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2001 DRAFTING REQUEST

Received: **01/10/2002**

Received By: **malaigm**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 7-9546**

By/Representing: **Jablonsky**

This file may be shown to any legislator: **NO**

Drafter: **malaigm**

May Contact:

Addl. Drafters:

Subject: **Public Assistance - misc**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Jablonsky -

Topic:

Disease aids program modification

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/1			rschluet 01/11/2002	_____	lrb_docadmin 01/14/2002		State
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FE Sent For:

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FE Sent For:

<END>

Miller, Steve

From: Jablonsky, Sue
Sent: Thursday, January 10, 2002 10:48 AM
To: Miller, Steve
Subject: FW: Disease Aids

79546

*Received
SRM*



FY 02 Budg. Adj.
Chronic Disea...

Here is an additional request from DHFS to add some restrictions that will help them control costs in the disease aids program. Paper copy to follow.

-----Original Message-----

From: Hadidian, Ellen
Sent: Thursday, January 10, 2002 10:21 AM
To: Jablonsky, Sue
Subject: Disease Aids

Here you go

DHFS

Department of Health and Family Services
2001-2003 Budget Adjustment Statutory Language Request
January 10, 2002

Modify Chronic Disease Aids Program

Current Language

s.49.68, s.49.682, s.49.683, s.49.685, s. 49.687

Proposed Change

- ✓ Amend s.49.68 (Chronic Renal aids), s. 49.683 (Cystic Fibrosis aids), s.49.685 (Hemophilia treatment services), and s.49.687 (patient financial and liability requirements for Disease Aids) to require potential clients of these program to apply for other state-funded health insurance programs, including Medicaid, before applying for assistance from the Disease Aids program. Provide that "other programs" be defined in rule and include Medicaid, HIRSP, Badger Care and Senior Care. *= prescription drugs* *If eligible under other program, not eligible under this program?*
- ✓ Amend s.49.687 to provide that the Chronic Disease program may suspend or set priorities on enrollments if funds are not available to pay for its services.
- ✓ Amend s.49.68 (3)(e) to delete the requirement that state aids for services in the Chronic Renal program must be equal to the allowable charges under the Medicare program. In addition, amend the statute to prevent providers from billing any balance of the costs to clients.
- ✓ Amend s.49.687 to allow the program to adopt managed care methods of cost containment. This amendment could be similar to the language adopted for HIRSP several years ago. *149.17(4)* *49.685(6)(a)*
- ✓ Amend s.49.682⁽³⁾ to provide that funds recovered through the Chronic Disease estate recovery program be reinvested in the Chronic Disease program. *= 20.435(4)(je), cr Act 16*

Effect of the Change

All of the changes would provide the Department the authority to implement cost control *- apply for other* *- suspend or priorities* *- Managed care* measures for the Chronic Disease Aids program. The Department would be able to manage the program better within current expenditure levels. Allowing the Department to set priorities in the event of a funding shortfall would enable the program to stay within budget and avoid undue

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hardship to Disease Aids recipients. By allowing the Department to set its own pricing guidelines, potential costs to the program will be reduced. Preventing providers from billing any difference between the actual price of services and the amount paid by the Department to patients will ensure that patients do not bear the burden of decreased reimbursement.

Rationale for the Change

Although the Department adopted patient cost sharing and deductible amounts in 1993, it has been difficult to control costs in the Chronic Disease program. Costs for this program, as for all health care programs, have risen, particularly for drugs. Expenditures in the Chronic Disease program are currently projected to exceed the budget in the FY 01-03 biennium. Cost containment measures will be necessary in order to limit expenditures and maintain an equitable level of services for clients of the program.

Desired Effective Date:	Upon passage of bill
Agency:	DHFS
Agency Contact:	Ellen Hadidian
Phone:	266-8155



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-4664/0

GMM:Y:.....

1

Handwritten scribbles and initials

DOA:.....Jablonsky - Disease aids program modification

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

Do NOT GEN

AN ACT...; relating to: requiring the department of health and family services to implement certain cost-saving measures for the programs that provide financial assistance to victims of kidney disease, cystic fibrosis, or hemophilia, requiring the exercise of rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES ✓

HEALTH ✓

and

Under current law, DHFS provides financial assistance to persons who meet certain financial requirements established by DHFS by rule for the treatment of kidney disease, cystic fibrosis, and hemophilia. This bill requires DHFS to implement certain cost-saving measures relating to the provision of that financial assistance.

