

WISCONSIN STATE  
LEGISLATURE  
COMMITTEE HEARING  
RECORDS

2005-06

(session year)

Senate

(Assembly, Senate or joint)

Committee on  
Agriculture and  
Insurance  
(SC-AI)

File Naming Example:

- Record of Comm. Proceedings ... RCP
- > 05hr\_AC-Ed\_RCP\_pt01a
- > 05hr\_AC-Ed\_RCP\_pt01b
- > 05hr\_AC-Ed\_RCP\_pt02

> Committee Hearings ... CH (Public Hearing Announcements)

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> Committee Reports ... CR

> \*\*

> Executive Sessions ... ES

> \*\*

> Record of Comm. Proceedings ... RCP

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> Appointments ... Appt

> \*\*

> Clearinghouse Rules ... CRule

> \*\*

> Hearing Records ... HR (bills and resolutions)

> **05hr\_ab0844\_SC-AI\_pt01**

> Miscellaneous ... Misc

> \*\*

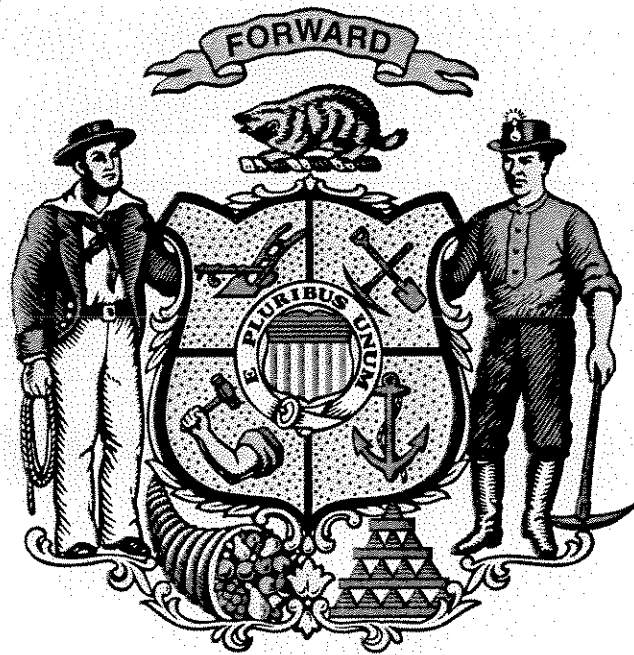
November 21, 2005

Questions on LRB 3798/P#

I would guess that there is a "logical" answer to the first seven bullet points, but I thought they might be asked.

The last four may have logical answers but I am not so certain.

- Page 4, Line 5, Reason for Excluding HIRSP from filing on all receivables.
- Page 6, Lines 3 + 4, and drafters note again, question on exclusion of HIRSP
- Page 10, Lines 3-5, Reason for excluding HIRSP from low bid provision of statute.
- Page 26, Line 16, Reason for increasing residency from 30 days to 3 months.
- Page 28, Line 14, Reason for increasing rejection of coverage from one to 2 insurers.
- Page 41, Line 14, Reason for eliminating "A schedule of premiums, deductibles, co-payments and coinsurance payments that complies with all requirements of this chapter" from the plan.
- Page 41, Line 15, Reason for eliminating "Cost containment provisions established by the department by rule, including managed care requirements" from the plan
- Page 41, Line 16, Reason for eliminating "149.175 Waiver or exemption from provisions prohibited. Except as provided in s. 149.13 (1), the department may not waive, or authorize the board to waive, any of the requirements of this chapter or exempt, or authorize the board to exempt, an individual or a class of individuals from any of the requirements of this chapter", from the plan.
- Page 41, Line 21, Reason for eliminating 149.20 Rule-making in consultation with board. In promulgating any rules under this chapter, the department shall consult with the board.
- Page 45, Lines 18-20, Line 19 last word should it be "or" or should it be "and" to allow for both a Class 2 publication and Internet publication.
- Page 47, Line 3, 13, Should these provisions included members of the Board?





www.RepNischke.com

TO: STATE LEGISLATORS

From: Representative Ann Nischke  
Senator Dan Kapanke

Date: November 22, 2005

**RE: Short Deadline 3 PM 11-23-2005: Cosponsorship: Nischke/Kapanke: LRB 3798/2 and  
LRB 4087/1: Creating a HIRSP Authority**

The Health Insurance Risk Sharing Plan (HIRSP) is a state program created to provide for the major medical health insurance needs of people that are generally ineligible for traditional insurance for a variety of reasons. The program is funded by premiums paid by covered persons, insurer assessments, and provider payment discounts.

Legislative Audit Bureau (LAB) Report 05-9 of the program highlighted great increased costs since 2000 that translated into:

1. Premiums that doubled for HIRSP participants.
2. Assessments that have quadrupled to \$207 million

This bill would give HIRSP the ability to address skyrocketing costs and changing market needs by:

1. Transforming HIRSP into a quasi-governmental authority with a board of directors appointed by the Governor and confirmed by the Senate. Members would include HIRSP policyholders, healthcare providers, insurers, and small business.
2. Give the HIRSP board the ability to respond to changing policyholder needs and changing market conditions. Plans proposed by the HIRSP authority would still need to be approved by the Office of the Insurance Commissioner (OCI).

For more information please see the attached bill draft and LRB analysis.

**Contact Adam Peer (Representative Nischke) or John Perlich (Senator Kapanke) by 3 PM,  
November 23, 2005 to be made a co sponsor or co author of this bill.**

The Senate Committee on Agriculture and Insurance and the Assembly Committee on Insurance plan to hold a public hearing and executive session next week. Please see the appropriate hearing notices for more information.

