



## 2005 ASSEMBLY BILL 1171

April 5, 2006 - Introduced by Representatives GIELOW, ALBERS, BENEDICT, GRONEMUS, HEBL, HUBLER, LEHMAN, NELSON, SEIDEL and ZEPNICK, cosponsored by Senators ROBSON, ERPENBACH and HANSEN. Referred to Committee on Insurance.

1     **AN ACT to amend** 13.172 (1), 13.48 (13) (a), 13.62 (2), 13.95 (intro.), 16.002 (2),  
2           16.004 (4), 16.004 (5), 16.045 (1) (a), 16.41 (4), 16.417 (1) (a), 16.52 (7), 16.528  
3           (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.70 (2), 16.765 (1), 16.765 (2), 16.765 (4),  
4           16.765 (5), 16.765 (6), 16.765 (7) (intro.), 16.765 (7) (d), 16.765 (8), 16.85 (2),  
5           16.865 (8), 71.26 (1) (be), 77.54 (9a) (a), 100.45 (1) (dm), 101.177 (1) (d), 230.03  
6           (3) and 285.59 (1) (b); and **to create** 70.11 (41p) and chapter 238 of the statutes;  
7           **relating to:** creating a Healthy Wisconsin Authority and requiring a study on  
8           a catastrophic reinsurance program for health care costs.

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### ***Analysis by the Legislative Reference Bureau***

This bill creates the Healthy Wisconsin Authority (HWA). An authority is a public body corporate and politic with a board of directors that is created by state law but that is not a state agency. The board of directors of HWA consists of the commissioner of insurance, or the commissioner's designee, as a nonvoting member and 13 other members who will serve four-year terms, including a majority party senator and a majority party representative to the assembly, appointed by the senate majority leader and the speaker of the assembly, respectively, and a minority party senator and a minority party representative to the assembly, appointed by the senate minority leader and the assembly minority leader, respectively. Nine other members

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are nominated by the governor and appointed with the advice and consent of the senate and consist of a health care provider and representatives of a health insurance company, an employer, Wisconsin labor unions, and the public interest. The board must appoint an executive director, who may not be a member of the board.

Because HWA is not a state agency, numerous laws that apply to state agencies do not apply to HWA. However, HWA 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) it is subject to state purchasing requirements and must use a competitive bid or proposal process whenever contracting for services; 4) it is exempt from income tax, sales and use tax, and property taxes; 5) the Code of Ethics for Public Officials and Employees covers HWA; and 6) it is subject to auditing by the Legislative Audit Bureau.

HWA is unlike a state agency in many other ways, including: 1) it may approve 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; and 3) it is not subject to statutory rule-making procedures, including requirements for legislative review of proposed rules. Unlike most authorities under current law, HWA may not issue bonds.

HWA must study options for implementing a program for providing reinsurance to groups and individuals in the state for catastrophic claims under group and individual health insurance policies. By November 15, 2006, HWA must submit a report to the secretary of administration with its recommendations for implementing the reinsurance program. HWA must develop and administer the reinsurance program after legislation is enacted that authorizes or requires HWA to do so.

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

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

1           **SECTION 1.** 13.172 (1) of the statutes, as affected by 2005 Wisconsin Act 74, is  
2 amended to read:

3           13.172 (1) In this section, “agency” means an office, department, agency,  
4 institution of higher education, association, society, or other body in state  
5 government created or authorized to be created by the constitution or any law, that  
6 is entitled to expend moneys appropriated by law, including the legislature and the

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1 courts, and any authority created in subch. III of ch. 149 or in ch. 231, 233, ~~or 234,~~  
2 or 238.

3 **SECTION 2.** 13.48 (13) (a) of the statutes is amended to read:

4 13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or  
5 facility that is constructed for the benefit of or use of the state, any state agency,  
6 board, commission or department, the University of Wisconsin Hospitals and Clinics  
7 Authority, the Fox River Navigational System Authority, the Healthy Wisconsin  
8 Authority, or any local professional baseball park district created under subch. III  
9 of ch. 229 if the construction is undertaken by the department of administration on  
10 behalf of the district, shall be in compliance with all applicable state laws, rules,  
11 codes and regulations but the construction is not subject to the ordinances or  
12 regulations of the municipality in which the construction takes place except zoning,  
13 including without limitation because of enumeration ordinances or regulations  
14 relating to materials used, permits, supervision of construction or installation,  
15 payment of permit fees, or other restrictions.

