

# State of Wisconsin



2007 Senate Bill 226

Date of enactment: **December 11, 2007**  
Date of publication\*: **December 24, 2007**

## 2007 WISCONSIN ACT 39

AN ACT *to repeal* 149.14 (2) (c) 2., 149.165 (2) (bc) and 149.165 (4); *to renumber* 149.14 (2) (c) 1.; *to renumber and amend* 149.12 (2) (e) and 149.165 (2) (a); *to amend* 20.435 (4) (jz), 20.435 (4) (jz), 149.14 (3) (intro.), 149.14 (5) (a), 149.142 (1) and 149.165 (3m); and *to create* 149.12 (2) (e) 2. and 149.14 (3c) of the statutes; **relating to:** changes to the Health Insurance Risk-Sharing Plan.

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

**SECTION 1.** 20.435 (4) (jz) of the statutes, as affected by [2007 Wisconsin Act 20](#), section [392w](#), is amended to read:

20.435 (4) (jz) *Badger Care cost sharing, and employer penalty assessments, and premium subsidies.* All moneys received from payments under s. 49.665 (5), all moneys transferred under s. 149.165 (4), and all moneys received from penalty assessments under s. 49.665 (7) (b) 2. to be used for the Badger Care health care program under s. 49.665 and for the demonstration project under s. 49.45 (23).

**SECTION 2.** 20.435 (4) (jz) of the statutes, as affected by [2007 Wisconsin Acts 20](#) and .... (this act), is amended to read:

20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing and employer penalty assessments.* All moneys received from in cost sharing from medical assistance recipients, including payments under s. 49.665 (5) and, all moneys received from penalty assessments under s. 49.665 (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s. 49.471 (9) (c) to be used for the Badger Care health care program under s.

49.665 and for the Medical Assistance program under subch. IV of ch. 49.

**SECTION 3.** 149.12 (2) (e) of the statutes is renumbered 149.12 (2) (e) 1. and amended to read:

149.12 (2) (e) 1. ~~No~~ Subject to subd. 2., no person who is eligible for creditable coverage, other than those benefits specified in s. 632.745 (11) (b) 1. to 12., that is provided by an employer on a self-insured basis or through health insurance is eligible for coverage under the plan.

**SECTION 4.** 149.12 (2) (e) 2. of the statutes is created to read:

149.12 (2) (e) 2. The board may specify, subject to the approval of the commissioner, other types of coverage provided by an employer that do not render a person ineligible for coverage under the plan.

**SECTION 5.** 149.14 (2) (c) 1. of the statutes is renumbered 149.14 (2) (c).

**SECTION 6.** 149.14 (2) (c) 2. of the statutes is repealed.

**SECTION 7.** 149.14 (3) (intro.) of the statutes is amended to read:

149.14 (3) COVERED EXPENSES. (intro.) Covered expenses for coverage under the plan shall be the payment rates established by the authority for services pro-

\* Section 991.11, WISCONSIN STATUTES 2005-06 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

vided by persons licensed under ch. 446 and certified under s. 49.45 (2) (a) 11. Covered expenses for coverage under the plan shall also be the payment rates established by the authority for, at a minimum, the following services and articles if the service or article is prescribed by a physician who is licensed under ch. 448 or in another state and who is certified under s. 49.45 (2) (a) 11. and if the service or article, except for prescription drugs that are provided by a network of pharmacies approved by the board, is provided by a provider certified under s. 49.45 (2) (a) 11.:

**SECTION 8.** 149.14 (3c) of the statutes is created to read:

149.14 (3c) TEMPORARY PROVIDER CERTIFICATION. Notwithstanding the provider licensing and certification requirements under sub. (3) (intro.), for coverage of services or articles provided to an eligible person the authority may certify on a temporary basis a provider that is not licensed under ch. 446 or 448 but that is licensed in another state to provide the service or article, or a provider that is not certified under s. 49.45 (2) (a) 11. The certification under this subsection may be retroactive.