AMN:DK:asp

*Analysis by the Legislative Reference Bureau*

***Background of Health Insurance Risk-Sharing Plan***

The Health Insurance Risk-Sharing Plan (HIRSP) under current law provides major medical health insurance coverage for persons who are covered under Medicare because they are disabled, persons who have tested positive for human immunodeficiency virus (HIV), persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition, as well as persons (called "eligible individuals" in the statutes) who do not currently have health insurance coverage, but who were covered under certain types of health insurance coverage (called creditable coverage) for at least 18 months in the past. HIRSP is funded by premiums paid by covered persons, insurer assessments, and provider payment discounts, and is administered by the Department of Health and Family Services (DHFS), a board of governors, and a plan administrator.

***Creation of Health Insurance Risk-Sharing Plan Authority***

This bill creates the Health Insurance Risk-Sharing Plan Authority (HIRSP Authority) for the primary purpose of assuming the administration of HIRSP, beginning on July 1, 2006. An authority is a public body with a board of directors that is created by state law but that is not a state agency. The board of directors of the HIRSP Authority consists of the commissioner of insurance (commissioner), or the commissioner's designee, as a nonvoting member and 13 other members who are appointed by the governor, with the advice and consent of the senate, for three-year terms. These 13 members must include persons with coverage under HIRSP and representatives of insurers, health care providers, and small businesses. The board may appoint an executive director, who may not be a member of the board. Because the HIRSP Authority is not a state agency, numerous laws that apply to state agencies do not apply to the HIRSP Authority. However, the HIRSP Authority is treated like a state agency in the following respects, among others: 1) it is generally subject to the open records and open meetings laws; 2) it is treated like a state agency for purposes of the law regulating lobbying; 3) its employees may not engage in political activities while engaged in official duties; 4) it must use a competitive bid or proposal process whenever contracting for professional services; and 5) the Code of Ethics for Public Officials and Employees covers the HIRSP Authority.

The HIRSP Authority is unlike a state agency in many other ways, including: 1) it approves its own budget without going through the state budgetary process; 2) its employees are not state employees, are not included in the state system of personnel management, may not participate in the system for state retirement benefits or health insurance coverage, and are hired outside the state hiring system; 3) it is not subject to statutory rule-making procedures, including requirements for legislative review of proposed rules; and 4) although HIRSP is subject to an annual financial audit by the Legislative Audit Bureau, the HIRSP Authority is not subject to auditing by the Legislative Audit Bureau.

Unlike most other authorities under current law, the HIRSP Authority may not

issue bonds. It pays the administrative and operating expenses of HIRSP, as under current law, through premiums paid by persons with coverage under HIRSP, insurer assessments, and provider payment discounts. The HIRSP Authority must annually submit a report to the legislature and to the governor on the operation of HIRSP.

### ***Changes to the Health Insurance Risk-Sharing Plan***

This bill makes a number of changes to HIRSP, including the following:

1. *Administration.* Under current law, HIRSP is administered by DHFS, a board of governors, and a plan administrator under contract with DHFS. Effective July 1, 2006, the bill eliminates the HIRSP board of governors and transfers administrative authority over HIRSP from DHFS to the HIRSP Authority and its board of directors. The bill requires DHFS to terminate its contract with the plan administrator, effective July 1, 2006, and requires the HIRSP Authority to enter into an identical contract with the same plan administrator with a beginning date of July 1, 2006, and an ending date that is the same as the ending date of the original contract between DHFS and the plan administrator. Because the bill authorizes the HIRSP Authority to enter into contracts for the administration of HIRSP, after the end of its contract with the current plan administrator, it may contract with the same or a different plan administrator, but must use a competitive request-for-proposals process to do so.

2. *Eligibility.* To be eligible for HIRSP, a person must be a state resident. The bill changes from 30 days to three months the length of time that a person must be domiciled in this state to be considered a state resident for purposes of HIRSP eligibility.

In general, a person who is eligible for Medical Assistance (MA) is not eligible for HIRSP. The bill provides that persons who are eligible for only certain limited services provided under MA, such as family planning services for low-income women and payment of Medicare premiums, deductibles, and coinsurance for persons eligible for Medicare who meet the income and resource limitations, are not ineligible for HIRSP coverage because of their eligibility for only those MA services. The bill provides, however, that HIRSP will not pay for services that are reimbursed under MA. The bill also specifically provides that persons who are eligible for certain listed programs or benefits, such as the Badger Care Health Care Program and Long-Term Support Community Options Program, are ineligible for HIRSP coverage.

Under current law, a person who is rejected for health insurance coverage by one or more insurers within nine months of applying for HIRSP coverage is eligible for HIRSP. The bill changes that requirement to two or more insurers.

The bill adds Medicare Part D, which is the prescription drug benefit under Medicare, to the definition of Medicare for purposes of HIRSP. Thus, a person who is eligible for HIRSP based on their coverage under Medicare because they are disabled would be eligible for HIRSP coverage if they had coverage under Medicare Part D. In addition, HIRSP does not pay for benefits that are paid for by Medicare, so HIRSP would not pay for prescription drugs covered under the person's Medicare Part D coverage.

