

2007 DRAFTING REQUEST**Senate Amendment (SA-SB226)**Received: **08/07/2007**Received By: **pkahler**Wanted: **Soon**

Identical to LRB:

For: **Roger Breske (608) 266-2509**By/Representing: **Beth Piliouras**This file may be shown to any legislator: **NO**Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health**

Extra Copies:

Submit via email: **YES**Requester's email: **Sen.Breske@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Modifications to HIRSP

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 08/07/2007	lkunkel 08/08/2007		_____			
/1			nmatzke 08/08/2007	_____	mbarman 08/08/2007	mbarman 08/08/2007	

FE Sent For:

<END>

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/?	pkahler	/i lmk 8/8	nwn 8/8	<u>nwn/jf</u> <u>8/8</u>			

FE Sent For:

<END>

amdt to AB 445 & SB 226

add 3 fiscal provisions that are in
budget:

- 1) delete OCT apprs & have \$ go to
HIRSP directly
- 2) allow SWIB to invest at HIRSP's
request
- 3) bring HIRSP employees under state
retirement system

Kahler, Pam

From: Piliouras, Elizabeth
Sent: Tuesday, August 07, 2007 1:55 PM
To: Kahler, Pam
Subject: RE: SB226 - sa2?

Yes please.

Thanks for being so quick!

From: Kahler, Pam
Sent: Tuesday, August 07, 2007 1:53 PM
To: Piliouras, Elizabeth
Subject: RE: SB226 - sa2?

Yes, she did. Do both you and Rep. Lasee want that amendment?

From: Piliouras, Elizabeth
Sent: Tuesday, August 07, 2007 1:50 PM
To: Kahler, Pam
Subject: SB226 - sa2?

Hi Pam:

Did Amie (HIRSP) talk to you about getting an amendment drafted that would include some of the provisions affecting the HIRSP authority in the budget into SB226?

*Thanks!
Beth*

Beth Piliouras
Senator Roger Breske
608-266-2509

200

7

Date (time) needed

SOON
(in 8-7)

(needed for an assembly companion amendment)

LRBa 0650 / 1

AMENDMENT

PJK+RAC: [initials]

key ↑

See form AMENDMENTS — COMPONENTS & ITEMS.

S A AMENDMENT

TO S A AMENDMENT (LRBa /),

TO S A SUBSTITUTE AMENDMENT (LRBs /),

TO 2005 SB SJR SR AB AJR AR 226 (LRB- /)

At the locations indicated, amend the bill as follows:
(fill ONLY if "engrossed" or "as shown by")

#. Page 3, line 1: before that line insert: ¶

Insert A

#. Page 3, line 1: delete "SECTION 10" and

substitute "SECTION 10" ¶

#. Page 3, line 9: after that line insert: ¶

Insert B

#. Page 4, line 25: after that line insert: ¶

Insert C

#. Page ..., line ...:

(END)

2. The bill requires the Investment Board, if requested by the HIRSP Authority, to invest funds of the HIRSP Authority in the state investment fund. The bill further permits the HIRSP Authority to participate in the local government pooled-investment fund.

3. Currently, insurer assessments and federal high risk pool grant moneys are paid to OCI and then to the HIRSP Authority. Under the bill those payments go directly to the HIRSP Authority.

4. Currently, for payment under HIRSP, all providers of services and articles must be certified to provide those services and articles under the Medical Assistance (MA) program. The bill allows prescription drugs to be provided by a network of pharmacists and pharmacies that are approved by the HIRSP Authority Board of Directors. The network, however, must include all pharmacists and pharmacies that are certified to provide prescription drugs under MA in this state.

5. Currently, payments to providers must consist of the allowable charges for services and articles under MA with an enhancement determined by the HIRSP Authority. The adjustments must take into account provider discounts. The bill requires payments to providers to consist of usual and customary payment rates, determined by the HIRSP Authority, with adjustments that take into account provider discounts.

6. The bill provides that any administrator with which the HIRSP Authority Board contracts to administer HIRSP must also be the administrator of the Health Coverage Tax Credit Program, which the HIRSP Authority is required under current law to design and administer.

7. Under current law, certain persons with coverage under HIRSP with incomes below a specified level are eligible for premium and deductible subsidies. The bill makes all persons with coverage under HIRSP with incomes below that specified level eligible for the premium and deductible subsidies.

8. Under current law, with certain exceptions, anyone who is eligible for certain types of health care coverage provided by an employer is ineligible for coverage under HIRSP. The bill authorizes the HIRSP Authority Board to specify other exceptions.

For further information see the *state* 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:

1 SECTION 1. ^{b-0 insert A (102)} 20.145 (5) of the statutes is repealed.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

2 SECTION 2. ^{1d0} 25.14 (1) (a) (intro.) of the statutes is amended to read:

3 25.14 (1) (a) (intro.) There is created a state investment fund under the
4 jurisdiction and management of the board to be operated as an investment trust for



Insert A cont'd (2002)

1 the purpose of managing the securities of all funds that are required by law to be
2 invested in the state investment fund and all of the state's funds consisting of the
3 funds specified in s. 25.17 (1), except all of the following:

4 **SECTION 3.** ^{le} 25.17 (63) of the statutes is created to read:

5 25.17 (63) If requested by the Health Insurance Risk-Sharing Plan Authority,
6 invest funds of the Health Insurance Risk-Sharing Plan Authority in the state
7 investment fund.

8 **SECTION 4.** ^{lh} 40.02 (54) (L) of the statutes is created to read:

9 40.02 (54) (L) The Health Insurance Risk-Sharing Plan Authority.

