



State of Wisconsin
2011 - 2012 LEGISLATURE



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1 AN ACT *to amend* 1.12 (1) (b), 13.172 (1), 13.62 (2), 13.95 (intro.), 16.002 (2),
2 16.004 (4), 16.004 (5), 16.004 (12) (a), 16.045 (1) (a), 16.15 (1) (ab), 16.41 (4),
3 16.417 (1) (a), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.70 (2), 16.72
4 (2) (e) (intro.), 16.72 (2) (f), 16.75 (1m), 16.75 (8) (a) 1., 16.75 (8) (a) 2., 16.75 (9),
5 16.765 (1), 16.765 (2), 16.765 (4), 16.765 (5), 16.765 (6), 16.765 (7) (intro.),
6 16.765 (7) (d), 16.765 (8), 16.85 (2), 16.865 (8), 25.50 (1) (d), 49.45 (2) (a) 3., 71.26
7 (1) (be), 77.54 (9a) (a), 101.055 (2) (a), 101.177 (1) (d), 230.03 (3), 230.80 (4),
8 230.90 (1) (c) and 635.18 (1); *to repeal and recreate* 16.417 (1) (a); and *to*
9 *create* 13.94 (1) (dj), 13.94 (1s) (c) 6., 40.02 (54) (n), 70.11 (41c) and chapter 636
10 of the statutes; **relating to:** the Badger Health Benefit Authority, health

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1 benefit exchange operation, granting rule-making authority, and providing a
2 penalty.

Analysis by the Legislative Reference Bureau***Badger Health Benefit Authority***

This bill creates the Badger Health Benefit Authority (authority) that is a public body corporate and politic that is created by state law but that is not a state agency. The authority is governed by a board of directors consisting of the commissioner of insurance (commissioner), the secretary of employee trust funds, the director of the state Medical Assistance program, the executive director of the Health Insurance Risk-Sharing Plan Authority, and the following members who are nominated by the governor, and with the advice and consent of the senate appointed, for three-year terms: a member in good-standing of the American Academy of Actuaries, a health economist, an employee benefits specialist, a representative of small employers, a representative of an organization that represents consumer interests, a representative of organized labor, and an individual with experience in health care administration. The chairperson of the board is the commissioner. The board must appoint an executive director of the authority. The executive director must, among other duties, supervise the administrative affairs and general management and operation of the authority, employ professional and clerical staff, as necessary, and prepare the authority's annual budget.

The authority is not a state agency, so numerous laws that apply to state agencies do not apply to the authority. However, the authority is treated like a state agency in the following ways, among others: it is subject to auditing by the Legislative Audit Bureau; it is subject to open meeting and open records laws; and it is exempt from property tax, income tax, and sales and uses taxes. The authority has powers, including adopting bylaws and policies and procedures for the regulation of its affairs and conduct of its business; hiring employees; incurring debt; suing and being sued in its own name; and executing contracts. The bill establishes a process that the authority must use when it contracts for professional services. Under the bill, the authority is subject to civil liability for its acts or omissions except that the maximum amount recoverable in a civil action against the authority is \$100,000. However, a member of the authority's board of directors, the authority's executive director, or an authority employee is exempt from civil liability unless the member, director, or employee acted with willful misconduct or in intentional violation of the law. The bill also imposes restrictions on board members and the authority's executive director pertaining to conflicts of interest and requires board members and the executive director to file financial disclosures.

Health benefit exchange

Under the bill, the authority must establish and operate a Wisconsin Health Benefit Exchange in this state, must make qualified health plans, with effective dates on or before January 1, 2014, available to qualified individuals and qualified employers, and must seek federal grants and other funding for the purpose of the

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exchange. A qualified health plan is defined in the bill, generally, as a health benefit plan that covers the costs of health care services and that meets the certification criteria described in the federal Patient Protection and Affordable Care Act (PPACA). A qualified individual is defined in the bill, generally, as a citizen or national of the United States, or an alien lawfully present in the United States, who is not imprisoned in a correctional facility and who resides in this state. A qualified employer is defined in the bill, generally, as an employer with not more than 100 employees (small employer) that either: 1) has its principal place of business in this state and elects to provide coverage to all of its eligible employees, wherever employed, through the small business health options program component of the exchange (SHOP Exchange) established by the authority or 2) elects to provide coverage through the SHOP Exchange to all of its eligible employees who are principally employed in this state.

Only health benefit plans that are certified by the authority as qualified health plans may be offered through the exchange. To be certified as a qualified health plan, a health benefit plan must provide the essential health benefits package described in PPACA, its premium rates and contract language must have been filed with and not disapproved by the commissioner of insurance (commissioner), it must provide at least a bronze level of coverage, as determined by the authority in accordance with criteria developed by the secretary of the federal Department of Health and Human Services (federal secretary), its cost-sharing must not exceed limits established in PPACA, the insurer offering it must meet specified criteria, and the authority must determine that making the plan available through the exchange is in the interest of qualified individuals and qualified employers in this state.

The authority must assign a rating to, and determine the level of coverage of, each qualified health plan offered through the exchange. The levels of coverage under PPACA are bronze, silver, gold, and platinum, and are based on what percentage of the full actuarial value of the benefits provided under the plan the benefits under the plan provides. An eligible employee of a qualified employer that provides coverage through the SHOP Exchange may enroll in any qualified health plan offered through the SHOP Exchange at the level of coverage specified by his or her employer.

After the exchange begins operating, ^{Comma 5 to 5} no insurer may offer or issue health benefit plan coverage in this state to an individual or a small employer except through the exchange. Although any insurer that is authorized to do business in this state in one or more lines of insurance that includes health insurance may offer qualified health plans through the exchange, a health benefit plan may not be certified as a qualified health plan unless the insurer that offers it, among other things, is in good standing, charges the same premium for the plan through the exchange and outside of the exchange, offers through the exchange at least one qualified health plan in each of the silver and gold levels of coverage, and complies with regulations of the federal secretary and any other requirements established by the authority. In addition, any insurer that seeks certification of a health benefit plan as a qualified health plan must provide a justification for any premium increase; must make specified information available to the public, such as data on enrollment

regardless of whether it is offered directly by the insurer or through an insurance intermediary

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and on the number of claims denied, claims payment policies and practices, and financial disclosures; and must permit individuals enrolled in the plan to learn the amount that an individual would be responsible for paying toward the cost of a specific item or service.

An insurer that offers coverage through the exchange must establish a toll-free hotline for providing information to enrollees and must pay a commission, determined by the authority, to an insurance intermediary who enrolls a qualified individual or employees of a qualified employer in a qualified health plan offered by the insurer through the exchange. For determining premiums, an insurer that offers coverage through the exchange may pool together all individuals and employees with coverage under all of the plans issued by the insurer through the exchange. To pay administrative expenses of the exchange, the authority may impose on each insurer offering plans through the exchange a surcharge that is based on the insurer's total premium or flat dollar amount per enrollee collected through the exchange.

The bill sets out numerous responsibilities for the authority with respect to the exchange. In addition to the administrative duties related to certifying and rating health benefit plans and enrolling qualified individuals and qualified employers, the authority must provide for the operation of a toll-free telephone hotline to respond to requests for assistance; establish an appeals process; establish and operate a service center to provide information; publicize the exchange; maintain a Web site with comparative information about qualified health plans; screen applicants for eligibility for Medical Assistance (MA) and, if eligible, assist them to enroll in MA; select, and award grants to, entities to serve as navigators for conducting public education activities and distributing information about, and facilitating enrollment in, qualified health plans; review the rate of premium growth within the exchange and outside of the exchange; and develop recommendations on whether qualified employers should be limited to small employers. The authority may establish risk adjustment mechanisms for the exchange, contract with a third-party administrator for services on behalf of the exchange, and establish sub-exchanges or other exchanges provided for under federal law. The authority must keep an accounting of all exchange-related activities and receipts and expenditures and annually submit a report of the accounting to the federal secretary, the governor, the commissioner, and the legislature.

The commissioner may promulgate rules related to the implementation of the exchange and must develop a standard application form for use in the exchange.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

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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.** 1.12 (1) (b) of the statutes, as affected by 2011 Wisconsin Act 7, is
2 amended to read:

3 1.12 (1) (b) “State agency” means an office, department, agency, institution of
4 higher education, the legislature, a legislative service agency, the courts, a judicial
5 branch agency, an association, society, or other body in state government that is
6 created or authorized to be created by the constitution or by law, for which
7 appropriations are made by law, excluding the Health Insurance Risk-Sharing Plan
8 Authority, the Badger Health Benefit Authority, and the Wisconsin Economic
9 Development Corporation.

10 **SECTION 2.** 13.172 (1) of the statutes, as affected by 2011 Wisconsin Act 10, is
11 amended to read:

12 13.172 (1) In this section, “agency” means an office, department, agency,
13 institution of higher education, association, society, or other body in state
14 government created or authorized to be created by the constitution or any law, that
15 is entitled to expend moneys appropriated by law, including the legislature and the
16 courts, and any authority created in subch. II of ch. 114 ~~or~~, subch. III of ch. 149, or
17 subch. III of ch. 636 or in ch. 231, 233, 234, 238, or 279.

