



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 01/06/2015 (Per: CMH & MPG)

☞ Compile Draft – Appendix A ... Part VIII

Appendix A ☞ The 2015 drafting file for LRB–0797

Appendix B ☞ The 2015 drafting file for LRB–0799

Appendix C ☞ The 2015 drafting file for LRB–0800

Appendix D ☞ The 2015 drafting file for LRB–0852

Appendix E ☞ The 2015 drafting file for LRB–0872

Appendix F ☞ The 2015 drafting file for LRB–0906

Appendix G ☞ The 2015 drafting file for LRB–0941

has been copied/added to the drafting file for

2015 LRB–0807

1 655.23 (4) (d) The ~~commissioner~~ department of financial institutions,
2 insurance, and professional standards may promulgate such rules as the
3 ~~commissioner~~ department of financial institutions, insurance, and professional
4 standards considers necessary for the application of the liability limits under par. (b)
5 to reporting years following termination of claims-made coverage, including rules
6 that provide for the use of actuarial equivalents.

7 **SECTION 527.** 655.23 (7) of the statutes is amended to read:

8 655.23 (7) Each health care provider shall comply with this section and with
9 s. 655.27 (3) (a) before exercising any rights or privileges conferred by his or her
10 health care provider's license. The ~~commissioner~~ department of financial
11 institutions, insurance, and professional standards shall notify the board that issued
12 the license of a health care provider that has not complied with this section or with
13 s. 655.27 (3) (a). The board that issued the license may suspend, or refuse to issue
14 or to renew the license of any health care provider violating this section or s. 655.27
15 (3) (a).

16 **SECTION 528.** 655.23 (8) of the statutes is amended to read:

17 655.23 (8) No health care provider who retires or ceases operation after July
18 24, 1975, shall be eligible for the protection provided under this chapter unless proof
19 of financial responsibility for all claims arising out of acts of malpractice occurring
20 after July 24, 1975, is provided to the ~~commissioner~~ department of financial
21 institutions, insurance, and professional standards in the form prescribed by the
22 ~~commissioner~~ department of financial institutions, insurance, and professional
23 standards.

24 **SECTION 529.** 655.24 (1) of the statutes is amended to read:

1 655.24 (1) No insurer may enter into or issue any policy of health care liability
2 insurance until its policy form has been submitted to and approved by the
3 ~~commissioner~~ department of financial institutions, insurance, and professional
4 standards under s. 631.20 (1) (a). The filing of a policy form by any insurer with the
5 ~~commissioner~~ department of financial institutions, insurance, and professional
6 standards for approval shall constitute, on the part of the insurer, a conclusive and
7 unqualified acceptance of all provisions of this chapter, and an agreement by it to be
8 bound hereby as to any policy issued by it to any health care provider.

9 **SECTION 530.** 655.24 (3) of the statutes is amended to read:

10 655.24 (3) A notice of cancellation or nonrenewal that is required under sub.
11 (2) (b) issued to a health care provider who is a natural person must inform the health
12 care provider that his or her license to practice medicine or nursing may be
13 suspended or not renewed if the health care provider has no insurance or insufficient
14 insurance. The insurer shall retain a copy of each notice issued under sub. (2) (b) for
15 not less than 10 years from the date of mailing or delivery of the notice and shall
16 furnish a copy to the ~~commissioner~~ department of financial institutions, insurance,
17 and professional standards upon request.

18 **SECTION 531.** 655.24 (4) of the statutes is amended to read:

19 655.24 (4) The insurer shall, upon termination of a policy of health care liability
20 insurance issued under this chapter by cancellation or nonrenewal, notify the
21 ~~commissioner~~ department of financial institutions, insurance, and professional
22 standards of the termination.

23 **SECTION 532.** 655.26 (1) (intro.) of the statutes is amended to read:

24 655.26 (1) (intro.) In addition to any information required by the ~~commissioner~~
25 department of financial institutions, insurance, and professional standards under s.

