2015 SENATE BILL 107

April 8, 2015 – Introduced by Senators VINEHOUT, CARPENTER, HARRIS DODD, ERPENBACH, RINGHAND and C. LARSON, cosponsored by Representatives SARGENT, DANOU, ZEPNICK, HESSELBEIN, SPREITZER, SUBECK, HEBL, OHNSTAD, BERCEAU, SINICKI, RIEMER, CONSIDINE, GOYKE, C. TAYLOR and BOWEN. Referred to Committee on Health and Human Services.

AN ACT to amend 1.12 (1) (b), 13.172 (1), 13.62 (2), 13.95 (intro.), 16.002 (2), 16.004 (4), 16.004 (5), 16.004 (12) (a), 16.045 (1) (a), 16.15 (1) (ab), 16.41 (4), 16.417 (1) (a), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.70 (2), 16.72 (2) (e) (intro.), 16.72 (2) (f), 16.75 (1m), 16.75 (8) (a) 1., 16.75 (8) (a) 2., 16.75 (9), 16.765 (1), 16.765 (2), 16.765 (4), 16.765 (5), 16.765 (6), 16.765 (7) (intro.), 16.765 (7) (d), 16.765 (8), 16.85 (2), 16.865 (8), 25.50 (1) (d), 49.45 (2) (a) 3., 71.26 (1) (be), 77.54 (9a) (a), 101.055 (2) (a), 230.03 (3), 230.80 (4), 230.90 (1) (c) and 635.18 (1); to repeal and recreate 230.03 (3); and to create 13.94 (1) (dj), 13.94 (1s) (c) 9., 40.02 (54) (n), 70.11 (41c) and chapter 636 of the statutes; relating to: the Badger Health Benefit Authority, health benefit exchange operation, granting rule-making authority, and providing a 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 directors of the Wisconsin Collaborative for Healthcare Quality and the Wisconsin Health Information Organization, 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, 2016, available to qualified individuals and qualified employers, and must seek federal grants and other funding for the purpose of the 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
SENATE BILL 107

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

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 1.12 (1) (b) of the statutes is amended to read:

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

SECTION 2. 13.172 (1) of the statutes is amended to read:

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

SECTION 3. 13.62 (2) of the statutes is amended to read:

13.62 (2) “Agency” means any board, commission, department, office, society,
institution of higher education, council, or committee in the state government, or any
authority created in subch. II of ch. 114 or subch. III of ch. 636 or in ch. 231, 232, 233,
234, 237, 238, or 279, except that the term does not include a council or committee
of the legislature.

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

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

SECTION 5. 13.94 (1s) (c) 9. of the statutes is created to read:

13.94 (1s) (c) 9. The Badger Health Benefit Authority for the cost of the audit
under sub. (1) (dj).
SECTION 6. 13.95 (intro.) of the statutes is amended to read:

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

SECTION 7. 16.002 (2) of the statutes is amended to read:

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

SECTION 8. 16.004 (4) of the statutes is amended to read:

16.004 (4) Freedom of access. The secretary and such employees of the department as the secretary designates may enter into the offices of state agencies and authorities created under subch. II of ch. 114 and subch. III of ch. 636 and under chs. 231, 233, 234, 237, 238, and 279, and may examine their books and accounts and
any other matter that in the secretary’s judgment should be examined and may
interrogate the agency’s employees publicly or privately relative thereto.

SECTION 9. 16.004 (5) of the statutes is amended to read:

16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
authorities created under subch. II of ch. 114 and subch. III of ch. 636 and under chs.
231, 233, 234, 237, 238, and 279, and their officers and employees, shall cooperate
with the secretary and shall comply with every request of the secretary relating to
his or her functions.

SECTION 10. 16.004 (12) (a) of the statutes is amended to read:

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

SECTION 11. 16.045 (1) (a) of the statutes is amended to read:

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

SECTION 12. 16.15 (1) (ab) of the statutes is amended to read:
16.15 (1) (ab) “Authority” has the meaning given under s. 16.70 (2), but excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox River Remediation Authority, and the Wisconsin Economic Development Corporation, and the Badger Health Benefit Authority.