18 **SECTION 3.** 13.62 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is
19 amended to read:

20 13.62 (2) “Agency” means any board, commission, department, office, society,
21 institution of higher education, council, or committee in the state government, or any

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1 authority created in subch. II of ch. 114 or, subch. III of ch. 149, or subch. III of ch.
2 636 or in ch. 231, 232, 233, 234, 237, 238, or 279, except that the term does not include
3 a council or committee of the legislature.

4 **SECTION 4.** 13.94 (1) (dj) of the statutes is created to read:

5 13.94 (1) (dj) At least once every 2 years, perform a financial audit and
6 performance evaluation audit of any health benefit plan exchange under subch. II
7 of ch. 636 and an audit of the Badger Health Benefit Authority's policies and
8 management practices and file copies of each audit report under this paragraph with
9 the distributees specified in par. (b).

10 **SECTION 5.** 13.94 (1s) (c) 6. of the statutes is created to read:

11 13.94 (1s) (c) 6. The Badger Health Benefit Authority for the cost of the audit
12 under sub. (1) (dj).

13 **SECTION 6.** 13.95 (intro.) of the statutes, as affected by 2011 Wisconsin Act 10,
14 is amended to read:

15 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be
16 known as the "Legislative Fiscal Bureau" headed by a director. The fiscal bureau
17 shall be strictly nonpartisan and shall at all times observe the confidential nature
18 of the research requests received by it; however, with the prior approval of the
19 requester in each instance, the bureau may duplicate the results of its research for
20 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's
21 designated employees shall at all times, with or without notice, have access to all
22 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
23 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,
24 the Badger Health Benefit Authority, the Lower Fox River Remediation Authority,
25 the Wisconsin Economic Development Corporation, and the Fox River Navigational

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1 System Authority, and to any books, records, or other documents maintained by such
2 agencies or authorities and relating to their expenditures, revenues, operations, and
3 structure.

4 **SECTION 7.** 16.002 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is
5 amended to read:

6 16.002 (2) "Departments" means constitutional offices, departments, and
7 independent agencies and includes all societies, associations, and other agencies of
8 state government for which appropriations are made by law, but not including
9 authorities an authority created in subch. II of ch. 114 or subch. III of ch. 149 or
10 subch. III of ch. 636 or in ch. 231, 232, 233, 234, 235, 237, 238, or 279.

11 **SECTION 8.** 16.004 (4) of the statutes, as affected by 2011 Wisconsin Act 10, is
12 amended to read:

13 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the
14 department as the secretary designates may enter into the offices of state agencies
15 and authorities created under subch. II of ch. 114 and subch. III of ch. 149 and subch.
16 III of ch. 636 and under chs. 231, 233, 234, 237, 238, and 279, and may examine their
17 books and accounts and any other matter that in the secretary's judgment should be
18 examined and may interrogate the agency's employees publicly or privately relative
19 thereto.

20 **SECTION 9.** 16.004 (5) of the statutes, as affected by 2011 Wisconsin Act 10, is
21 amended to read:

22 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
23 authorities created under subch. II of ch. 114 and subch. III of ch. 149 and subch. III
24 of ch. 636 and under chs. 231, 233, 234, 237, 238, and 279, and their officers and

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1 employees, shall cooperate with the secretary and shall comply with every request
2 of the secretary relating to his or her functions.

3 **SECTION 10.** 16.004 (12) (a) of the statutes, as affected by 2011 Wisconsin Act
4 10, is amended to read:

5 16.004 (12) (a) In this subsection, “state agency” means an association,
6 authority, board, department, commission, independent agency, institution, office,
7 society, or other body in state government created or authorized to be created by the
8 constitution or any law, including the legislature, the office of the governor, and the
9 courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,
10 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan
11 Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic
12 Development Corporation, the Badger Health Benefit Authority, and the Fox River
13 Navigational System Authority.

14 **SECTION 11.** 16.045 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 10,
15 is amended to read:

16 16.045 (1) (a) “Agency” means an office, department, independent agency,
17 institution of higher education, association, society, or other body in state
18 government created or authorized to be created by the constitution or any law, that
19 is entitled to expend moneys appropriated by law, including the legislature and the
20 courts, but not including an authority created in subch. II of ch. 114 ~~or~~, subch. III of
21 ch. 149, or subch. III of ch. 636 or in ch. 231, 232, 233, 234, 235, 237, 238, or 279.

22 **SECTION 12.** 16.15 (1) (ab) of the statutes, as affected by 2011 Wisconsin Act 10,
23 is amended to read:

24 16.15 (1) (ab) “Authority” has the meaning given under s. 16.70 (2), but
25 excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox

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1 River Remediation Authority, the Wisconsin Economic Development Corporation,
2 the Badger Health Benefit Authority, and the Health Insurance Risk-Sharing Plan
3 Authority.

4 **SECTION 13.** 16.41 (4) of the statutes, as affected by 2011 Wisconsin Act 10, is
5 amended to read:

6 16.41 (4) In this section, “authority” means a body created under subch. II of
7 ch. 114 ~~or~~, subch. III of ch. 149, or subch. III of ch. 636 or under ch. 231, 233, 234, 237,
8 238, or 279.

9 **SECTION 14.** 16.417 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 7,
10 section 19, is amended to read:

11 16.417 (1) (a) “Agency” means an office, department, independent agency,
12 institution of higher education, association, society, or other body in state
13 government created or authorized to be created by the constitution or any law, that
14 is entitled to expend moneys appropriated by law, including the legislature and the
15 courts, but not including an authority or the body created under subch. III of ch. 149
16 or subch. III of ch. 636 or under ch. 238.

17 **SECTION 15.** 16.417 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 7,
18 section 20, and 2011 Wisconsin Acts 32 and (this act), is repealed and recreated
19 to read:

20 16.417 (1) (a) “Agency” means an office, department, independent agency,
21 institution of higher education, association, society, or other body in state
22 government created or authorized to be created by the constitution or any law, that
23 is entitled to expend moneys appropriated by law, including the legislature and the
24 courts, but not including an authority or the body created under subch. III of ch. 149
25 or subch. III of ch. 636.

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1 **SECTION 16.** 16.52 (7) of the statutes, as affected by 2011 Wisconsin Act 10, is
2 amended to read:

3 **16.52 (7) PETTY CASH ACCOUNT.** With the approval of the secretary, each agency
4 that is authorized to maintain a contingent fund under s. 20.920 may establish a
5 petty cash account from its contingent fund. The procedure for operation and
6 maintenance of petty cash accounts and the character of expenditures therefrom
7 shall be prescribed by the secretary. In this subsection, “agency” means an office,
8 department, independent agency, institution of higher education, association,
9 society, or other body in state government created or authorized to be created by the
10 constitution or any law, that is entitled to expend moneys appropriated by law,
11 including the legislature and the courts, but not including an authority created in
12 subch. II of ch. 114 or, subch. III of ch. 149, or subch. III of ch. 636 or in ch. 231, 233,
13 234, 237, 238, or 279.

14 **SECTION 17.** 16.528 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 10,
15 is amended to read:

16 **16.528 (1) (a)** “Agency” means an office, department, independent agency,
17 institution of higher education, association, society, or other body in state
18 government created or authorized to be created by the constitution or any law, that
19 is entitled to expend moneys appropriated by law, including the legislature and the
20 courts, but not including an authority created in subch. II of ch. 114 or, subch. III of
21 ch. 149, or subch. III of ch. 636 or in ch. 231, 233, 234, 237, 238, or 279.

22 **SECTION 18.** 16.53 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is
23 amended to read:

24 **16.53 (2) IMPROPER INVOICES.** If an agency receives an improperly completed
25 invoice, the agency shall notify the sender of the invoice within 10 working days after

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1 it receives the invoice of the reason it is improperly completed. In this subsection,
2 “agency” means an office, department, independent agency, institution of higher
3 education, association, society, or other body in state government created or
4 authorized to be created by the constitution or any law, that is entitled to expend
5 moneys appropriated by law, including the legislature and the courts, but not
6 including an authority created in subch. II of ch. 114 ~~or~~, subch. III of ch. 149, or subch.
7 III of ch. 636 or in ch. 231, 233, 234, 237, 238, or 279.

8 **SECTION 19.** 16.54 (9) (a) 1. of the statutes, as affected by 2011 Wisconsin Act
9 10, is amended to read:

10 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,
11 institution of higher education, association, society or other body in state
12 government created or authorized to be created by the constitution or any law, which
13 is entitled to expend moneys appropriated by law, including the legislature and the
14 courts, but not including an authority created in subch. II of ch. 114 ~~or~~, subch. III of
15 ch. 149, or subch. III of ch. 636 or in ch. 231, 233, 234, 237, 238, or 279.

16 **SECTION 20.** 16.70 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is
17 amended to read:

18 16.70 (2) “Authority” means a body created under subch. II of ch. 114 ~~or~~, subch.
19 III of ch. 149, or subch. III of ch. 636 or under ch. 231, 232, 233, 234, 235, 237, or 279.