3. *Benefit design.* Benefits provided by HIRSP, as well as deductibles and out-of-pocket limits, are specified in the statutes. Except for eligible individuals, who are not subject to any preexisting condition exclusion, a condition that a person was diagnosed with or treated for within six months of obtaining coverage under

HIRSP is excluded from coverage for the first six months. Current law authorizes DHFS to establish copayments and out-of-pocket limits for prescription drug coverage. The bill retains all current law benefits, deductibles, copayments, out-of-pocket limits, and the preexisting condition exclusion through December 31, 2006. Beginning on January 1, 2007, benefits are modified somewhat, mostly by limiting the extent of certain benefits to the extent that commercial insurers are required to provide under the statutes known as health insurance mandates, and coverage for the services of a home health agency, to the extent required by the health insurance mandate, is added. No benefits are eliminated. Also beginning on that date, the HIRSP Authority is authorized to establish deductibles, copayments, coinsurance, limitations, and, except for eligible individuals, exclusions that are not specified in the statutes, and to develop additional benefit designs that are responsive to market conditions. The Office of the Commissioner of Insurance (OCI) may disapprove any policy developed by the HIRSP Authority if the benefit design is not comparable to a typical comprehensive individual health insurance policy in the private market, the benefit levels do not generally reflect comprehensive individual health insurance in the private market, or the deductibles, copayments, or coinsurance are not actuarially equivalent to comprehensive individual health insurance in the private market or would create undue financial hardship.

4. *Payment of plan costs.* Current law sets out a complex formula for payment of the administrative and operating expenses of HIRSP. In general, premiums must be set at a rate that pays for 60 percent of costs and may not exceed 200 percent of the rate a standard risk would be charged for the same coverage and deductibles. Insurer assessments and provider payment discounts must each pay for half of the remaining 40 percent of costs. The bill eliminates the formula but retains the requirements that premiums must be set at a rate to pay for 60 percent of costs, excluding premium, deductible, and copayment subsidy costs (subsidy costs), and may not exceed 200 percent of rates applicable to standard risks, that insurer assessments must be set at an amount to cover 20 percent of costs, excluding subsidy costs, and that provider payment discounts must be set at a rate to cover 20 percent of costs, excluding subsidy costs. Subsidy costs are to be paid first from any federal high risk pool grant funds that are received by OCI, and the remainder of subsidy costs are paid equally through insurer assessments and provider payment discounts. If federal high risk pool grant funds received in a year exceed subsidy costs in that year, the excess federal funds must be used to pay the administrative and operating costs before premiums, insurer assessments, and provider discounts are applied to the costs.

5. *Subsidies.* Under current law, generally, persons with coverage under HIRSP who have household incomes below \$25,000 receive premium and deductible subsidies and may receive prescription drug copayment subsidies. For a person who is eligible for a subsidy, the statutes set out, on the basis of the person's household income category, the specific deductible amount that the person must pay and the premium rate that the person must pay as a percentage of the rate that a standard risk would be charged for the same coverage and deductibles. The bill retains the subsidies and makes no changes to the categories of persons who are eligible for subsidies and no changes to the standard risk rates that are the basis for premium reductions. Beginning on January 1, 2007, however, the specific reduced deductible amounts are eliminated and the HIRSP Authority is directed to establish and

provide deductible subsidies for those persons paying reduced deductibles under current law and is authorized to provide prescription drug copayment subsidies for those same persons.

### ***Health Care Tax Credit Program***

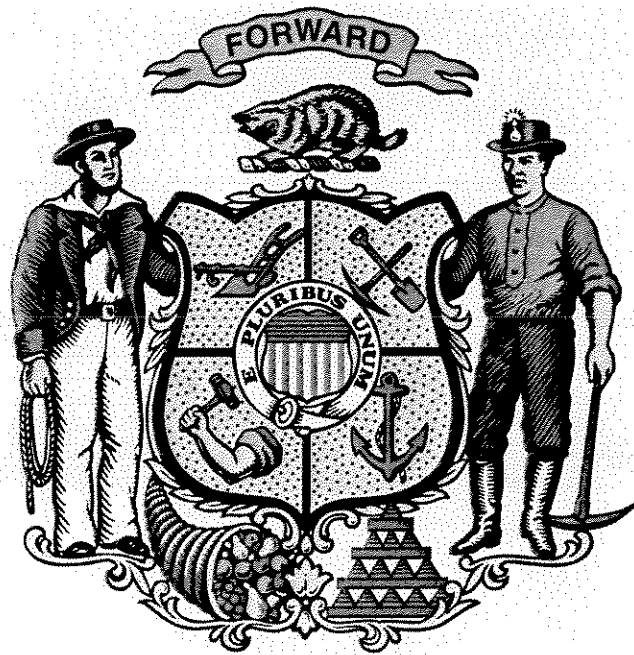
The federal Trade Adjustment Assistance Reform Act of 2002 (TAA) provides, among other benefits related to employment, a federal income tax credit for up to 65 percent of the amount of the premium paid by eligible persons for coverage for themselves and their dependents under qualified health insurance. Eligible persons are those who are eligible for TAA employment-related benefits because they have lost their jobs or experienced reduced work hours and wages because of increased imports and those who are at least 55 years of age and receiving benefits from the Pension Benefit Guaranty Corporation. The bill requires the HIRSP Authority to design and administer, as long as the federal income tax credit is available, a plan of health care coverage that satisfies the requirements for qualified health insurance for coverage of persons who are eligible for the tax credit.