**SECTION 13.** 16.41 (4) of the statutes is amended to read:

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

**SECTION 14.** 16.417 (1) (a) of the statutes is amended to read:

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

**SECTION 15.** 16.52 (7) of the statutes is amended to read:

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

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

SECTION 17. 16.53 (2) of the statutes is amended to read:

16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed invoice, the agency shall notify the sender of the invoice within 10 working days after it receives the invoice of the reason it is improperly completed. In this subsection, “agency” means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in subch. II of ch. 114 or subch. III of ch. 636 or in ch. 231, 233, 234, 237, 238, or 279.

SECTION 18. 16.54 (9) (a) 1. of the statutes is amended to read:

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

SECTION 19. 16.70 (2) of the statutes is amended to read:
16.70 (2) “Authority” means a body created under subch. II of ch. 114 or subch. III of ch. 636 or under ch. 231, 232, 233, 234, 237, or 279.

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

16.72 (2) (e) (intro.) In writing the specifications under this subsection, the department and any other designated purchasing agent under s. 16.71 (1) shall incorporate requirements for the purchase of products made from recycled materials and recovered materials if their use is technically and economically feasible. Each authority other than the University of Wisconsin Hospitals and Clinics Authority and the Lower Fox River Remediation Authority, and the Badger Health Benefit Authority, in writing specifications for purchasing by the authority, shall incorporate requirements for the purchase of products made from recycled materials and recovered materials if their use is technically and economically feasible. The specifications shall include requirements for the purchase of the following materials:

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

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

**SECTION 22.** 16.75 (1m) of the statutes is amended to read:
16.75 (1m) The department shall award each order or contract for materials, supplies or equipment on the basis of life cycle cost estimates, whenever such action is appropriate. Each authority other than the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox River Remediation Authority and the Wisconsin Aerospace Authority, and the Badger Health Benefit Authority shall award each order or contract for materials, supplies or equipment on the basis of life cycle cost estimates, whenever such action is appropriate. The terms, conditions and evaluation criteria to be applied shall be incorporated in the solicitation of bids or proposals. The life cycle cost formula may include, but is not limited to, the applicable costs of energy efficiency, acquisition and conversion, money, transportation, warehousing and distribution, training, operation and maintenance and disposition or resale. The department shall prepare documents containing technical guidance for the development and use of life cycle cost estimates, and shall make the documents available to local governmental units.

SECTION 23. 16.75 (8) (a) 1. of the statutes is amended to read:

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

SECTION 24. 16.75 (8) (a) 2. of the statutes is amended to read:

16.75 (8) (a) 2. Each agency and authority other than the University of Wisconsin Hospitals and Clinics Authority and the Lower Fox River Remediation Authority and the Wisconsin Aerospace Authority shall, to the extent practicable, make purchasing selections using specifications developed under s. 16.72 (2) (e) to maximize the purchase of materials utilizing recycled materials and recovered materials.
Authority, and the Badger Health Benefit Authority shall ensure that the average recycled or recovered content of all paper purchased by the agency or authority measured as a proportion, by weight, of the fiber content of paper products purchased in a fiscal year, is not less than 40% of all purchased paper.

**SECTION 25.** 16.75 (9) of the statutes is amended to read:

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

**SECTION 26.** 16.765 (1) of the statutes is amended to read:

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

**SECTION 27.** 16.765 (2) of the statutes is amended to read:
16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
Aerospace Authority, the Badger Health Benefit Authority, the Lower Fox River
Remediation Authority, the Wisconsin Economic Development Corporation, and the
Bradley Center Sports and Entertainment Corporation shall include the following
provision in every contract executed by them: “In connection with the performance
of work under this contract, the contractor agrees not to discriminate against any
employee or applicant for employment because of age, race, religion, color, handicap,
sex, physical condition, developmental disability as defined in s. 51.01 (5), sexual
orientation or national origin. This provision shall include, but not be limited to, the
following: employment, upgrading, demotion or transfer; recruitment or recruitment
advertising; layoff or termination; rates of pay or other forms of compensation; and
selection for training, including apprenticeship. Except with respect to sexual
orientation, the contractor further agrees to take affirmative action to ensure equal
employment opportunities. The contractor agrees to post in conspicuous places,
available for employees and applicants for employment, notices to be provided by the
contracting officer setting forth the provisions of the nondiscrimination clause”.