20 **SECTION 21.** 16.72 (2) (e) (intro.) of the statutes is amended to read:

21 16.72 (2) (e) (intro.) In writing the specifications under this subsection, the
22 department and any other designated purchasing agent under s. 16.71 (1) shall
23 incorporate requirements for the purchase of products made from recycled materials
24 and recovered materials if their use is technically and economically feasible. Each
25 authority other than the University of Wisconsin Hospitals and Clinics Authority,

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1 the Lower Fox River Remediation Authority, the Badger Health Benefit Authority,
2 and the Health Insurance Risk-Sharing Plan Authority, in writing specifications for
3 purchasing by the authority, shall incorporate requirements for the purchase of
4 products made from recycled materials and recovered materials if their use is
5 technically and economically feasible. The specifications shall include requirements
6 for the purchase of the following materials:

7 **SECTION 22.** 16.72 (2) (f) of the statutes is amended to read:

8 16.72 (2) (f) In writing specifications under this subsection, the department,
9 any other designated purchasing agent under s. 16.71 (1), and each authority other
10 than the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
11 River Remediation Authority, the Badger Health Benefit Authority, and the Health
12 Insurance Risk-Sharing Plan Authority shall incorporate requirements relating to
13 the recyclability and ultimate disposition of products and, wherever possible, shall
14 write the specifications so as to minimize the amount of solid waste generated by the
15 state, consistent with the priorities established under s. 287.05 (12). All
16 specifications under this subsection shall discourage the purchase of single-use,
17 disposable products and require, whenever practical, the purchase of multiple-use,
18 durable products.

19 **SECTION 23.** 16.75 (1m) of the statutes is amended to read:

20 16.75 (1m) The department shall award each order or contract for materials,
21 supplies or equipment on the basis of life cycle cost estimates, whenever such action
22 is appropriate. Each authority other than the University of Wisconsin Hospitals and
23 Clinics Authority, the Lower Fox River Remediation Authority, the Wisconsin
24 Aerospace Authority, the Badger Health Benefit Authority, and the Health
25 Insurance Risk-Sharing Plan Authority shall award each order or contract for

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1 materials, supplies or equipment on the basis of life cycle cost estimates, whenever
2 such action is appropriate. The terms, conditions and evaluation criteria to be
3 applied shall be incorporated in the solicitation of bids or proposals. The life cycle
4 cost formula may include, but is not limited to, the applicable costs of energy
5 efficiency, acquisition and conversion, money, transportation, warehousing and
6 distribution, training, operation and maintenance and disposition or resale. The
7 department shall prepare documents containing technical guidance for the
8 development and use of life cycle cost estimates, and shall make the documents
9 available to local governmental units.

10 **SECTION 24.** 16.75 (8) (a) 1. of the statutes is amended to read:

11 16.75 (8) (a) 1. The department, any other designated purchasing agent under
12 s. 16.71 (1), any agency making purchases under s. 16.74, and each authority other
13 than the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
14 River Remediation Authority, the Badger Health Benefit Authority, and the Health
15 Insurance Risk-Sharing Plan Authority shall, to the extent practicable, make
16 purchasing selections using specifications developed under s. 16.72 (2) (e) to
17 maximize the purchase of materials utilizing recycled materials and recovered
18 materials.

19 **SECTION 25.** 16.75 (8) (a) 2. of the statutes is amended to read:

20 16.75 (8) (a) 2. Each agency and authority other than the University of
21 Wisconsin Hospitals and Clinics Authority, the Lower Fox River Remediation
22 Authority, the Badger Health Benefit Authority, and the Health Insurance
23 Risk-Sharing Plan Authority shall ensure that the average recycled or recovered
24 content of all paper purchased by the agency or authority measured as a proportion,

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1 by weight, of the fiber content of paper products purchased in a fiscal year, is not less
2 than 40% of all purchased paper.

3 **SECTION 26.** 16.75 (9) of the statutes is amended to read:

4 16.75 (9) The department, any other designated purchasing agent under s.
5 16.71 (1), any agency making purchases under s. 16.74, and any authority other than
6 the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox River
7 Remediation Authority, the Badger Health Benefit Authority, and the Health
8 Insurance Risk-Sharing Plan Authority shall, to the extent practicable, make
9 purchasing selections using specifications prepared under s. 16.72 (2) (f).

10 **SECTION 27.** 16.765 (1) of the statutes, as affected by 2011 Wisconsin Act 10,
11 is amended to read:

12 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and
13 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
14 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the
15 Badger Health Benefit Authority, the Lower Fox River Remediation Authority, the
16 Wisconsin Economic Development Corporation, and the Bradley Center Sports and
17 Entertainment Corporation shall include in all contracts executed by them a
18 provision obligating the contractor not to discriminate against any employee or
19 applicant for employment because of age, race, religion, color, handicap, sex, physical
20 condition, developmental disability as defined in s. 51.01 (5), sexual orientation as
21 defined in s. 111.32 (13m), or national origin and, except with respect to sexual
22 orientation, obligating the contractor to take affirmative action to ensure equal
23 employment opportunities.

24 **SECTION 28.** 16.765 (2) of the statutes, as affected by 2011 Wisconsin Act 10,
25 is amended to read:

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1 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
2 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
3 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the
4 Badger Health Benefit Authority, the Lower Fox River Remediation Authority, the
5 Wisconsin Economic Development Corporation, and the Bradley Center Sports and
6 Entertainment Corporation shall include the following provision in every contract
7 executed by them: “In connection with the performance of work under this contract,
8 the contractor agrees not to discriminate against any employee or applicant for
9 employment because of age, race, religion, color, handicap, sex, physical condition,
10 developmental disability as defined in s. 51.01 (5), sexual orientation or national
11 origin. This provision shall include, but not be limited to, the following: employment,
12 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
13 termination; rates of pay or other forms of compensation; and selection for training,
14 including apprenticeship. Except with respect to sexual orientation, the contractor
15 further agrees to take affirmative action to ensure equal employment opportunities.
16 The contractor agrees to post in conspicuous places, available for employees and
17 applicants for employment, notices to be provided by the contracting officer setting
18 forth the provisions of the nondiscrimination clause”.

19 **SECTION 29.** 16.765 (4) of the statutes, as affected by 2011 Wisconsin Act 10,
20 is amended to read:

21 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and
22 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
23 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the
24 Badger Health Benefit Authority, the Lower Fox River Remediation Authority, and

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1 the Bradley Center Sports and Entertainment Corporation shall take appropriate
2 action to revise the standard government contract forms under this section.

3 **SECTION 30.** 16.765 (5) of the statutes, as affected by 2011 Wisconsin Act 10,
4 is amended to read:

5 16.765 (5) The head of each contracting agency and the boards of directors of
6 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
7 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
8 Insurance Risk-Sharing Plan Authority, the Badger Health Benefit Authority, the
9 Lower Fox River Remediation Authority, the Wisconsin Economic Development
10 Corporation, and the Bradley Center Sports and Entertainment Corporation shall
11 be primarily responsible for obtaining compliance by any contractor with the
12 nondiscrimination and affirmative action provisions prescribed by this section,
13 according to procedures recommended by the department. The department shall
14 make recommendations to the contracting agencies and the boards of directors of the
15 University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational
16 System Authority, the Wisconsin Aerospace Authority, the Health Insurance
17 Risk-Sharing Plan Authority, the Badger Health Benefit Authority, the Lower Fox
18 River Remediation Authority, the Wisconsin Economic Development Corporation,
19 and the Bradley Center Sports and Entertainment Corporation for improving and
20 making more effective the nondiscrimination and affirmative action provisions of
21 contracts. The department shall promulgate such rules as may be necessary for the
22 performance of its functions under this section.

23 **SECTION 31.** 16.765 (6) of the statutes, as affected by 2011 Wisconsin Act 10,
24 is amended to read:

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1 16.765 (6) The department may receive complaints of alleged violations of the
2 nondiscrimination provisions of such contracts. The department shall investigate
3 and determine whether a violation of this section has occurred. The department may
4 delegate this authority to the contracting agency, the University of Wisconsin
5 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
6 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,
7 the Badger Health Benefit Authority, the Lower Fox River Remediation Authority,
8 the Wisconsin Economic Development Corporation, or the Bradley Center Sports
9 and Entertainment Corporation for processing in accordance with the department's
10 procedures.

11 **SECTION 32.** 16.765 (7) (intro.) of the statutes, as affected by 2011 Wisconsin
12 Act 10, is amended to read:

13 16.765 (7) (intro.) When a violation of this section has been determined by the
14 department, the contracting agency, the University of Wisconsin Hospitals and
15 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
16 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the
17 Badger Health Benefit Authority, the Lower Fox River Remediation Authority, the
18 Wisconsin Economic Development Corporation, or the Bradley Center Sports and
19 Entertainment Corporation, the contracting agency, the University of Wisconsin
20 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
21 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,
22 the Badger Health Benefit Authority, the Lower Fox River Remediation Authority,
23 the Wisconsin Economic Development Corporation, or the Bradley Center Sports
24 and Entertainment Corporation shall:

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1 **SECTION 33.** 16.765 (7) (d) of the statutes, as affected by 2011 Wisconsin Act 10,
2 is amended to read:

3 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
4 further violations of this section and to report its corrective action to the contracting
5 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River
6 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
7 Insurance Risk-Sharing Plan Authority, the Badger Health Benefit Authority, the
8 Lower Fox River Remediation Authority, the Wisconsin Economic Development
9 Corporation, or the Bradley Center Sports and Entertainment Corporation.