1 601.42, by the 15th day of each month, each insurer that writes health care liability
2 insurance in this state and each self-insurer approved under s. 655.23 (3) (a) shall
3 report the following information to the medical examining board and the board of
4 governors on each claim paid during the previous month for damages arising out of
5 the rendering of health care services:

6 SECTION 533. 655.26 (2) of the statutes is amended to read:

7 655.26 (2) By the 15th day of each month, the board of governors shall report
8 the information specified in sub. (1) to the medical examining board for each claim
9 paid by the fund or from the appropriation under s. ~~20.145 (2)~~ 20.142 (4) (a) during
10 the previous month for damages arising out of the rendering of health care services
11 by a health care provider or an employee of a health care provider.

12 SECTION 534. 655.27 (2) of the statutes is amended to read:

13 655.27 (2) FUND ADMINISTRATION AND OPERATION. Management of the fund shall
14 be vested with the board of governors. The ~~commissioner~~ department of financial
15 institutions, insurance, and professional standards shall either provide staff
16 services necessary for the operation of the fund or, with the approval of the board of
17 governors, contract for all or part of these services. Such a contract is subject to ss.
18 16.753 and 16.765, but is otherwise exempt from subch. IV of ch. 16. The
19 ~~commissioner~~ department of financial institutions, insurance, and professional
20 standards shall adopt rules governing the procedures for creating and implementing
21 these contracts before entering into the contracts. At least annually, the contractor
22 shall report to the ~~commissioner~~ department of financial institutions, insurance, and
23 professional standards and to the board of governors regarding all expenses incurred
24 and subcontracting arrangements. If the board of governors approves, the contractor
25 may hire legal counsel as needed to provide staff services. The cost of contracting for

1 staff services shall be funded from the appropriation under s. ~~20.145 (2)~~ 20.142 (4)
2 (u). The fund shall pay to the ~~commissioner~~ department of financial institutions,
3 insurance, and professional standards amounts charged for organizational support
4 services, which shall be credited to the appropriation account under s. ~~20.145 (1)~~
5 20.142 (3) (g) 2.

6 **SECTION 535.** 655.27 (3) (a) 5. of the statutes is amended to read:

7 655.27 (3) (a) 5. The supplemental appropriation under s. ~~20.145 (2)~~ 20.142 (4)
8 (a) for payment of claims.

9 **SECTION 536.** 655.27 (3) (am) of the statutes is amended to read:

10 655.27 (3) (am) *Assessments for peer review council.* The fund, a mandatory
11 health care liability risk-sharing plan established under s. 619.04, and a private
12 health care liability insurer shall be assessed, as appropriate, fees sufficient to cover
13 the costs of the injured patients and families compensation fund peer review council,
14 including costs of administration, for reviewing claims paid by the fund or from the
15 appropriation under s. ~~20.145 (2)~~ 20.142 (4) (a), by the plan, and by the insurer,
16 respectively, under s. 655.275 (5). The fees shall be set by the ~~commissioner~~
17 department of financial institutions, insurance, and professional standards by rule,
18 after approval by the board of governors, and shall be collected by the ~~commissioner~~
19 department of financial institutions, insurance, and professional standards for
20 deposit in the fund. The costs of the injured patients and families compensation fund
21 peer review council shall be funded from the appropriation under s. ~~20.145 (2)~~ 20.142
22 (4) (um).

23 **SECTION 537.** 655.27 (3) (b) 1. of the statutes is amended to read:

24 655.27 (3) (b) 1. The ~~commissioner~~ department of financial institutions,
25 insurance, and professional standards, after approval by the board of governors,

1 shall by rule set the fees under par. (a). The rule shall provide that fees may be paid
2 annually or in semiannual or quarterly installments. In addition to the prorated
3 portion of the annual fee, semiannual and quarterly installments shall include an
4 amount sufficient to cover interest not earned and administrative costs incurred
5 because the fees were not paid on an annual basis. This paragraph does not impose
6 liability on the board of governors for payment of any part of a fund deficit.

7 **SECTION 538.** 655.27 (3) (b) 2m. of the statutes is amended to read:

8 655.27 (3) (b) 2m. In addition to the fees and payment classifications described
9 under subds. 1. and 2., the ~~commissioner~~ department of financial institutions,
10 insurance, and professional standards, after approval by the board of governors, may
11 by rule establish a separate payment classification for physicians satisfying s.
12 655.002 (1) (b) and a separate fee for nurse anesthetists satisfying s. 655.002 (1) (b)
13 which take into account the loss experience of health care providers for whom
14 Michigan is a principal place of practice.

15 **SECTION 539.** 655.27 (3) (br) 2. of the statutes is amended to read:

16 655.27 (3) (br) 2. The fees assessed for the fiscal year preceding that particular
17 fiscal year, adjusted by the ~~commissioner of~~ department of financial institutions,
18 insurance, and professional standards to reflect changes in the consumer price index
19 for all urban consumers, U.S. city average, for the medical care group, as determined
20 by the U.S. department of labor.

21 **SECTION 540.** 655.27 (3) (c) of the statutes is amended to read:

22 655.27 (3) (c) *Collection and deposit of fees.* Fees under pars. (a) and (b) and
23 future medical expense payments specified for the fund under s. 655.015 shall be
24 collected by the ~~commissioner~~ department of financial institutions, insurance, and
25 professional standards for deposit into the fund in a manner prescribed by the

1 ~~commissioner~~ department of financial institutions, insurance, and professional
2 standards by rule.

3 SECTION 541. 655.27 (3) (d) of the statutes is amended to read:

4 655.27 (3) (d) *Rule not effective; fees.* If the rule establishing fees under par.
5 (b) does not take effect prior to June 2 of any fiscal year, the ~~commissioner~~
6 department of financial institutions, insurance, and professional standards may
7 elect to collect fees as established for the previous fiscal year. If the ~~commissioner~~
8 department of financial institutions, insurance, and professional standards so elects
9 and the rule subsequently takes effect, the balance for the fiscal year shall be
10 collected or refunded or the remaining semiannual or quarterly installment
11 payments shall be adjusted except the ~~commissioner~~ department of financial
12 institutions, insurance, and professional standards may elect not to collect, refund
13 or adjust for minimal amounts.

14 SECTION 542. 655.27 (3) (e) of the statutes is amended to read:

15 655.27 (3) (e) *Podiatrist fees.* The ~~commissioner~~ department of financial
16 institutions, insurance, and professional standards, after approval by the board of
17 governors, may by rule assess fees against podiatrists for the purpose of paying the
18 fund's portion of medical malpractice claims and expenses resulting from claims
19 against podiatrists based on occurrences before July 1, 1986.

20 SECTION 543. 655.27 (4) (a) of the statutes is amended to read:

21 655.27 (4) (a) Moneys shall be withdrawn from the fund, or paid from the
22 appropriation under s. ~~20.145(2)~~ 20.142 (4) (a), by the ~~commissioner~~ department of
23 financial institutions, insurance, and professional standards only upon vouchers
24 approved and authorized by the board of governors.

25 SECTION 544. 655.27 (4) (d) of the statutes is amended to read:

1 655.27 (4) (d) Annually after the close of a fiscal year, the board of governors
2 shall furnish a financial report to the ~~commissioner~~ department of financial
3 institutions, insurance, and professional standards. The report shall be prepared in
4 accordance with accepted accounting procedures and shall include the present value
5 of all claims reserves, including those for incurred but not reported claims as
6 determined by accepted actuarial principles, and such other information as may be
7 required by the ~~commissioner~~ department of financial institutions, insurance, and
8 professional standards. The board of governors shall furnish an appropriate
9 summary of this report to all fund participants.

10 **SECTION 545.** 655.27 (4) (g) of the statutes is amended to read:

11 655.27 (4) (g) The board of governors may cede reinsurance to an insurer
12 authorized to do business in this state under ch. 611, 613, 614 or 618 or pursue other
13 loss funding management to preserve the solvency and integrity of the fund, subject
14 to approval by the ~~commissioner~~ department of financial institutions, insurance, and
15 professional standards. The ~~commissioner~~ department of financial institutions,
16 insurance, and professional standards may prescribe controls over or other
17 conditions on such use of reinsurance or other loss-funding management
18 mechanisms.

19 **SECTION 546.** 655.27 (5) (e) of the statutes is amended to read:

20 655.27 (5) (e) Claims filed against the fund shall be paid in the order received
21 within 90 days after filing unless appealed by the fund. If the amounts in the fund
22 are not sufficient to pay all of the claims, claims received after the funds are
23 exhausted shall be paid from the appropriation under s. ~~20.145 (2)~~ 20.142 (4) (a).

24 **SECTION 547.** 655.275 (5) (a) (intro.) of the statutes is amended to read:

1 655.275 (5) (a) (intro.) The council shall review, within one year of the date of
2 first payment on the claim, each claim that is paid by the fund or from the
3 appropriation under s. ~~20.145(2)~~ 20.142(4) (a), by a mandatory health care liability
4 risk-sharing plan established under s. 619.04, by a private health care liability
5 insurer, or by a self-insurer for damages arising out of the rendering of medical care
6 by a health care provider or an employee of the health care provider and shall make
7 recommendations to all of the following:

8 **SECTION 548.** 655.275 (5) (a) 1. of the statutes is amended to read:

9 655.275 (5) (a) 1. The ~~commissioner~~ department of financial institutions,
10 insurance, and professional standards and the board of governors regarding any
11 adjustments to be made, under s. 655.27 (3) (a) 2m., to fund fees assessed against the
12 health care provider, based on the paid claim.

13 **SECTION 549.** 655.275 (5) (a) 2. of the statutes is amended to read:

14 655.275 (5) (a) 2. The ~~commissioner~~ department of financial institutions,
15 insurance, and professionals standards and the board of governors regarding any
16 adjustments to be made, under s. 619.04 (5) (b), to premiums assessed against a
17 physician under a mandatory health care liability risk-sharing plan established
18 under s. 619.04, based on the paid claim.

19 **SECTION 550.** 655.275 (7) of the statutes is amended to read:

20 655.275 (7) NOTICE OF RECOMMENDATION. The council shall notify the affected
21 health care provider, in writing, of its recommendations to the ~~commissioner~~
22 department of financial institutions, insurance, and professional standards, the
23 board of governors or a private insurer made under sub. (5). The notice shall inform
24 the health care provider that the health care provider may submit written comments
25 on the council's recommendations to the ~~commissioner~~ department of financial

1 institutions, insurance, and professional standards, the board of governors or the
2 private insurer within a reasonable period of time specified in the notice.

3 **SECTION 551.** 655.275 (8) of the statutes is amended to read:

4 655.275 (8) PATIENT RECORDS. The council may obtain any information relating
5 to any claim it reviews under this section that is in the possession of the
6 ~~commissioner~~ department of financial institutions, insurance, and professional
7 standards or the board of governors. The council shall keep patient health care
8 records confidential as required by s. 146.82.

9 **SECTION 552.** 655.275 (10) of the statutes is amended to read:

10 655.275 (10) MEMBERS' AND CONSULTANTS' EXPENSES. Notwithstanding s. 15.09
11 (6), any person serving on the council and any person consulting with the council
12 under sub. (5) (b) shall be paid at a rate established by the ~~commissioner~~ department
13 of financial institutions, insurance, and professional standards by rule.

14 **SECTION 553.** 655.45 (1) of the statutes is amended to read:

15 655.45 (1) For the quarter beginning on July 1, 1986, and for each quarter
16 thereafter, the director of state courts shall file reports complying with sub. (2) with
17 the medical examining board, the physical therapy examining board, the podiatry
18 affiliated credentialing board, the board of nursing and the department of health
19 services, respectively, regarding health care providers licensed by the respective
20 bodies.

21 **SECTION 554.** 655.465 (2) (c) 2. of the statutes is amended to read:

22 655.465 (2) (c) 2. Except as provided in subs. 4. and 5., if none of the
23 respondents named in the request for mediation is a physician, a health care
24 provider who is licensed to practice in this state in the same health care field as the
25 respondent and who is selected from a list prepared by the department of health

1 services, the department of financial institutions, insurance, and professional
2 standards, or the examining board or affiliated credentialing board that regulates
3 health care providers in that health care field.

4 **SECTION 555.** 655.61 (2) of the statutes is amended to read:

5 655.61 (2) The annual fees under sub. (1) shall be collected in a manner
6 prescribed by rule of the ~~commissioner~~ department of financial institutions,
7 insurance, and professional standards. The ~~commissioner~~ department of financial
8 institutions, insurance, and professional standards shall pay all money collected
9 under sub. (1) into the mediation fund created under s. 655.68.

10 **SECTION 556.** 813.05 (2) of the statutes is amended to read:

11 813.05 (2) In an action against an insurance company or fraternal benefit
12 society for an injunction or a receiver the ~~commissioner of insurance~~ department of
13 financial institutions, insurance, and professional standards shall be notified.
14 Mailing a copy of such notice addressed to the ~~commissioner of insurance~~ secretary,
15 or department, of financial institutions, insurance, and professional standards at
16 Madison, Wisconsin, shall be sufficient service.

17 **SECTION 557.** 895.486 (2) (a) of the statutes is amended to read:

18 895.486 (2) (a) The ~~office of the commissioner of insurance~~ department of
19 financial institutions, insurance, and professional standards.

20 **SECTION 558.** 895.514 (3) (b) of the statutes is amended to read:

21 895.514 (3) (b) All of the expenses incurred by the authority, or the
22 commissioner, or any agent, employee, or representative of the commissioner, in
23 exercising its duties and powers under ch. 149, 2011 stats., under 2013 Wisconsin Act
24 20, section 9122 (1L), or under 2013 Wisconsin Act 116, section 32 (1) (b), shall be
25 payable only from funds of the authority or from the appropriation under s. 20.145

1 (5) (g), 2013 stats., or s. 20.145 (5) (k), 2013 stats., or from any combination of those
2 payment sources.

3 **SECTION 9118. Nonstatutory provisions; Health Services.**

4 (1) TRANSFER OF BODY ART AND TANNING FACILITY REGULATION FUNCTIONS TO THE
5 DEPARTMENT OF FINANCIAL INSTITUTIONS, INSURANCE, AND PROFESSIONAL STANDARDS.

6 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and
7 liabilities of the department of health services that are primarily related to the
8 regulation of tattooing, body piercing, and tanning under section 255.08, 2013 stats.,
9 and sections 252.23 to 252.25 of the statutes become the assets and liabilities of the
10 department of financial institutions, insurance, and professional standards.

11 (b) *Positions and employees.* On the effective date of this paragraph, all
12 positions and all incumbent employees in the classified service of the state civil
13 service holding those positions in the department of health services that are
14 primarily related to the regulation of tattooing, body piercing, and tanning under
15 section 255.08, 2013 stats., and sections 252.23 to 252.25 of the statutes as
16 determined by the secretary of administration, are transferred to the department of
17 financial institutions, insurance, and professional standards.

18 (c) *Employee status.* Employees transferred under paragraph (b) have all the
19 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
20 statutes in the department of financial institutions, insurance, and professional
21 standards that they enjoyed in the department of health services immediately before
22 the transfer. Notwithstanding section 230.28 (4) of the statutes, no employee so
23 transferred who has attained permanent status in class is required to serve a
24 probationary period.

