



State of Wisconsin
2005 - 2006 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 519**

February 10, 2006 – Offered by Representative McCORMICK.

1 **AN ACT** *to renumber and amend* 62.61 and 66.0137 (5); *to amend* 66.0137 (1)
2 and 632.797 (5); and *to create* 16.971 (2) (o), 16.971 (2) (p), 62.61 (2), 62.61 (3),
3 66.0137 (5) (b) and (c), 601.41 (10), 601.41 (11), 610.66, 632.797 (1) (d) and
4 632.797 (1) (e) and (f) of the statutes; **relating to:** disclosure of health
5 insurance claims experience of local governmental units; bids submitted to
6 local governmental units for health insurance; requiring the commissioner of
7 insurance to promulgate rules establishing uniform forms for local government
8 health care coverage requests for proposals and health care claims experience
9 and summarizing benefits provided under health care benefit plans.

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

10 **SECTION 1.** 16.971 (2) (o) of the statutes is created to read:
11 16.971 (2) (o) Make available to the public without charge to local
12 governmental units, the information received from local governmental units under

1 s. 66.0137 (5) (c) in a manner determined by the department to enable the general
2 public to make meaningful comparisons of the bids received. The department shall
3 specify the format that local governmental units shall use in submitting the
4 information and shall make information about the format readily available to local
5 governmental units.

6 **SECTION 2.** 16.971 (2) (p) of the statutes is created to read:

7 16.971 (2) (p) Make available to the public the aggregate group health care
8 claims experience information received from insurers under s. 632.797 (1) (d) in the
9 manner determined by the department.

10 **SECTION 3.** 62.61 of the statutes is renumbered 62.61 (1) and amended to read:

11 62.61 (1) The common council of a 1st class city may, by ordinance or resolution,
12 provide for, including the payment of premiums of, general hospital, surgical and
13 group insurance for both active and retired city officers and city employees and their
14 respective dependents in private companies, or may, by ordinance or resolution, elect
15 to offer to all of its employees a health care coverage plan through a program offered
16 by the group insurance board under ch. 40. Municipalities which elect to participate
17 under s. 40.51 (7) are subject to the applicable sections of ch. 40 instead of this ~~section~~
18 subsection. Contracts for insurance under this ~~section~~ subsection may be entered
19 into for active officers and employees separately from contracts for retired officers
20 and employees. Appropriations may be made for the purpose of financing insurance
21 under this ~~section~~ subsection. Moneys accruing to a fund to finance insurance under
22 this ~~section~~ subsection, by investment or otherwise, may not be diverted for any other
23 purpose than those for which the fund was set up or to defray management expenses
24 of the fund or to partially pay premiums to reduce costs to the city or to persons
25 covered by the insurance, or both.

1 **SECTION 4.** 62.61 (2) of the statutes is created to read:

2 62.61 (2) If a 1st class city solicits bids to provide health care coverage under
3 sub. (1), the 1st class city shall use the uniform local government health care
4 coverage request-for-proposals form developed by the commissioner of insurance
5 under s. 601.41 (10) to solicit the bids.

6 **SECTION 5.** 62.61 (3) of the statutes is created to read:

7 62.61 (3) A 1st class city shall submit information about a bid it receives to the
8 department of administration in the format specified under s. 16.971 (2) (o) no later
9 than 30 days after the bid is received or, in the case of a sealed bid, no later than 30
10 days after the bid is opened. At the time the information is submitted to the
11 department of administration, the 1st class city shall do at least one of the following:

12 (a) Post the same information on the city's Internet site, if any.

13 (b) Post notice on the city's Internet site, if any, that the information has been
14 submitted to the department of administration.

15 (c) Post or publish as a class 1 notice under ch. 985 a statement that the
16 information has been submitted to the department of administration and will be
17 available on the state's Internet site, if any, or a statement that the information may
18 be viewed at a specified location in the 1st class city, or both.

19 **SECTION 6.** 66.0137 (1) of the statutes is amended to read:

20 66.0137 (1) DEFINITION. In this section, "local governmental unit" means a city,
21 village, town, county, school district (~~as enumerated in s. 67.01 (5)~~), sewerage
22 district, drainage district, and, ~~without limitation because of enumeration,~~ any other
23 political subdivision of the state.