### ***Assessment Credits***

The bill creates an income and franchise tax credit and a license fee credit for insurers that pay assessments to OCI. The amount of the credit is equal to a percentage of the amount of the assessment that the insurer paid in the calendar year in which the insurer's taxable year begins. The Department of Revenue and OCI determine the percentage of the amount that each insurer may claim in each taxable year so that the total amount of the credits awarded to all insurers in each fiscal year is approximately \$5,000,000. Although the credits apply to taxable years beginning after December 31, 2005, the credits awarded for the 2006 and 2007 taxable years may not be claimed until taxable years beginning after December 31, 2007.

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





**Perlich, John H.**

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**From:** Rep.Nischke  
**Sent:** Tuesday, November 22, 2005 1:28 PM  
**To:** \*Legislative Senate Democrats; \*Legislative Senate Republicans; \*Legislative Assembly Democrats; \*Legislative Assembly Republicans  
**Subject:** Short Deadline 3 PM 11-23-2005: Cosponsorship: Nischke/Kapanke: LRB 3798/2 and LRB 4087/1: Creating a HIRSP Authority  
**Attachments:** 05-37982.pdf

TO: STATE LEGISLATORS

From: Representative Ann Nischke  
Senator Dan Kapanke

Date: November 22, 2005

**RE: Short Deadline 3 PM 11-23-2005: Cosponsorship: Nischke/Kapanke: LRB 3798/2 and LRB 4087/1: Creating a HIRSP Authority**

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2. Give the HIRSP board the ability to respond to changing policyholder needs and changing market conditions. Plans proposed by the HIRSP authority would still need to be approved by the Office of the Insurance Commissioner (OCI).

For more information please see the attached bill draft and LRB analysis.

**Contact Adam Peer (Representative Nischke) or John Perlich (Senator Kapanke) by 3 PM, November 23, 2005 to be made a co sponsor or co author of this bill. Unless you indicate otherwise, you will be made a co author or co sponsor of both bills.**

The Senate Committee on Agriculture and Insurance and the Assembly Committee on Insurance plan to

11/22/2005

hold a public hearing and executive session next week. Please see the appropriate hearing notices for more information.

AMN:DK:asp

*Analysis by the Legislative Reference Bureau*

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#### ***Health Care Tax Credit Program***

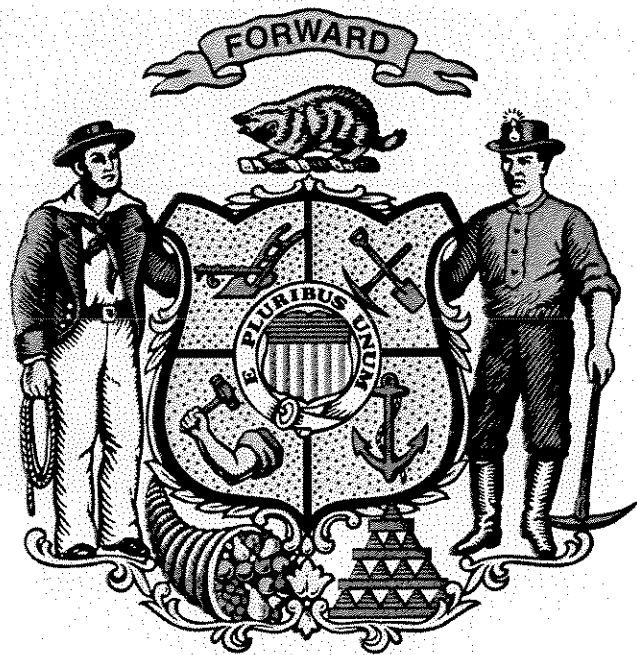
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are those who are eligible for TAA employment-related benefits because they have lost their jobs or experienced reduced work hours and wages because of increased imports and those who are at least 55 years of age and receiving benefits from the Pension Benefit Guaranty Corporation. The bill requires the HIRSP Authority to design and administer, as long as the federal income tax credit is available, a plan of health care coverage that satisfies the requirements for qualified health insurance for coverage of persons who are eligible for the tax credit.

#### ***Assessment Credits***

The bill creates an income and franchise tax credit and a license fee credit for insurers that pay assessments to OCI. The amount of the credit is equal to a percentage of the amount of the assessment that the insurer paid in the calendar year in which the insurer's taxable year begins. The Department of Revenue and OCI determine the percentage of the amount that each insurer may claim in each taxable year so that the total amount of the credits awarded to all insurers in each fiscal year is approximately \$5,000,000. Although the credits apply to taxable years beginning after December 31, 2005, the credits awarded for the 2006 and 2007 taxable years may not be claimed until taxable years beginning after December 31, 2007.

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





**Perlich, John H.**

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**From:** Paul Merline [pmerline@tds.net]  
**Sent:** Tuesday, November 22, 2005 6:57 PM  
**To:** Peer, Adam; John.O'Brien@legis.state.wi.us; Perlich, John H.  
**Cc:** 'Nancy Wenzel'; pkmerline@direcway.com  
**Subject:** HIRSP Co-Sponsor Update

Gentlemen,

Based on contacts that we have made, here is a list of Legislators who have expressed interest in likely co-authoring the HIRSP reform proposal (Rep. Nischke and Sen. Kapanke are also included).

**YOUR OFFICES WILL NEED TO HEAR DIRECTLY FROM EACH INDIVIDUAL LEGISLATIVE OFFICE WITH THEIR ACTUAL INTENT TO SIGN ON TO THE LEGISLATION, THE LIST BELOW INCLUDES ONLY LIKELY CO-AUTHORS.**

If you haven't heard from one of these legislators or their office yet, please let me know and we will follow up. Also, please hit 'Reply All' to make sure that I can view your reply to this e-mail from home. I will be contacting your offices in the morning as well.

