AN ACT to amend 13.172 (1), 13.48 (13) (a), 13.62 (2), 13.95 (intro.), 16.002 (2),
16.865 (8), 71.26 (1) (be), 77.54 (9a) (a), 100.45 (1) (dm), 101.177 (1) (d), 230.03
(3) and 285.59 (1) (b); and to create 20.147, 40.02 (54) (k), 70.11 (41p) and
chapter 238 of the statutes; relating to: creating a Catastrophic Care
Authority and making an appropriation.

Analysis by the Legislative Reference Bureau
This bill creates the Catastrophic Care Authority (CCA). An authority is a
public body corporate and politic with a board of directors that is created by state law
but that is not a state agency. The board of directors of CCA consists of the
commissioner of insurance, or the commissioner’s designee, as a nonvoting member
and 13 other members who will serve four-year terms, including a majority party
senator and a majority party representative to the assembly, appointed by the senate
majority leader and the speaker of the assembly, respectively, and a minority party
senator and a minority party representative to the assembly, appointed by the senate
minority leader and the assembly minority leader, respectively. Nine other members
are nominated by the governor and appointed with the advice and consent of the
senate and consist of a health care provider and representatives of a health
insurance company, a small employer, Wisconsin labor unions, health benefit
purchasing cooperatives, and the public interest. The board must appoint an
executive director, who may not be a member of the board.

Because CCA is not a state agency, numerous laws that apply to state agencies
do not apply to CCA. However, CCA is treated like a state agency in the following
respects, among others: 1) it is generally subject to the open records and open
meetings laws; 2) it is treated like a state agency for purposes of the law regulating
lobbying; 3) it is subject to state purchasing requirements and must use a competitive
bid or proposal process whenever contracting for services; 4) it is exempt from income
tax, sales and use tax, and property taxes; 5) the Code of Ethics for Public Officials
and Employees covers CCA; 6) it is to be treated as a state agency for all purposes
under the Wisconsin Retirement System; and 7) it is subject to auditing by the
Legislative Audit Bureau.

CCA is unlike a state agency in many other ways, including: 1) it may approve
its own budget without going through the state budgetary process; 2) its employees
are not state employees, are not included in the state system of personnel
management, and are hired outside the state hiring system; and 3) it is not subject
to statutory rule-making procedures, including requirements for legislative review
of proposed rules. Unlike most authorities under current law, CCA may not issue
bonds.

CCA must study options and develop recommendations for implementing a
reinsurance program to provide reinsurance to groups or individuals, or both, in the
state for catastrophic claims under group or individual, or both, health insurance
policies. By September 15, 2009, CCA must submit a report to the secretary of
administration with its recommendations for implementing the reinsurance
program. CCA must develop and administer any reinsurance program for which
legislation is enacted that authorizes or requires CCA to do so. CCA may contract
with a vendor to administer any reinsurance program that is implemented, and must
contract with an independent entity for annual program and financial evaluations
of an implemented reinsurance program. CCA may make recommendations to the
governor on the impact of allowing health benefit purchasing cooperatives to
participate in any implemented reinsurance program and on proposals to reduce
health insurance premiums for American Indian tribes and bands in the state and
other sectors of the group health insurance market. CCA may explore other ways to
lower health care costs, including considering options for comprehensive health care
reform. The bill also appropriates general purpose revenue to CCA for initial and
operating costs.

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:
SECTION 1. 13.172 (1) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

13.172 (1) In this section, “agency” means an office, department, agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, that is entitled to expend moneys appropriated by law, including the legislature and the courts, and any authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 238, or 279.

SECTION 2. 13.48 (13) (a) of the statutes is amended to read:

13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or facility that is constructed for the benefit of or use of the state, any state agency, board, commission or department, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Catastrophic Care Authority, or any local professional baseball park district created under subch. III of ch. 229 if the construction is undertaken by the department of administration on behalf of the district, shall be in compliance with all applicable state laws, rules, codes and regulations but the construction is not subject to the ordinances or regulations of the municipality in which the construction takes place except zoning, including without limitation because of enumeration ordinances or regulations relating to materials used, permits, supervision of construction or installation, payment of permit fees, or other restrictions.

SECTION 3. 13.62 (2) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

13.62 (2) “Agency” means any board, commission, department, office, society, institution of higher education, council, or committee in the state government, or any
authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233, 234, 237, 238, or 279, except that the term does not include a council or committee of the legislature.

**SECTION 4.** 13.95 (intro.) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

13.95 **Legislative fiscal bureau.** (intro.) There is created a bureau to be known as the “Legislative Fiscal Bureau” headed by a director. The fiscal bureau shall be strictly nonpartisan and shall at all times observe the confidential nature of the research requests received by it; however, with the prior approval of the requester in each instance, the bureau may duplicate the results of its research for distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director’s designated employees shall at all times, with or without notice, have access to all state agencies, the University of Wisconsin Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk–Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, and the Fox River Navigational System Authority, and to any books, records, or other documents maintained by such agencies or authorities and relating to their expenditures, revenues, operations, and structure.

**SECTION 5.** 16.002 (2) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.002 (2) “Departments” means constitutional offices, departments, and independent agencies and includes all societies, associations, and other agencies of state government for which appropriations are made by law, but not including authorities created in subch. II of ch. 114 or subch. III of ch. 149 and in chs. 231, 232, 233, 234, 235, 237, 238, and 279.
SECTION 6. 16.004 (4) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the department as the secretary designates may enter into the offices of state agencies and authorities created under subch. II of ch. 114 or subch. III of ch. 149 and under chs. 231, 233, 234, 237, 238, and 279, and may examine their books and accounts and any other matter that in the secretary’s judgment should be examined and may interrogate the agency’s employees publicly or privately relative thereto.

SECTION 7. 16.004 (5) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and authorities created under subch. II of ch. 114 or subch. III of ch. 149 and under chs. 231, 233, 234, 237, 238, and 279, and their officers and employees, shall cooperate with the secretary and shall comply with every request of the secretary relating to his or her functions.

SECTION 8. 16.045 (1) (a) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.045 (1) (a) “Agency” means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235, 237, 238, or 279.

SECTION 9. 16.41 (4) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
16.41 (4) In this section, “authority” means a body created under subch. II of ch. 114 or subch. III of ch. 149 or under ch. 231, 233, 234, 237, 238, or 279.

SECTION 10. 16.417 (1) (a) of the statutes is amended to read:

16.417 (1) (a) “Agency” means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority or the body created under subch. III of ch. 149 or under ch. 238.

SECTION 11. 16.52 (7) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.52 (7) PETTY CASH ACCOUNT. Petty cash account. With the approval of the secretary, each agency that is authorized to maintain a contingent fund under s. 20.920 may establish a petty cash account from its contingent fund. The procedure for operation and maintenance of petty cash accounts and the character of expenditures therefrom shall be prescribed by the secretary. In this subsection, “agency” means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, or 279.

SECTION 12. 16.528 (1) (a) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
16.528 (1) (a) “Agency” means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, or 279.

SECTION 13. 16.53 (2) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed invoice, the agency shall notify the sender of the invoice within 10 working days after it receives the invoice of the reason it is improperly completed. In this subsection, “agency” means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, or 279.

SECTION 14. 16.54 (9) (a) 1. of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.54 (9) (a) 1. “Agency” means an office, department, independent agency, institution of higher education, association, society or other body in state government created or authorized to be created by the constitution or any law, which is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, or 279.
SECTION 15. 16.70 (2) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.70 (2) “Authority” means a body created under subch. II of ch. 114 or subch. III of ch. 149 or under ch. 231, 232, 233, 234, 235, 237, 238, or 279.

SECTION 16. 16.765 (1) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, and the Bradley Center Sports and Entertainment Corporation shall include in all contracts executed by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s. 51.01 (5), sexual orientation as defined in s. 111.32 (13m), or national origin and, except with respect to sexual orientation, obligating the contractor to take affirmative action to ensure equal employment opportunities.

SECTION 17. 16.765 (2) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, and the Bradley Center Sports and Entertainment Corporation shall include the following provision in every contract executed by them: “In connection with the performance of work
under this contract, the contractor agrees not to discriminate against any employee
or applicant for employment because of age, race, religion, color, handicap, sex,
physical condition, developmental disability as defined in s. 51.01 (5), sexual
orientation or national origin. This provision shall include, but not be limited to, the
following: employment, upgrading, demotion or transfer; recruitment or recruitment
advertising; layoff or termination; rates of pay or other forms of compensation; and
selection for training, including apprenticeship. Except with respect to sexual
orientation, the contractor further agrees to take affirmative action to ensure equal
employment opportunities. The contractor agrees to post in conspicuous places,
available for employees and applicants for employment, notices to be provided by the
contracting officer setting forth the provisions of the nondiscrimination clause”.

 SECTION 18. 16.765 (4) of the statutes, as affected by 2007 Wisconsin Act 20,
is amended to read:

16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and
Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
Aerospace Authority, the Health Insurance Risk−Sharing Plan Authority, the Lower
Fox River Remediation Authority, the Catastrophic Care Authority, and the Bradley
Center Sports and Entertainment Corporation shall take appropriate action to
revise the standard government contract forms under this section.

 SECTION 19. 16.765 (5) of the statutes, as affected by 2007 Wisconsin Act 20,
is amended to read:

16.765 (5) The head of each contracting agency and the boards of directors of
the University of Wisconsin Hospitals and Clinics Authority, the Fox River
Navigational System Authority, the Wisconsin Aerospace Authority, the Health
Insurance Risk−Sharing Plan Authority, the Lower Fox River Remediation
Authority, the Catastrophic Care Authority, and the Bradley Center Sports and Entertainment Corporation shall be primarily responsible for obtaining compliance by any contractor with the nondiscrimination and affirmative action provisions prescribed by this section, according to procedures recommended by the department. The department shall make recommendations to the contracting agencies and the boards of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, and the Bradley Center Sports and Entertainment Corporation for improving and making more effective the nondiscrimination and affirmative action provisions of contracts. The department shall promulgate such rules as may be necessary for the performance of its functions under this section.

**SECTION 20.** 16.765 (6) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.765 (6) The department may receive complaints of alleged violations of the nondiscrimination provisions of such contracts. The department shall investigate and determine whether a violation of this section has occurred. The department may delegate this authority to the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, or the Bradley Center Sports and Entertainment Corporation for processing in accordance with the department’s procedures.
SECTION 21. 16.765 (7) (intro.) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.765 (7) (intro.) When a violation of this section has been determined by the department, the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, or the Bradley Center Sports and Entertainment Corporation, the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, or the Bradley Center Sports and Entertainment Corporation shall:

SECTION 22. 16.765 (7) (d) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.765 (7) (d) Direct the violating party to take immediate steps to prevent further violations of this section and to report its corrective action to the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, or the Bradley Center Sports and Entertainment Corporation.

SECTION 23. 16.765 (8) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:
16.765 (8) If further violations of this section are committed during the term of the contract, the contracting agency, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk–Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, or the Bradley Center Sports and Entertainment Corporation may permit the violating party to complete the contract, after complying with this section, but thereafter the contracting agency, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk–Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, or the Bradley Center Sports and Entertainment Corporation shall request the department to place the name of the party on the ineligible list for state contracts, or the contracting agency, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk–Sharing Plan Authority, the Lower Fox River Remediation Authority, the Catastrophic Care Authority, or the Bradley Center Sports and Entertainment Corporation may terminate the contract without liability for the uncompleted portion or any materials or services purchased or paid for by the contracting party for use in completing the contract.

SECTION 24. 16.85 (2) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

16.85 (2) To furnish engineering, architectural, project management, and other building construction services whenever requisitions therefor are presented to the department by any agency. The department may deposit moneys received from the provision of these services in the account under s. 20.505 (1) (kc) or in the general fund as general purpose revenue — earned. In this subsection, “agency” means an office, department, independent agency, institution of higher education, association,
society, or other body in state government created or authorized to be created by the
constitution or any law, which is entitled to expend moneys appropriated by law,
including the legislature and the courts, but not including an authority created in
subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, or 279.

SECTION 25. 16.865 (8) of the statutes, as affected by 2007 Wisconsin Act 20,
is amended to read:

16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
proportionate share of the estimated costs attributable to programs administered by
the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
may charge premiums to agencies to finance costs under this subsection and pay the
costs from the appropriation on an actual basis. The department shall deposit all
collections under this subsection in the appropriation account under s. 20.505 (2) (k).
Costs assessed under this subsection may include judgments, investigative and
adjustment fees, data processing and staff support costs, program administration
costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
subsection, “agency” means an office, department, independent agency, institution
of higher education, association, society, or other body in state government created
or authorized to be created by the constitution or any law, that is entitled to expend
moneys appropriated by law, including the legislature and the courts, but not
including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
231, 232, 233, 234, 235, 237, 238, or 279.

SECTION 26. 20.005 (3) (schedule) of the statutes: at the appropriate place,
insert the following amounts for the purposes indicated:
20.147 Catastrophic Care Authority

(1) Initial and operating costs

(a) Establishment and operation  GPR  C  500,000  500,000

SECTION 27. 20.147 of the statutes is created to read:

20.147 Catastrophic Care Authority. There is appropriated to the Catastrophic Care Authority for the following program:

(1) Initial and operating costs. (a) Establishment and operation. As a continuing appropriation, the amounts in the schedule for the establishment of the Catastrophic Care Authority and for its operating costs.

SECTION 28. 40.02 (54) (k) of the statutes is created to read:

40.02 (54) (k) The Catastrophic Care Authority.

SECTION 29. 70.11 (41p) of the statutes is created to read:

70.11 (41p) Catastrophic Care Authority. All property owned by the Catastrophic Care Authority, provided that use of the property is primarily related to the purposes of the authority.

SECTION 30. 71.26 (1) (be) of the statutes is amended to read:

71.26 (1) (be) Certain authorities. Income of the University of Wisconsin Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan Authority, of the Catastrophic Care Authority, and of the Fox River Navigational System Authority, and of the Wisconsin Aerospace Authority.

SECTION 31. 77.54 (9a) (a) of the statutes is amended to read:

77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Health
Insurance Risk-Sharing Plan Authority, the Catastrophic Care Authority, and the Fox River Navigational System Authority.

**SECTION 32.** 100.45 (1) (dm) of the statutes is amended to read:

100.45 (1) (dm) "State agency" means any office, department, agency, institution of higher education, association, society or other body in state government created or authorized to be created by the constitution or any law which is entitled to expend moneys appropriated by law, including the legislature and the courts, the Wisconsin Housing and Economic Development Authority, the Bradley Center Sports and Entertainment Corporation, the University of Wisconsin Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities Authority, the Wisconsin Aerospace Authority, and the Fox River Navigational System Authority, and the Catastrophic Care Authority.