1 (d) *Tangible personal property.* On the effective date of this paragraph, all
2 tangible personal property, including records, of the department of health services
3 that are primarily related to the regulation of tattooing, body piercing, and tanning
4 under section 255.08, 2013 stats., and sections 252.23 to 252.25 of the statutes, as
5 determined by the secretary of administration, is transferred to the department of
6 financial institutions, insurance, and professional standards.

7 (e) *Pending matters.* Any matter pending with the department of health
8 services that is primarily related to the regulation of tattooing, body piercing, and
9 tanning under section 255.08, 2013 stats., and sections 252.23 to 252.25 of the
10 statutes, on the effective date of this paragraph is transferred to the department of
11 financial institutions, insurance, and professional standards. All materials
12 submitted to or actions taken by the department of health services that are primarily
13 related to the regulation of tattooing, body piercing, and tanning under section
14 255.08, 2013 stats., and sections 252.23 to 252.25 of the statutes are considered as
15 having been submitted to or taken by the department of financial institutions,
16 insurance, and professional standards.

17 (f) *Contracts.* All contracts entered into by the department of health services
18 that are primarily related to the regulation of tattooing, body piercing, and tanning
19 under section 255.08, 2013 stats., and sections 252.23 to 252.25 of the statutes in
20 effect on the effective date of this paragraph remain in effect and are transferred to
21 the department of financial institutions, insurance, and professional standards. The
22 department of financial institutions, insurance, and professional standards shall
23 carry out any obligations under those contracts unless modified or rescinded by that
24 department to the extent allowed under the contract.

1 (g) *Rules and orders.* All rules in chapters DHS 161 and DHS 173, Wisconsin
2 Administrative Code, and any other rules promulgated by the department of health
3 services that are primarily related to the regulation of tattooing, body piercing, and
4 tanning under section 255.08, 2013 stats., and sections 252.23 to 252.25 of the
5 statutes in effect on the effective date of this paragraph remain in effect until their
6 specified expiration dates or until amended or repealed by the department of
7 financial institutions, insurance, and professional standards. All orders issued by
8 the department of health services that are primarily related to the regulation of
9 tattooing, body piercing, and tanning under section 255.08, 2013 stats., and sections
10 252.23 to 252.25 of the statutes in effect on the effective date of this paragraph
11 remain in effect until their specified expiration dates or until modified or rescinded
12 by the department of financial institutions, insurance, and professional standards.

13 **SECTION 9122. Nonstatutory provisions; Insurance.**

14 (1) DESIGNATION CHANGES.

15 (a) On the effective date of this paragraph, all of the following apply:

16 1. Wherever the term “commissioner” appears in section 100.203 of the statutes
17 or chapter 424, 600, 601 (excluding sections 601.415 (12), 601.42 (6), 601.57, and
18 601.58 of the statutes), 605, 607, 609, 611, 612, 613, 614, 616 (excluding section
19 616.09 (1) (c) 2. of the statutes), 617, 618, 619, 620, 623, 625, 626, 627, 628, 631, 632,
20 633, 635, or 644 of the statutes, as affected by the acts of 2015, the term “department”
21 is substituted.

22 2. Wherever the term “commissioner’s” appears in chapter 611, 625, 626, 627,
23 628, 631, or 644 of the statutes, as affected by the acts of 2015, the term
24 “department’s” is substituted.

1 3. Wherever the term “commissioner of insurance” appears in chapter 71, 76,
2 or 424 of the statutes, as affected by the acts of 2015, the term “department of
3 financial institutions, insurance, and professional standards” is substituted.

4 4. Wherever the term “office” appears in chapter 609 or 628 of the statutes, as
5 affected by the acts of 2015, the term “department” is substituted.

6 5. Wherever the term “office of the commissioner of insurance” appears in
7 chapter 71 or 76 of the statutes, as affected by the acts of 2015, the term “department
8 of financial institutions, insurance, and professional standards” is substituted.

9 (b) If any statutory provision that is affected by paragraph (a) is also treated
10 by another section of this act, that other treatment of the statutory provision takes
11 place before the change under paragraph (a).

12

(END)