I may be missing others who may have contacted your offices directly. If possible, please send an updated list of co-authors thus far so we do not duplicate efforts. If you have any questions or concerns, please let me know.

The best way to reach me tomorrow will be either on my cell, (608) 516-3237 or at home (608) 592-5923. Thanks!

Paul

**Assembly**

Nischke  
Gielow  
Rhoades  
(Otherwise in order as appropriate)  
Gard  
Huebsch  
Kreuser  
Sheridan  
Shilling  
Vruwink  
Fitzgerald  
Underheim  
Montgomery  
Wieckert  
McCormick  
Van Roy  
Honadel  
Moulton  
Ballweg  
Jensen  
Krawczyk  
Siedel

**Senate**

11/23/2005

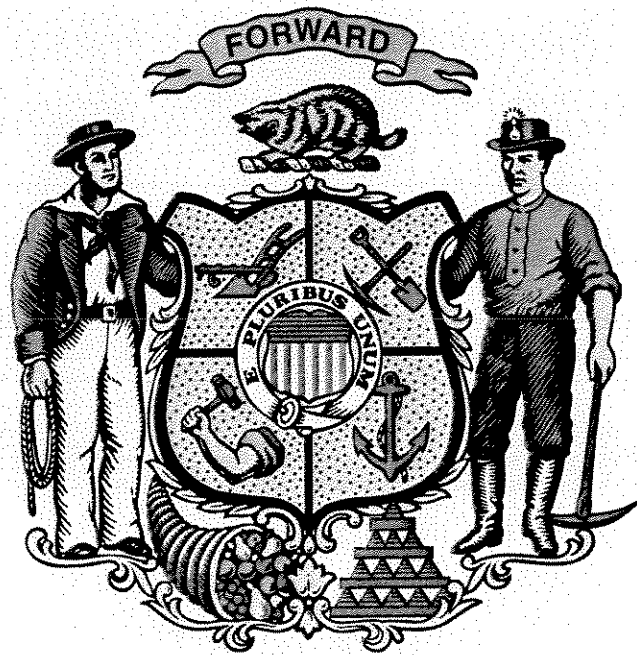
Kapanke  
Brown  
(Otherwise in order as appropriate)  
Schultz  
Fitzgerald  
Darling  
Olsen  
Roessler  
Taylor

**PAUL W. MERLINE**

*Legislative/Agency Liaison*  
[pmerline@tds.net](mailto:pmerline@tds.net)

**Wisconsin Association of Health Plans**

10 East Doty Street • Suite 503 • Madison, WI 53703  
608-255-8599 • Fax 608-255-8627  
[www.wihealthplans.org](http://www.wihealthplans.org)



**Perlich, John H.**

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**From:** Peer, Adam  
**Sent:** Monday, November 28, 2005 8:15 AM  
**To:** Perlich, John H.  
**Subject:** FW: Comments about LRB-3798/2, HIRSP Plan

<http://www.legis.state.wi.us/assembly/asm97/news/images/Capitol7.jpg>

Adam Peer, Legislative Assistant

[www.RepNischke.com](http://www.RepNischke.com)

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[Contact](#) • [Constituent Services](#) • [Legislation](#)

[Insurance Committee](#) • [Insurance Advisory Council](#)

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**From:** Kiel, Joyce  
**Sent:** Wednesday, November 23, 2005 6:58 PM  
**To:** Peer, Adam  
**Cc:** Sweet, Richard  
**Subject:** Comments about LRB-3798/2, HIRSP Plan

Adam:

You requested that I send an email with comments about LRB-3798/2 (the draft). Because I have had a limited amount of time to review the draft, this may not be a complete list, but here you go:

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"Department" is defined in s. 13.94 (4) (a), Stats., and s. 13.94 (4) (a) 1. includes "any public body corporate and politic created by the legislature". A couple of authorities (not the HIRSP Authority) are listed as being included, but an inclusion list in the statutes doesn't have to list everyone. I think the HIRSP Authority is included in s. 13.94 (4), especially since page 46, line 17, describes the HIRSP Authority as a "public body corporate and politic" (which is the phrase at issue).

However, there is some question about this matter because the LRB analysis states that "the HIRSP Authority is not subject to auditing by the Legislative Audit Bureau" (beyond the annual financial audit). Because of what I perceive to be the discrepancy between the LRB analysis and the bill draft, you should make sure the bill does what Rep. Nischke wants it to do.

Also, because, in general, s. 13.94 (4) (a) is meant to be very expansive as to who the LAB can audit and because the draft clearly provides that the LFB and DOA have access to the HIRSP Authority records at all times (page 9, line 1 to 14; page 9, line 21 to page 10, line 2), it seems somewhat unusual that the LAB couldn't have access at any time since the LAB is the Legislature's primary audit arm.

Did Rep. Nischke intend that the LAB did not have any audit authority beyond the annual financial audit? For example, is it the intention that the Joint Audit Committee could not request the LAB to request some other type of audit, like a performance audit? You may want to discuss this further with Jan Mueller.

2. Page 20, line 11, deletes the authority of the State of Wisconsin Investment Board (SWIB) to invest HIRSP funds. The draft does not add authority for SWIB to invest HIRSP Authority funds, so SWIB will not be able to do so. The draft instead provides (page 32, lines 2 to 5) that the HIRSP Authority controls the funds and uses Wisconsin financial institutions for assets needed on a current basis.

