wages that
21 they pay, that generates, in the aggregate, revenues that are at least equal to
22 amounts that employers contribute, as of the effective date of this subdivision
23 [revisor inserts date], for employee health care benefit costs, including the costs of
24 worker's compensation attributable to health care for injured employees.

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1 3. Use of revenues from a graduated income tax on individuals that generates,
2 in the aggregate, revenues that are not greater than expenditures that individuals
3 make, as of July 1, 2010, for health care costs for which coverage under disability
4 insurance policies is not obtained.

5 4. An indexing of the sources of revenues under this paragraph that provides
6 for revenue growth that is equivalent to the anticipated growth of health care costs
7 under the health plan.

8 (b) Application for waivers to 42 USC 1396 to 1396v or consideration of the
9 feasibility of statutory changes to 42 USC 1396 to 1396v in order to effect all of the
10 following:

11 1. Administration of the Medical Assistance program in this state by the
12 department, rather than by the department of health and family services.

13 2. Use of federal financial participation to fund a portion of the administrative
14 costs, after June 30, 2010, of the department.

15 3. Use of federal financial participation, after June 30, 2010, to fund, under the
16 health plan, the health care services received by a percentage of the residents that
17 corresponds to the percentage of the residents, as determined by the board, that is
18 eligible to receive health care services under the Medical Assistance program on July
19 1, 2010.

20 4. The formulation of criteria and procedures for payment of out-of-state
21 health care costs incurred by residents specified in subd. 3.

22 5. Use of federal financial participation to fund the scope, or a portion of the
23 scope, of medical services to be provided under the health plan.

24 (c) Application for waivers to Medicare or consideration of the feasibility of
25 statutory changes to 42 USC 1395 to 1395hhh in order to effect all of the following:

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1 1. Administration of the Medicare program in this state by the department,
2 rather than by private insurers.

3 2. Use of federal Medicare funds to fund a portion of the administrative costs,
4 after June 30, 2010, of the department.

5 3. Use of federal Medicare funds to fund, under the health plan, the health care
6 services received by residents who are eligible to receive services under Medicare
7 beginning on July 1, 2010.

8 4. The formulation of criteria and procedures for payment of out-of-state
9 health care costs incurred by residents specified in subd. 3.

10 5. Use of federal Medicare funds to fund the scope, or a portion of the scope, of
11 medical services to be provided under the health plan.

12 6. The assignment to the state, as represented by the department, of rights of
13 an individual to payment for medical care from any 3rd party.

14 (d) Application for waivers or consideration of the feasibility of statutory
15 changes to federal laws, other than those specified in pars. (b) and (c), in order to use
16 moneys available under those federal laws for payment of health care services under
17 the health plan or in order to provide services to all residents under the health plan.

18 (e) The establishment and maintenance, with reserves of no less than 5 percent
19 of the total annual amount appropriated under s. 20.430 (1) (b), of a health trust fund
20 in the department, for receipt of revenues specified in par. (a).

21 (f) The formulation of criteria for determining payment and the formulation of
22 procedures for determining payment and negotiating applicable rates to be used for
23 payment for health care providers, including health care facilities, under the health
24 plan. The criteria and procedures for determining payment shall include periodic
25 overall budgeting, including separately budgeting for operational costs; for health

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1 care facilities and services; for negotiations with professional groups or associations
2 of practitioners; for consideration of inflation costs and increased patient
3 populations; and for research and teaching.

4 (g) The development and implementation of a system to provide an electronic
5 or other identification card, bearing a unique number that is not a social security
6 number, to each health plan participant, for receipt of benefits under the plan, and
7 to each health care provider, for receipt of reimbursement.

8 (h) The formulation of criteria and procedures to review and to provide funding
9 for capital expenditures, from an account separate from that from which health care
10 services are paid, for the establishment, maintenance, or expansion of health care
11 facilities.

12 (i) The formulation of criteria and procedures for recovery of overpayments
13 made to health care providers under the health plan.

