2005 SENATE BILL 605

February 20, 2006 – Introduced by Senators ROESSLER, OLSEN, DARLING and CARPENTER, cosponsored by Representatives GIELOW, AINSWORTH, ALBERS, KRAWCZYK, OWENS, OTT, BIES, BALLWEG, HAHN, JESKEWITZ, TOWNSEND, VOS, MUSSER and SEIDEL. Referred to Committee on Health, Children, Families, Aging and Long Term Care.

1   AN ACT *to amend* 49.43 (5) and 50.35; and *to create* 50.33 (3) of the statutes;

2   **relating to:** changing the definition of hospital for purposes of approval by the

3   Department of Health and Family Services and Medical Assistance

4   reimbursement.

Analysis by the Legislative Reference Bureau

Under current state law, the Department of Health and Family Services (DHFS) must issue a certificate of approval to an applying hospital that meets requirements established by DHFS. The approval may be issued only for the premises and persons named in the application and is in effect until it is suspended or revoked for just cause. The definition of "hospital" has three parts, one of which specifies that the term may include related facilities such as outpatient facilities; nurses', interns', and residents' quarters; training facilities; and central service facilities operated in connection with hospitals. Also under current state law, "hospital" is defined for purposes of reimbursement for services provided to Medical Assistance (MA) recipients to mean an institution, approved by the appropriate state agency, which provides 24–hour continuous nursing service to patients confined in the hospital; which provides standard dietary, nursing, diagnostic, and therapeutic facilities; and whose professional staff is composed only of physicians and surgeons or physicians, surgeons, and doctors of dental surgery. Current federal regulations specify conditions of participation that hospitals must meet in order to receive reimbursement for services provided to Medicare Program beneficiaries; in addition to requiring approval of a hospital by the state, the Medicare conditions of

participation specify requirements for the provision of numerous services that may be reimbursable under Medicare and MA.

This bill authorizes a hospital to include or exclude related facilities or services that the federal Centers for Medicare and Medicaid Services recognize as part of the hospital under the federal Medicare Program. A hospital that makes this inclusion or exclusion must immediately notify DHFS, and DHFS must amend the specified premises in the hospital's certificate of approval accordingly. The bill also changes the definition of "hospital" under MA, for purposes of reimbursement for care and treatment provided to MA recipients, to be the definition of "hospital" in the laws relating to approval by DHFS and to include the premises specified in a hospital's certificate of approval.

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.** 49.43 (5) of the statutes is amended to read:

2　　49.43 **(5)** "Hospital" ~~means an institution, approved by the appropriate state~~

3　　~~agency, providing 24−hour continuous nursing service to patients confined therein;~~

4　　~~which provides standard dietary, nursing, diagnostic and therapeutic facilities; and~~

5　　~~whose professional staff is composed only of physicians and surgeons, or of~~

6　　~~physicians and surgeons and doctors of dental surgery~~ has the meaning given in s.

7　　50.33 (2) and includes the premisses specified in a hospital's certificate of approval

8　　under s. 50.35.

9　　**SECTION 2.** 50.33 (3) of the statutes is created to read:

10　　50.33 **(3)** "Medicare" means the program under 42 USC 1395 to 1395hhh.

11　　**SECTION 3.** 50.35 of the statutes is amended to read:

12　　**50.35 Application and approval.** Application for approval to maintain a

13　　hospital shall be made to the department on forms provided by the department. On

14　　receipt of an application, the department shall, except as provided in s. 50.498, issue

15　　a certificate of approval if the applicant and hospital facilities meet the requirements

1   established by the department. Except as provided in s. 50.498, this approval shall

2   be in effect until, for just cause and in the manner herein prescribed, it is suspended

3   or revoked. The certificate of approval may be issued only for the premises and

4   persons or governmental unit named in the application ~~and is~~. However, a hospital

5   may subsequently include or exclude related facilities or services that the federal

6   Centers for Medicare and Medicaid Services recognize as part of the hospital under

7   Medicare. A hospital that makes this inclusion or exclusion shall immediately notify

8   the department, and the department shall amend the certificate of approval's

9   specified premises accordingly. The certificate of approval is not transferable or

10   assignable. The department shall withhold, suspend or revoke approval for a failure

11   to comply with s. 165.40 (6) (a) 1. or 2., but, except as provided in s. 50.498, otherwise

12   may not withhold, suspend or revoke approval unless for a substantial failure to

13   comply with ss. 50.32 to 50.39 or the rules and standards adopted by the department

14   after giving a reasonable notice, a fair hearing and a reasonable opportunity to

15   comply. Failure by a hospital to comply with s. 50.36 (3m) shall be considered to be

16   a substantial failure to comply under this section.

17   **Section 4. Initial applicability.**

18   (1) Election by a hospital to include or exclude related facilities. This act

19   first applies to elections by hospitals to include or exclude related facilities or services

20   on the effective date of this subsection.

21   **(END)**