In contrast, SWIB has authority to invest certain funds of certain other authorities (See s. 25.17 (2) and (3), Stats.) Pam Kahler explained to me that she did not add authority for SWIB to invest HIRSP Authority funds because the drafting instructions were to keep the funds out of the state treasury (thus not have them subject to appropriation). However, I think SWIB also invests money that is not in the state treasury, for example, local government pooled-investment fund, local government property insurance fund, so I don't think giving SWIB investment authority means that the money is in the state treasury.

If Rep. Nischke wants the HIRSP Authority to be able to take advantage of SWIB's services, you may want to talk to SWIB about this. (I talked briefly with Sandy Drew (261-0182) at SWIB about the return HIRSP gets now. She is checking on that and was supposed to call Dick Sweet with the information since I will be gone.)

3. As you know, from time to time, people have disagreements with their insurance companies and HIRSP about what was paid (or not paid) under their plan. Current s. 149.17 (3), Stats., which is unchanged by the draft, requires that the HIRSP plan have procedures to have grievances reviewed by an impartial body. This is implemented by s. HFS 119.14, Wis. Adm. Code. The Secretary of Health and Family Services can overturn this decision. I think that, under current law, a person could have that grievance committee's decision reviewed in a contested case hearing under ch. 227, Stats., and then have a court review that contested case hearing examiner's decision.

Under the draft, I think that if a person believes the HIRSP Authority incorrectly processed their claim, the only thing that will be in place for review is whatever grievance process the HIRSP Authority sets up, with no right to further appeal. I think this results because ch. 227 wouldn't apply to the HIRSP Authority. Also, it appears that there would be no way to bring a legal action in court because page 31, lines 1 to 8, of the draft provides immunity from lawsuit and liability for the HIRSP Authority, the plan, the board, any agent, employee or director of any of them, any participating insurer, OCI or OCI's agents, employees or representatives for both acts and omissions unless willful misconduct is proven by the person asserting liability--unless the person could meet the very high burden of proving willful misconduct to get into court.

Is that what is intended?

Also, it is possible that someone might want to bring an action against the HIRSP Authority for something unrelated to alleged incorrect processing of a claim. For example, someone might want to bring an action for declaratory relief or an injunction or mandamus alleging that the HIRSP Authority didn't do something it was required to do under the statutes. For example, for failure to notify a claimant within 30 days of a properly submitted claim (see page 49, lines 1 to 2). For example, for failure to have a provision in its contracts that the contractor can't discriminate on certain grounds (see page 15, lines 9 to 19). If someone wants to bring an action against the HIRSP Authority (for example, injunction or mandamus action) alleging that HIRSP failed to do something and ask the court for an order to get the HIRSP Authority to do something, there arguably is no person who is asserting "liability" because the question would not be liability in such an action. Therefore, there arguably is no person asserting liability who could prove willful misconduct. Therefore, this appears to mean that no one could bring a lawsuit.

Also, if the contractor wants to sue the HIRSP Authority because of a contract disagreement, it is arguable that the draft provides immunity.

Are these the results that Rep. Nischke intends?

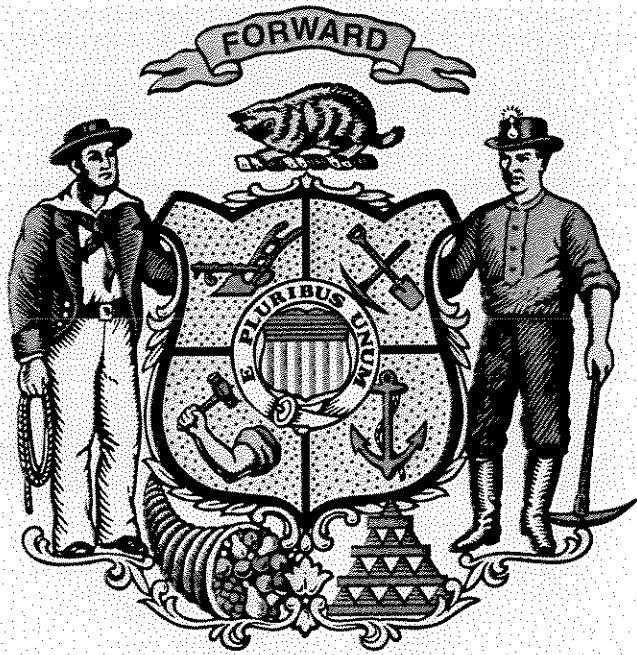
While it may be that the draft is trying to mirror immunity of other "authorities," the only thing I saw with similar provisions regarding authorities was s. 233.03 (4), Stats. (UW Authority directors immunity from personal liability unless willful misconduct) and 234.02 (5), Stats. (WHEDA directors immunity from personal liability unless willful misconduct). However, these provisions basically eliminate a disincentive for people to serve on these boards. These provisions do not provide immunity from lawsuit or liability for the authority itself. This is in sharp contrast to the draft which not only provides immunity to the board directors but also to the HIRSP Authority itself.

4. Page 28, lines 7 to 11 excludes employees of the HIRSP Authority from the protections of the Wisconsin equivalent of the federal Occupational Safety and Health Act for public employees, even though that statute applies to other authorities (as well as other types of governmental entities). Is that Rep. Nischke's intention?

Adam, as you requested, I am just writing comments that occurred to me in reading this draft. No comments or explanations to me are needed.

By the way, I am sending a copy of this email to Dick Sweet who will be covering the hearing on Monday.