16 **SECTION 3.** 13.62 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is  
17 amended to read:

18 13.62 (2) "Agency" means any board, commission, department, office, society,  
19 institution of higher education, council, or committee in the state government, or any  
20 authority created in subch. III of ch. 149 or in ch. 231, 232, 233, 234, ~~or 237,~~ or 238,  
21 except that the term does not include a council or committee of the legislature.

22 **SECTION 4.** 13.95 (intro.) of the statutes, as affected by 2005 Wisconsin Act 74,  
23 is amended to read:

24 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be  
25 known as the "Legislative Fiscal Bureau" headed by a director. The fiscal bureau

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1 shall be strictly nonpartisan and shall at all times observe the confidential nature  
2 of the research requests received by it; however, with the prior approval of the  
3 requester in each instance, the bureau may duplicate the results of its research for  
4 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's  
5 designated employees shall at all times, with or without notice, have access to all  
6 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the  
7 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,  
8 and the Fox River Navigational System Authority, and to any books, records, or other  
9 documents maintained by such agencies or authorities and relating to their  
10 expenditures, revenues, operations, and structure.

11 **SECTION 5.** 16.002 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is  
12 amended to read:

13 16.002 (2) "Departments" means constitutional offices, departments, and  
14 independent agencies and includes all societies, associations, and other agencies of  
15 state government for which appropriations are made by law, but not including  
16 authorities created in subch. III of ch. 149 and in chs. 231, 232, 233, 234, 235, ~~and~~  
17 237, and 238.

18 **SECTION 6.** 16.004 (4) of the statutes, as affected by 2005 Wisconsin Act 74, is  
19 amended to read:

20 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the  
21 department as the secretary designates may enter into the offices of state agencies  
22 and authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, ~~and~~  
23 237, and 238, and may examine their books and accounts and any other matter that  
24 in the secretary's judgment should be examined and may interrogate the agency's  
25 employees publicly or privately relative thereto.

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1           **SECTION 7.** 16.004 (5) of the statutes, as affected by 2005 Wisconsin Act 74, is  
2 amended to read:

3           16.004 **(5)** AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and  
4 authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, ~~and 237,~~  
5 and 238, and their officers and employees, shall cooperate with the secretary and  
6 shall comply with every request of the secretary relating to his or her functions.

7           **SECTION 8.** 16.045 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,  
8 is amended to read:

9           16.045 **(1)** (a) “Agency” means an office, department, independent agency,  
10 institution of higher education, association, society, or other body in state  
11 government created or authorized to be created by the constitution or any law, that  
12 is entitled to expend moneys appropriated by law, including the legislature and the  
13 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,  
14 232, 233, 234, 235, ~~or 237,~~ or 238.

15           **SECTION 9.** 16.41 (4) of the statutes, as affected by 2005 Wisconsin Act 74, is  
16 amended to read:

17           16.41 **(4)** In this section, “authority” means a body created under subch. III of  
18 ch. 149 or under ch. 231, 233, 234, ~~or 237,~~ or 238.

19           **SECTION 10.** 16.417 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,  
20 is amended to read:

21           16.417 **(1)** (a) “Agency” means an office, department, independent agency,  
22 institution of higher education, association, society, or other body in state  
23 government created or authorized to be created by the constitution or any law, that  
24 is entitled to expend moneys appropriated by law, including the legislature and the

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1 courts, but not including an authority or the body created under subch. III of ch. 149  
2 or under ch. 238.