10 **SECTION 34.** 16.765 (8) of the statutes, as affected by 2011 Wisconsin Act 10,
11 is amended to read:

12 16.765 (8) If further violations of this section are committed during the term
13 of the contract, the contracting agency, the Fox River Navigational System Authority,
14 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan
15 Authority, the Badger Health Benefit Authority, the Lower Fox River Remediation
16 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center
17 Sports and Entertainment Corporation may permit the violating party to complete
18 the contract, after complying with this section, but thereafter the contracting agency,
19 the Fox River Navigational System Authority, the Wisconsin Aerospace Authority,
20 the Health Insurance Risk-Sharing Plan Authority, the Badger Health Benefit
21 Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic
22 Development Corporation, or the Bradley Center Sports and Entertainment
23 Corporation shall request the department to place the name of the party on the
24 ineligible list for state contracts, or the contracting agency, the Fox River
25 Navigational System Authority, the Wisconsin Aerospace Authority, the Health

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1 Insurance Risk-Sharing Plan Authority, the Badger Health Benefit Authority, the
2 Lower Fox River Remediation Authority, the Wisconsin Economic Development
3 Corporation, or the Bradley Center Sports and Entertainment Corporation may
4 terminate the contract without liability for the uncompleted portion or any materials
5 or services purchased or paid for by the contracting party for use in completing the
6 contract.

7 **SECTION 35.** 16.85 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is
8 amended to read:

9 16.85 (2) To furnish engineering, architectural, project management, and other
10 building construction services whenever requisitions therefor are presented to the
11 department by any agency. The department may deposit moneys received from the
12 provision of these services in the account under s. 20.505 (1) (kc) or in the general
13 fund as general purpose revenue — earned. In this subsection, “agency” means an
14 office, department, independent agency, institution of higher education, association,
15 society, or other body in state government created or authorized to be created by the
16 constitution or any law, which is entitled to expend moneys appropriated by law,
17 including the legislature and the courts, but not including an authority created in
18 subch. II of ch. 114 or, subch. III of ch. 149, or subch. III of ch. 636 or in ch. 231, 233,
19 234, 237, 238, or 279.

20 **SECTION 36.** 16.865 (8) of the statutes, as affected by 2011 Wisconsin Act 10,
21 is amended to read:

22 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
23 proportionate share of the estimated costs attributable to programs administered by
24 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
25 may charge premiums to agencies to finance costs under this subsection and pay the

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1 costs from the appropriation on an actual basis. The department shall deposit all
2 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
3 Costs assessed under this subsection may include judgments, investigative and
4 adjustment fees, data processing and staff support costs, program administration
5 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
6 subsection, “agency” means an office, department, independent agency, institution
7 of higher education, association, society, or other body in state government created
8 or authorized to be created by the constitution or any law, that is entitled to expend
9 moneys appropriated by law, including the legislature and the courts, but not
10 including an authority created in subch. II of ch. 114 ~~or~~, subch. III of ch. 149, or subch.
11 III of ch. 636 or in ch. 231, 232, 233, 234, 235, 237, 238, or 279.

12 **SECTION 37.** 25.50 (1) (d) of the statutes is amended to read:

13 25.50 (1) (d) “Local government” means any county, town, village, city, power
14 district, sewerage district, drainage district, town sanitary district, public inland
15 lake protection and rehabilitation district, local professional baseball park district
16 created under subch. III of ch. 229, long-term care district under s. 46.2895, local
17 professional football stadium district created under subch. IV of ch. 229, local
18 cultural arts district created under subch. V of ch. 229, public library system, school
19 district or technical college district in this state, any commission, committee, board
20 or officer of any governmental subdivision of this state, any court of this state, other
21 than the court of appeals or the supreme court, or any authority created under s.
22 114.61, 149.41, 231.02, 233.02 ~~or~~, 234.02, or 636.70.

23 **SECTION 38.** 40.02 (54) (n) of the statutes is created to read:

24 40.02 (54) (n) The Badger Health Benefit Authority.

25 **SECTION 39.** 49.45 (2) (a) 3. of the statutes is amended to read:

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1 49.45 (2) (a) 3. ~~Determine~~ Subject to s. 636.30 (1) (o), determine the eligibility
2 of persons for medical assistance, rehabilitative, and social services under ss. 49.46,
3 49.468, 49.47, and 49.471 and rules and policies adopted by the department and may,
4 under a contract under s. 49.78 (2), delegate all, or any portion, of this function to the
5 county department under s. 46.215, 46.22, or 46.23 or a tribal governing body.

6 **SECTION 40.** 70.11 (41c) of the statutes is created to read:

7 70.11 (41c) BADGER HEALTH BENEFIT AUTHORITY. All property owned by the
8 Badger Health Benefit Authority, provided that the use of the property is primarily
9 related to the purposes of the authority.

10 **SECTION 41.** 71.26 (1) (be) of the statutes, as affected by 2011 Wisconsin Act 10,
11 is amended to read:

12 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin
13 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan
14 Authority, of the Badger Health Benefit Authority, of the Fox River Navigational
15 System Authority, of the Wisconsin Economic Development Corporation, and of the
16 Wisconsin Aerospace Authority.

17 **SECTION 42.** 77.54 (9a) (a) of the statutes, as affected by 2011 Wisconsin Act 10,
18 is amended to read:

19 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin
20 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Health
21 Insurance Risk-Sharing Plan Authority, the Badger Health Benefit Authority, the
22 Wisconsin Economic Development Corporation, and the Fox River Navigational
23 System Authority.

24 **SECTION 43.** 101.055 (2) (a) of the statutes is amended to read:

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1 101.055 (2) (a) “Agency” means an office, department, independent agency,
2 authority, institution, association, society, or other body in state government created
3 or authorized to be created by the constitution or any law, and includes the
4 legislature and the courts, but excludes the Health Insurance Risk-Sharing Plan
5 Authority and the Badger Health Benefit Authority.

6 **SECTION 44.** 101.177 (1) (d) of the statutes, as affected by 2011 Wisconsin Act
7 10, is amended to read:

8 101.177 (1) (d) “State agency” means any office, department, agency,
9 institution of higher education, association, society, or other body in state
10 government created or authorized to be created by the constitution or any law, that
11 is entitled to expend moneys appropriated by law, including the legislature and the
12 courts, the Wisconsin Housing and Economic Development Authority, the Bradley
13 Center Sports and Entertainment Corporation, the University of Wisconsin
14 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Wisconsin
15 Economic Development Corporation, and the Wisconsin Health and Educational
16 Facilities Authority, but excluding the Health Insurance Risk-Sharing Plan
17 Authority, the Badger Health Benefit Authority, and the Lower Fox River
18 Remediation Authority.

19 **SECTION 45.** 230.03 (3) of the statutes, as affected by 2011 Wisconsin Act 10,
20 is amended to read:

21 230.03 (3) “Agency” means any board, commission, committee, council, or
22 department in state government or a unit thereof created by the constitution or
23 statutes if such board, commission, committee, council, department, unit, or the
24 head thereof, is authorized to appoint subordinate staff by the constitution or
25 statute, except a legislative or judicial board, commission, committee, council,

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1 department, or unit thereof or an authority created under subch. II of ch. 114 or,
2 subch. III of ch. 149, or subch. III of ch. 636 or under ch. 231, 232, 233, 234, 235, 237,
3 238, or 279. "Agency" does not mean any local unit of government or body within one
4 or more local units of government that is created by law or by action of one or more
5 local units of government.

6 **SECTION 46.** 230.80 (4) of the statutes is amended to read:

7 230.80 (4) "Governmental unit" means any association, authority, board,
8 commission, department, independent agency, institution, office, society, or other
9 body in state government created or authorized to be created by the constitution or
10 any law, including the legislature, the office of the governor, and the courts, but
11 excluding the Health Insurance Risk-Sharing Plan Authority and the Badger
12 Health Benefit Authority. "Governmental unit" does not mean any political
13 subdivision of the state or body within one or more political subdivisions that is
14 created by law or by action of one or more political subdivisions.

15 **SECTION 47.** 230.90 (1) (c) of the statutes is amended to read:

16 230.90 (1) (c) "Governmental unit" means any association, authority, board,
17 commission, department, independent agency, institution, office, society or other
18 body in state government created or authorized to be created by the constitution or
19 any law, including the legislature, the office of the governor and the courts.
20 "Governmental unit" does not mean the University of Wisconsin Hospitals and
21 Clinics Authority, the Health Insurance Risk-Sharing Plan Authority, the Badger
22 Health Benefit Authority, or any political subdivision of the state or body within one
23 or more political subdivisions which is created by law or by action of one or more
24 political subdivisions.

25 **SECTION 48.** 635.18 (1) of the statutes is amended to read:

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- 1 4. Worker's compensation or similar insurance.
- 2 5. Automobile medical payment insurance.
- 3 6. Credit-only insurance.
- 4 7. Coverage for on-site medical clinics.
- 5 8. Other similar insurance coverage, specified in federal regulations issued
- 6 under P.L. 104-191, under which benefits for health care services are secondary or
- 7 incidental to other insurance benefits.

8 (c) "Health benefit plan" does not include any of the following benefits if they
9 are provided under a separate policy, certificate, or contract of insurance or otherwise
10 not an integral part of the plan:

- 11 1. Limited scope dental or vision benefits.
- 12 2. Benefits for long-term care, nursing home care, home health care,
13 community-based care, or any combination of those.
- 14 3. Other similar, limited benefits specified in federal regulations issued under
15 P.L. 104-191.