**SECTION 33.** 101.177 (1) (d) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

101.177 (1) (d) "State agency" means any office, department, agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, that is entitled to expend moneys appropriated by law, including the legislature and the courts, the Wisconsin Housing and Economic Development Authority, the Bradley Center Sports and Entertainment Corporation, the University of Wisconsin Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, and the Wisconsin Health and Educational Facilities Authority, and the Catastrophic Care Authority, but excluding the Health Insurance Risk-Sharing Plan Authority and the Lower Fox River Remediation Authority.
SECTION 34. 230.03 (3) of the statutes, as affected by 2007 Wisconsin Act 20, is amended to read:

230.03 (3) “Agency” means any board, commission, committee, council, or department in state government or a unit thereof created by the constitution or statutes if such board, commission, committee, council, department, unit, or the head thereof, is authorized to appoint subordinate staff by the constitution or statute, except a legislative or judicial board, commission, committee, council, department, or unit thereof or an authority created under subch. II of ch. 114 or subch. III of ch. 149 or under ch. 231, 232, 233, 234, 235, 237, or 238. “Agency” does not mean any local unit of government or body within one or more local units of government that is created by law or by action of one or more local units of government.

SECTION 35. Chapter 238 of the statutes is created to read:

CHAPTER 238

CATASTROPHIC CARE AUTHORITY

238.01 Definitions. In this chapter:

(1) “Authority” means the Catastrophic Care Authority.

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

(3) “Health benefit purchasing cooperative” means a cooperative under s. 185.99.

(4) “Small group market” has the meaning given in s. 632.745 (26).

238.05 Creation and organization of authority. (1) There is created a public body corporate and politic to be known as the “Catastrophic Care 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 13 members, who shall serve 4-year terms:

(a) One majority party senator appointed by the senate majority leader.
(b) One minority party senator appointed by the senate minority leader.
(c) One majority party representative to the assembly appointed by the speaker of the assembly.
(d) One minority party representative to the assembly appointed by the assembly minority leader.
(e) Nine nominees of the governor, appointed with the advice and consent of the senate, consisting of all of the following:

1. One health care provider.
2. One representative of a Wisconsin health insurance company that offers coverage in the small group market.
3. One representative of a Wisconsin small employer.
4. One representative of Wisconsin labor unions.
5. One representative of health benefit purchasing cooperatives.
6. Four other members who represent the public interest.

(2) Each member of the board shall hold office until a successor is appointed and qualified unless the member vacates or is removed from his or her office. A member who serves as a result of holding another office or position vacates his or her office as a member when he or she vacates the other office or position. A member who ceases to qualify for office vacates his or her office. 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.
(3) Annually, the governor shall appoint one member as chairperson, and the members of the board may elect other officers as they consider appropriate.

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

(5) A majority of the members of the board constitutes a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, notwithstanding the existence of any vacancies. Action may be taken by the board upon a vote of a majority of the members present. Meetings of the members of the board may be held anywhere within or without the state.

(6) A member of the board may not be compensated for his or her services but shall be reimbursed for actual and necessary expenses incurred in the performance of his or her duties, including travel expenses, subject to uniform travel schedule amounts approved under s. 20.916 (8).
(7) No cause of action may arise against and no civil liability may be imposed upon a member or executive director of the authority for any act or omission in the performance of his or her powers and duties under this chapter, unless the person asserting liability proves that the act or omission constitutes willful misconduct.

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

(a) Adopt, amend, and repeal bylaws and policies and procedures for the regulation of its affairs and the conduct of its business.

(b) Have a seal and alter the seal at pleasure.

(c) Maintain an office.

(d) Sue and be sued.

(e) Accept gifts, grants, loans, or other contributions from private or public sources.

(f) Establish the authority’s annual budget and monitor the fiscal management of the authority.

(g) Execute contracts and other instruments, including contracts for any professional services required for the authority.

(h) Employ any officers, agents, and employees that it may require and determine their qualifications and compensation.

(i) Procure liability insurance.

(2) The authority may not issue bonds.

238.15 Catastrophic health care reinsurance program. (1) In addition to all other duties under this chapter, the authority shall do all of the following:
(a) Study options and develop recommendations for implementing a reinsurance program to provide reinsurance to groups or individuals, or both, in this state for catastrophic claims under group or individual, or both, health insurance policies.