**SECTION 9.** 149.14 (5) (a) of the statutes is amended to read:

149.14 (5) (a) The authority shall establish and provide subsidies for deductibles paid by eligible persons with coverage under s. 149.14 (2) (a) and household incomes specified in s. 149.165 (2) (a) 1- to 5 to (e).

**SECTION 10.** 149.142 (1) of the statutes is amended to read:

149.142 (1) ESTABLISHMENT OF RATES. The authority shall establish provider payment rates for covered expenses that consist of the ~~allowable charges paid under s. 49.46 (2) usual and customary payment rates, as determined by the authority~~, for the services and articles provided plus an ~~enhancement adjustment~~ determined by the authority. ~~The rates shall be based on the allowable charges paid under s. 49.46 (2), projected plan costs, and trend factors. Using the same methodology that applies to medical assistance under subch. IV of ch. 49, the authority shall establish hospital outpatient per visit reimbursement rates and hospital inpatient reimbursement rates that are specific to diagnostically related groups of eligible persons.~~ The adjustments to the usual and customary rates shall be sufficient to cover the portion of plan costs specified in s. 149.143 (1) (c) and (2) (b).

**SECTION 11.** 149.165 (2) (a) of the statutes is renumbered 149.165 (2) and amended to read:

149.165 (2) Subject to sub. (3m), if the household income, as defined in s. 71.52 (5) and as determined under sub. (3), of an eligible person ~~with coverage under s. 149.14 (2) (a)~~ is equal to or greater than the first amount and less than the 2nd amount listed in any of the follow-

ing, the authority shall reduce the premium for the eligible person ~~to the rate~~ by the percentage of the premium shown after the amounts:

(a) If equal to or greater than \$0 and less than \$10,000, ~~to 100% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under s. 149.14 (2) (a) and (5) (a)~~ by at least 30 percent.

(b) If equal to or greater than \$10,000 and less than \$14,000, ~~to 106.5% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under s. 149.14 (2) (a) and (5) (a)~~ by at least 25 percent.

(c) If equal to or greater than \$14,000 and less than \$17,000, ~~to 115.5% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under s. 149.14 (2) (a) and (5) (a)~~ by at least 20 percent.

(d) If equal to or greater than \$17,000 and less than \$20,000, ~~to 124.5% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under s. 149.14 (2) (a) and (5) (a)~~ by at least 15 percent.

(e) If equal to or greater than \$20,000 and less than \$25,000, ~~to 130% of the rate that a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles as provided under s. 149.14 (2) (a) and (5) (a)~~ by at least 10 percent.

**SECTION 12.** 149.165 (2) (bc) of the statutes is repealed.

**SECTION 13.** 149.165 (3m) of the statutes is amended to read:

149.165 (3m) The authority may approve adjustment of the household income dollar amounts listed in sub. (2) (a) ~~1- to 5, to (e)~~, except for the first dollar amount listed in sub. (2) (a) 1-, to reflect changes in the consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor.

**SECTION 14.** 149.165 (4) of the statutes, as created by 2007 Wisconsin Act 20, is repealed.

**SECTION 15. Initial applicability.**

(1) PREMIUM DISCOUNTS. The treatment of sections 149.14 (2) (c) 1. and 2. and (5) (a) and 149.165 (2) (a) and (bc) and (3m) of the statutes first applies to policy years beginning on January 1, 2008.

**SECTION 16. Effective dates.** This act takes effect on the day after publication, except as follows:

(1) MEDICAL ASSISTANCE AND BADGER CARE APPROPRIATION. The treatment of section 20.435 (4) (jz) (by SECTION 2) of the statutes takes effect on the date stated in the Wisconsin Administrative Register by the department of health and family services under section 49.471 (12) (b) of the statutes, as created by 2007 Wisconsin Act 20, as the implementation date for BadgerCare Plus.