10 **SECTION 5.** ^{lm} 149.11 (2) (a) 1. of the statutes is amended to read:

11 149.11 (2) (a) 1. Insurer assessments under s. 149.13, ~~paid to the authority~~
12 ~~under s. 20.145 (5) (g).~~ ^{ln}

13 **SECTION 6.** 149.11 (2) (a) 3. of the statutes is repealed and recreated to read:

14 149.11 (2) (a) 3. Moneys received from the federal government in high risk pool
15 grants.

16 **SECTION 7.** ^{lp} 149.11 (2) (b) of the statutes is amended to read:

17 149.11 (2) (b) The authority controls the assets of the fund ~~and shall select~~
18 ~~regulated financial institutions in this state that receive deposits in which to~~
19 ~~establish and maintain accounts for assets needed on a current basis. If practicable,~~
20 ~~the accounts shall earn interest.~~ ^{lo}

21 **SECTION 8.** 149.12 (2) (e) of the statutes is renumbered 149.12 (2) (e) 1. and
22 amended to read:

23 149.12 (2) (e) 1. No Subject to subd. 2., no person who is eligible for creditable
24 coverage, other than those benefits specified in s. 632.745 (11) (b) 1. to 12., that is

(end of ins A)

Insert B

1 provided by an employer on a self-insured basis or through health insurance is
2 eligible for coverage under the plan.

3 ~~SECTION 9. 149.12 (2) (e) 2. of the statutes is created to read:~~

4 ~~149.12 (2) (e) 2. The board may specify other types of coverage provided by an~~
5 ~~employer that do not render a person ineligible for coverage under the plan.~~

6 ~~SECTION 10.~~ ^{2m} 149.13 (3) (a) of the statutes is amended to read:

7 149.13 (3) (a) Each insurer's proportion of participation under sub. (2) shall be
8 determined annually by the commissioner based on annual statements and other
9 reports filed by the insurer with the commissioner. The commissioner shall assess
10 an insurer for the insurer's proportion of participation based on the total
11 assessments estimated by the authority. An insurer shall pay the amount of the
12 assessment directly to the authority. ²⁰

13 SECTION 11. 149.14 (2) (c) 1. of the statutes is renumbered 149.14 (2) (c).

14 SECTION 12. 149.14 (2) (c) 2. of the statutes is repealed.

15 SECTION 13. 149.14 (3) (intro.) of the statutes is amended to read:

16 149.14 (3) COVERED EXPENSES. (intro.) Covered expenses for coverage under the
17 plan shall be the payment rates established by the authority for services provided
18 by persons licensed under ch. 446 and certified under s. 49.45 (2) (a) 11. Covered
19 expenses for coverage under the plan shall also be the payment rates established by
20 the authority for, at a minimum, the following services and articles if the service or
21 article is prescribed by a physician who is licensed under ch. 448 or in another state
22 and who is certified under s. 49.45 (2) (a) 11. and, except as provided in sub. (3m), if
23 the service or article is provided by a provider certified under s. 49.45 (2) (a) 11.:

24 SECTION 14. 149.14 (3m) of the statutes is created to read:

(end of ins B)

1 149.14 (3m) PHARMACY NETWORK. Covered expenses for prescription drugs
 2 shall be the payment rates established by the authority for prescription drugs that
 3 are provided to eligible persons by a network of pharmacists and pharmacies
 4 approved by the board, regardless of whether the provider of the drug is certified
 5 under s. 49.45 (2) (a) 11. The network of pharmacists and pharmacies approved by
 6 the board shall include, at a minimum, all pharmacists licensed under s. 450.03 who
 7 are certified under s. 49.45 (2) (a) 11. and all pharmacies licensed under s. 450.06 that
 8 are certified under s. 49.45 (2) (a) 11.

9 **SECTION 15.** 149.14 (5) (a) of the statutes is amended to read:

10 149.14 (5) (a) The authority shall establish and provide subsidies for
 11 deductibles paid by eligible persons with ~~coverage under s. 149.14 (2) (a) and~~
 12 household incomes specified in s. 149.165 (2) (a) 1. to 5.

13 **SECTION 16.** 149.142 (1) of the statutes is amended to read:

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

25

SECTION 17. 149.143 (1) (intro.) of the statutes is amended to read:

Insert C (102)



SECTION 17

Insert C cont'd (2002)

1 149.143 (1) COSTS EXCLUDING SUBSIDIES. (intro.) The authority shall pay plan
2 costs, excluding any premium, deductible, and copayment subsidies, first from any
3 federal funds, ~~if any, that are transferred to the fund under s. 20.145 (5) (m) and~~
4 under s. 149.11 (2) (a) 3. that exceed premium, deductible, and copayment subsidy
5 costs in a policy year. The remainder of the plan costs, excluding premium,
6 deductible, and copayment subsidy costs, shall be paid as follows:

7 **SECTION 18.** ^{9P} 149.143 (2) (intro.) of the statutes is amended to read:

8 149.143 (2) SUBSIDY COSTS. (intro.) The authority shall pay for premium,
9 deductible, and copayment subsidies in a policy year first from any federal funds, ~~if~~
10 ~~any, that are transferred to the fund under s. 20.145 (5) (m) under s. 149.11 (2) (a)~~
11 3. received in that year. The remainder of the subsidy costs shall be paid as follows: ^{D)}

12 **SECTION 19.** 149.165 (2) (bc) of the statutes is amended to read:

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

22 **SECTION 20.** 149.65 (1) of the statutes is amended to read:

23 149.65 (1) Subject to sub. (2), the authority shall design and administer a
24 program of health care coverage, called the Health Care Tax Credit Program, under
25 which a covered eligible individual may receive an income tax credit under 26 USC

(end of ins C)