SECTION 28. 16.765 (4) of the statutes is amended to read:

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

SECTION 29. 16.765 (5) of the statutes is amended to read:
16.765 (5) The head of each contracting agency and the boards of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Badger Health Benefit Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, and the Bradley Center Sports and Entertainment Corporation shall be primarily responsible for obtaining compliance by any contractor with the nondiscrimination and affirmative action provisions prescribed by this section, according to procedures recommended by the department. The department shall make recommendations to the contracting agencies and the boards of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Badger Health Benefit Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, and the Bradley Center Sports and Entertainment Corporation for improving and making more effective the nondiscrimination and affirmative action provisions of contracts. The department shall promulgate such rules as may be necessary for the performance of its functions under this section.

SECTION 30. 16.765 (6) of the statutes is amended to read:

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

**SECTION 31.** 16.765 (7) (intro.) of the statutes is amended to read:

16.765 (7) (intro.) When a violation of this section has been determined by the department, the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Badger Health Benefit Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, or the Bradley Center Sports and Entertainment Corporation, the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Badger Health Benefit Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, or the Bradley Center Sports and Entertainment Corporation shall:

**SECTION 32.** 16.765 (7) (d) of the statutes is amended to read:

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

**SECTION 33.** 16.765 (8) of the statutes is amended to read:

16.765 (8) If further violations of this section are committed during the term of the contract, the contracting agency, the Fox River Navigational System Authority,
the Wisconsin Aerospace Authority, the Badger Health Benefit Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, or the Bradley Center Sports and Entertainment Corporation may permit the violating party to complete the contract, after complying with this section, but thereafter the contracting agency, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Badger Health Benefit Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, or the Bradley Center Sports and Entertainment Corporation shall request the department to place the name of the party on the ineligible list for state contracts, or the contracting agency, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Badger Health Benefit Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, or the Bradley Center Sports and Entertainment Corporation may terminate the contract without liability for the uncompleted portion or any materials or services purchased or paid for by the contracting party for use in completing the contract.

**SECTION 34.** 16.85 (2) of the statutes is amended to read:

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

SECTION 35. 16.865 (8) of the statutes is amended to read:

16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
proportionate share of the estimated costs attributable to programs administered by
the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
may charge premiums to agencies to finance costs under this subsection and pay the
costs from the appropriation on an actual basis. The department shall deposit all
collections under this subsection in the appropriation account under s. 20.505 (2) (k).
Costs assessed under this subsection may include judgments, investigative and
adjustment fees, data processing and staff support costs, program administration
costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
subsection, “agency” means an office, department, independent agency, institution
of higher education, association, society, or other body in state government created
or authorized to be created by the constitution or any law, that is entitled to expend
moneys appropriated by law, including the legislature and the courts, but not
including an authority created in subch. II of ch. 114 or subch. III of ch. 636 or in ch.
231, 232, 233, 234, 237, 238, or 279.

SECTION 36. 25.50 (1) (d) of the statutes is amended to read:

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

SECTION 37. 40.02 (54) (n) of the statutes is created to read:

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

SECTION 38. 49.45 (2) (a) 3. of the statutes is amended to read:

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

SECTION 39. 70.11 (41c) of the statutes is created to read:

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

SECTION 40. 71.26 (1) (be) of the statutes is amended to read:

71.26 (1) (be) Certain authorities. Income of the University of Wisconsin
Hospitals and Clinics Authority, of the Badger Health Benefit Authority, of the Fox
River Navigational System Authority, of the Wisconsin Economic Development
Corporation, and of the Wisconsin Aerospace Authority.