Specifically, under current law, aid for the treatment of kidney disease may not be granted if the recipient has other forms of aid available from the federal medicare program or from private insurance coverage. Similarly, reimbursement for the treatment of hemophilia may not be made for any costs that are payable under any other state or federal program or under any grant, contract, or other contractual arrangement. This bill permits DHFS to provide financial assistance for the treatment of kidney disease, cystic fibrosis, or hemophilia to a person only if the

person has first applied for assistance under all other state-funded health care assistance programs for which the person may be eligible. The bill requires DHFS to promulgate a rule defining those other state-funded health care assistance programs and, in defining those programs, to include the medical assistance program, the health insurance risk-sharing plan, the badger care health care program, the prescription drug assistance for elderly persons program, and any other state-funded health care assistance program under which benefits may be payable for the treatment of kidney disease, cystic fibrosis, or hemophilia.

Current law, requires DHFS to promulgate rules concerning reasonable costs for the treatment of kidney disease, but specifies that the financial assistance provided for the treatment of kidney disease must be equal to the allowable charges for that treatment under the federal medicare program. This bill eliminates the requirement that the financial assistance provided for the treatment of kidney disease must be equal to the allowable charges for that treatment under the federal medicare program. Also, under the bill, if the amount of assistance payable by DHFS for the treatment of kidney disease, cystic fibrosis, or hemophilia is insufficient to cover the total cost of the treatment, the provider of the treatment may not bill the recipient of the treatment for the difference between the amount of assistance payable by DHFS and the total cost of the treatment.

Current law requires DHFS to file a claim against the estate of a person who has received assistance for the treatment of kidney disease, cystic fibrosis, or hemophilia. If DHFS recovers any funds from a person's estate, DHFS must remit the funds to the state treasurer for deposit in the general fund. This bill requires those funds to be appropriated to DHFS and used to assist victims of kidney disease, cystic fibrosis, or hemophilia.

The bill also requires DHFS to promulgate rules to contain the cost of assistance for the victims of kidney disease, cystic fibrosis, or hemophilia, which rules may include managed care requirements. Finally, under the bill, if the amounts appropriated for assistance for the victims of kidney disease, cystic fibrosis, or hemophilia are insufficient to provide assistance to all persons who are eligible to receive that assistance, DHFS may establish waiting lists for the receipt of that assistance and may assign priorities to persons who are on those waiting lists.

For further information see the *state* 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:

SECTION 1. 20.435 (4) (je) of the statutes, as created by 2001 Wisconsin Act 16, is amended to read:

20.435 (4) (je) *Disease aids; drug manufacturer rebates and recovery from estates.* All moneys recovered from estates under s. 49.682 (3) and all moneys

received from rebate payments by manufacturers under s. 49.687 (3), to be used to assist victims of disease, as provided in ss. 49.68, 49.683, and 49.685.

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16.

SECTION 2. 49.68 (3) (a) of the statutes is amended to read:

49.68 (3) (a) Any Subject to s. 49.687 (6), any permanent resident of this state who suffers from chronic renal disease may be accepted into the dialysis treatment phase of the renal disease control program if the resident meets the standards set by rule under sub. (2) and the requirements specified in s. 49.687 and the rules promulgated under s. 49.687.

History: 1973 c. 308; 1975 c. 39; 1977 c. 29; 1981 c. 314; 1983 a. 27; 1985 a. 332 s. 251 (1); 1989 a. 311; 1991 a. 316; 1993 a. 16, 449, 491; 1995 a. 27 ss. 3035 to 3044; Stats. 1995 s. 49.68; 2001 a. 16.