Joyce L. Kiel, Senior Staff Attorney  
Wisconsin Legislative Council Staff  
Suite 401, One East Main Street  
Madison, WI 53703  
608-266-3137  
608-266-3830 (fax)  
Joyce.Kiel@legis.state.wi.us



Hearing Procedures  
Committee on Insurance  
November 28, 2005

Call to Order:

*“The Joint Public Hearing of the Assembly Committee on Insurance and the Senate Committee on Agriculture and Insurance will come to order. Will members and visitors please take their seats?”* [Use gavel, if necessary]

Call of the Roll:

*“The clerk will call the roll.”*

[Clerk calls the roll.]

*“We will hold the roll open for members that may be joining us later.”*

Welcome:

*“Welcome and thank you for being here. Today we are holding a public hearing on Assembly Bill 844 and Senate Bill 451. As some members and citizens wishing to testify have time constraints, I ask that the committee and visitors remain flexible so that we may accommodate everyone here today.*

*At the end of the joint public hearing the Senate Committee will go into executive session to consider Senate Bill 451 and a substitute amendment. The Assembly Committee will go into executive session tomorrow to consider Assembly Bills 553, 617, 844, and Senate Bill 288. Because of the short notice of our*



*meetings, I ask that members allow bill amendments during our executive session in the morning.”*

Committee Operations:

*“If you are here to testify before the committee, please fill out a hearing slip and return it to a messenger. If you do not want to speak, but want to register your position, you may do so on the same slips. Anyone with time constraints should indicate that on the hearing slips. We will do our best to accommodate you.*

*Written testimony is highly encouraged. Please give it to the messenger when you are called to speak.*

*Speakers are encouraged to summarize their remarks rather than reading verbatim, and avoid repeating previous speakers. Questions from members will follow testimony.*

*To the extent possible, we will alternate between speakers with different points of view on the subjects before the committee.*

*It is our hope that we will be able to adjourn at a reasonable hour so your brevity is appreciated.*

*Audio links and committee documents and written testimony can be found online at ([www.RepNischke.com](http://www.RepNischke.com)).*

*Are there any questions from members?”*

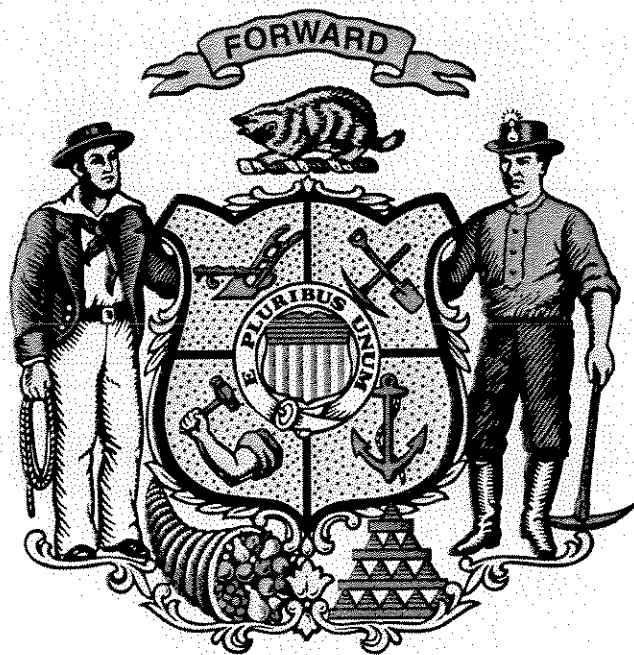
Next to last person to testify:

*“This is the last person to register on this topic. If anyone else wants to speak, please complete a hearing slip and give it to the messenger at this time.”*

Adjournment:

*“Thank you everyone who came today and sharing us with your perspective. Thank you for those who stayed until the end for your patience. I will remind those present that committee documents are available online at ([www.RepNischke.com](http://www.RepNischke.com)) and that the Senate Committee will go into executive session at the conclusion of the joint hearing.”*

*With no other business before the committees, this hearing is adjourned.”*





WISCONSIN

**Statement Before the  
Senate Committee on Agriculture and Insurance  
And  
Assembly Committee on Insurance**

**By**

**Bill G. Smith  
State Director  
National Federation of Independent Business  
Wisconsin Chapter**

**Monday, November 28, 2005  
Senate Bill 451  
Assembly Bill 844**

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Senator Kapanke, Representative Nischke and members of the Senate and Assembly committees, thank you for allowing me to share a brief statement with you. The proposals you have before you, Assembly Bill 844 and Senate Bill 451 are of great interest to small business owners who struggle every day with the high cost of health insurance.

Because the costs of the HIRSP program are divided between policy-holders, providers and insurers, we have a strong interest in this legislation. Obviously, small business owners pay higher premiums as a result of the assessment on insurers, and higher medical costs as a result of the provider assessment.

Therefore, since larger self-funded firms don't pay the assessment for HIRSP, and because smaller employers generally pay most of the HIRSP insurer assessment, our state's small business owners have a real stake in the outcome of this legislation.

We are pleased the authors have recognized this role and have included small business representation on the Board which will continue to provide private sector oversight for the HIRSP program.

While we support this legislation, members of the committee should know the current board of Governors for HIRSP has rejected past proposals that expanded eligibility for HIRSP beyond the current targeted populations.