SECTION 41. 77.54 (9a) (a) of the statutes is amended to read:

77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin
Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Badger
SENATE BILL 107

1 Health Benefit Authority, the Wisconsin Economic Development Corporation, and
2 the Fox River Navigational System Authority.

SECTION 42. 101.055 (2) (a) of the statutes is amended to read:

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

SECTION 43. 230.03 (3) of the statutes is amended to read:

230.03 (3) “Agency” means any board, commission, committee, council, or department in state government or a unit thereof created by the constitution or statutes if such board, commission, committee, council, department, unit, or the head thereof, is authorized to appoint subordinate staff by the constitution or statute, except a legislative or judicial board, commission, committee, council, department, or unit thereof or an authority created under subch. II of ch. 114 or subch. III of ch. 149 636 or under ch. 231, 232, 233, 234, 237, 238, or 279. “Agency” does not mean any local unit of government or body within one or more local units of government that is created by law or by action of one or more local units of government.

SECTION 44. 230.03 (3) of the statutes, as affected by 2013 Wisconsin Act 20 and 2015 Wisconsin Act .... (this act), is repealed and recreated to read:

230.03 (3) “Agency” means any board, commission, committee, council, or department in state government or a unit thereof created by the constitution or statutes if such board, commission, committee, council, department, unit, or the head thereof, is authorized to appoint subordinate staff by the constitution or statute, except the Board of Regents of the University of Wisconsin System, a
SECTION 44

SENATE BILL 107

legislative or judicial board, commission, committee, council, department, or unit thereof or an authority created under subch. II of ch. 114 or subch. III of ch. 636 or under ch. 231, 232, 233, 234, 237, 238, or 279. “Agency” does not mean any local unit of government or body within one or more local units of government that is created by law or by action of one or more local units of government.

SECTION 45. 230.80 (4) of the statutes is amended to read:

230.80 (4) “Governmental unit” means any association, authority, board, commission, department, independent agency, institution, office, society, or other body in state government created or authorized to be created by the constitution or any law, including the legislature, the office of the governor, and the courts, but excluding the Badger Health Benefit Authority. “Governmental unit” does not mean any political subdivision of the state or body within one or more political subdivisions that is created by law or by action of one or more political subdivisions.

SECTION 46. 230.90 (1) (c) of the statutes is amended to read:

230.90 (1) (c) “Governmental unit” means any association, authority, board, commission, department, independent agency, institution, office, society or other body in state government created or authorized to be created by the constitution or any law, including the legislature, the office of the governor and the courts. “Governmental unit” does not mean the University of Wisconsin Hospitals and Clinics Authority, the Badger Health Benefit Authority, or any political subdivision of the state or body within one or more political subdivisions which is created by law or by action of one or more political subdivisions.

SECTION 47. 635.18 (1) of the statutes is amended to read:

635.18 (1) Every small employer insurer shall actively market health benefit plan coverage to small employers in the state.
SECTION 48. Chapter 636 of the statutes is created to read:

CHAPTER 636

HEALTH BENEFIT PLAN EXCHANGE

SUBCHAPTER I

GENERAL PROVISIONS

636.01 Definitions. In this chapter:

(1) “Authority” means the Badger Health Benefit Authority.

(2) “Educated health care consumer” means an individual who is knowledgeable about the health care system and who has background or experience in making informed decisions regarding health, medical, and scientific matters.

(3) “Federal act” means the federal Patient Protection and Affordable Care Act (P.L. 111–148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (P.L. 111–152), and any amendments to, or regulations or guidance issued under, those acts.

(4) (a) Except as provided in pars. (b) to (e), “health benefit plan” means a policy, contract, certificate, or agreement offered or issued by a health carrier to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services.

(b) “Health benefit plan” does not include any of the following:

1. Coverage only for accident, or disability income insurance, or any combination of those.

2. Coverage issued as a supplement to liability insurance.

3. Liability insurance, including general liability insurance and automobile liability insurance.

4. Worker’s compensation or similar insurance.

5. Automobile medical payment insurance.
SENATE BILL 107

6. Credit-only insurance.

7. Coverage for on-site medical clinics.

8. Other similar insurance coverage, specified in federal regulations issued under P.L. 104–191, under which benefits for health care services are secondary or incidental to other insurance benefits.

