



# STATE OF WISCONSIN Assembly Journal

## Ninety-Eighth Regular Session

1:10 P.M.

THURSDAY, September 27, 2007

The Assembly met in the Assembly Chamber located in the State Capitol.

Representative Petrowski in the chair.

The Assembly dispensed with the call of the roll.

---

### AMENDMENTS OFFERED

Assembly amendment 1 to **Assembly Bill 92** offered by Representative Albers.

Assembly amendment 4 to **Assembly Bill 305** offered by Representative Albers.

---

### INTRODUCTION AND REFERENCE OF PROPOSALS

Read first time and referred:

#### **Assembly Bill 515**

Relating to: the regulation of certain suppliers of liquefied petroleum gas, applicability of the statewide system for notification of the location of transmission facilities, granting rule-making authority, and providing a penalty.

By Representatives Bies, Ballweg, Boyle, Davis, Hahn, Kerkman, LeMahieu, Molepske, Montgomery, Mursau, Nerison, Nygren, A. Ott, Petersen, Shilling, Tauchen and Zepnick; cosponsored by Senators A. Lasee, Plale, Hansen, Kapanke and Schultz.

To committee on **Energy and Utilities**.

---

### COMMUNICATIONS

September 26, 2007

Patrick Fuller  
Assembly Chief Clerk  
17 West Main Street, Suite 401  
Madison, WI 53708

Dear Chief Clerk Fuller:

Please add my name as a co-author to Assembly Bill 492, relating to: providing information about the human papillomavirus to schools and to parents of pupils in grades 6 to 12.

Sincerely,  
*THOMAS NELSON*  
State Representative  
5th Assembly District

---

### AGENCY REPORTS

State of Wisconsin  
Legislative Audit Bureau  
Madison

September 26, 2007

To the Honorable, the Assembly:

At the request of the Department of Health and Family Services (DHFS), we have completed a financial audit of the Health Insurance Risk-Sharing Plan (HIRSP) for fiscal year (FY) 2005-06. HIRSP provides medical and prescription drug insurance for individuals who are unable to obtain coverage in the private market or who have lost employer-sponsored group health insurance. We have provided an unqualified opinion on HIRSP's financial statements.

Policyholder enrollment and claims costs are beginning to moderate. Enrollment decreased 3.8 percent during FY 2005-06 and 5.6 percent during FY 2006-07, to reach 17,612 as of June 30, 2007. Following four years of double-digit increases, net claims costs decreased by 1.2 percent during FY 2005-06. Most notably, prescription drug costs decreased by \$2.0 million. The creation of the federal Medicare Part D prescription drug coverage program has been a major contributing factor to these recent trends.

Correspondingly, HIRSP has maintained a sound financial position. The decrease in costs as well as an increase in revenues resulted in a \$4.2 million dollar increase in HIRSP's unrestricted net asset balance, which totaled \$3.9 million as of June 30, 2006.

A balance of excess policyholder premiums increased by \$10.0 million during FY 2005-06 and reached \$19.5 million as of June 30, 2006. At the direction of HIRSP's governing board, \$13.3 million of that amount was applied toward the

policyholders' share of costs, which has helped to limit premium increases for policyholders.

[2005 Wisconsin Act 74](#) made significant changes to HIRSP. Among the most significant is the creation of the HIRSP Authority, which assumed oversight responsibility from DHFS on July 1, 2006. The Authority is currently pursuing several additional statutory changes, which are pending in the Legislature.

We appreciate the courtesy and cooperation extended to us by DHFS and the HIRSP plan administrator.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor

---

State of Wisconsin  
Legislative Audit Bureau  
Madison

September 27, 2007

To the Honorable, the Assembly:

We have completed financial audits of Mendota and Winnebago Mental Health Institutes for the period July 1, 2005, through June 30, 2006. The audits were requested by the Department of Health and Family Services to comply with requirements of the Joint Commission on Accreditation of Healthcare Organizations. We were able to express an unqualified opinion on each Institute's financial statements.

Mendota and Winnebago Mental Health Institutes are licensed and accredited hospitals that provide specialized diagnostic, evaluation, and treatment services for mentally ill children and adults. The Institutes also provide services to forensic patients referred to them through the criminal justice system. The Institutes are funded through a mix of general purpose revenue and program revenue.

Each Institute reported a financial gain for fiscal year 2005-06. Mendota reported a gain of \$1.2 million, and

Winnebago reported a gain of \$1.8 million. In each case, operating revenues increased enough to offset increases in operating expenses, such as salary and fringe benefit costs. Further, each Institute reported a positive accounting balance, which is reflected in its financial statements as unrestricted net assets.

As part of our audit, we followed up on internal control concerns reported in our prior year's audit related to administration of approximately \$395,000 in client funds by the Program of Assertive Community Treatment, an outpatient unit of Mendota. To assist clients in managing their own money, staff receive and disburse funds on their behalf. In accepting client funds, the State is responsible for ensuring proper controls are in place to reduce the risks of error or misappropriation. While some improvements were made, internal control concerns remain related to client funds administered by the Program of Assertive Community Treatment, including a lack of separation of duties and limited oversight of operations.

We appreciate the courtesy and cooperation extended to us by Department of Health and Family Services staff during our audit. A response from the Department follows our report.

Sincerely,  
*JANICE MUELLER*  
State Auditor

---

## ADJOURNMENT

Representative Montgomery moved that the Assembly stand adjourned until 10:00 A.M. on Tuesday, October 2.

The question was: Shall the Assembly stand adjourned?

Motion carried.

The Assembly stood adjourned.

1:11 P.M.