

**SENATE SUBSTITUTE AMENDMENT 1,  
TO 2007 SENATE BILL 226**

1     **AN ACT** *to repeal* 149.14 (2) (c) 2., 149.165 (2) (bc) and 149.165 (4); *to renumber*  
2     149.14 (2) (c) 1.; *to renumber and amend* 149.12 (2) (e) and 149.165 (2) (a);  
3     *to amend* 20.435 (4) (jz), 20.435 (4) (jz), 149.14 (3) (intro.), 149.14 (5) (a),  
4     149.142 (1) and 149.165 (3m); and *to create* 149.12 (2) (e) 2. and 149.14 (3c) of  
5     the statutes; **relating to:** changes to the Health Insurance Risk-Sharing Plan.

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***Analysis by the Legislative Reference Bureau***

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

6     **SECTION 1.** 20.435 (4) (jz) of the statutes, as affected by 2007 Wisconsin Act 20,  
7     section 392w, is amended to read:  
8     20.435 **(4)** (jz) *Badger Care cost sharing, and employer penalty assessments,*  
9     ~~*and premium subsidies.*~~ All moneys received from payments under s. 49.665 (5), all

1 ~~moneys transferred under s. 149.165 (4), and all moneys received from penalty~~  
2 ~~assessments under s. 49.665 (7) (b) 2. to be used for the Badger Care health care~~  
3 ~~program under s. 49.665 and for the demonstration project under s. 49.45 (23).~~

4 **SECTION 2.** 20.435 (4) (jz) of the statutes, as affected by 2007 Wisconsin Acts  
5 20 and .... (this act), is amended to read:

6 20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing and employer*  
7 *penalty assessments.* All moneys received from in cost sharing from medical  
8 assistance recipients, including payments under s. 49.665 (5) and, all moneys  
9 received from penalty assessments under s. 49.665 (7) (b) 2., and 90 percent of all  
10 moneys received from penalty assessments under s. 49.471 (9) (c) to be used for the  
11 Badger Care health care program under s. 49.665 and for the Medical Assistance  
12 program under subch. IV of ch. 49.

13 **SECTION 3.** 149.12 (2) (e) of the statutes is renumbered 149.12 (2) (e) 1. and  
14 amended to read:

15 149.12 (2) (e) 1. No Subject to subd. 2., no person who is eligible for creditable  
16 coverage, other than those benefits specified in s. 632.745 (11) (b) 1. to 12., that is  
17 provided by an employer on a self-insured basis or through health insurance is  
18 eligible for coverage under the plan.

19 **SECTION 4.** 149.12 (2) (e) 2. of the statutes is created to read:

20 149.12 (2) (e) 2. The board may specify, subject to the approval of the  
21 commissioner, other types of coverage provided by an employer that do not render  
22 a person ineligible for coverage under the plan.

23 **SECTION 5.** 149.14 (2) (c) 1. of the statutes is renumbered 149.14 (2) (c).

24 **SECTION 6.** 149.14 (2) (c) 2. of the statutes is repealed.

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

1           149.14 (3) COVERED EXPENSES. (intro.) Covered expenses for coverage under the  
2 plan shall be the payment rates established by the authority for services provided  
3 by persons licensed under ch. 446 and certified under s. 49.45 (2) (a) 11. Covered  
4 expenses for coverage under the plan shall also be the payment rates established by  
5 the authority for, at a minimum, the following services and articles if the service or  
6 article is prescribed by a physician who is licensed under ch. 448 or in another state  
7 and who is certified under s. 49.45 (2) (a) 11. and if the service or article, except for  
8 prescription drugs that are provided by a network of pharmacies approved by the  
9 board, is provided by a provider certified under s. 49.45 (2) (a) 11.:

10           **SECTION 8.** 149.14 (3c) of the statutes is created to read:

11           149.14 (3c) TEMPORARY PROVIDER CERTIFICATION. Notwithstanding the provider  
12 licensing and certification requirements under sub. (3) (intro.), for coverage of  
13 services or articles provided to an eligible person the authority may certify on a  
14 temporary basis a provider that is not licensed under ch. 446 or 448 but that is  
15 licensed in another state to provide the service or article, or a provider that is not  
16 certified under s. 49.45 (2) (a) 11. The certification under this subsection may be  
17 retroactive.

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

19           149.14 (5) (a) The authority shall establish and provide subsidies for  
20 deductibles paid by eligible persons with coverage under s. 149.14 (2) (a) and  
21 household incomes specified in s. 149.165 (2) (a) ~~1. to 5~~ to (e).

22           **SECTION 10.** 149.142 (1) of the statutes is amended to read:

23           149.142 (1) ESTABLISHMENT OF RATES. The authority shall establish provider  
24 payment rates for covered expenses that consist of the ~~allowable charges paid under~~  
25 ~~s. 49.46 (2)~~ usual and customary payment rates, as determined by the authority, for

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

9 **SECTION 11.** 149.165 (2) (a) of the statutes is renumbered 149.165 (2) and  
10 amended to read:

11 149.165 (2) Subject to sub. (3m), if the household income, as defined in s. 71.52  
12 (5) and as determined under sub. (3), of an eligible person ~~with coverage under s.~~  
13 ~~149.14 (2) (a)~~ is equal to or greater than the first amount and less than the 2nd  
14 amount listed in any of the following, the authority shall reduce the premium for the  
15 eligible person ~~to the rate~~ by the percentage of the premium shown after the  
16 amounts:

17 (a) If equal to or greater than \$0 and less than \$10,000, ~~to 100% of the rate that~~  
18 ~~a standard risk would be charged under an individual policy providing substantially~~  
19 ~~the same coverage and deductibles as provided under s. 149.14 (2) (a) and (5) (a) by~~  
20 at least 30 percent.

21 (b) If equal to or greater than \$10,000 and less than \$14,000, ~~to 106.5% of the~~  
22 ~~rate that a standard risk would be charged under an individual policy providing~~  
23 ~~substantially the same coverage and deductibles as provided under s. 149.14 (2) (a)~~  
24 ~~and (5) (a) by~~ at least 25 percent.

1 (c) If equal to or greater than \$14,000 and less than \$17,000, ~~to 115.5% of the~~  
2 ~~rate that a standard risk would be charged under an individual policy providing~~  
3 ~~substantially the same coverage and deductibles as provided under s. 149.14 (2) (a)~~  
4 ~~and (5) (a) by at least 20 percent.~~

5 (d) If equal to or greater than \$17,000 and less than \$20,000, ~~to 124.5% of the~~  
6 ~~rate that a standard risk would be charged under an individual policy providing~~  
7 ~~substantially the same coverage and deductibles as provided under s. 149.14 (2) (a)~~  
8 ~~and (5) (a) by at least 15 percent.~~

9 (e) If equal to or greater than \$20,000 and less than \$25,000, ~~to 130% of the rate~~  
10 ~~that a standard risk would be charged under an individual policy providing~~  
11 ~~substantially the same coverage and deductibles as provided under s. 149.14 (2) (a)~~  
12 ~~and (5) (a) by at least 10 percent.~~

13 **SECTION 12.** 149.165 (2) (bc) of the statutes is repealed.

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

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

19 **SECTION 14.** 149.165 (4) of the statutes, as created by 2007 Wisconsin Act 20,  
20 is repealed.

21 **SECTION 15. Initial applicability.**

22 (1) PREMIUM DISCOUNTS. The treatment of sections 149.14 (2) (c) 1. and 2. and  
23 (5) (a) and 149.165 (2) (a) and (bc) and (3m) of the statutes first applies to policy years  
24 beginning on January 1, 2008.