3 **SECTION 11.** 16.52 (7) of the statutes, as affected by 2005 Wisconsin Act 74, is  
4 amended to read:

5 16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency  
6 that is authorized to maintain a contingent fund under s. 20.920 may establish a  
7 petty cash account from its contingent fund. The procedure for operation and  
8 maintenance of petty cash accounts and the character of expenditures therefrom  
9 shall be prescribed by the secretary. In this subsection, "agency" means an office,  
10 department, independent agency, institution of higher education, association,  
11 society, or other body in state government created or authorized to be created by the  
12 constitution or any law, that is entitled to expend moneys appropriated by law,  
13 including the legislature and the courts, but not including an authority created in  
14 subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237,~~ or 238.

15 **SECTION 12.** 16.528 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,  
16 is amended to read:

17 16.528 (1) (a) "Agency" means an office, department, independent agency,  
18 institution of higher education, association, society, or other body in state  
19 government created or authorized to be created by the constitution or any law, that  
20 is entitled to expend moneys appropriated by law, including the legislature and the  
21 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,  
22 233, 234, ~~or 237,~~ or 238.

23 **SECTION 13.** 16.53 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is  
24 amended to read:

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1           16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed  
2 invoice, the agency shall notify the sender of the invoice within 10 working days after  
3 it receives the invoice of the reason it is improperly completed. In this subsection,  
4 “agency” means an office, department, independent agency, institution of higher  
5 education, association, society, or other body in state government created or  
6 authorized to be created by the constitution or any law, that is entitled to expend  
7 moneys appropriated by law, including the legislature and the courts, but not  
8 including an authority created in subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237,~~  
9 or 238.

10           **SECTION 14.** 16.54 (9) (a) 1. of the statutes, as affected by 2005 Wisconsin Act  
11 74, is amended to read:

12           16.54 (9) (a) 1. “Agency” means an office, department, independent agency,  
13 institution of higher education, association, society or other body in state  
14 government created or authorized to be created by the constitution or any law, which  
15 is entitled to expend moneys appropriated by law, including the legislature and the  
16 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,  
17 233, 234, ~~or 237,~~ or 238.

18           **SECTION 15.** 16.70 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is  
19 amended to read:

20           16.70 (2) “Authority” means a body created under subch. III of ch. 149 or under  
21 ch. 231, 232, 233, 234, 235, ~~or 237,~~ or 238.

22           **SECTION 16.** 16.765 (1) of the statutes, as affected by 2005 Wisconsin Act 74,  
23 is amended to read:

24           16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and  
25 Clinics Authority, the Fox River Navigational System Authority, the Health

**ASSEMBLY BILL 1171****SECTION 16**

1 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the  
2 Bradley Center Sports and Entertainment Corporation shall include in all contracts  
3 executed by them a provision obligating the contractor not to discriminate against  
4 any employee or applicant for employment because of age, race, religion, color,  
5 handicap, sex, physical condition, developmental disability as defined in s. 51.01 (5),  
6 sexual orientation as defined in s. 111.32 (13m), or national origin and, except with  
7 respect to sexual orientation, obligating the contractor to take affirmative action to  
8 ensure equal employment opportunities.

9 **SECTION 17.** 16.765 (2) of the statutes, as affected by 2005 Wisconsin Act 74,  
10 is amended to read:

11 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and  
12 Clinics Authority, the Fox River Navigational System Authority, the Health  
13 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the  
14 Bradley Center Sports and Entertainment Corporation shall include the following  
15 provision in every contract executed by them: "In connection with the performance  
16 of work under this contract, the contractor agrees not to discriminate against any  
17 employee or applicant for employment because of age, race, religion, color, handicap,  
18 sex, physical condition, developmental disability as defined in s. 51.01 (5), sexual  
19 orientation or national origin. This provision shall include, but not be limited to, the  
20 following: employment, upgrading, demotion or transfer; recruitment or recruitment  
21 advertising; layoff or termination; rates of pay or other forms of compensation; and  
22 selection for training, including apprenticeship. Except with respect to sexual  
23 orientation, the contractor further agrees to take affirmative action to ensure equal  
24 employment opportunities. The contractor agrees to post in conspicuous places,



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1 available for employees and applicants for employment, notices to be provided by the  
2 contracting officer setting forth the provisions of the nondiscrimination clause”.