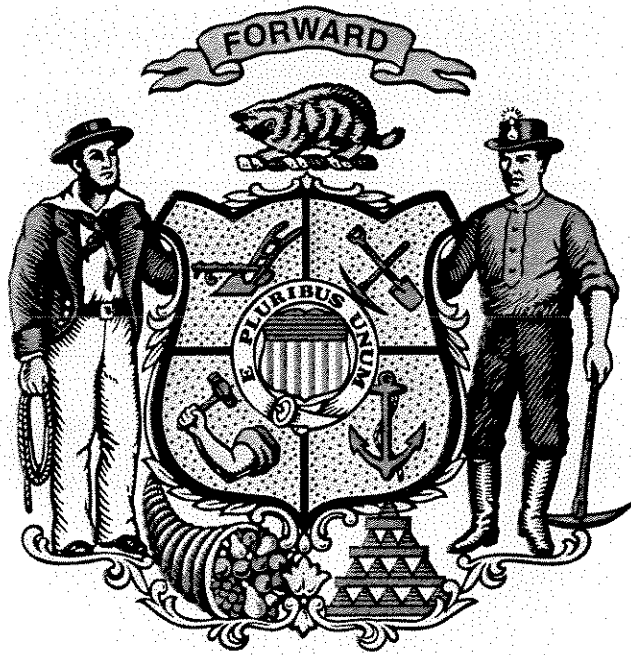
Statement NFIB/Wisconsin – SB 451 and AB 844 -- continued  
November 28, 2005

As a member of the Board of Governors, that remains my position. I recognize the proposal, technically, does not expand the HIRSP program to include the Federal Health Coverage Tax Credit (HCTC) population, but the administration would fall to HIRSP, and therefore, could impact the overall cost of the administration of HIRSP.

Also, I would recommend language be added that would link any tax benefit for insurers directly to the HIRSP program.

If it is the policy of this state to spend \$5 million on an insurer HIRSP tax credit, then it would be reassuring to know this credit does have some impact specifically on the cost of the HIRSP program. I understand the intent of this provision and agree this credit could help level the playing field between large self-funded firms and commercially insured businesses, which tend to be mostly small business, but I see no language directly linking the tax benefit with HIRSP.

Again, we do support this legislation, and thank the authors for introducing this important proposal for reform, and I appreciate the opportunity to share these remarks with you.



**Perlich, John H.**

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**From:** Peer, Adam  
**Sent:** Monday, November 28, 2005 8:15 AM  
**To:** Perlich, John H.  
**Subject:** FW: Comments about LRB-3798/2, HIRSP Plan

<http://www.legis.state.wi.us/assembly/asm97/news/images/Capitol7.jpg> Adam Peer, Legislative Assistant

[www.RepNischke.com](http://www.RepNischke.com)

[Contact](#) • [Constituent Services](#) • [Legislation](#)

[Insurance Committee](#) • [Insurance Advisory Council](#)

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**From:** Kiel, Joyce  
**Sent:** Wednesday, November 23, 2005 6:58 PM  
**To:** Peer, Adam  
**Cc:** Sweet, Richard  
**Subject:** Comments about LRB-3798/2, HIRSP Plan

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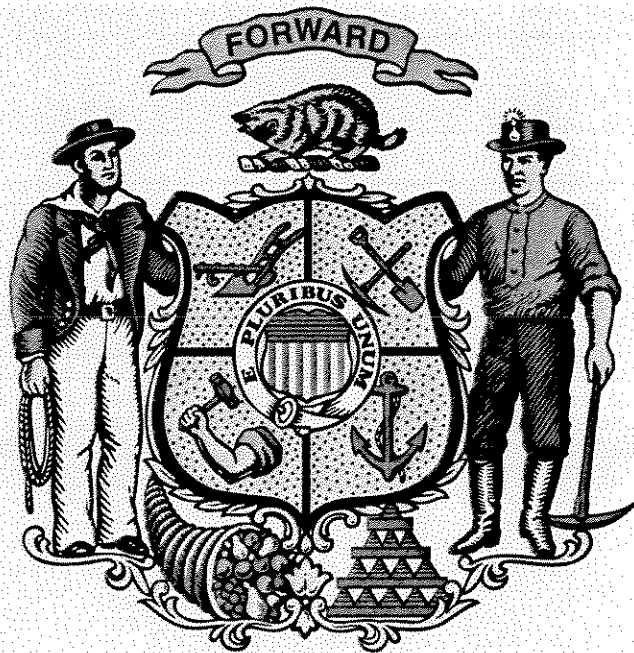
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Joyce L. Kiel, Senior Staff Attorney  
Wisconsin Legislative Council Staff  
Suite 401, One East Main Street  
Madison, WI 53703  
608-266-3137  
608-266-3830 (fax)  
Joyce.Kiel@legis.state.wi.us





## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

November 29, 2005

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Additional Papers for the Committee's November 30 Executive Session

Four additional bills have been scheduled for tomorrow's executive session of the Joint Committee on Finance. These bills are as follows:

Senate Bill 175. This bill is identical to AB 397 relating to the purchase of the Governor Dodge Best Western Hotel in the City of Platteville. AB 397 was previously scheduled for the November 30 meeting and a paper on that bill was distributed to your offices. Therefore, a separate paper on SB 175 is not attached.

Senate Bill 313. This bill relates to medical assistance federal matching funds for school-based medical services. A paper on this bill is attached.

Senate Bill 352. This bill would create a Wisconsin Aerospace Authority and is identical to AB 770. AB 770 was previously scheduled for the November 30 meeting and a paper on that bill was distributed to your offices on November 22. Therefore, a separate paper on SB 352 is not attached.

Assembly Bill 844. This bill would create a Health Insurance Risk-Sharing Plan Authority and is identical to SB 451. SB 451 was previously scheduled for the November 30 meeting. A paper on these bills is attached.

BL/lah  
Attachments