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

1. Limited scope dental or vision benefits.

2. Benefits for long-term care, nursing home care, home health care, community-based care, or any combination of those.

3. Other similar, limited benefits specified in federal regulations issued under P.L. 104–191.

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

1. Coverage only for a specified disease or illness.

2. Hospital indemnity or other fixed indemnity insurance.

(e) “Health benefit plan” does not include any of the following if offered as a separate policy, certificate, or contract of insurance:
1. Medicare supplemental health insurance as defined under section 1882 (g)
   (1) of the federal Social Security Act.

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

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

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

(5m) “Minimum essential coverage” has the meaning given in 26 USC 5000A
(f) (1).

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

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

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

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

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

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

(b) The individual resides in this state.

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

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

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

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

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

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

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

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

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

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

SUBCHAPTER II

OPERATION OF EXCHANGE

636.25 General matters. (1) The authority shall establish and operate a Wisconsin Health Benefit Exchange and shall make qualified health plans, with effective dates on or before January 1, 2016, available to qualified individuals and qualified employers.

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

(b) The authority shall allow a health carrier to offer a plan that provides limited scope dental benefits meeting the requirements of section 9832 (c) (2) (A) of the Internal Revenue Code through the exchange, either separately or in conjunction
with a qualified health plan, if the plan provides pediatric dental benefits meeting the requirements of section 1302 (b) (1) (J) of the federal act.

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

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

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

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

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

(c) Provide for enrollment periods, as provided under section 1311 (c) (6) of the federal act.
(d) Maintain an Internet site through which enrollees and prospective enrollees of qualified health plans may obtain standardized comparative information on such plans.

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

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

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

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

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

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

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

(L) Establish and operate a service center to provide information to small employers, individuals, enrollees, and insurance intermediaries about the exchange.
(m) Establish a mechanism for regular communication and cooperation with insurance intermediaries.

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

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

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

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

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

(s) Select entities, which may include insurance intermediaries, that are qualified to serve as navigators in accordance with section 1311 (i) of the federal act and standards developed by the secretary, and award grants to enable navigators to do all of the following:
1. Conduct public education activities to raise awareness of the availability of qualified health plans.

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

3. Facilitate enrollment in qualified health plans.

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

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

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

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

2. That an individual who is incarcerated in a correctional facility, but scheduled to be released from incarceration in the near future, is enrolled prior to release, through the exchange and effective upon the date of his or her release, in
Medical Assistance, a qualified health plan, or some other form of minimum essential coverage on the date of his or her release from incarceration.

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

1. Maximizing coverage and improving access through the exchange for outpatient and inpatient treatment of mental illness and alcohol or other drug abuse.
2. Improving the quality of treatment for persons with alcohol or other drug dependence or a mental illness.
3. Fully integrating the treatment for physical conditions, alcohol or other drug abuse, and mental illness.
4. Reducing the cost of the county departments under ss. 51.42 and 51.437 to taxpayers by avoiding unnecessary overlap between the improved coverage of alcohol or other drug abuse treatment or mental illness treatment by health plans offered through the exchange and the services provided by county departments under s. 51.42 or 51.437.

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

(w) Credit the amount of any free choice voucher to the monthly premium of the plan in which a qualified employee is enrolled, in accordance with section 10108 of the federal act, and collect the amount credited from the offering employer.
(x) Consult with stakeholders relevant to carrying out the activities required under this chapter, including any of the following:

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

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

1. Keep an accurate accounting of all activities, receipts, and expenditures and annually submit to the secretary, the governor, the commissioner, and the legislature a report concerning such accountings.
2. Fully cooperate with any investigation conducted by the secretary under the secretary's authority under the federal act and allow the secretary, in coordination with the inspector general of the federal department of health and human services, to do all of the following:
   a. Investigate the affairs of the authority.
   b. Examine the properties and records of the authority.
   c.Require periodic reports in relation to the activities undertaken by the authority.
3. In carrying out its activities under this chapter, not use any funds intended for the administrative and operational expenses of the authority for staff retreats, promotional giveaways, excessive executive compensation, or promotion of federal or state legislative or regulatory modifications, except that this subdivision does not prohibit the authority from advocating, as part of administering the exchange, for
policies that the authority determines are in the best interest of the exchange or of
individuals and employees receiving coverage through the exchange.