3 **SECTION 18.** 16.765 (4) of the statutes, as affected by 2005 Wisconsin Act 74,  
4 is amended to read:

5 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and  
6 Clinics Authority, the Fox River Navigational System Authority, the Health  
7 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the  
8 Bradley Center Sports and Entertainment Corporation shall take appropriate action  
9 to revise the standard government contract forms under this section.

10 **SECTION 19.** 16.765 (5) of the statutes, as affected by 2005 Wisconsin Act 74,  
11 is amended to read:

12 16.765 (5) The head of each contracting agency and the boards of directors of  
13 the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
14 Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority,  
15 the Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment  
16 Corporation shall be primarily responsible for obtaining compliance by any  
17 contractor with the nondiscrimination and affirmative action provisions prescribed  
18 by this section, according to procedures recommended by the department. The  
19 department shall make recommendations to the contracting agencies and the boards  
20 of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox  
21 River Navigational System Authority, the Health Insurance Risk-Sharing Plan  
22 Authority, the Healthy Wisconsin Authority, and the Bradley Center Sports and  
23 Entertainment Corporation for improving and making more effective the  
24 nondiscrimination and affirmative action provisions of contracts. The department

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1 shall promulgate such rules as may be necessary for the performance of its functions  
2 under this section.

3 **SECTION 20.** 16.765 (6) of the statutes, as affected by 2005 Wisconsin Act 74,  
4 is amended to read:

5 16.765 (6) The department may receive complaints of alleged violations of the  
6 nondiscrimination provisions of such contracts. The department shall investigate  
7 and determine whether a violation of this section has occurred. The department may  
8 delegate this authority to the contracting agency, the University of Wisconsin  
9 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the  
10 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,  
11 or the Bradley Center Sports and Entertainment Corporation for processing in  
12 accordance with the department's procedures.

13 **SECTION 21.** 16.765 (7) (intro.) of the statutes, as affected by 2005 Wisconsin  
14 Act 74, is amended to read:

15 16.765 (7) (intro.) When a violation of this section has been determined by the  
16 department, the contracting agency, the University of Wisconsin Hospitals and  
17 Clinics Authority, the Fox River Navigational System Authority, the Health  
18 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, or the  
19 Bradley Center Sports and Entertainment Corporation, the contracting agency, the  
20 University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational  
21 System Authority, the Health Insurance Risk-Sharing Plan Authority, the Healthy  
22 Wisconsin Authority, or the Bradley Center Sports and Entertainment Corporation  
23 shall:

24 **SECTION 22.** 16.765 (7) (d) of the statutes, as affected by 2005 Wisconsin Act 74,  
25 is amended to read:

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1           16.765 (7) (d) Direct the violating party to take immediate steps to prevent  
2 further violations of this section and to report its corrective action to the contracting  
3 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
4 Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority,  
5 the Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment  
6 Corporation.

7           **SECTION 23.** 16.765 (8) of the statutes, as affected by 2005 Wisconsin Act 74,  
8 is amended to read:

9           16.765 (8) If further violations of this section are committed during the term  
10 of the contract, the contracting agency, the Fox River Navigational System Authority,  
11 the Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin  
12 Authority, or the Bradley Center Sports and Entertainment Corporation may permit  
13 the violating party to complete the contract, after complying with this section, but  
14 thereafter the contracting agency, the Fox River Navigational System Authority, the  
15 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,  
16 or the Bradley Center Sports and Entertainment Corporation shall request the  
17 department to place the name of the party on the ineligible list for state contracts,  
18 or the contracting agency, the Fox River Navigational System Authority, the Health  
19 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, or the  
20 Bradley Center Sports and Entertainment Corporation may terminate the contract  
21 without liability for the uncompleted portion or any materials or services purchased  
22 or paid for by the contracting party for use in completing the contract.

