



2001 SENATE BILL 133

April 11, 2001 - Introduced by Senators CHVALA, DECKER, BURKE and RISSER, cosponsored by Representatives BOCK, POCAN, CARPENTER, YOUNG, TURNER, RYBA, MILLER, MORRIS-TATUM, COGGS, BOYLE and BERCEAU. Referred to Committee on Health, Utilities, Veterans and Military Affairs.

1 **AN ACT** *to amend* 15.01 (4) and 59.17 (2) (c); *to repeal and recreate* 15.01 (4);
2 and *to create* 15.07 (1) (a) 8., 15.07 (2) (L), 15.07 (5) (z), 15.07 (5m) (c), 15.20,
3 15.207, 20.430, 59.53 (24), 62.09 (8) (cm), chapter 152 and 230.08 (2) (cd) of the
4 statutes; **relating to:** establishing a publicly financed health care system for
5 residents of this state, creating the department of health planning and finance,
6 health policy board, regional health councils, granting rule-making authority,
7 and making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, payment for medical services received by residents of this state is made from a combination of federal moneys (such as under the medicare, medicaid, and various block grant programs), general purpose revenues (such as the "state share" of the joint federal-state medical assistance program, the BadgerCare program, state contributions to relief block grants for health care services, and moneys appropriated for specific medical purposes, such as cancer control grants), local moneys (such as funding for medical relief health care services and county nursing homes and hospitals), private health insurance coverage purchased by individuals or provided, in part, as employee benefits, and out-of-pocket payments by health care consumers.

This bill establishes a universal health plan for Wisconsin, under which, beginning July 1, 2004, each state resident, with certain specified exceptions, shall

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receive reasonable medical services necessary to maintain health, enable diagnosis, or provide treatment or rehabilitation for an injury, disability, or disease. Specified persons who are excepted from the July 1, 2004, beginning date are phased in for eligibility that begins July 1, 2005.

To administer the universal health plan, the bill creates a department of health planning and finance (DHPF), with six regional offices, that is directed and supervised by an 11-member health policy board that is also created in the bill. The health policy board appoints the secretary of health planning and finance and is required to review that appointment after 36 months. The bill also creates six regional health councils that are attached to DHPF and that report at least twice a year to the health policy board on the health care needs, problems, and concerns of the region. The bill requires appropriation of general purpose revenues to DHPF for operation of the health policy board for the 2001-03 fiscal biennium and requires that the health policy board consider numerous specified issues related to the formation of a universal health plan in this state.

Under the bill, by July 1, 2003, DHPF must begin implementation of processes, in light of policies determined by the health policy board, to effect numerous matters, including specifying the amounts and sources of funds to finance payment to providers under the universal health plan, applying for waivers to federal medicaid statutes and rules, and establishing a listing of approved medicinal substances and formulae. The secretary of health planning and finance and the secretary of administration must, until September 1, 2003, meet at least semimonthly to formulate decisions on issues concerning the universal health plan and DHPF and how the scope and functions of DHPF affect the scope and functions of the department of health and family services, the office of the commissioner of insurance, the board on aging and long-term care, and the duties or powers of any other state agency. The health policy board must convey the decisions to the legislative reference bureau for drafting of necessary proposed legislation for introduction in the legislature in 2004. The legislative reference bureau must prepare, in proper form for introduction, the proposed legislation that relates to the decisions.

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

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

- 1 **SECTION 1.** 15.01 (4) of the statutes is amended to read:
- 2 15.01 (4) "Council" means a part-time body appointed to function on a
- 3 continuing basis for the study, and recommendation of solutions and policy
- 4 alternatives, of the problems arising in a specified functional area of state
- 5 government, except the Wisconsin land council has the powers specified in s. 16.965

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1 (3) and (5) and the powers granted to agencies under ch. 227, the Milwaukee River
2 revitalization council has the powers and duties specified in s. 23.18, the council on
3 physical disabilities has the powers and duties specified in s. 46.29 (1) and (2), the
4 state council on alcohol and other drug abuse has the powers and duties specified in
5 s. 14.24, the regional health councils have the powers and duties specified in s. 152.30
6 (1), and, before January 1, 2001, the council on health care fraud and abuse has the
7 powers and duties specified in s. 146.36.

8 **SECTION 2.** 15.01 (4) of the statutes, as affected by 1999 Wisconsin Act 9, section
9 12n, and 2001 Wisconsin Act ... (this act), is repealed and recreated to read:

10 15.01 (4) "Council" means a part-time body appointed to function on a
11 continuing basis for the study, and recommendation of solutions and policy
12 alternatives, of the problems arising in a specified functional area of state
13 government, except the Milwaukee River revitalization council has the powers and
14 duties specified in s. 23.18, the council on physical disabilities has the powers and
15 duties specified in s. 46.29 (1) and (2), the state council on alcohol and other drug
16 abuse has the powers and duties specified in s. 14.24, the regional health councils
17 have the powers and duties specified in s. 152.30 (1), and, before January 1, 2001,
18 the council on health care fraud and abuse has the powers and duties specified in s.
19 146.36.

20 **SECTION 3.** 15.07 (1) (a) 8. of the statutes is created to read:

21 15.07 (1) (a) 8. Members of the health policy board elected under s. 15.20 (1)
22 shall be elected as provided in that section.

23 **SECTION 4.** 15.07 (2) (L) of the statutes is created to read:

24 15.07 (2) (L) The chairperson of the health policy board shall serve for a period
25 of 3 years and may be reelected for 2 additional successive terms.

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1 **SECTION 5.** 15.07 (5) (z) of the statutes is created to read:

2 15.07 **(5)** (z) Members of the health policy board, \$50 per day.

3 **SECTION 6.** 15.07 (5m) (c) of the statutes is created to read:

4 15.07 **(5m)** (c) *Health policy board.* Members of the health policy board may
5 be reimbursed for lost wages if required by their employers to use leave without pay
6 in order to attend meetings of the health policy board, and they may be reimbursed
7 for actual and necessary child care expenses without proof of financial hardship.

8 **SECTION 7.** 15.20 of the statutes is created to read:

9 **15.20 Department of health planning and finance.** There is created a
10 department of health planning and finance under the direction and supervision of
11 the health policy board. The health policy board shall consist of the following
12 members, each of whom is to serve for a 6-year term and, if reelected or reappointed,
13 for an additional 6-year term and none of whom may be a health care provider, as
14 defined in s. 152.01 (6), an administrator or owner of a health care facility or
15 organization, or an elected public official:

16 **(1)** One member elected by and from the current membership of each of the 6
17 regional health councils specified under s. 15.207 (1) (b).

18 **(2)** Five members, nominated by the governor and with the advice and consent
19 of the senate appointed, who reflect as much as possible a balance of gender, race,
20 age, sexual orientation, ethnicity, religion, geographic areas, and the interests of
21 management, labor, and individuals with disabilities.

22 **SECTION 8.** 15.207 of the statutes is created to read:

23 **15.207 Same; councils. (1) REGIONAL HEALTH COUNCILS.** (a) There are created
24 6 regional health councils that are attached to the department of health planning

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1 and finance under s. 15.03, one of which is established in each of the following areas
2 of this state:

3 1. The northern region, consisting of Ashland, Bayfield, Douglas, Florence,
4 Forest, Iron, Langlade, Lincoln, Marathon, Oneida, Portage, Price, Sawyer, Taylor,
5 Vilas, and Wood counties.

6 2. The southern region, consisting of Adams, Columbia, Crawford, Dane,
7 Dodge, Grant, Green, Iowa, Jefferson, Juneau, Lafayette, Richland, Rock, Sauk, and
8 Vernon counties.

9 3. The western region, consisting of Barron, Burnett, Buffalo, Chippewa,
10 Clark, Dunn, Eau Claire, Jackson, La Crosse, Monroe, Pepin, Pierce, Polk, Rusk, St.
11 Croix, Trempealeau, and Washburn counties.

12 4. The northeastern region, consisting of Brown, Calumet, Door, Fond du Lac,
13 Green Lake, Kewaunee, Manitowoc, Marinette, Marquette, Menominee, Oconto,
14 Outagamie, Shawano, Sheboygan, Waupaca, Waushara, and Winnebago counties.

15 5. The southeastern region, consisting of Kenosha, Ozaukee, Walworth,
16 Washington, Waukesha, and Racine counties.

17 6. The area within Milwaukee County.

18 (b) Each regional health council shall consist of the following members, none
19 of whom may be a health care provider, as defined in s. 152.01 (6), an administrator
20 or owner of a health care facility or organization, or an elected public official, to serve
21 for no more than 3 3-year terms:

22 1. In the northern region, a total of 16 members, consisting of one member from
23 each county in that region. The county board of supervisors of each county in that
24 region shall appoint one person from that county.

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1 2. In the southern region, a total of 15 members, consisting of one member from
2 each county in that region. The county board of supervisors of each county in that
3 region shall appoint one person from that county.

4 3. In the western region, a total of 17 members, consisting of one member from
5 each county in that region. The county board of supervisors of each county in that
6 region shall appoint one person from that county.

7 4. In the northeastern region, a total of 17 members, consisting of one member
8 from each county in that region. The county board of supervisors of each county in
9 that region shall appoint one person from that county.

10 5. In the southeastern region, a total of 12 members, consisting of 2 members
11 from each county in that region. The county board of supervisors of each county in
12 that region shall appoint 2 persons from that county.

13 6. In the area within Milwaukee County, a total of 12 members, consisting of
14 6 persons who are residents of the city of Milwaukee and are appointed by the mayor
15 of the city of Milwaukee, and 6 persons who are residents of Milwaukee County but
16 are not residents of the city of Milwaukee and are appointed by the county executive
17 of Milwaukee County.

18 **SECTION 9.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
19 the following amounts for the purposes indicated:

				2001-02	2002-03
20					
21	20.430 Health planning and finance, department				
22	of				
23	(1) HEALTH PLANNING AND FINANCE				
24	(a) General program operations	GPR	A	-0-	-0-

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1 **SECTION 10.** 20.430 of the statutes is created to read:

2 **20.430 Health planning and finance, department of.** There is
3 appropriated to the department of health planning and finance for the following
4 program:

5 **(1) HEALTH PLANNING AND FINANCE.** (a) *General program operations.* The
6 amounts in the schedule for the general program operations of the department of
7 health planning and finance.

8 (b) *Universal health plan services and benefits.* The amounts in the schedule
9 for health care services and benefits provided under s. 152.10 (4).

10 (i) *Gifts and grants.* All moneys received from gifts, grants, bequests, and
11 devises to carry out the purposes for which made.

12 (m) *Federal funds; state operations.* All moneys received from the federal
13 government, as authorized by the governor under s. 16.54, for the purposes for which
14 made and received.

15 **SECTION 11.** 59.17 (2) (c) of the statutes is amended to read:

16 59.17 **(2)** (c) Appoint the members of all boards ~~and, commissions, and councils~~
17 where appointments are required and where the statutes provide that the
18 appointments are made by the county board ~~or, by the chairperson of the county~~
19 ~~board, or by the county executive.~~ All appointments to boards ~~and, commissions, and~~
20 councils by the county executive are subject to confirmation by the county board.

21 **SECTION 12.** 59.53 (24) of the statutes is created to read:

22 59.53 **(24)** REGIONAL HEALTH COUNCIL. The board shall appoint members of a
23 regional health council, as specified in s. 15.207 (1) (b) 1. to 5.

24 **SECTION 13.** 62.09 (8) (cm) of the statutes is created to read:

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1 **(8)** “Reimbursement” means payment for the provision of services and other
2 benefits that are specified under s. 152.10 (4).

3 **(9)** “Secretary” means the secretary of health planning and finance.

4 **(10)** “Veteran” has the meaning given in 38 USC 101 (2).

5 **152.10 Universal health plan.** **(1)** There is created a universal health plan
6 in this state, under which, beginning on July 1, 2004, each eligible person shall
7 receive reasonable medical service necessary to maintain health, enable diagnosis,
8 or provide treatment or rehabilitation for an injury, condition, disability, or disease,
9 for which reimbursement shall be made by the department, except that no coverage
10 is provided for orthodontia or for the performance of reconstructive or cosmetic
11 surgery that is not determined to be medically necessary under criteria that are
12 promulgated as rules by the department.

13 **(2)** Each individual in this state who meets requirements of residency, under
14 criteria promulgated as rules by the department, is eligible for coverage, except as
15 provided in sub. (5), under the universal health plan, except that all of the following
16 may be phased in for eligibility under this subsection, beginning no later than July
17 1, 2005:

18 (a) Individuals, other than those specified in par. (b), who have no coverage
19 under disability insurance policies.

20 (b) Individuals who have no coverage under disability insurance policies and
21 who receive health care, treatment for nervous or mental disorders, or treatment or
22 prevention services for alcohol and other drug abuse that are funded by state or local
23 funding.

24 (c) Individuals who are employees of the state or any county, city, village, or
25 town, and who, as a benefit of the employment, have coverage for themselves and

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1 family members under provisions of group disability insurance policies or under
2 self-insured health plans.

3 (d) Individuals, other than those specified in par. (c) or (h), who, by reason of
4 their employment or as family members of individuals who are employed, have
5 coverage under group disability insurance policies.

6 (e) Individuals who have coverage under individual disability insurance
7 policies.

8 (f) Individuals who have coverage under the health insurance risk-sharing
9 plan under ch. 149.

10 (g) Individuals who are eligible for benefits or services under s. 49.46, 49.468,
11 49.47, or 49.665, medicare, or block grants that provide health care services.

12 (h) Individuals who are employees of self-insured employers, other than those
13 specified in par. (c), and who receive health care benefits for themselves and family
14 members under self-insured health plans.

15 (i) Individuals who receive medical benefits under worker's compensation.

16 (j) Veterans who receive medical benefits under s. 45.351 (1j) or 38 USC 1701
17 to 1774, or both, and the children of veterans who receive medical benefits under 38
18 USC 1801 to 1806.

19 (k) Indians who receive health and other services under 25 USC 1651 to 1683.

20 **(3)** (a) Any individual who is eligible under sub. (2) may receive services that
21 are available under the universal health plan from any participating health care
22 provider in this state.

23 (b) No individual who is eligible under sub. (2) may under this section be
24 required to pay an amount as a deductible or copayment as a condition for receipt of
25 services under this section from a health care facility or health care provider.

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1 (c) An individual's state residency is presumed unless rebutted by clear and
2 convincing evidence. If the presumption is so rebutted, any reimbursement paid
3 under the universal health plan for health care services rendered to the individual
4 is a liability of the individual.

5 (4) Health care services and other benefits provided under the universal health
6 plan shall include all of the following:

7 (a) Services of all persons licensed, certified, registered, or permitted to treat
8 the sick under chs. 441, 446, 447, 448, 449, 450, 451, 455, 457, and 459.

9 (b) Health care services that are provided by health care facilities and the
10 offices and clinics of persons under par. (a).

11 (c) Preventive health care services and health promotional programs, including
12 well-child care, immunizations, screening, outreach, and education.

13 (d) Medical or surgical supplies and durable medical or surgical equipment,
14 supplies and appliances, including valves, pacemakers, prostheses, eyeglasses, and
15 hearing aids.

16 (e) Prescription drugs specified in the state formulary under the requirements
17 of s. 152.40 (4) (n) and any other drugs specified by the department by rule.

18 (f) Blood and blood products.

19 (g) Long-term care services that are necessary for the physical health, mental
20 and emotional well-being, and social and personal needs of individuals who have
21 limited self-care capabilities, including services of health care facilities; home
22 health care; hospice care; home-based and community-based services, including
23 personal assistance and attendant care; and periodic needs assessments.

24 (h) Mental health treatment and services, including substance abuse and brain
25 injury treatment.

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1 (i) Dental services, as specified under s. 49.46 (2) (b) 1.

2 (5) The universal health plan is the payer of last resort, and coverage under
3 the universal health plan is supplemental to any health care coverage in force that
4 is held by an individual.

5 (6) As a condition of participation by a health care provider in the universal
6 health plan, the health care provider shall accept reimbursement only under the
7 universal health plan for all services or other benefits that the health care provider
8 provides under the universal health plan.

9 **152.20 Health policy board; powers and duties.** (1) The board shall
10 approve and continually evaluate the listing of approved medicinal substances and
11 formulae that is required under s. 152.40 (4) (n).

12 (2) The board shall biennially evaluate and oversee cost containment
13 guidelines and policies, including the evaluation of mechanisms used to contain costs
14 of providing services, and shall revise the guidelines and policies as necessary.

15 (3) The board shall review at least all of the following issues and formulate or
16 revise policies, as appropriate, with respect to the issues:

17 (a) Duties of the department that require policy determinations.

18 (b) The sources and amounts of revenues for the administration of the
19 department and the board and for financing the payment of medical services that are
20 provided to residents under the universal health plan.

21 (c) Information provided by the regional health councils.

22 (d) Development of a system for determination and periodic review of areas in
23 this state, and specific populations within those areas, that are medically
24 underserved; and development of plans for providing health care services to those
25 areas and populations, including the establishment of community health centers.

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1 (e) Development of a system for periodic reviews and evaluations of all aspects
2 of the operation of the universal health plan, including the adequacy, cost,
3 effectiveness, and quality of health care services provided.

4 (f) Development of a notice and hearing procedure for review of complaints of
5 residents about the universal health plan, in accordance with the requirements of
6 ch. 227.

7 (g) Other issues that the board determines are relevant to the universal health
8 plan.

9 (h) State statutory changes that may be necessary to effect pars. (a) to (g).

10 (4) By January 1, April 1, July 1, and October 1 of each year, the board shall
11 report to the governor on the revenues and expenditures of the universal health plan
12 for the calendar quarter immediately preceding the most recently completed
13 calendar quarter.

14 (5) The board shall establish payment rates, taking into consideration
15 regional, rural, and urban differences, and conditions of payment for the provision
16 of health care services under the universal health plan.

17 **152.30 Regional health councils.** (1) Each regional health council shall do
18 all of the following:

19 (a) Elect one member of the regional health council to serve as a member of the
20 board under s. 15.20 (1). If the term of the member who is so elected expires with
21 respect to the regional health council or with respect to the board under s. 15.20 (1),
22 the regional health council shall elect a current member of the council to serve as a
23 member of the board in his or her stead.

24 (b) Study and continuously monitor the delivery and quality of and access to
25 health care services in the region of the regional health council and recommend to

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1 the board ways to improve the quality of and help ensure access to health care
2 services.

3 (c) Recommend to the board payment rates and conditions appropriate to
4 specific regional needs and advise on regional health care policy issues and
5 administrative policies and procedures.

6 (d) Study and continuously monitor the unmet health care service needs in the
7 region of the regional health council and recommend to the board ways by which the
8 needs may be met.

9 (e) Report at least annually to the board with respect to the health care needs,
10 problems, and concerns of the region, including any issues elicited at public hearings
11 under par. (g), and provide to the board recommendations to alleviate these needs,
12 problems, and concerns.

13 (f) Require reports from and advise the member of the staff of the appropriate
14 regional office whose duties are specified under s. 152.40 (1), concerning issues that
15 arise under pars. (b) to (e).

16 (g) In at least 3 localities of the region, hold public hearings at least annually
17 to elicit public opinion concerning the universal health plan. The council shall give
18 notice of each hearing by publishing a class 1 notice, under ch. 985, at least 15 days
19 before the hearing in a newspaper covering the affected area.

20 (h) Perform other duties as required by the board.

21 **(2)** Each regional health council may, for cause, recall the member elected
22 under sub. (1) (a) and may elect another member to fulfill that term on the board if
23 all of the following are done:

24 (a) The elected member of the board for whom recall is sought receives notice
25 of the recall at least 10 working days before the meeting at which recall is voted upon.

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1 (b) Notice of the vote to recall the elected member is made on the agenda of the
2 meeting of the regional health council that is immediately prior to the meeting at
3 which recall is voted upon.

4 (3) The staff of the appropriate regional office shall provide services to each
5 regional health council to deal with issues of health consumer advocacy and health
6 ombudsman functions.

7 **152.40 Department of health planning and finance.** (1) The department
8 shall administer the universal health plan, including establishing a regional office
9 in each of the regions specified under s. 15.207 (1) (a) 1. to 6. Each regional office shall
10 have at least one staff member who acts in a full-time capacity as a regional
11 consumer advocate and health care ombudsman.

12 (2) The department shall, after review and approval by the board, promulgate
13 as rules all of the following:

14 (a) Guidelines for cost containment under the universal health plan, including
15 the purchasing and distribution of major diagnostic, medical, and surgical
16 equipment.

17 (b) Criteria for determining state residency for the purposes of eligibility under
18 the universal health plan.

19 (c) Criteria, as recommended by the medical advisory committee appointed by
20 the secretary under sub. (5), for determining medical necessity for orthodontia and
21 for the performance of reconstructive or cosmetic surgery for coverage under the
22 universal health plan.

23 (3) The department shall biennially evaluate and recommend to the board cost
24 control measures for the universal health plan.

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1 (4) The department shall, by July 1, 2003, begin implementation of processes,
2 in light of outcomes under s. 152.20 (3), to effect all of the following:

3 (a) Specification of the amounts and sources of funds to finance payment to
4 providers under the universal health plan, excluding all premiums, copayments,
5 deductibles, and other forms of direct payment by patients, and including all of the
6 following:

7 1. Use of federal, state, and local moneys that fund, as of July 1, 2004, health
8 care services, including medicare, medical assistance, health care services funded by
9 a relief block grant under s. 49.02 or 49.025, health care services under s. 49.665,
10 veterans medical benefits, Indian health care, services provided under federal block
11 grants, alcohol and other drug abuse services, and services provided by local health
12 departments.

13 2. Use of revenues from a tax on employers, based on the amount of wages that
14 they pay, that generates, in the aggregate, revenues that are at least equal to
15 amounts that employers contribute, as of the effective date of this subdivision
16 [revisor inserts date], for employee health care benefit costs, including the costs of
17 worker's compensation attributable to health care for injured employees.

18 3. Use of revenues from a graduated income tax on individuals that generates,
19 in the aggregate, revenues that are not greater than expenditures that individuals
20 make, as of July 1, 2004, for health care costs for which coverage under disability
21 insurance policies is not obtained.

22 4. An indexing of the sources of revenues under this paragraph that provides
23 for revenue growth that is equivalent to the anticipated growth of health care costs
24 under the universal health plan.

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1 (b) Application for waivers to 42 USC 1396 to 1396v or consideration of the
2 feasibility of statutory changes to 42 USC 1396 to 1396v in order to effect all of the
3 following:

4 1. Administration of the medical assistance program in this state by the
5 department, rather than by the department of health and family services.

6 2. Use of federal financial participation to fund a portion of the administrative
7 costs, after June 30, 2004, of the department.

8 3. Use of federal financial participation, after June 30, 2004, to fund, under the
9 universal health plan, the health care services received by a percentage of the
10 residents that corresponds to the percentage of the residents, as determined by the
11 board, that is eligible to receive health care services under the medical assistance
12 program on July 1, 2004.

13 4. The formulation of criteria and procedures for payment of out-of-state
14 health care costs incurred by residents specified in subd. 3.

15 5. Use of federal financial participation to fund the scope, or a portion of the
16 scope, of medical services to be provided under the universal health plan.

17 (c) Application for waivers to medicare or consideration of the feasibility of
18 statutory changes to 42 USC 1395 to 1395ddd in order to effect all of the following:

19 1. Administration of the medicare program in this state by the department,
20 rather than by private insurers.

21 2. Use of federal medicare funds to fund a portion of the administrative costs,
22 after June 30, 2004, of the department.

23 3. Use of federal medicare funds to fund, under the universal health plan, the
24 health care services received by residents who are eligible to receive services under
25 medicare beginning on July 1, 2004.

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1 4. The formulation of criteria and procedures for payment of out-of-state
2 health care costs incurred by residents specified in subd. 3.

3 5. Use of federal medicare funds to fund the scope, or a portion of the scope, of
4 medical services to be provided under the universal health plan.

5 6. The assignment to the state, as represented by the department, of rights of
6 an individual to payment for medical care from any 3rd party.

7 (d) Application for waivers or consideration of the feasibility of statutory
8 changes to federal laws, other than those specified in pars. (b) and (c), in order to use
9 moneys available under those federal laws for payment of health care services under
10 the universal health plan or in order to provide services to all residents under the
11 universal health plan.

