

STATE OF WISCONSIN  
**Assembly Journal**  
Ninety-First Regular Session

TUESDAY, August 2, 1994

The chief clerk makes the following entries under the above date:

July 13, 1994

ADMINISTRATIVE RULES

Read and referred:

**Assembly Clearinghouse Rule 94-52**

Relating to controlled substances.

Submitted by Controlled Substances Board.

To committee on Criminal Justice and Public Safety.

Referred on July 28, 1994.

**Assembly Clearinghouse Rule 94-63**

Relating to the establishment of a refuge on Duck creek, Brown county.

Submitted by Department of Natural Resources.

To committee on Tourism and Recreation.

Referred on July 28, 1994.

**Assembly Clearinghouse Rule 94-96**

Relating to the administration of the forest crop law and the managed forest law.

Submitted by Department of Natural Resources.

To committee on Agriculture, Forestry and Rural Affairs.

Referred on July 28, 1994.

COMMUNICATIONS

State of Wisconsin  
Department of State  
Madison

To Whom It May Concern:

Acts, joint resolutions and resolutions, deposited in this office, have been numbered and published as follows:

Resolution No.	Enrolled No.	Publication date
Assembly Jt. Res. 3	-----19	----- August 2, 1994
Assembly Jt. Res. 81	-----20	----- August 2, 1994
Assembly Jt. Res. 121	-----21	----- August 2, 1994

Sincerely,  
DOUGLAS La FOLLETTE  
Secretary of State

Speaker Walter Kunicki  
Room 212 North, State Capitol  
P.O. Box 8952  
Madison, WI 53708

Dear Speaker Kunicki:

Please accept my resignation from the Joint Committee on Finance effective today, Wednesday, July 13.

Sincerely,  
JAMES HOLPERIN  
State Representative  
34th Assembly District

SPEAKER'S APPOINTMENTS

July 13, 1994

Representative Barbara Linton  
Assembly Chair, Joint Committee on Finance  
P.O. Box 8952  
Madison, WI 53708

Dear Representative Linton:

This letter is to inform you I have appointed myself to the Joint Committee on Finance effective July 13, 1994.

Sincerely,  
WALTER KUNICKI  
Assembly Speaker

July 27, 1993

Representative Richard Grobschmidt  
111 North, State Capitol  
P.O. Box 8952  
Madison, WI 53708

Dear Rick:

Pursuant to 1993 Wisconsin Act 358, Section 39.80(2)(b), it is my pleasure as Speaker of the Assembly to appoint you to the Midwestern Higher Education Commission.

This appointment is effective immediately and is for a two year term.

I know that with your commitment to quality education you will be a fine addition to this commission.

Sincerely,  
WALTER KUNICKI  
Assembly Speaker

REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Department of Administration  
Madison

July 25, 1994

To the Honorable the Legislature:

This report is transmitted as required by sec. 20.002(11)(f) of the Wisconsin Statutes, (for distribution to the appropriate standing committees under sec. 13.172(3) Stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of June, 1994.

On June 20, 1994 the General Fund balance was -\$78.4 million. On June 21, 1994 the balance reached \$51.8 million. The one-day shortfall was due to the timing of revenues to the fund.

The General Fund shortfall was not in excess of the \$400 million ceiling and did not exceed the balances of the Funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by State Finance will automatically reflect the use of these temporary reallocations of balance authority.

Sincerely,  
JAMES R. KLAUSER  
Secretary, DOA

Referred to Joint Committee on Finance.

State of Wisconsin  
Commissioner of Insurance  
Madison

July 26, 1994

To the Honorable the Assembly:

As required in ss. 227.485 (9) and 814.245 (10), Wis. Stats., I am submitting the report concerning decisions and resulting payments of attorney fees and related legal costs. Attorney fees and other legal costs are to be paid whenever the opposing party to an agency's ch. 227, Wis. Stat., hearing prevails and it is determined that the agency's position was not substantially justified.

One payment for FY 1994 by the Office of the Commissioner of Insurance (OCI) as a settlement offer is shown on the attached documentation. This payment was made as a result of a claim appeal to the Wisconsin Health Insurance Risk Sharing Plan (HIRSP).

If there are any questions regarding this report, please contact me or Kari Jo Zika, the HIRSP representative in our office.