SECTION 3. 49.68 (3) (b) of the statutes, as affected by 2001 Wisconsin Act 16, is amended to read:

49.68 (3) (b) From the appropriation accounts under ss. 20.435 (4) (e) and (je), the state shall pay the cost of medical treatment required as a direct result of chronic renal disease of certified patients from the date of certification, including the cost of administering recombinant human erythropoietin to appropriate patients, whether the treatment is rendered in an approved facility in the state or in a dialysis or transplantation center which that is approved as such by a contiguous state, subject to the conditions specified under par. (d) and s. 49.687 (6). Approved facilities may include a hospital in-center dialysis unit or a nonhospital dialysis center which that is closely affiliated with a home dialysis program supervised by an approved facility. Aid shall also be provided for all reasonable expenses incurred by a potential living-related donor, including evaluation, hospitalization, surgical costs, and postoperative follow-up to the extent that these those costs are not reimbursable

under the federal medicare program, another state-funded health care assistance program, as defined by rule promulgated under s. 49.687 (4), or other insurance. In addition, all expenses incurred in the procurement, transportation, and preservation of cadaveric donor kidneys shall be covered to the extent that ~~these~~ those costs are not otherwise reimbursable. All donor-related costs are chargeable to the recipient and reimbursable under this subsection. The cost of travel, lodging, and meals for persons who must travel to receive inpatient or outpatient dialysis treatment for kidney disease are not reimbursable under this subsection.

History: 1973 c. 308; 1975 c. 39; 1977 c. 29; 1981 c. 314; 1983 a. 27; 1985 a. 332 s. 251 (1); 1989 a. 311; 1991 a. 316; 1993 a. 16, 449, 491; 1995 a. 27 ss. 3035 to 3044; Stats. 1995 s. 49.68; 2001 a. 16.

SECTION 4. 49.68 (3) (d) 1. of the statutes is amended to read:

49.68 (3) (d) 1. No aid may be granted under this subsection unless the recipient has no other form of aid available from the federal medicare program, from another state-funded health care assistance program, as defined by rule promulgated under s. 49.687 (4), or from private health, accident, sickness, medical ~~and~~ or hospital insurance coverage. If insufficient aid is available from other sources and if the recipient has paid an amount equal to the annual medicare deductible amount specified in subd. 2., the state shall pay the difference in cost to a qualified recipient. If at any time sufficient federal or private insurance aid or other state aid becomes available during the treatment period, state aid under this subsection shall be terminated or appropriately reduced. Any patient who is eligible for the federal medicare program shall register and pay the premium for medicare medical insurance coverage where permitted, and shall pay an amount equal to the annual medicare deductible amounts required under 42 USC 1395e and 1395L (b), prior to becoming eligible for state aid under this subsection.

History: 1973 c. 308; 1975 c. 39; 1977 c. 29; 1981 c. 314; 1983 a. 27; 1985 a. 332 s. 251 (1); 1989 a. 311; 1991 a. 316; 1993 a. 16, 449, 491; 1995 a. 27 ss. 3035 to 3044; Stats. 1995 s. 49.68; 2001 a. 16.

SECTION 5. 49.68 (3) (e) of the statutes is repealed and recreated to read:

49.68 (3) (e) If the amount of aid payable under this subsection is insufficient to pay the total cost of the medical treatment provided under this subsection, the provider of that treatment may not bill the recipient of the treatment for the difference between the amount of aid payable under this subsection and the total cost of the treatment.

SECTION 6. 49.682 (3) of the statutes is amended to read:

49.682 (3) The department shall administer the program under this section and may contract with an entity to administer all or a portion of the program, including gathering and providing the department with information needed to recover payment of aid provided under s. 49.68, 49.683, or 49.685. All funds received under this subsection, net of any amount claimed under s. 867.035 (3), shall be remitted to the state treasurer for deposit in the general fund and credited to the appropriation account under s. 20.435 (4) (je).

History: 1995 a. 27 ss. 3044b to 3044j; Stats. 1995 s. 49.682; 1995 a. 225 ss. 127, 128; 1999 a. 9.

SECTION 7. 49.683 (1) of the statutes is amended to read:

49.683 (1) The Subject to s. 49.687 (6), the department may provide financial assistance for costs of medical care of persons over the age of 18 years with the diagnosis of cystic fibrosis who meet financial requirements established by the department by rule under s. 49.687 (1) the requirements specified in s. 49.687 and the rules promulgated under s. 49.687.