24 **SECTION 7.** 66.0137 (5) of the statutes is renumbered 66.0137 (5) (a) amended
25 to read:

1 66.0137 (5) (a) The state or a local governmental unit may provide for the
2 payment of premiums for hospital, surgical and other health and accident insurance
3 and life insurance for employees and officers and their spouses and dependent
4 children. A local governmental unit may also provide for the payment of premiums
5 for hospital and surgical care for its retired employees. In addition, a local
6 governmental unit may, by ordinance or resolution, elect to offer to all of its
7 employees a health care coverage plan through a program offered by the group
8 insurance board under ch. 40. A local governmental unit that elects to participate
9 under s. 40.51 (7) is subject to the applicable sections of ch. 40 instead of this
10 subsection paragraph.

11 **SECTION 8.** 66.0137 (5) (b) and (c) of the statutes are created to read:

12 66.0137 (5) (b) If a local governmental unit solicits bids to provide health care
13 coverage under par. (a), the local governmental unit shall use the uniform local
14 government health care coverage request-for-proposals form developed by the
15 commissioner of insurance under s. 601.41 (10) to solicit the bids.

16 (c) A local governmental unit shall submit information about a bid it receives
17 to the department of administration in the format specified under s. 16.971 (2) (o) no
18 later than 30 days after the bid is received or, in the case of a sealed bid, no later than
19 30 days after the bid is opened. At the time the information is submitted to the
20 department of administration, the local governmental unit shall do at least one of the
21 following:

- 22 1. Post the same information on the local government's Internet site, if any.
- 23 2. Post notice on the local government's Internet site, if any, that the
24 information has been submitted to the department of administration and will be
25 available on the state's Internet site, if any.

1 3. Post or publish as a class 1 notice under ch. 985 a statement that the
2 information has been submitted to the department of administration and will be
3 available on the state's Internet site, if any, or a statement that the information may
4 be viewed at a specified location in the local governmental unit, or both.

5 **SECTION 9.** 601.41 (10) of the statutes is created to read:

6 **601.41 (10) LOCAL GOVERNMENT HEALTH CARE COVERAGE REQUEST-FOR-PROPOSALS**
7 **FORM.** The commissioner shall by rule develop a uniform local government health
8 care coverage request-for-proposals form that a local governmental unit must use
9 under s. 66.0137 (5) (b) if the local governmental unit solicits bids for health care
10 coverage. The commissioner shall publish a notice in the Wisconsin administrative
11 register that states the effective date of the rule required under this subsection.

12 **SECTION 10.** 601.41 (11) of the statutes is created to read:

13 **601.41 (11) LOCAL GOVERNMENT HEALTH CARE CLAIMS EXPERIENCE FORM.** The
14 commissioner shall by rule develop a uniform local government health care claims
15 experience form that an insurer must use under s. 632.797 (1) (d). The form shall
16 require the insurer to include information about the bid process and classify the
17 types of benefits the health care claims experience contains. The form may not
18 require the disclosure of information that identifies an individual or that is
19 confidential under s. 51.30, 146.82, or 252.15 or any applicable federal law. The
20 commissioner shall publish a notice in the Wisconsin administrative register that
21 states the effective date of the rule required under this subsection.

22 **SECTION 11.** 610.66 of the statutes is created to read:

23 **610.66 Local government health care coverage request-for-proposals**
24 **form.** Every insurer shall use the uniform local government health care coverage

1 request-for-proposals form developed by the commissioner under s. 601.41 (10)
2 when submitting a bid to a local governmental unit under s. 66.0137 (5) (b).

3 **SECTION 12.** 632.797 (1) (d) of the statutes is created to read:

4 632.797 (1) (d) 1. In this paragraph, “local governmental unit” has the meaning
5 given in s. 66.0137 (1).

6 2. A policyholder or employer that is a local governmental unit and that
7 requests information under par. (a) that an insurer is required to provide under this
8 section shall notify the department of administration when it makes the request for
9 the information.

10 3. An insurer that is required to provide the information under par. (a) to a local
11 governmental unit shall also provide the information to the department of
12 administration at the same time as the insurer provides the information to the local
13 governmental unit.

14 4. The insurer shall use the uniform local government health care claims
15 experience form developed by the commissioner under s. 601.41 (11) to submit the
16 claims experience information to the local governmental unit and to the department
17 of administration.

18 5. If the insurer fails to provide the information to the department of
19 administration by the deadline specified in par. (b), the department of
20 administration may report the failure to the commissioner.

21 **SECTION 13.** 632.797 (1) (e) and (f) of the statutes are created to read:

22 632.797 (1) (e) The insurer may not impose any consequence on the
23 policyholder or the employer for providing the information under par. (a).

24 (f) The rights provided under this subsection may not be waived.

25 **SECTION 14.** 632.797 (5) of the statutes is amended to read:

