



2005 SENATE BILL 313

August 31, 2005 – Introduced by Senators DARLING, LAZICH, A. LASEE, MILLER and RISSER, cosponsored by Representatives STONE, MUSSER, TOWNSEND, PETROWSKI, BLACK, LOTHIAN, BERCEAU, HAHN, VAN ROY, VOS, GRIGSBY, GUNDERSON, POPE-ROBERTS, KESSLER, TOWNS, KAUFERT, YOUNG and RHOADES. Referred to Committee on Health, Children, Families, Aging and Long Term Care.

1 **AN ACT to repeal** 49.45 (39) (b) 1m.; **to amend** 20.255 (2) (b), 49.45 (39) (b) 1.,
2 49.45 (39) (b) 2. and 115.882; and **to create** 49.45 (39) (b) 3. of the statutes;
3 **relating to:** reimbursement for school medical services under the Medical
4 Assistance program.

Analysis by the Legislative Reference Bureau

Under current law, the Medical Assistance (MA) program is administered by the Department of Health and Family Services (DHFS) and is jointly funded with 60 percent federal funds (usually called federal financial participation, or FFP) and 40 percent state general purpose revenues (GPR).

Currently, for providing school medical services to pupils who are MA recipients, DHFS must reimburse school districts and cooperative educational service agencies (CESAs) for 60 percent of FFP. Similarly, and at the same rate, DHFS must reimburse the Department of Public Instruction (DPI) for those school medical services that are provided by the Wisconsin Center for the Blind and Visually Impaired (WCBVI) and the Wisconsin Education Services Program for the Deaf and Hard of Hearing (WESPDHH). All other expenses for school medical services provided by a school district or CESA must be paid for by the school district or CESA from state or local taxes, except that DHFS may supplement the school medical services reimbursement amount from state GPR and FFP. However, if a supplement is made, DPI must, from a GPR appropriation account for aids for special education, lapse to the general fund a sum that equals the amount of the supplement. DHFS must also, using time studies, reimburse school districts, CESAs, and DPI (on

SENATE BILL 313

behalf of WCBVI and WESPDHH) for 90 percent of FFP for allowable administrative costs related to school medical services.

This bill eliminates DHFS' authority to supplement the school medical services reimbursement amount for school districts and CESAs and the requirement that DPI lapse to the general fund an amount equal to any such supplement made. Instead, the bill requires that, beginning July 1, 2008, DHFS reimburse a school district or CESA for 100 percent of that portion of FFP for allowable charges for school medical services that is in excess of \$21,660,000. DHFS must distribute this required reimbursement based on the percentage of total reimbursement for school medical services that each school district and CESA received in the immediately previous fiscal year.

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

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

1 **SECTION 1.** 20.255 (2) (b) of the statutes is amended to read:

2 20.255 (2) (b) *Aids for special education and school age parents programs.* The
3 amounts in the schedule for the payment of aids for special education and school age
4 parents programs under ss. 115.88, 115.93 and 118.255. ~~On dates determined by the~~
5 ~~secretary of administration, amounts equal to the amounts paid by the department~~
6 ~~of health and family services under s. 49.45 (39) (b) 1m. shall lapse from this~~
7 ~~appropriation account to the general fund.~~

8 **SECTION 2.** 49.45 (39) (b) 1. of the statutes is amended to read:

9 49.45 (39) (b) 1. 'Payment for school medical services.' If a school district or a
10 cooperative educational service agency elects to provide school medical services and
11 meets all requirements under par. (c), the department shall reimburse the school
12 district or the cooperative educational service agency for ~~60%~~ 60 percent of the
13 federal share of allowable charges for the school medical services that it provides
14 and, as specified in subd. 2., for allowable administrative costs. If the Wisconsin
15 Center for the Blind and Visually Impaired or the Wisconsin Educational Services

SENATE BILL 313

1 Program for the Deaf and Hard of Hearing elects to provide school medical services
2 and meets all requirements under par. (c), the department shall reimburse the
3 department of public instruction for ~~60%~~ 60 percent of the federal share of allowable
4 charges for the school medical services that the Wisconsin Center for the Blind and
5 Visually Impaired or the Wisconsin Educational Services Program for the Deaf and
6 Hard of Hearing provides and, as specified in subd. 2., for allowable administrative
7 costs. A school district, cooperative educational service agency, the Wisconsin Center
8 for the Blind and Visually Impaired or the Wisconsin Educational Services Program
9 for the Deaf and Hard of Hearing may submit, and the department shall allow, claims
10 for common carrier transportation costs as a school medical service ~~unless~~ if the
11 department receives notice from the federal health care financing administration
12 that, under a change in federal policy, the claims are not allowed. ~~If the department~~
13 ~~receives the notice, a school district, cooperative educational service agency, the~~
14 ~~Wisconsin Center for the Blind and Visually Impaired, or the Wisconsin Educational~~
15 ~~Services Program for the Deaf and Hard of Hearing may submit, and the department~~
16 ~~shall allow, unreimbursed claims for common carrier transportation costs incurred~~
17 ~~before the date of the change in federal policy.~~ The department shall promulgate
18 rules establishing a methodology for making reimbursements under this paragraph.
19 Except as provided in subd. ~~1m.~~ 3., all other expenses for the school medical services
20 provided by a school district or a cooperative educational service agency shall be paid
21 for by the school district or the cooperative educational service agency with funds
22 received from state or local taxes. The school district, the Wisconsin Center for the
23 Blind and Visually Impaired, the Wisconsin Educational Services Program for the
24 Deaf and Hard of Hearing, or the cooperative educational service agency shall

SENATE BILL 313

1 comply with all requirements of the federal department of health and human
2 services for receiving federal financial participation.

3 **SECTION 3.** 49.45 (39) (b) 1m. of the statutes is repealed.

4 **SECTION 4.** 49.45 (39) (b) 2. of the statutes is amended to read:

5 49.45 **(39)** (b) 2. 'Payment for school medical services administrative costs.' The
6 department shall reimburse a school district or a cooperative educational service
7 agency specified under subds. 1. and ~~1m. 3.~~ 3. and shall reimburse the department of
8 public instruction on behalf of the Wisconsin Center for the Blind and Visually
9 Impaired or the Wisconsin Educational Services Program for the Deaf and Hard of
10 Hearing for ~~90%~~ 90 percent of the federal share of allowable administrative costs,
11 using time studies, beginning in fiscal year 1999-2000. A school district or a
12 cooperative educational service agency may submit, and the department of health
13 and family services shall allow, claims for administrative costs incurred during the
14 period that is up to 24 months before the date of the claim, if allowable under federal
15 law.

16 **SECTION 5.** 49.45 (39) (b) 3. of the statutes is created to read:

17 49.45 **(39)** (b) 3. 'Supplement for school medical services.' Beginning July 1,
18 2008, in addition to the reimbursement the department provides under subds. 1. and
19 2., the department shall in each fiscal year reimburse school districts and
20 cooperative educational service agencies for 100 percent of that portion of the federal
21 share of allowable charges for school medical services that is in excess of \$21,660,000.
22 The distribution of this reimbursement shall be based on the percentage of total
23 reimbursement under subd. 1. that each school district and cooperative educational
24 service agency received in the immediately previous fiscal year.

25 **SECTION 6.** 115.882 of the statutes is amended to read:

SENATE BILL 313

1 **115.882 Payment of state aid.** Funds appropriated under s. 20.255 (2) (b)
2 shall be used first for the purpose of s. 115.88 (4). Costs eligible for reimbursement
3 from the appropriation under s. 20.255 (2) (b) under ss. 115.88 (1m) to (3), (6) and (8),
4 115.93, and 118.255 (4) shall be reimbursed at a rate set to distribute the full amount
5 appropriated for reimbursement for the costs, ~~less the amount paid by the~~
6 ~~department of health and family services under s. 20.435 (4) (b) and (c) under s. 49.45~~
7 ~~(39) (b) 1m.,~~ not to exceed 100%.

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(END)