History: 1973 c. 300; Stats. 1973 s. 146.35; 1973 c. 336 s. 55; Stats. 1973 s. 146.36; 1975 c. 39; 1979 c. 34 s. 2102 (43) (a); 1983 a. 27 s. 1562; Stats. 1983 s. 49.483; 1993 a. 16, 449; 1995 a. 27 ss. 3045, 3046, 3047; Stats. 1995 s. 49.683; 1997 a. 27; 1999 a. 9; 2001 a. 16.

SECTION 8. 49.683 (2) of the statutes, as affected by 2001 Wisconsin Act 16, is amended to read:

49.683 (2) Approved costs for medical care under sub. (1) shall be paid from the appropriation accounts under s. 20.435 (4) (e) and (je) to the extent that those costs

are not reimbursable under the federal medicare program, any other state-funded health care assistance program, as defined by rule promulgated under s. 49.687 (4), or private health insurance coverage. If the amount of aid payable under this subsection is insufficient to pay the total cost of the medical care provided under sub. (1), the provider of that care may not bill the recipient of the care for the difference between the amount of aid payable under this subsection and the total cost of the care.

History: 1973 c. 300; Stats. 1973 s. 146.35; 1973 c. 336 s. 55; Stats. 1973 s. 146.36; 1975 c. 39; 1979 c. 34 s. 2102 (43) (a); 1983 a. 27 s. 1562; Stats. 1983 s. 49.483; 1993 a. 16, 449; 1995 a. 27 ss. 3045, 3046, 3047; Stats. 1995 s. 49.683; 1997 a. 27; 1999 a. 9; 2001 a. 16.

SECTION 9. 49.685 (4) of the statutes is amended to read:

49.685 (4) **ELIGIBILITY.** Any Subject to s. 49.687 (6), any permanent resident of this state who suffers from hemophilia or other related congenital bleeding disorder may participate in the program if that person meets the requirements of specified in this section and s. 49.687 and the standards set by rule rules promulgated under this section and s. 49.687. The person shall enter into an agreement with the comprehensive hemophilia treatment center for a maintenance program to be followed by that person as a condition for continued eligibility. The physician director or a designee shall, at least once in each 6-month period, review the maintenance program and verify that the person is complying with the program.

History: 1977 c. 213; 1979 c. 32; 1983 a. 27; 1983 a. 189 s. 329 (10); 1983 a. 544 s. 47 (1); 1985 a. 29 s. 3202 (23), (46); 1987 a. 27; 1987 a. 312 s. 17; 1993 a. 16, 449; 1995 a. 27 ss. 3048 to 3060; Stats. 1995 s. 49.683; 2001 a. 16.

SECTION 10. 49.685 (6) (b) of the statutes is amended to read:

49.685 (6) (b) Reimbursement ~~shall~~ may not be made under this section for any blood products or supplies which that are not purchased from or provided by a comprehensive hemophilia treatment center, or a source approved by the treatment center. Reimbursement shall may not be made under this section for any portion of the costs of blood products or supplies which that are payable under any other state

or federal program, under any other state-funded health care assistance program, as defined by rule promulgated under s. 49.687 (4), or under any grant, contract and any other contractual, or other arrangement. If the amount of aid payable under this section is insufficient to pay the total cost of the blood products or supplies provided under this section, the provider of those blood products or supplies may not bill the patient for the difference between the amount of aid payable under this section and the total cost of the blood products or supplies.

History: 1977 c. 213; 1979 c. 32; 1983 a. 27; 1983 a. 189 s. 329 (10); 1983 a. 544 s. 47 (1); 1985 a. 29 s. 3202 (23), (46); 1987 a. 27; 1987 a. 312 s. 17; 1993 a. 16, 449; 1995 a. 27 ss. 3048 to 3060; Stats. 1995 s. 49.685; 2001 a. 16.

SECTION 11. 49.687 (title) of the statutes, as affected by 2001 Wisconsin Act 16, is amended to read:

49.687 (title) Disease aids; ~~patient requirements; rebate agreements~~ cost-saving measures.

History: 1983 a. 27; 1989 a. 56; 1991 a. 39; 1993 a. 16, 449; 1995 a. 27 ss. 3063 to 3065; Stats. 1995 s. 49.687; 1997 a. 27; 1999 a. 9; 2001 a. 16.