(b) No later than September 15, 2009, submit to the secretary of administration a report with its recommendations for implementing a reinsurance program described in par. (a).

(c) Develop and administer a reinsurance program in accordance with any legislation enacted that requires or authorizes the authority to do so.

(2) (a) In developing its recommendations for a reinsurance program under sub. (1), the authority shall do all of the following:

1. Develop guidelines for defining high-cost claims and attachment points.
2. Set premiums to be paid for the reinsurance coverage, based on the number of covered lives included in the reinsurance pool.
3. Set coinsurance rates for claims paid.
4. Design all other program features.

(b) The authority may do all of the following:

1. Consider the impact of, and make recommendations to the governor on, allowing health benefit purchasing cooperatives to participate in a reinsurance program implemental under this section.
2. Evaluate the challenges faced by American Indian tribes and bands in this state and other sectors of the group health insurance market and make recommendations to the governor on proposals to reduce health insurance premiums for the tribes and bands and other sectors.
3. Explore other ways to lower health care costs and to increase access to and
improve the quality of health care, including considering options for comprehensive
health care reform.

(3) The authority may contract with a vendor to administer any reinsurance
program implemented under this section, including the performance of such
responsibilities as estimating reinsurance premiums, paying claims, customer
service, and day-to-day administration.

238.20 Annual evaluations. Annually, after implementation of any
reinsurance program under this section, the authority shall contract with an
independent entity to conduct an evaluation of the program and a financial audit of
the most recent fiscal year ending before the audit. The program evaluation shall
include a review of best practices that may impact appropriate use of health care and
disease management. The authority shall make any necessary adjustments or
improvements if, as a result of the evaluation or audit, problems or deficiencies are
determined to exist. After each evaluation and audit, the authority shall explore the
feasibility of expanding the program to cover more state residents. The authority
shall submit to the governor a report of the results of each evaluation and audit no
later than January 1 of the year beginning after the year in which the evaluation and
audit are conducted.

SECTION 36. 285.59 (1) (b) of the statutes is amended to read:

285.59 (1) (b) “State agency” means any office, department, agency, institution
of higher education, association, society, or other body in state government created
or authorized to be created by the constitution or any law which that is entitled to
expend moneys appropriated by law, including the legislature and the courts, the
Wisconsin Housing and Economic Development Authority, the Bradley Center
Sports and Entertainment Corporation, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, and the Wisconsin Health and Educational Facilities Authority, and the Catastrophic Care Authority.

**SECTION 37. Nonstatutory provisions.**

(1) **Initial terms of board members.** Notwithstanding the lengths of terms of the members of the board of directors of the Catastrophic Care Authority specified in section 238.05 (1) (intro.) of the statutes, as created by this act, the initial members shall be appointed for the following terms:

(a) The 4 members specified under section 238.05 (1) (a) to (d) of the statutes, as created by this act, for terms that expire on July 1, 2010.

(b) Four members specified under section 238.05 (1) (e) of the statutes, as created by this act, for terms that expire on July 1, 2011.

(c) Five members specified under section 238.05 (1) (e) of the statutes, as created by this act, for terms that expire on July 1, 2012.

(2) **Provisional appointments of board members.** Notwithstanding the requirement for senate confirmation of the appointment of the members of the board of directors of the Catastrophic Care Authority under section 238.05 (1) (e) of the statutes, as created by this act, the initial members may be provisionally appointed by the governor, subject to confirmation by the senate. Any such appointment shall be in full force until acted upon by the senate, and when confirmed by the senate shall continue for the remainder of the term, or until a successor is chosen and qualifies. A provisional appointee may exercise all of the powers and duties of the office to which such person is appointed during the time in which the appointee qualifies. Any appointment made under this subsection that is withdrawn or rejected by the
senate shall lapse. When a provisional appointment lapses, a vacancy occurs. Whenever a new legislature is organized, any appointments then pending before the senate shall be referred by the president to the appropriate standing committee of the newly organized senate.

(END)