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

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

(b) Establish risk adjustment mechanisms for the exchange.

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

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

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

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

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

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

2. The carrier makes prominent disclosure at the time it offers the plan, in a
form approved by the authority, that the plan does not provide the full range of
essential pediatric benefits and that qualified dental plans providing those benefits
and other dental benefits not covered by the plan are offered through the exchange.
(b) The premium rates and contract language have been filed with and not disapproved by the commissioner.

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

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

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

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

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

3. Charges the same premium rate for each qualified health plan without regard to whether the plan is offered directly from the carrier or through an insurance intermediary.

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

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

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

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

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

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

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

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

(a) Submit a justification for any premium increase before implementation of that increase. The carrier shall prominently post the information on its Internet site. The authority shall take this information, along with the information and the recommendations provided to the authority by the commissioner under section 2794 (b) of the federal Public Health Service Act (42 USC 300gg–94 (b)), into consideration when determining whether to allow the carrier to make the plan available through the exchange.
SENATE BILL 107

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

   a. Claims payment policies and practices.

   b. Periodic financial disclosures.

   c. Data on enrollment.

   d. Data on disenrollment.

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

   f. Data on rating practices.

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

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

   i. Other information as determined appropriate by the secretary.

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

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

(4) The authority may not exempt any health carrier seeking certification of a health benefit plan as a qualified health plan, regardless of the type or size of the carrier, from state licensure or solvency requirements and shall apply the criteria of
this section in a manner that assures equitable treatment of all health carriers
participating in the exchange.

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

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

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

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

636.43 Insurer requirements. (1) Any health carrier that is authorized to
do business in this state in one or more lines of insurance that includes health
insurance may offer health benefit plans through the exchange. After the exchange
becomes operational, no health carrier may offer or issue a health benefit plan in this
state to an individual or to a small employer except through the exchange.
(2) For the purpose of determining premiums, a carrier may pool together all individuals and employees who have coverage under all of the qualified health plans issued by the carrier through the exchange.

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

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

(a) Complies with the provisions of this chapter.

(b) Promotes positive health outcomes.

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

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

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

636.44 Intermediaries. An insurance intermediary that enrolls a qualified individual in a qualified health plan through the exchange shall be paid a commission by the carrier offering the qualified health plan. An insurance intermediary that enrolls the employees of a qualified employer in one or more qualified health plans through the exchange shall be paid a commission by each carrier offering a qualified health plan selected by an employee of the qualified employer. The authority shall determine the commission amounts that must be paid
to intermediaries under this section after considering information provided to the commissioner under s. 628.81 with respect to health insurance.

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

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

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

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

636.48 Relation to other laws. Nothing in this chapter, and no action taken by the authority under this chapter, shall be construed to preempt or supersede the authority of the commissioner to regulate the business of insurance within this state. Except as expressly provided to the contrary in this chapter, all health carriers offering qualified health plans in this state shall comply fully with all applicable health insurance laws of this state and rules promulgated and orders issued by the commissioner.
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 Wisconsin Collaborative for Healthcare Quality, if that organization exists; the executive director, or his or her designee, of 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 provider, as defined in s. 146.81 (1) (i) to (p); an employee of an insurer that is authorized to do business in the state; or an insurance intermediary.
SENATE BILL 107

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

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

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

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

(a) Supervising the administrative affairs and the general management and operation of the authority.
(b) Planning, directing, coordinating, and executing administrative functions in conformity with the policies and directives of the board.

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

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

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

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

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

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

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

(a) Progress toward the goals of the exchange.

(b) The operations and administration of the exchange.