23           **SECTION 24.** 16.85 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is  
24 amended to read:

**ASSEMBLY BILL 1171****SECTION 24**

1           16.85 (2) To furnish engineering, architectural, project management, and other  
2 building construction services whenever requisitions therefor are presented to the  
3 department by any agency. The department may deposit moneys received from the  
4 provision of these services in the account under s. 20.505 (1) (kc) or in the general  
5 fund as general purpose revenue — earned. In this subsection, “agency” means an  
6 office, department, independent agency, institution of higher education, association,  
7 society, or other body in state government created or authorized to be created by the  
8 constitution or any law, which is entitled to expend moneys appropriated by law,  
9 including the legislature and the courts, but not including an authority created in  
10 subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237,~~ or 238.

11           **SECTION 25.** 16.865 (8) of the statutes, as affected by 2005 Wisconsin Act 74,  
12 is amended to read:

13           16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a  
14 proportionate share of the estimated costs attributable to programs administered by  
15 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department  
16 may charge premiums to agencies to finance costs under this subsection and pay the  
17 costs from the appropriation on an actual basis. The department shall deposit all  
18 collections under this subsection in the appropriation account under s. 20.505 (2) (k).  
19 Costs assessed under this subsection may include judgments, investigative and  
20 adjustment fees, data processing and staff support costs, program administration  
21 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this  
22 subsection, “agency” means an office, department, independent agency, institution  
23 of higher education, association, society, or other body in state government created  
24 or authorized to be created by the constitution or any law, that is entitled to expend  
25 moneys appropriated by law, including the legislature and the courts, but not

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1 including an authority created in subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235,  
2 ~~or 237, or 238.~~

3 **SECTION 26.** 70.11 (41p) of the statutes is created to read:

4 70.11 (41p) HEALTHY WISCONSIN AUTHORITY. All property owned by the Healthy  
5 Wisconsin Authority, provided that use of the property is primarily related to the  
6 purposes of the authority.

7 **SECTION 27.** 71.26 (1) (be) of the statutes, as affected by 2005 Wisconsin Act 74,  
8 is amended to read:

9 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin  
10 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan  
11 Authority, of the Healthy Wisconsin Authority, and of the Fox River Navigational  
12 System Authority.

13 **SECTION 28.** 77.54 (9a) (a) of the statutes, as affected by 2005 Wisconsin Act 74,  
14 is amended to read:

15 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin  
16 Hospitals and Clinics Authority, the Health Insurance Risk-Sharing Plan Authority,  
17 the Healthy Wisconsin Authority, and the Fox River Navigational System Authority.

18 **SECTION 29.** 100.45 (1) (dm) of the statutes is amended to read:

19 100.45 (1) (dm) "State agency" means any office, department, agency,  
20 institution of higher education, association, society or other body in state  
21 government created or authorized to be created by the constitution or any law which  
22 is entitled to expend moneys appropriated by law, including the legislature and the  
23 courts, the Wisconsin Housing and Economic Development Authority, the Bradley  
24 Center Sports and Entertainment Corporation, the University of Wisconsin  
25 Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities

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1 Authority, ~~and the Fox River Navigational System Authority, and the Healthy~~  
2 Wisconsin Authority.

3 **SECTION 30.** 101.177 (1) (d) of the statutes, as affected by 2005 Wisconsin Act  
4 74, is amended to read:

5 101.177 (1) (d) "State agency" means any office, department, agency,  
6 institution of higher education, association, society, or other body in state  
7 government created or authorized to be created by the constitution or any law, that  
8 is entitled to expend moneys appropriated by law, including the legislature and the  
9 courts, the Wisconsin Housing and Economic Development Authority, the Bradley  
10 Center Sports and Entertainment Corporation, the University of Wisconsin  
11 Hospitals and Clinics Authority, ~~and the Wisconsin Health and Educational~~  
12 Facilities Authority, and the Healthy Wisconsin Authority, but excluding the Health  
13 Insurance Risk-Sharing Plan Authority.