16 (d) "Health benefit plan" does not include any of the following benefits if the
17 benefits are provided under a separate policy, certificate, or contract of insurance,
18 there is no coordination between the provision of the benefits and any exclusion of
19 benefits under any group health plan maintained by the same plan sponsor, and the
20 benefits are paid with respect to an event without regard to whether benefits are
21 provided with respect to such an event under any group health plan maintained by
22 the same plan sponsor:

- 23 1. Coverage only for a specified disease or illness.
- 24 2. Hospital indemnity or other fixed indemnity insurance.

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1 (e) "Health benefit plan" does not include any of the following if offered as a
2 separate policy, certificate, or contract of insurance:

3 1. Medicare supplemental health insurance as defined under section 1882 (g)
4 (1) of the federal Social Security Act.

5 2. Coverage supplemental to the coverage provided under 10 USC ch. 55
6 (Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)).

7 3. Similar supplemental coverage provided to coverage under a group health
8 plan.

9 (5) "Health carrier" or "carrier" means an entity subject to the insurance laws
10 and rules of this state, or subject to the jurisdiction of the commissioner, that
11 contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse
12 any of the costs of health care services, including a sickness and accident insurance
13 company, a health maintenance organization, a nonprofit hospital and health service
14 corporation, or any other entity providing a plan of health insurance, health benefits,
15 or health services.

16 (5m) "Minimum essential coverage" has the meaning given in 26 USC 5000A
17 (f) (1).

18 (6) "Qualified dental plan" means a limited scope dental plan that has been
19 certified in accordance with s. 636.42 (5).

20 (7) "Qualified employer" means a small employer that elects to make its
21 full-time employees eligible for one or more qualified health plans offered through
22 the SHOP Exchange and, at the option of the employer, some or all of its part-time
23 employees, provided that the employer satisfies any of the following:

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1 (a) The employer has its principal place of business in this state and elects to
2 provide coverage through the SHOP Exchange to all of its eligible employees,
3 wherever employed.

4 (b) The employer elects to provide coverage through the SHOP Exchange to all
5 of its eligible employees who are principally employed in this state.

6 **(8)** “Qualified health plan” means a health benefit plan that has in effect a
7 certification that the plan meets the criteria for certification described in section
8 1311 (c) of the federal act and s. 636.42.

9 **(9)** “Qualified individual” means an individual, including a minor, who satisfies
10 all of the following:

11 (a) The individual is seeking to enroll in a qualified health plan offered to
12 individuals through the exchange under subch. II.

13 (b) The individual resides in this state.

14 (c) At the time of enrollment, the individual is not incarcerated in a correctional
15 facility, other than incarceration pending the disposition of charges.

16 (d) The individual is, and is reasonably expected to be for the entire period for
17 which enrollment is sought, a citizen or national of the United States or an alien
18 lawfully present in the United States.

19 **(10)** “Secretary” means the secretary of the federal department of health and
20 human services.

21 **(11)** “SHOP Exchange” means a small business health options program
22 established under s. 636.30 (1) (q).

23 **(12)** (a) “Small employer” means an employer that employed an average of not
24 more than 100 employees during the preceding calendar year.

25 (b) For purposes of this subsection, all of the following apply:

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1 1. All persons treated as a single employer under section 414 (b), (c), (m), or (o)
2 of the Internal Revenue Code shall be treated as a single employer.

3 2. An employer and any predecessor employer shall be treated as a single
4 employer.

5 3. All employees shall be counted, including part-time employees and
6 employees who are not eligible for coverage through the employer.

7 4. If an employer was not in existence during the entire preceding calendar
8 year, the determination of whether that employer is a small employer shall be based
9 on the average number of employees that it is reasonably expected that employer will
10 employ on business days in the current calendar year.

11 5. An employer that makes enrollment in qualified health plans available to
12 its employees through the SHOP Exchange and that would cease to be a small
13 employer by reason of an increase in the number of its employees shall continue to
14 be treated as a small employer for purposes of this chapter as long as it continuously
15 makes enrollment through the SHOP Exchange available to its employees.

SUBCHAPTER II

OPERATION OF EXCHANGE

16
17
18 **636.25 General matters.** (1) The authority shall establish and operate a
19 Wisconsin Health Benefit Exchange and shall make qualified health plans, with
20 effective dates on or before January 1, 2014, available to qualified individuals and
21 qualified employers.

22 (2) (a) The authority may not make available any health benefit plan that is
23 not a qualified health plan.

24 (b) The authority shall allow a health carrier to offer a plan that provides
25 limited scope dental benefits meeting the requirements of section 9832 (c) (2) (A) of

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1 the Internal Revenue Code through the exchange, either separately or in conjunction
2 with a qualified health plan, if the plan provides pediatric dental benefits meeting
3 the requirements of section 1302 (b) (1) (J) of the federal act.

4 (3) Neither the authority nor a carrier offering health benefit plans through
5 the exchange may charge an individual a fee or penalty for termination of coverage
6 if the individual enrolls in another type of minimum essential coverage because the
7 individual has become newly eligible for that coverage or because the individual's
8 employer-sponsored coverage has become affordable under the standards of section
9 36B (c) (2) (C) of the Internal Revenue Code.

10 (4) The authority may enter into information-sharing agreements with federal
11 and state agencies and entities operating exchanges in other states to carry out its
12 responsibilities under this chapter, provided that such agreements include adequate
13 protections with respect to the confidentiality of the information to be shared and
14 comply with all state and federal laws and rules and regulations.

15 **636.30 Exchange duties and powers.** (1) In addition to all other duties
16 imposed under this chapter, the authority shall do all of the following relating to the
17 exchange:

18 (a) Implement procedures for the certification, recertification, and
19 decertification, consistent with guidelines developed by the secretary under section
20 1311 (c) of the federal act and s. 636.42, of health benefit plans as qualified health
21 plans.

22 (b) Provide for the operation of a toll-free telephone hotline to respond to
23 requests for assistance.

24 (c) Provide for enrollment periods, as provided under section 1311 (c) (6) of the
25 federal act.

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1 (d) Maintain an Internet Web site through which enrollees and prospective
2 enrollees of qualified health plans may obtain standardized comparative
3 information on such plans.

4 (e) Assign a rating to each qualified health plan offered through the exchange
5 in accordance with the criteria developed by the secretary under section 1311 (c) (3)
6 of the federal act, and determine each qualified health plan's level of coverage in
7 accordance with regulations issued by the secretary under section 1302 (d) (2) (A) of
8 the federal act.

9 (f) Use a standardized format for presenting health benefit options in the
10 exchange, including the use of the uniform outline of coverage established under
11 section 2715 of the federal Public Health Service Act (42 USC 300gg-15).

12 (g) Establish quality improvement standards for health benefit plans offered
13 through the exchange.

14 (h) Establish a system for enrolling eligible groups and individuals, using a
15 standard application form developed by the commissioner under s. 636.46 (2).

16 (i) Establish procedures for collecting premiums and remitting premium
17 payments and providing enrollment information to health carriers.

18 (j) Establish, in consultation with the commissioner, the method for
19 determining the amount of the surcharge under s. 636.45 (1) and establish the
20 procedure for imposing and collecting the surcharge.

21 (k) Establish a plan for publicizing the exchange and the eligibility
22 requirements and enrollment procedures.

23 (L) Establish and operate a service center to provide information to small
24 employers, individuals, enrollees, and insurance intermediaries about the exchange.

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1 (m) Establish a mechanism for regular communication and cooperation with
2 insurance intermediaries.

3 (n) Establish an independent and binding appeals process for resolving
4 disputes over eligibility and other determinations made by the authority.

5 (o) In accordance with section 1413 of the federal act, inform individuals of
6 eligibility requirements for Medical Assistance under subch. IV of ch. 49 or any other
7 applicable state or local public program and if, through screening of the application
8 by the authority, the authority determines that any individual is eligible for any such
9 program, assist that individual to enroll in that program.

10 (p) Establish and make available by electronic means a calculator to determine
11 the actual cost of coverage after application of any premium tax credit under section
12 36B of the Internal Revenue Code and any cost-sharing reduction under section
13 1402 of the federal act.

14 (q) Establish a SHOP Exchange through which qualified employers may access
15 health care coverage for their employees and which shall enable any qualified
16 employer to specify the level of coverage at which its employees may enroll in any
17 qualified health plan offered through the SHOP Exchange.

18 (r) Perform duties required of the authority by the secretary or the federal
19 secretary of the treasury related to determining eligibility for premium tax credits,
20 reduced cost-sharing, or individual responsibility requirement exemptions.

21 (s) Select entities, which may include insurance intermediaries, that are
22 qualified to serve as navigators in accordance with section 1311 (i) of the federal act
23 and standards developed by the secretary, and award grants to enable navigators to
24 do all of the following:

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1 1. Conduct public education activities to raise awareness of the availability of
2 qualified health plans.

3 2. Distribute fair and impartial information concerning enrollment in qualified
4 health plans and concerning the availability of premium tax credits under section
5 36B of the Internal Revenue Code and cost-sharing reductions under section 1402
6 of the federal act.

7 3. Facilitate enrollment in qualified health plans.

8 4. Provide referrals to any applicable office of health insurance consumer
9 assistance or health insurance ombudsman established under section 2793 of the
10 federal Public Health Service Act (42 USC 300gg-93), or to any other appropriate
11 state agency or agencies, for any enrollee with a grievance, complaint, or question
12 regarding their health benefit plan, coverage, or determination under that plan or
13 coverage.