Sincerely,  
JOSEPHINE W. MUSSER  
Commissioner

Referred to committee on Insurance, Securities and Corporate Policy.

State of Wisconsin  
Commissioner of Insurance  
Madison

July 29, 1994

To the Honorable the Assembly:

In accordance with s. 619.15 (2), Wis. Stats., I am pleased to submit to you the Twelfth Annual Report of the Wisconsin Health Insurance Risk-Sharing Plan (HIRSP). The plan was established in 1981 and now offers insurance to 11,514 Wisconsin residents.

The major issue on the HIRSP agenda continues to be cost containment. In addition, the HIRSP Board of Governors and the Wisconsin Office of the Commissioner of Insurance (OCI) have also taken several steps toward policyholder education. Highlights of the past year include:

ENROLLMENT

- \* There are currently 11,514 Wisconsin citizens enrolled in HIRSP, compared to 12,838 at this time last year.
- \* Enrollment has been on the decline due to small group insurance reform, as well as a steady increase in premiums.
- \* 32% of enrollees receive a subsidy to lower their premiums and deductibles, compared to 29% in 1992.
- \* 70% of HIRSP policyholders are age 45 and older. 30% of all policyholders are between ages 60-64.

INCOME

- \* Assessments on insurers totaled \$18,000,000 in calendar year 1993.
- \* \$25,606,533 in premiums were collected for calendar year 1993.

CLAIMS

- \* \$46,257,835 was paid in claims for 1993 versus \$32,259,153 in 1992. Of this amount, \$23,648,594 was for inpatient claims, \$14,033,009 was for professional services and \$5,046,754 was for outpatient claims.

- \* Psychosis, diagnostic related group (DRG) number 430, ranked first by total inpatient payments, but accounted for less than 10% of the total admissions for HIRSP policyholders.
- \* The average per member per month cost of the Plan in 1993 was \$315.00. Twenty-five percent of all outpatient services were for Drugs/Supplies, which averaged \$36.94 per member per month.
- \* The most expensive hospitalization was for a primary diagnosis of cardiac valve surgery for which a total payment of \$124,280 was made.
- \* The most utilized hospital in the state was St. Joseph's Hospital in Marshfield, while St. Lukes Medical Center in Milwaukee received the highest total payments for inpatient care.

#### COST CONTAINMENT

- \* In 1991, the Wisconsin Legislature mandated in s. 619.15 (e), Wis. Stat., that HIRSP reduce reimbursements for all health services rendered to HIRSP enrollees by 10%. This reduction resulted in a savings of more than \$4,000,000 for the plan in 1993.
- \* The HIRSP Board of Governors voted to accept proposals for a hospital bill audit program for HIRSP. This program is expected to save the plan \$200,000 - \$300,000 in claims costs a year.

#### POLICYHOLDER EDUCATION

- \* A Consumer Affairs committee was created by the Board of Governors (Board) to assure policyholders that the Board receives input from policyholders. The plan also began publishing a quarterly newsletter to inform policyholders about changes in the plan, health care reform, etc.
- \* Policy language has been updated to clarify the definitions of experimental treatment and medical necessity. Other changes have been made in the policy to make it clearer and more readable to the policyholder.
- \* In April, 1993, the OCI conducted a survey of all HIRSP enrollees and received a response rate of 37.5%. Highlights of the results are as follows:
  - The most common medical reason for a denial of health insurance was disorders of the circulatory system, with 36% of respondents listing it as the reason for their denial of health insurance coverage.
  - When asked about employment status, the majority (41.3%) of HIRSP enrollees are unemployed. Self-employed persons made up 22.3% of enrollees.
  - The most common write-in comment referred to the premium increases HIRSP has seen over the past three to four years, with persons citing that HIRSP is getting too expensive to carry.

I am confident that the HIRSP Board of Governors will continue to explore additional cost-containment options for the plan, which will prove to be beneficial to both HIRSP enrollees and the state of Wisconsin.

The data continues to show that HIRSP remains as a viable alternative for health insurance for Wisconsin citizens.

Sincerely,  
JOSEPHINE W. MUSSER  
Commissioner of Insurance

Referred to committee on Insurance, Securities and Corporate Policy.