14 **SECTION 31.** 230.03 (3) of the statutes, as affected by 2005 Wisconsin Act 74,  
15 is amended to read:

16 230.03 (3) "Agency" means any board, commission, committee, council, or  
17 department in state government or a unit thereof created by the constitution or  
18 statutes if such board, commission, committee, council, department, unit, or the  
19 head thereof, is authorized to appoint subordinate staff by the constitution or  
20 statute, except a legislative or judicial board, commission, committee, council,  
21 department, or unit thereof or an authority created under subch. III of ch. 149 or  
22 under ch. 231, 232, 233, 234, 235, ~~or 237,~~ or 238. "Agency" does not mean any local  
23 unit of government or body within one or more local units of government that is  
24 created by law or by action of one or more local units of government.

25 **SECTION 32.** Chapter 238 of the statutes is created to read:

**ASSEMBLY BILL 1171****CHAPTER 238****HEALTHY WISCONSIN AUTHORITY**

**238.01 Definitions.** In this chapter:

(1) "Authority" means the Healthy Wisconsin Authority.

(2) "Board" means the board of directors of the authority.

**238.05 Creation and organization of authority.** (1) There is created a public body corporate and politic to be known as the "Healthy Wisconsin Authority." The board of directors of the authority shall consist of the commissioner of insurance, or his or her designee, as a nonvoting member, and the following 13 members, who shall serve 4-year terms:

(a) One majority party senator appointed by the senate majority leader.

(b) One minority party senator appointed by the senate minority leader.

(c) One majority party representative to the assembly appointed by the speaker of the assembly.

(d) One minority party representative to the assembly appointed by the assembly minority leader.

(e) Nine nominees of the governor, appointed with the advice and consent of the senate, consisting of all of the following:

1. One health care provider.

2. One representative of a Wisconsin health insurance company.

3. One representative of a Wisconsin employer.

4. One representative of Wisconsin labor unions.

5. Five other members who represent the public interest.

(2) Each member of the board shall hold office until a successor is appointed and qualified unless the member vacates or is removed from his or her office. A

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1 member who serves as a result of holding another office or position vacates his or her  
2 office as a member when he or she vacates the other office or position. A member who  
3 ceases to qualify for office vacates his or her office. A vacancy on the board shall be  
4 filled in the same manner as the original appointment to the board for the remainder  
5 of the unexpired term, if any.

6 (3) Annually, the governor shall appoint one member as chairperson, and the  
7 members of the board may elect other officers as they consider appropriate.

8 (4) The board shall appoint an executive director, but only after legislation  
9 specified in s. 238.15 (3) is enacted. The executive director shall not be a member of  
10 the board and shall serve at the pleasure of the board. The authority may delegate  
11 by resolution to one or more of its members or its executive director any powers and  
12 duties that it considers proper. The executive director shall receive such  
13 compensation as may be determined by the board. The executive director or other  
14 person designated by resolution of the board shall keep a record of the proceedings  
15 of the authority and shall be custodian of all books, documents, and papers filed with  
16 the authority, the minute book or journal of the authority, and its official seal. The  
17 executive director or other person may cause copies to be made of all minutes and  
18 other records and documents of the authority and may give certificates under the  
19 official seal of the authority to the effect that such copies are true copies, and all  
20 persons dealing with the authority may rely upon such certificates.

21 (5) A majority of the members of the board constitutes a quorum for the purpose  
22 of conducting its business and exercising its powers and for all other purposes,  
23 notwithstanding the existence of any vacancies. Action may be taken by the board  
24 upon a vote of a majority of the members present. Meetings of the members of the  
25 board may be held anywhere within or without the state.



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1           **(6)** A member of the board may not be compensated for his or her services but  
2 shall be reimbursed for actual and necessary expenses incurred in the performance  
3 of his or her duties, including travel expenses, subject to uniform travel schedule  
4 amounts approved under s. 20.916 (8).

5           **(7)** No cause of action may arise against and no civil liability may be imposed  
6 upon a member or executive director of the authority for any act or omission in the  
7 performance of his or her powers and duties under this chapter, unless the person  
8 asserting liability proves that the act or omission constitutes willful misconduct.