12 (e) The establishment and maintenance, with reserves of no less than 5% of the
13 total annual health budget, of a health trust fund in the department, for receipt of
14 revenues specified in par. (a).

15 (f) The formulation of criteria for determining payment and the formulation of
16 procedures for determining payment and negotiating applicable rates to be used for
17 payment for health care providers, including health care facilities, under the
18 universal health plan. The criteria and procedures for determining payment shall
19 include periodic overall budgeting, including separately budgeting for operational
20 costs; for health care facilities and services; for negotiations with professional groups
21 or associations of practitioners; for consideration of inflation costs and increased
22 patient populations; and for research and teaching.

23 (g) The formulation of criteria and procedures to review and to provide funding
24 for capital expenditures, from an account separate from that from which health care

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1 services are paid, for the establishment, maintenance, or expansion of health care
2 facilities.

3 (h) The formulation of criteria and procedures for recovery of overpayments
4 made to health care providers under the universal health plan.

5 (i) The determination and use of factors requisite to establishing an annual
6 state health budget for the provision of services under the universal health plan.

7 (j) Application for waivers of 29 USC 1144 (a) or consideration of the feasibility
8 of statutory change to 29 USC 1144 (a) or the means by which operation of the
9 universal health plan may avoid conflict with 29 USC 1144 (a).

10 (k) Investigation of the feasibility of providing the state with subrogation rights
11 to payments for injury or disease to residents that are provided under motor vehicle
12 or other liability insurance policies or plans.

13 (L) Formulation of criteria and procedures for payment under the universal
14 health plan of out-of-state health care costs incurred by residents.

15 (m) Establishment of a listing of approved medicinal substances and formulae,
16 including all of the following:

17 1. Negotiation with pharmaceutical manufacturers or distributors to obtain
18 the lowest possible cost for each medicinal substance. The negotiation shall include
19 as parties on behalf of the universal health plan the secretary of the department and
20 the chairperson of the board.

21 2. Establishment of a single statewide price, under the universal health plan,
22 for each medicinal substance.

23 3. Monitoring the listing to oversee its currency and revising the listing by
24 January 1 and July 1 annually.

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1 4. Negotiating a statewide uniform dispensing fee with representatives of
2 pharmacists or pharmacies.

3 (n) Exemption of operation of the universal health plan from ch. 133, if
4 necessary.

5 (p) Other issues relevant to the universal health plan, as determined by the
6 board.

7 **(5)** The secretary shall create a medical advisory committee and appoint
8 members of the committee, to recommend criteria under s. 152.40 (2) (c).

9 **SECTION 15.** 230.08 (2) (cd) of the statutes is created to read:

10 230.08 **(2)** (cd) The secretary of the department of health planning and finance.

11 **SECTION 16. Nonstatutory provisions; health planning and finance.**

12 (1) HEALTH POLICY BOARD; APPOINTMENT OF MEMBERS. Notwithstanding the
13 length of terms specified for the members of the health policy board under section
14 15.20 (intro.) of the statutes, as created by this act, the initial members of the health
15 policy board shall be appointed or elected by the first day of the 3rd month beginning
16 after the effective date of this subsection for the following terms:

17 (a) Two members specified under section 15.20 (1) of the statutes, as created
18 by this act, one of whom is elected from the northern regional council and one of
19 whom is elected from the southeastern regional council, and 2 members specified
20 under section 15.20 (2) of the statutes, as created by this act, for terms expiring on
21 May 1, 2005.

22 (b) Two members specified under section 15.20 (1) of the statutes, as created
23 by this act, one of whom is elected from the northeastern regional council and one of
24 whom is elected from the regional council for the area within Milwaukee County, and

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1 2 members specified under section 15.20 (2) of the statutes, as created by this act, for
2 terms expiring on May 1, 2007.

3 (c) Two members specified under section 15.20 (1) of the statutes, as created by
4 this act, one of whom is elected from the southern regional council and one of whom
5 is elected from the western regional council, and one member specified under section
6 15.20 (2) of the statutes, as created by this act, for terms expiring on May 1, 2009.