14 5. Provide information in a manner that is culturally and linguistically
15 appropriate to the needs of the population being served by the exchange.

16 (t) Assist in the coordination of any necessary administrative operations
17 between the department of corrections and the department of health services to
18 ensure all of the following:

19 1. That an individual, upon placement in a correctional facility, is disenrolled
20 for the duration of his or her incarceration from any health care coverage in which
21 he or she is enrolled.

22 2. That an individual who is incarcerated in a correctional facility, but
23 scheduled to be released from incarceration in the near future, is enrolled prior to
24 release, through the exchange and effective upon the date of his or her release, in

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1 Medical Assistance, a qualified health plan, or some other form of minimum
2 essential coverage on the date of his or her release from incarceration.

3 (u) For those persons whose alcohol or other drug abuse or mental health
4 treatment is not covered by a federally administered program, coordinate the
5 relationships among the Medical Assistance program, the exchange, and the county
6 departments under s. 51.42 or 51.437 to provide outpatient and inpatient mental
7 health and alcohol or other drug abuse treatment with all of the following goals for
8 the coordination:

9 1. Maximizing coverage and improving access through the exchange for
10 outpatient and inpatient treatment of mental illness and alcohol or other drug abuse.

11 2. Improving the quality of treatment for persons with alcohol or other drug
12 dependence or a mental illness.

13 3. Fully integrating the treatment for physical conditions, alcohol or other drug
14 abuse, and mental illness.

15 4. Reducing the cost of the county departments under ss. 51.42 and 51.437 to
16 taxpayers by avoiding unnecessary overlap between the improved coverage of
17 alcohol or other drug abuse treatment or mental illness treatment by health plans
18 offered through the exchange and the services provided by county departments
19 under s. 51.42 or 51.437.

20 (v) Review the rate of premium growth within the exchange and outside the
21 exchange, and consider the information in developing recommendations on whether
22 to continue limiting qualified employer status to small employers.

23 (w) Credit the amount of any free choice voucher to the monthly premium of
24 the plan in which a qualified employee is enrolled, in accordance with section 10108
25 of the federal act, and collect the amount credited from the offering employer.

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1 (x) Consult with stakeholders relevant to carrying out the activities required
2 under this chapter, including any of the following:

- 3 1. Educated health care consumers who are enrollees in qualified health plans.
- 4 2. Individuals and entities with experience in facilitating enrollment in
5 qualified health plans.
- 6 3. Representatives of small businesses and self-employed individuals.
- 7 4. The department of health services.
- 8 5. Advocates for enrolling hard-to-reach populations.

9 (y) Meet all of the following financial integrity requirements:

10 1. Keep an accurate accounting of all activities, receipts, and expenditures and
11 annually submit to the secretary, the governor, the commissioner, and the legislature
12 a report concerning such accountings.

13 2. Fully cooperate with any investigation conducted by the secretary under the
14 secretary's authority under the federal act and allow the secretary, in coordination
15 with the inspector general of the federal department of health and human services,
16 to do all of the following:

- 17 a. Investigate the affairs of the authority.
- 18 b. Examine the properties and records of the authority.
- 19 c. Require periodic reports in relation to the activities undertaken by the
20 authority.

21 3. In carrying out its activities under this chapter, not use any funds intended
22 for the administrative and operational expenses of the authority for staff retreats,
23 promotional giveaways, excessive executive compensation, or promotion of federal
24 or state legislative or regulatory modifications, except that this subdivision does not
25 prohibit the authority from advocating, as part of administering the exchange, for

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1 policies that the authority determines are in the best interest of the exchange or of
2 individuals and employees receiving coverage through the exchange.

3 (2) The authority may do all of the following relating to the exchange:

4 (a) Contract with a 3rd-party administrator for the provision of services on
5 behalf of the exchange.

6 (b) Establish risk adjustment mechanisms for the exchange.

7 (c) Enter into agreements with or establish sub-exchanges.

8 (d) Create any other exchange, or component of the exchange, that is provided
9 for under federal law.

10 (3) The authority shall seek grants to the fullest extent to which it is eligible,
11 including amounts under section 1311 (a) (1) and (4) of the federal act, or other
12 funding from the federal or state government for which it may be eligible and from
13 private foundations for the purpose of the exchange.

14 **636.42 Health benefit plan certification.** (1) The authority may certify a
15 health benefit plan as a qualified health plan if all of the following are true:

16 (a) The plan provides the essential health benefits package described in section
17 1302 (a) of the federal act, except that the plan is not required to provide essential
18 benefits that duplicate the minimum benefits of qualified dental plans, as provided
19 in sub. (5), if all of the following are satisfied:

20 1. The authority has determined that at least one qualified dental plan is
21 available to supplement the plan's coverage.

22 2. The carrier makes prominent disclosure at the time it offers the plan, in a
23 form approved by the authority, that the plan does not provide the full range of
24 essential pediatric benefits and that qualified dental plans providing those benefits
25 and other dental benefits not covered by the plan are offered through the exchange.

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1 (b) The premium rates and contract language have been filed with and not
2 disapproved by the commissioner.

3 (c) The plan provides at least a bronze level of coverage, as determined under
4 s. 636.30 (1) (e), unless the plan is certified as a qualified catastrophic plan, meets
5 the requirements of the federal act for catastrophic plans, and will only be offered to
6 individuals eligible for catastrophic coverage.

7 (d) The plan's cost-sharing requirements do not exceed the limits established
8 under section 1302 (c) (1) of the federal act and, if the plan is offered through the
9 SHOP Exchange, the plan's deductible does not exceed the limits established under
10 section 1302 (c) (2) of the federal act.

11 (e) The health carrier offering the plan satisfies all of the following:

12 1. Is licensed and in good standing to offer health insurance coverage in this
13 state.

14 2. Offers at least one qualified health plan in the silver level and at least one
15 qualified health plan in the gold level through each component of the exchange in
16 which the carrier participates. In this subdivision, "component" refers to the SHOP
17 Exchange and the exchange for individual coverage.

18 3. Charges the same premium rate for each qualified health plan without
19 regard to whether the plan is offered through the exchange or outside of the
20 exchange, and without regard to whether the plan is offered directly from the carrier
21 or through an insurance intermediary.

22 4. Does not charge any cancellation fees or penalties in violation of s. 636.25
23 (3).

24 5. Complies with the regulations developed by the secretary under section 1311
25 (d) of the federal act and such other requirements as the authority may establish.

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1 (f) The plan meets the requirements of certification as required by any rules
2 promulgated under s. 636.46 (1) and by the secretary under section 1311 (c) of the
3 federal act, including minimum standards in the areas of marketing practices,
4 network adequacy, essential community providers in underserved areas,
5 accreditation, quality improvement, uniform enrollment forms, and descriptions of
6 coverage and information on quality measures for health benefit plan performance.

7 (g) The authority determines that making the plan available through the
8 exchange is in the interest of qualified individuals and qualified employers in this
9 state.

10 (2) The authority shall not exclude a health benefit plan for any of the following
11 reasons or in any of the following ways:

12 (a) On the basis that the plan is a fee-for-service plan.

13 (b) Through the imposition of premium price controls by the authority.

14 (c) On the basis that the plan provides treatments necessary to prevent
15 patients' deaths in circumstances the authority determines are inappropriate or too
16 costly.

17 (3) The authority shall require each health carrier seeking certification of a
18 health benefit plan as a qualified health plan to do all of the following:

19 (a) Submit a justification for any premium increase before implementation of
20 that increase. The carrier shall prominently post the information on its Internet Web
21 site. The authority shall take this information, along with the information and the
22 recommendations provided to the authority by the commissioner under section 2794

23 (b) of the federal Public Health Service Act (42 USC 300gg-94 (b)), into consideration
24 when determining whether to allow the carrier to make the plan available through
25 the authority.

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1 (b) 1. Make available to the public, in the format described in subd. 2., and
2 submit to the authority, the secretary, and the commissioner, accurate and timely
3 disclosure of all of the following:

4 a. Claims payment policies and practices.

5 b. Periodic financial disclosures.

6 c. Data on enrollment.

7 d. Data on disenrollment.

8 e. Data on the number of claims that are denied.

9 f. Data on rating practices.

10 g. Information on cost-sharing and payments with respect to any
11 out-of-network coverage.

12 h. Information on enrollee and participant rights under title I of the federal act.

13 i. Other information as determined appropriate by the secretary.

14 2. The information required in subd. 1. shall be provided in plain language, as
15 that term is defined in section 1311 (è) (3) (B) of the federal act.

16 (c) Permit individuals to learn, in a timely manner upon the request of the
17 individual, the amount of cost-sharing, including deductibles, copayments, and
18 coinsurance, under the individual's plan or coverage that the individual would be
19 responsible for paying with respect to the furnishing of a specific item or service by
20 a participating provider. At a minimum, this information shall be made available
21 to the individual through an Internet Web site and through other means for
22 individuals without access to the Internet.

23 (4) The authority shall not exempt any health carrier seeking certification of
24 a health benefit plan as a qualified health plan, regardless of the type or size of the
25 carrier, from state licensure or solvency requirements and shall apply the criteria of

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1 this section in a manner that assures equitable treatment of all health carriers
2 participating in the exchange.

3 (5) (a) The provisions of this chapter that are applicable to qualified health
4 plans shall also apply to the extent relevant to qualified dental plans except as
5 modified in accordance with pars. (b), (c), and (d) or by regulations adopted by the
6 authority.

7 (b) The carrier shall be licensed to offer dental coverage, but need not be
8 licensed to offer other health benefits.

9 (c) The plan shall be limited to dental and oral health benefits, without
10 substantially duplicating the benefits typically offered by health benefit plans
11 without dental coverage and shall include, at a minimum, the essential pediatric
12 dental benefits prescribed by the secretary under section 1302 (b) (1) (J) of the federal
13 act, and such other dental benefits as the authority or the secretary may specify by
14 regulation.

15 (d) Carriers may jointly offer a comprehensive plan through the exchange in
16 which the dental benefits are provided by a carrier through a qualified dental plan
17 and the other benefits are provided by a carrier through a qualified health plan,
18 provided that the plans are priced separately and are also made available for
19 purchase separately at the same price.

20 **636.43 Insurer requirements.** (1) Any health carrier that is authorized to
21 do business in this state in one or more lines of insurance that includes health
22 insurance may offer health benefit plans through the exchange. After the exchange
23 becomes operational, no health carrier may offer or issue a health benefit plan in this
24 state to an individual or to a small employer except through the exchange.

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1 (2) For the purpose of determining premiums, a carrier may pool together all
2 individuals and employees who have coverage under all of the qualified health plans
3 issued by the carrier through the exchange.

4 (3) A carrier that offers qualified health plans through the exchange shall
5 establish a toll-free hotline for providing information to enrollees and other
6 individuals and shall furnish such reasonable reports as the authority determines
7 necessary for the administration of the exchange.

8 (4) The authority may audit any carrier that provides coverage under a
9 qualified health plan through the exchange for the purpose of ensuring that the
10 carrier is providing covered individuals with the benefits provided for under this
11 subchapter in a manner that does all of the following:

12 (a) Complies with the provisions of this chapter.

13 (b) Promotes positive health outcomes.

14 (c) Advances value-based and evidence-based medical practices.

15 (d) Avoids unnecessary operating and capital costs arising from inappropriate
16 utilization or inefficient delivery of health care services, unwarranted duplication of
17 services and infrastructure, or creation of excess care delivery capacity.

18 (e) Holds down the growth of health care costs.

19 **636.44 Intermediaries.** An insurance intermediary that enrolls a qualified
20 individual in a qualified health plan through the exchange shall be paid a
21 commission by the carrier offering the qualified health plan. An insurance
22 intermediary that enrolls the employees of a qualified employer in one or more
23 qualified health plans through the exchange shall be paid a commission by each
24 carrier offering a qualified health plan selected by an employee of the qualified
25 employer. The authority shall determine the commission amounts that must be paid

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1 to intermediaries under this section after considering information provided to the
2 commissioner under s. 628.81 with respect to health insurance.

3 **636.45 Funding; publication of costs.** (1) For payment of administrative
4 expenses, the authority may impose a surcharge on each health carrier offering
5 qualified health plans through the exchange. The surcharge shall be based on the
6 carrier's total premium or flat dollar amount per enrollee collected through the
7 exchange.

8 (2) The authority shall publish the average costs of licensing, regulatory fees,
9 and any other payments required by the authority, and the administrative costs of
10 the authority, on an Internet Web site to educate consumers on such costs. This
11 information shall include information on moneys lost to waste, fraud, and abuse.

12 **636.46 Rules; application form.** (1) The commissioner may promulgate
13 rules to implement the provisions of this chapter. Rules promulgated under this
14 section shall not conflict with or prevent the application of regulations promulgated
15 by the secretary under the federal act.

16 (2) The commissioner shall develop a standard application form for use in the
17 exchange.

18 **636.48 Relation to other laws.** Nothing in this chapter, and no action taken
19 by the authority under this chapter, shall be construed to preempt or supersede the
20 authority of the commissioner to regulate the business of insurance within this state.
21 Except as expressly provided to the contrary in this chapter, all health carriers
22 offering qualified health plans in this state shall comply fully with all applicable
23 health insurance laws of this state and rules promulgated and orders issued by the
24 commissioner.

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SUBCHAPTER III

BADGER HEALTH BENEFIT AUTHORITY

636.70 Creation and organization of authority. (1) There is created a public body corporate and politic to be known as the "Badger Health Benefit Authority." The board of directors of the authority shall consist of the commissioner, or his or her designee; the secretary of employee trust funds, or his or her designee; the person who is appointed by the secretary of health services to be the director of the Medical Assistance program, or his or her designee; the executive director, or his or her designee, of the Health Insurance Risk-Sharing Plan Authority, if that organization exists; the executive director, or his or her designee, of the Wisconsin Collaborative for Healthcare Quality, if that organization exists; the executive director, or his or her designee, of the the Wisconsin Health Information Organization, if that organization exists; and all of the following members, who shall be nominated by the governor, and with the advice and consent of the senate appointed for 3-year terms except as provided in sub. (2):

(a) A member in good standing of the American Academy of Actuaries.

(b) A health economist.

(c) An employee benefits specialist.

(d) A representative of small employers.

(e) A representative of an organization that represents consumer interests.

(f) A representative of organized labor.

(g) An individual with experience in health care administration.

(2) No member of the board appointed under sub. (1) (a) to (g) may be a health care provider, as defined in s. 146.81 (1) (a) to (hp); an employee of a health care

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1 provider, as defined in s. 146.81 (1) (i) to (p); an employee of an insurer that is
2 authorized to do business in the state; or an insurance intermediary.

3 (3) A vacancy on the board shall be filled in the same manner as the original
4 appointment to the board for the remainder of the unexpired term, if any.

5 (4) A member of the board shall receive no compensation for services under this
6 chapter but shall be reimbursed for actual and necessary expenses, including travel
7 expenses, incurred in the discharge of the member's duties under this chapter.

8 (5) The commissioner or the commissioner's designee shall be the chairperson
9 of the board. Seven members of the board constitute a quorum for the purpose of
10 conducting the business and exercising the powers of the authority, notwithstanding
11 the existence of any vacancy. The board may take action upon a vote of a majority
12 of the members present, unless the bylaws of the authority require a larger number.

13 (6) The board shall appoint an executive director who shall not be a member
14 of the board and who shall serve at the pleasure of the board. The executive director
15 shall receive compensation commensurate with the duties of the office, as
16 determined by the board. The executive director shall serve as secretary of the
17 authority and shall keep a record of the proceedings of the authority and shall be
18 custodian of all books, documents, and papers filed with the authority, the minute
19 book or journal of the authority, and its official seal. The executive director or other
20 person may cause copies to be made of all minutes and other records and documents
21 of the authority and may give certificates under the official seal of the authority to
22 the effect that such copies are true copies, and all persons dealing with the authority
23 may rely upon such certificates. The executive director shall have all of the following
24 duties:

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1 (a) Supervising the administrative affairs and the general management and
2 operation of the authority.

3 (b) Planning, directing, coordinating, and executing administrative functions
4 in conformity with the policies and directives of the board.

5 (c) Employing professional and clerical staff, as necessary.

6 (d) Reporting to the board on all operations under his or her control and
7 supervision.

8 (e) Preparing an annual budget and managing the administrative expenses of
9 the authority.

10 (f) Undertaking any activities necessary to implement the powers and duties
11 set forth in this chapter.

12 **636.72 Authority duties.** In addition to all other duties imposed under this
13 chapter, the authority shall do all of the following:

14 (1) Establish its annual budget and monitor its fiscal management.

15 (2) No later than two years after an exchange under subch. II begins operation,
16 and annually thereafter, submit a report to the legislature under s. 13.172 (2) and
17 to the governor on the operation of any exchange under subch. II, including a review
18 of all of the following:

19 (a) Progress toward the goals of the exchange.

20 (b) The operations and administration of the exchange.

21 (c) The types of health insurance plans available to eligible individuals and
22 groups and the percentage of the total exchange enrollees served by each plan.

23 (d) Surveys and reports on the insurers' experiences with different plans,
24 including aggregated data on enrollees, claims, statistics, complaint data, and
25 enrollee satisfaction data.

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1 (e) Significant observations regarding utilization and adoption of the
2 exchange.

3 (3) Annually submit to the governor and the legislative audit bureau a
4 statement of its activities and financial condition.

5 (4) Approve the use of any trademarks, seals, or logos by participating insurers
6 and small employers.

7 (5) Comply with the requirements of s. 16.413 as if the authority is a state
8 agency.

9 **636.74 Authority powers.** The authority has all of the powers necessary or
10 convenient to carry out its duties under this chapter, except that it may not acquire
11 or hold title to real estate or issue bonds. In addition, the authority may do any of
12 the following:

13 (1) Adopt bylaws and policies and procedures for the regulation of its affairs
14 and the conduct of its business.

15 (2) Have a seal and alter the seal at pleasure; have perpetual existence; and
16 maintain an office.

17 (3) Hire employees, define their duties, and fix their rate of compensation.

18 (4) Delegate by resolution to one or more of its members any powers and duties
19 that it considers proper.

20 (5) Incur debt.

21 (6) Appoint any technical or professional advisory committee that the
22 authority finds necessary to assist the authority in exercising its duties and powers.

23 If the authority appoints a committee, the authority shall define the duties of the
24 committee and provide reimbursement for the expenses of the committee.

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1 (7) Accept gifts, grants, loans, or other contributions from private or public
2 sources.

3 (8) Procure liability insurance.