9           **238.10 Powers of authority.** **(1)** Except as restricted under sub. (2), the  
10 authority shall have all the powers necessary or convenient to carry out the purposes  
11 and provisions of this chapter. In addition to all other powers granted by this chapter,  
12 the authority may:

13           (a) Adopt, amend, and repeal bylaws and policies and procedures for the  
14 regulation of its affairs and the conduct of its business.

15           (b) Have a seal and alter the seal at pleasure.

16           (c) Maintain an office.

17           (d) Sue and be sued.

18           (e) Accept gifts, grants, loans, or other contributions from private or public  
19 sources.

20           (f) Establish the authority's annual budget and monitor the fiscal management  
21 of the authority.

22           (g) Execute contracts and other instruments, including contracts for any  
23 professional services required for the authority.

24           (h) Employ any officers, agents, and employees that it may require and  
25 determine their qualifications and compensation.

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1 (i) Procure liability insurance.

2 (2) The authority may not issue bonds.

3 **238.15 Duties of authority.** In addition to all other duties imposed under this  
4 chapter, the authority shall do all of the following:

5 (1) Study options for implementing a program to provide reinsurance to groups  
6 and individuals in this state for catastrophic claims under group and individual  
7 health insurance policies.

8 (2) No later than November 15, 2006, submit to the secretary of administration  
9 a report with its recommendations for implementing a reinsurance program  
10 described in par. (a).

11 (3) Develop and administer a reinsurance program in accordance with any  
12 legislation enacted that requires or authorizes the authority to do so.

13 **SECTION 33.** 285.59 (1) (b) of the statutes is amended to read:

14 285.59 (1) (b) "State agency" means any office, department, agency, institution  
15 of higher education, association, society, or other body in state government created  
16 or authorized to be created by the constitution or any law ~~which~~ that is entitled to  
17 expend moneys appropriated by law, including the legislature and the courts, the  
18 Wisconsin Housing and Economic Development Authority, the Bradley Center  
19 Sports and Entertainment Corporation, the University of Wisconsin Hospitals and  
20 Clinics Authority, the Fox River Navigational System Authority, ~~and~~ the Wisconsin  
21 Health and Educational Facilities Authority, and the Healthy Wisconsin Authority.

22 **SECTION 34. Nonstatutory provisions.**

23 (1) INITIAL TERMS OF BOARD MEMBERS. Notwithstanding the lengths of terms of  
24 the members of the board of directors of the Healthy Wisconsin Authority specified

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1 in section 238.05 (1) (intro.) of the statutes, as created by this act, the initial members  
2 shall be appointed for the following terms:

3 (a) The 4 members specified under section 238.05 (1) (a) to (d) of the statutes,  
4 as created by this act, for terms that expire on July 1, 2008.

5 (b) Four members specified under section 238.05 (1) (e) of the statutes, as  
6 created by this act, for terms that expire on July 1, 2009.

7 (c) Five members specified under section 238.05 (1) (e) of the statutes, as  
8 created by this act, for terms that expire on July 1, 2010.

9 (2) PROVISIONAL APPOINTMENTS OF BOARD MEMBERS. Notwithstanding the  
10 requirement for senate confirmation of the appointment of the members of the board  
11 of directors of the Healthy Wisconsin Authority under section 238.05 (1) (e) of the  
12 statutes, as created by this act, the initial members may be provisionally appointed  
13 by the governor, subject to confirmation by the senate. Any such appointment shall  
14 be in full force until acted upon by the senate, and when confirmed by the senate shall  
15 continue for the remainder of the term, or until a successor is chosen and qualifies.  
16 A provisional appointee may exercise all of the powers and duties of the office to  
17 which such person is appointed during the time in which the appointee qualifies.  
18 Any appointment made under this subsection that is withdrawn or rejected by the  
19 senate shall lapse. When a provisional appointment lapses, a vacancy occurs.  
20 Whenever a new legislature is organized, any appointments then pending before the  
21 senate shall be referred by the president to the appropriate standing committee of  
22 the newly organized senate.

23 (END)