7 (2) REGIONAL HEALTH COUNCILS; APPOINTMENT OF MEMBERS. Notwithstanding the
8 length of terms specified for the members of regional health councils under section
9 15.207 (1) (b) of the statutes, as created by this act, the initial members of the regional
10 health councils shall be appointed by the first day of the 3rd month beginning after
11 the effective date of this subsection for the following terms:

12 (a) For the regional health council under section 15.207 (1) (b) 1. of the statutes,
13 as created by this act:

- 14 1. Five members, for terms expiring on July 1, 2006.
- 15 2. Five members, for terms expiring on July 1, 2007.
- 16 3. Six members, for terms expiring on July 1, 2008.

17 (b) For the regional health council under section 15.207 (1) (b) 2. of the statutes,
18 as created by this act:

- 19 1. Five members, for terms expiring on July 1, 2006.
- 20 2. Five members, for terms expiring on July 1, 2007.
- 21 3. Five members, for terms expiring on July 1, 2008.

22 (c) For each regional health council under section 15.207 (1) (b) 3. or 4. of the
23 statutes, as created by this act:

- 24 1. Five members, for terms expiring on July 1, 2006.
- 25 2. Five members, for terms expiring on July 1, 2007.

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1 3. Seven members, for terms expiring on July 1, 2008.

2 (d) For each regional health council under section 15.207 (1) (b) 5. or 6. of the
3 statutes, as created by this act:

4 1. Four members, for terms expiring on July 1, 2006.

5 2. Four members, for terms expiring on July 1, 2007.

6 3. Four members, for terms expiring on July 1, 2008.

7 (3) PROPOSED IMPLEMENTATION.

8 (a) The department of administration shall expedite the creation of health
9 councils in accord with section 15.207 (1) (b) of the statutes, as created by this act,
10 by initiating and making follow-up contacts with boards of supervisors in counties
11 other than Milwaukee County and with the county executive of Milwaukee County
12 and the mayor of the city of Milwaukee.

13 (b) The department of administration shall provide staff assistance to complete
14 all activities required to create the 6 regional health councils and enable each
15 regional health council to elect one member of the health policy board as required
16 under section 15.20 (1) of the statutes, as created by this act.

17 (c) The health policy board shall appoint the secretary of health planning and
18 finance within 6 months after the first meeting at which all appointed and at least
19 3 elected board members assemble.

20 (d) The secretary of health planning and finance and the secretary of
21 administration shall, until September 1, 2003, meet at least semimonthly to
22 formulate decisions on issues concerning the universal health plan and the
23 department of health planning and finance, as specified in chapter 152 of the
24 statutes, as created by this act, and how the scope and functions of the department
25 of health planning and finance affect the scope and functions of the department of

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1 health and family services, the office of the commissioner of insurance, and the board
2 on aging and long-term care and the duties or powers of any other state agency.
3 Following approval by the health policy board, the department of health planning
4 and finance shall convey these decisions to, and cooperate with, the legislative
5 reference bureau in the drafting of proposed legislation that is necessary to meet
6 those issues, for introduction in the legislature in 2004 by the appropriate committee
7 of the legislature.

8 (e) Within 2 months after 36 months after the appointment of the first secretary
9 of health planning and finance under paragraph (c), the health policy board shall
10 evaluate, in writing, the performance of the secretary, shall decide whether or not to
11 continue the appointment, and shall provide a copy of the evaluation to the governor.
12 If the health policy board decides to discontinue the appointment, the board shall,
13 within 6 months, implement the decision and appoint a successor.

14 **SECTION 17. Nonstatutory provisions; legislative reference bureau.**

15 (1) DRAFTING PROPOSED LEGISLATION TO IMPLEMENT THE UNIVERSAL HEALTH PLAN.
16 The legislative reference bureau shall, after meeting with and receiving the
17 decisions of the department of health planning and finance with respect to the
18 universal health plan, prepare in proper form proposed legislation that shall relate
19 to those decisions, for introduction in the legislature in 2004 by the appropriate
20 committee of the legislature.

21 **SECTION 18. Effective dates.** This act takes effect on the day after publication,
22 except as follows:

23 (1) The repeal and recreation of section 15.01 (4) of the statutes takes effect on
24 September 1, 2003.