#### COMMUNICATIONS

State of Wisconsin  
Department of Natural Resources  
Madison

July 13, 1994

SUBJECT: Transmittal of the Hazard Ranking List

To the Honorable the Legislature:

Pursuant to s. 144.442(4)(c), Stats., attached is the revised Wisconsin Emergency and Remedial Response Program's Hazard Ranking List. This document updates the previous Hazard Ranking List published in March, 1988.

This report and the revised Hazard Ranking List is part of an ongoing process to identify and correct environmental pollution in Wisconsin using the Environmental Fund. The Fund provides the Department of Natural Resources with the means to correct environmental problems which are not eligible for remedial action under Federal Superfund program, but still endanger public health or welfare, or the environment.

For additional copies of the document, contact the Emergency & Remedial Response Section of the Bureau of Solid & Hazardous Waste Management, at 608/264-6009. If you have questions about the document, contact Jonathan Young Eagle at 608/264-6014, or Bob Strous at 608/266-2699.

Sincerely,  
GEORGE E. MEYER  
Secretary, DNR

State of Wisconsin  
Legislative Audit Bureau  
Madison

July 21, 1994

To the Honorable the Legislature:

We have completed a financial audit of the Wisconsin Gaming Commission to meet our audit requirements

under s. 13.94(1)(em), Wis. Stats. Prior to the creation of the Commission on October 1, 1992, we conducted separate audits of the Lottery Board and the Racing Board. This is the first financial audit combining Lottery, Racing, Indian Gaming and Charitable Gaming activities. We have issued unqualified opinions as to the fair presentation of the Commission's fiscal year (FY) 1992-93 financial statements.

During FY 1992-93, the Wisconsin Lottery continued to experience an increase in ticket sales and provided almost \$200 million for property tax relief. However, the rate of growth in sales is slowing and if present trends continue, the amount of the average annual Lottery Tax Credit will stabilize at about \$120.

In FY 1992-93, pari-mutual greyhound racing provided \$7.6 million in tax revenues to the State's General Fund and \$775,000 to various programs such as county and district fair aids. However, public interest and participation in pari-mutual racing appears to have peaked and racing revenues have been declining significantly. Legislative action was recently required to appropriate general purpose revenue for programs that had previously been funded with pari-mutual racing revenue. We recommend the statutes be amended to eliminate the requirement that pari-mutual tax revenues be used to support non-racing related programs.

The oversight responsibilities required by the tribal-state compacts and the dramatic expansion of the number of casinos operating in Wisconsin have strained the resources of the Office of Indian Gaming. The compacts limit the amount of funding the State can collect from the Tribes for administration to \$350,000 annually, which is less than the cost of providing the oversight. Further, because the initial Gaming Commission budget approved by the Legislature did not include an appropriation for Indian Gaming and subsequent budgets did not provide funding for overhead costs, we estimate that by the end of the 1993-95 biennium over \$446,000 in Lottery program funds will be used to pay Indian Gaming costs. We recommend that the Lottery program be fully reimbursed for these costs.

We appreciate the courtesy and cooperation extended to us by staff of the Gaming Commission during our audit. The Commission's response is Appendix VI.

Respectfully submitted,  
DALE CATTANACH  
State Auditor

July 25, 1994

Thomas T. Melvin  
Assembly Chief Clerk  
Suite 402, One East Main Street  
P.O. Box 8952  
Madison, WI 53708

Dear Clerk Melvin:

Pursuant to adoption by the Illinois House of Representatives on June 30, 1994, I am enclosing for your attention the following House Resolution No. 2540:

"RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the State of Illinois hereby claims sovereignty under the 10th Amendment to the Constitution of the United States over all powers not otherwise enumerated and granted to the federal government by the United States Constitution; and be it further

RESOLVED, That this serve as Notice and Demand to the federal government, as our agent, to cease and desist, effective immediately, mandates that are beyond the scope of its constitutionally delegated powers"

Additional copies of this resolution may be obtained by writing:

The Office of the Clerk  
Room 115 State Capitol  
Springfield, IL 62706

Any questions concerning the interpretation of this resolution should be directed to the House Sponsor, Representative Hoeft-Brady. Transcripts of committee hearings and/or other debate relating to the House's action on this matter may also be available from the Clerk's Office.

Respectfully submitted,  
ANTHONY D. ROSSI  
Clerk of the House  
State of Illinois