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

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

(e) Significant observations regarding utilization and adoption of the exchange.
(3) Annually submit to the governor and the legislative audit bureau a statement of its activities and financial condition.

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

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

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

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

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

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

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

(5) Incur debt.

(6) Appoint any technical or professional advisory committee that the authority finds necessary to assist the authority in exercising its duties and powers. If the authority appoints a committee, the authority shall define the duties of the committee and provide reimbursement for the expenses of the committee.

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

(8) Procure liability insurance.
(9) Sue and be sued in its own name and plead and be impleaded.

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

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

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

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

(c) For purposes of clarification, the authority may discuss the requirements of the proposed contract with any person who submits a bid or proposal and shall permit any offerer to revise his or her bid or proposal to ensure its responsiveness to those requirements.
(3) (a) The authority shall determine which bids or proposals are reasonably likely to be awarded the contract and shall provide each offerer of such a bid or proposal a fair and equal opportunity to discuss the bid or proposal. The authority may negotiate with each offerer in order to obtain terms that are advantageous to the authority. Prior to the award of the contract, any offerer may revise his or her bid or proposal. The authority shall keep a written record of all meetings, conferences, oral presentations, discussions, negotiations, and evaluations of bids or proposals under this section.

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

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

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

636.78 Political activities. (1) No employee of the authority may directly or indirectly solicit or receive subscriptions or contributions for any partisan political party or any political purpose while engaged in his or her official duties as an employee. No employee of the authority may engage in any form of political activity calculated to favor or improve the chances of any political party or any person seeking or attempting to hold partisan political office while engaged in his or her official
SENATE BILL 107

duties as an employee or engage in any political activity while not engaged in his or her official duties as an employee to such an extent that the person's efficiency during working hours will be impaired or that he or she will be tardy or absent from work. Any violation of this section is adequate grounds for dismissal.

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

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

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

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

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

(3) An individual required to file shall file with the government accountability board a statement of economic interests meeting each of the requirements of s. 19.44 (1) no later than 21 days following the date he or she assumes a position on the board or the position of executive director if the individual required to file has not
previously filed a statement of economic interests with the government accountability board during that year. The information on the statement shall be current as per the date he or she assumes the position.

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

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

(6) (a) Any person who violates this section may be required to forfeit not more than $500 for each violation. If the court determines that the accused has realized economic gain as a result of the violation, the court may, in addition, order the accused to forfeit the amount gained as a result of the violation. The attorney general, when so requested by the government accountability board, shall institute
proceedings to recover any forfeiture incurred under this subsection that is not paid
by the person against whom it is assessed.

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

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

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

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

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

(3) (a) Any person who violates this section may be required to forfeit not more
than $5,000 for each violation. If the court determines that the accused has realized
economic gain as a result of the violation, the court may, in addition, order the
accused to forfeit the amount gained as a result of the violation. The attorney
general, when so requested by the government accountability board, shall institute
proceedings to recover any forfeiture incurred under this subsection that is not paid
by the person against whom it is assessed.

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

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

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

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

(4) A cause of action may not arise against and civil liability may not be imposed
on a member of the board, the executive director, or an employee of the authority for
any act or omission in the performance of his or her powers and duties under this
chapter, unless the person asserting liability proves that the act or omission
constitutes willful misconduct or intentional violation of the law. The member of the
board, executive director, or employee who performed the act or omission that formed
the basis of liability shall be jointly liable with the authority if that board member,
executive director, or employee fails to cooperate with the authority in defense of the
claim and if the failure to cooperate affects the defense of the action.
(5) The amount recoverable by any person for any damages, injuries, or death in any civil action or civil proceeding against the authority, including any such action or proceeding based on contribution or indemnification, shall not exceed $100,000.

SECTION 49. Effective dates. This act takes effect on the day after publication, except as follows:

(1) The repeal and recreation of section 230.03 (3) of the statutes takes effect on July 1, 2015, or on the day after publication, whichever is later.

(2) The treatment of section 635.18 (1) of the statutes takes effect on January 1, 2016.