14 (j) The determination and use of factors requisite to establishing an annual
15 state health budget for the provision of services under the health plan.

16 (k) Application for waivers of 29 USC 1144 (a) or consideration of the feasibility
17 of statutory change to 29 USC 1144 (a) or the means by which operation of the health
18 plan may avoid conflict with 29 USC 1144 (a).

19 (L) Investigation of the feasibility of providing the state with subrogation
20 rights to payments for injury or disease to residents that are provided under motor
21 vehicle or other liability insurance policies or plans.

22 (m) Formulation of criteria and procedures for payment under the health plan
23 of out-of-state health care costs incurred by residents.

24 (n) Establishment of a listing of approved medicinal substances and formulae,
25 including all of the following:

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1 1. Negotiation with pharmaceutical manufacturers or distributors to obtain
2 the lowest possible cost for each medicinal substance. The negotiation shall include
3 as parties on behalf of the health plan the secretary of the department and the
4 chairperson of the board.

5 2. Establishment of a single statewide price, under the health plan, for each
6 medicinal substance.

7 3. Monitoring the listing to oversee its currency and revising the listing by
8 January 1 and July 1 annually.

9 4. Negotiating a statewide uniform dispensing fee with representatives of
10 pharmacists or pharmacies.

11 (p) Exemption of operation of the health plan from ch. 133, if necessary.

12 (q) Other issues relevant to the health plan, as determined by the board.

13 **(6)** From the appropriation under s. 20.430 (1) (c), the department shall, in
14 cooperation with the department of workforce development and any other applicable
15 state agency, as defined in s. 20.001 (1), provide job retraining or job placement
16 services to individuals employed by insurers, as defined in s. 600.03 (27) and by
17 health care providers whose employment is or will be terminated because of
18 implementation of the health plan under this chapter. The department may award
19 moneys as grants to applying organizations, under the department's
20 request-for-proposal procedures, for the provision of job retraining or placement
21 services under this subsection.

22 **(7)** The secretary shall create a medical advisory committee and appoint
23 members of the committee, to recommend criteria under sub. (3) (b).

24 **SECTION 15. Nonstatutory provisions; health planning and finance.**

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1 (1) HEALTH POLICY BOARD; APPOINTMENT OF MEMBERS. Notwithstanding the
2 length of terms specified for the members of the health policy board under section
3 15.20 (intro.) of the statutes, as created by this act, the initial members of the health
4 policy board shall be appointed or elected by the first day of the 4th month beginning
5 after the effective date of this subsection for the following terms:

6 (a) Two members specified under section 15.20 (1) of the statutes, as created
7 by this act, one of whom is elected from the northern regional consumer health
8 council and one of whom is elected from the southeastern regional health council, and
9 2 members specified under section 15.20 (2) of the statutes, as created by this act, for
10 terms expiring on May 1, 2011.

11 (b) Two members specified under section 15.20 (1) of the statutes, as created
12 by this act, one of whom is elected from the northeastern regional consumer health
13 council and one of whom is elected from the regional consumer health council for the
14 area within Milwaukee County, and 2 members specified under section 15.20 (2) of
15 the statutes, as created by this act, for terms expiring on May 1, 2013.

16 (c) Two members specified under section 15.20 (1) of the statutes, as created by
17 this act, one of whom is elected from the southern regional consumer health council
18 and one of whom is elected from the western regional consumer health council, and
19 one member specified under section 15.20 (2) of the statutes, as created by this act,
20 for terms expiring on May 1, 2015.

21 (2) REGIONAL CONSUMER HEALTH COUNCILS; APPOINTMENT OF MEMBERS.
22 Notwithstanding the length of terms specified for the members of regional consumer
23 health councils under section 15.207 (1) (b) of the statutes, as created by this act, the
24 initial members of the regional consumer health councils shall be appointed by the

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1 first day of the 3rd month beginning after the effective date of this subsection for the
2 following terms:

3 (a) For the regional consumer health council under section 15.207 (1) (b) 1. of
4 the statutes, as created by this act:

5 1. Five members, for terms expiring on July 1, 2012.