4 (9) Sue and be sued in its own name and plead and be impleaded.

5 (10) Execute contracts and other instruments, including contracts for
6 professional or technical services required for the authority or the operation of an
7 exchange under subch. II.

8 **636.76 Contracting for professional services.** (1) Whenever contracting
9 for professional services, the authority shall solicit competitive sealed bids or
10 competitive sealed proposals, whichever is appropriate. Each request for
11 competitive sealed proposals shall state the relative importance of price and other
12 evaluation factors.

13 (2) (a) When the estimated cost exceeds \$25,000, the authority may invite
14 competitive sealed bids or proposals by publishing a class 2 notice under ch. 985 or
15 by posting notice on the Internet at a site determined or approved by the authority.
16 The notice shall describe the contractual services to be purchased, the intent to make
17 the procurement by solicitation of bids or proposals, any requirement for surety, and
18 the date the bids or proposals will be opened, which shall be at least 7 days after the
19 date of the last insertion of the notice or at least 7 days after the date of posting on
20 the Internet.

21 (b) When the estimated cost is \$25,000 or less, the authority may award the
22 contract in accordance with simplified procedures established by the authority for
23 such transactions.

24 (c) For purposes of clarification, the authority may discuss the requirements
25 of the proposed contract with any person who submits a bid or proposal and shall

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1 permit any offerer to revise his or her bid or proposal to ensure its responsiveness to
2 those requirements.

3 (3) (a) The authority shall determine which bids or proposals are reasonably
4 likely to be awarded the contract and shall provide each offerer of such a bid or
5 proposal a fair and equal opportunity to discuss the bid or proposal. The authority
6 may negotiate with each offerer in order to obtain terms that are advantageous to
7 the authority. Prior to the award of the contract, any offerer may revise his or her
8 bid or proposal. The authority shall keep a written record of all meetings,
9 conferences, oral presentations, discussions, negotiations, and evaluations of bids or
10 proposals under this section.

11 (b) In opening, discussing, and negotiating bids or proposals, the authority may
12 not disclose any information that would reveal the terms of a competing bid or
13 proposal.

14 (4) (a) After receiving each offerer's best and final offer, the authority shall
15 determine which proposal is most advantageous and shall award the contract to the
16 person who offered it. The authority's determination shall be based only on price and
17 the other evaluation factors specified in the request for bids or proposals. The
18 authority shall state in writing the reason for the award and shall place the
19 statement in the contract file.

20 (b) Following the award of the contract, the authority shall prepare a register
21 of all bids or proposals.

22 **636.78 Political activities.** (1) No employee of the authority may directly
23 or indirectly solicit or receive subscriptions or contributions for any partisan political
24 party or any political purpose while engaged in his or her official duties as an
25 employee. No employee of the authority may engage in any form of political activity

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1 calculated to favor or improve the chances of any political party or any person seeking
2 or attempting to hold partisan political office while engaged in his or her official
3 duties as an employee or engage in any political activity while not engaged in his or
4 her official duties as an employee to such an extent that the person's efficiency during
5 working hours will be impaired or that he or she will be tardy or absent from work.
6 Any violation of this section is adequate grounds for dismissal.

7 (2) If an employee of the authority declares an intention to run for partisan
8 political office, the employee shall be placed on a leave of absence for the duration
9 of the election campaign and if elected shall no longer be employed by the authority
10 on assuming the duties and responsibilities of such office.

11 (3) An employee of the authority may be granted, by the executive director, a
12 leave of absence to participate in partisan political campaigning.

13 (4) Persons on leave of absence under sub. (2) or (3) shall not be subject to the
14 restrictions of sub. (1), except as they apply to the solicitation of assistance,
15 subscription, or support from any other employee in the authority.

16 **636.80 Financial disclosure.** (1) In this section, "individual required to file"
17 means a person who is a member of the board of the authority or the executive
18 director of the authority.

19 (2) Each individual who in January of any year is an individual required to file
20 shall file with the government accountability board no later than April 30 of that year
21 a statement of economic interests meeting each of the requirements of s. 19.44 (1).
22 The information contained on the statement shall be current as of December 31 of
23 the preceding year.

24 (3) An individual required to file shall file with the government accountability
25 board a statement of economic interests meeting each of the requirements of s. 19.44

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1 (1) no later than 21 days following the date he or she assumes a position on the board
2 or the position of executive director if the individual required to file has not
3 previously filed a statement of economic interests with the government
4 accountability board during that year. The information on the statement shall be
5 current as per the date he or she assumes the position.

6 (4) If an individual required to file fails to make a timely filing, the government
7 accountability board shall promptly provide notice of the delinquency to the
8 secretary of administration, and to the executive director of the authority, or the
9 chairperson of the board if the executive director's filing is untimely. Upon such
10 notification, both the secretary of administration and the executive director, or
11 chairperson, shall withhold all payments for compensation, reimbursement of
12 expenses, and other obligations to the individual until the government
13 accountability board notifies those to whom notice of the delinquency was provided
14 that the individual has complied with this section.

15 (5) On its own motion or at the request of any individual required to file a
16 statement of economic interests, the government accountability board may extend
17 the time for filing or waive any filing requirement if the government accountability
18 board determines that the literal application of the filing requirements of this
19 subchapter would work an unreasonable hardship on that individual or that the
20 extension of the time for filing or waiver is in the public interest. The government
21 accountability board shall set forth in writing as a matter of public record its reason
22 for the extension or waiver.

23 (6) (a) Any person who violates this section may be required to forfeit not more
24 than \$500 for each violation. If the court determines that the accused has realized
25 economic gain as a result of the violation, the court may, in addition, order the

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1 accused to forfeit the amount gained as a result of the violation. The attorney
2 general, when so requested by the government accountability board, shall institute
3 proceedings to recover any forfeiture incurred under this subsection that is not paid
4 by the person against whom it is assessed.

5 (b) Any person who intentionally violates this section shall be fined not less
6 than \$100 nor more than \$5,000 or imprisoned not more than one year in the county
7 jail or both.

8 **636.82 Conflict of interest prohibited; exception.** (1) Except in
9 accordance with the government accountability board's advice under s. 5.05 (6a) and
10 except as otherwise provided in sub. (2), a member of the board and the executive
11 director may not do any of the following:

12 (a) Take any official action substantially affecting a matter in which the board
13 member or executive director, a member of his or her immediate family, or an
14 organization with which the board member or director is associated has a substantial
15 financial interest.

16 (b) Use his or her office or position in a way that produces or assists in the
17 production of a substantial benefit, direct or indirect, for the board member or
18 executive director, one or more members of his or her immediate family either
19 separately or together, or an organization with which the board member or executive
20 director is associated.

21 (2) This section does not prohibit a board member or the executive director from
22 taking any action concerning the lawful payment of salaries or employee benefits or
23 reimbursement of actual and necessary expenses.

24 (3) (a) Any person who violates this section may be required to forfeit not more
25 than \$5,000 for each violation. If the court determines that the accused has realized

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1 economic gain as a result of the violation, the court may, in addition, order the
2 accused to forfeit the amount gained as a result of the violation. The attorney
3 general, when so requested by the government accountability board, shall institute
4 proceedings to recover any forfeiture incurred under this subsection that is not paid
5 by the person against whom it is assessed.

6 (b) Any person who intentionally violates this section shall be fined not less
7 than \$100 nor more than \$5,000 or imprisoned not more than one year in the county
8 jail or both.

9 **636.84 Liability; expenses; limitations.** (1) Neither the state, nor any
10 political subdivision of the state, nor any officer, employee, or agent of the state or
11 a political subdivision who is acting within the scope of employment or agency is
12 liable for any debt, obligation, act, or omission of the authority.

13 (2) All of the expenses incurred by the authority in exercising its duties and
14 powers under this chapter shall be payable only from funds of the authority.

15 (3) A cause of action may arise against and civil liability may be imposed on
16 the authority for its acts or omissions or for any act or omission of a member of the
17 board, the executive director, or an employee of the authority in the performance of
18 his or her powers and duties under this chapter.

19 (4) A cause of action may not arise against and civil liability may not be imposed
20 on a member of the board, the executive director, or an employee of the authority for
21 any act or omission in the performance of his or her powers and duties under this
22 chapter, unless the person asserting liability proves that the act or omission
23 constitutes willful misconduct or intentional violation of the law. The member of the
24 board, executive director, or employee who performed the act or omission that formed
25 the basis of liability shall be jointly liable with the authority if that board member,

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1 executive director, or employee fails to cooperate with the authority in defense of the
2 claim and if the failure to cooperate affects the defense of the action.

3 (5) The amount recoverable by any person for any damages, injuries, or death
4 in any civil action or civil proceeding against the authority, including any such action
5 or proceeding based on contribution or indemnification, shall not exceed \$100,000.

6 **SECTION 50. Effective dates.** This act takes effect on the day after publication,
7 except as follows:

8 (1) The repeal and recreation of section 16.417 (1) (a) of the statutes takes effect
9 on January 1, 2012, or on the day after publication, whichever is later.

10 (2) The treatment of section 635.18 (1) of the statutes takes effect on January
11 1, 2014.

12 (END)

Parisi, Lori

From: Kleinschmidt, Linda
Sent: Friday, October 28, 2011 4:52 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-0760/4 Topic: Small business health insurance exchange

Please Jacket LRB 11-0760/4 for the SENATE.