6 2. Five members, for terms expiring on July 1, 2013.

7 3. Six members, for terms expiring on July 1, 2014.

8 (b) For the regional consumer health council under section 15.207 (1) (b) 2. of
9 the statutes, as created by this act:

10 1. Five members, for terms expiring on July 1, 2012.

11 2. Five members, for terms expiring on July 1, 2013.

12 3. Five members, for terms expiring on July 1, 2014.

13 (c) For each regional consumer health council under section 15.207 (1) (b) 3. or
14 4. of the statutes, as created by this act:

15 1. Five members, for terms expiring on July 1, 2012.

16 2. Five members, for terms expiring on July 1, 2013.

17 3. Seven members, for terms expiring on July 1, 2014.

18 (d) For each regional consumer health council under section 15.207 (1) (b) 5.
19 or 6. of the statutes, as created by this act:

20 1. Four members, for terms expiring on July 1, 2012.

21 2. Four members, for terms expiring on July 1, 2013.

22 3. Four members, for terms expiring on July 1, 2014.

23 (3) PROPOSED IMPLEMENTATION.

24 (a) The department of administration shall expedite the creation of regional
25 consumer health councils in accord with section 15.207 (1) (b) of the statutes, as

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1 created by this act, by initiating and making follow-up contacts with boards of
2 supervisors in counties other than Milwaukee County and with the county executive
3 of Milwaukee County and the mayor of the city of Milwaukee.

4 (b) The department of administration shall provide staff assistance to complete
5 all activities required to create the 6 regional consumer health councils and enable
6 each regional consumer health council to elect one member of the health policy board
7 as required under section 15.20 (1) of the statutes, as created by this act.

8 (c) The health policy board shall appoint the secretary of health planning and
9 finance within 6 months after the first meeting at which all appointed and at least
10 3 elected board members assemble.

11 (d) The secretary of health planning and finance and the secretary of
12 administration shall, until September 1, 2011, meet at least semimonthly to
13 formulate decisions on issues concerning the health plan and the department of
14 health planning and finance, as specified in chapter 152 of the statutes, as created
15 by this act, and how the scope and functions of the department of health planning
16 and finance affect the scope and functions of the department of health and family
17 services, the office of the commissioner of insurance, and the board on aging and
18 long-term care and the duties or powers of any other state agency. Following
19 approval by the health policy board, the department of health planning and finance
20 shall convey these decisions to, and cooperate with, the legislative reference bureau
21 in the drafting of proposed legislation that is necessary to implement those decisions,
22 for introduction in the legislature in 2010 by the appropriate committee of the
23 legislature.

24 (e) Within 2 months after the first day of the 36th month after the appointment
25 of the first secretary of health planning and finance under paragraph (c), the health

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1 policy board shall evaluate, in writing, the performance of the secretary, shall decide
2 whether or not to continue the appointment, and shall provide a copy of the
3 evaluation to the governor. If the health policy board decides to discontinue the
4 appointment, the board shall, within 6 months, implement the decision and appoint
5 a successor.

6 **SECTION 16. Nonstatutory provisions; legislative reference bureau.**

7 (1) DRAFTING PROPOSED LEGISLATION TO IMPLEMENT THE HEALTH PLAN. The
8 legislative reference bureau shall, after meeting with and receiving the decisions of
9 the department of health planning and finance with respect to the health plan, as
10 specified in chapter 152 of the statutes, as created by this act, prepare in proper form
11 proposed legislation that shall relate to those decisions, for introduction in the
12 legislature in 2010 by the appropriate committee of the legislature.

13 **SECTION 17. Effective dates.** This act takes effect on the day after publication,
14 except as follows:

15 (1) The treatment of sections 20.430 (1) (b) and 152.10 of the statutes takes
16 effect on July 1, 2010.

17 (END)