SECTION 12. 49.687 (4) of the statutes is created to read:

49.687 (4) The department may provide assistance under s. 49.68, 49.683, or 49.685 to a person only if the person has first applied for assistance under all other state-funded health care assistance programs for which the person may be eligible. The department shall promulgate a rule defining those other state-funded health care assistance programs and, in defining those programs, shall include the medical assistance program under subch. IV, the health insurance risk-sharing plan under ch. 149, the badger care health care program under s. 49.665, the prescription drug assistance for elderly persons program under s. 49.688, and any other state-funded health care assistance program under which assistance may be payable for the treatment of kidney disease, cystic fibrosis, or hemophilia.

SECTION 13. 49.687 (5) of the statutes is created to read:

9

* 49.687 (5) The department shall promulgate rules to contain the cost of assistance provided under ss. 49.68, 49.683, and 49.685. Those rules may include managed care requirements.

SECTION 14. 49.687 (6) of the statutes is created to read:

→ 49.687 (6) If the amounts available under s. 20.435 (4) (e) and (je) are insufficient to provide assistance under s. 49.68, 49.683, and 49.685 to all persons who are eligible to receive assistance under those sections, the department may establish waiting lists for the enrollment of those persons in the programs under those sections and may assign priorities to persons^s who are on those waiting lists based on criteria that the department shall promulgate by rule.

(END)

1/15/02

Sue Jablonsky

Take out

- prohibition against provider charging recipient the difference between the rate and the actual cost

- appropriating monies recovered from estates for disease aids



6/27

State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-4664/1

GMM:cjs:rs

T
stays

(RMR)

DOA:.....Jablonsky - Disease aids program modification

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

Do NOT GEN

1 AN ACT ~~...~~; relating to: requiring the department of health and family services
 2 to implement certain cost-saving measures for the programs that provide
 3 financial assistance to victims of kidney disease, cystic fibrosis, and
 4 hemophilia, requiring the exercise of rule-making authority, and making an
 5 appropriation.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

HEALTH

Under current law, DHFS provides financial assistance to persons who meet certain financial requirements established by DHFS by rule for the treatment of kidney disease, cystic fibrosis, and hemophilia. This bill requires DHFS to implement certain cost-saving measures relating to the provision of that financial assistance.

Specifically, under current law, aid for the treatment of kidney disease may not be granted if the recipient has other forms of aid available from the federal medicare program or from private insurance coverage. Similarly, reimbursement for the treatment of hemophilia may not be made for any costs that are payable under any other state or federal program or under any grant, contract, or other contractual

arrangement. This bill permits DHFS to provide financial assistance for the treatment of kidney disease, cystic fibrosis, or hemophilia to a person only if the person has first applied for assistance under all other state-funded health care assistance programs for which the person may be eligible. The bill requires DHFS to promulgate a rule defining those other state-funded health care assistance programs and, in defining those programs, to include the medical assistance program, the health insurance risk-sharing plan, the badger care health care program, the prescription drug assistance for elderly persons program, and any other state-funded health care assistance program under which benefits may be payable for the treatment of kidney disease, cystic fibrosis, or hemophilia.

Current law, requires DHFS to promulgate rules concerning reasonable costs for the treatment of kidney disease, but specifies that the financial assistance provided for the treatment of kidney disease must be equal to the allowable charges for that treatment under the federal medicare program. This bill eliminates the requirement that the financial assistance provided for the treatment of kidney disease must be equal to the allowable charges for that treatment under the federal medicare program. Also, under the bill, if the amount of assistance payable by DHFS for the treatment of kidney disease, cystic fibrosis, or hemophilia is insufficient to cover the total cost of the treatment, the provider of the treatment may not bill the recipient of the treatment for the difference between the amount of assistance payable by DHFS and the total cost of the treatment.

Current law requires DHFS to file a claim against the estate of a person who has received assistance for the treatment of kidney disease, cystic fibrosis, or hemophilia. If DHFS recovers any funds from a person's estate, DHFS must remit the funds to the state treasurer for deposit in the general fund. This bill requires those funds to be appropriated to DHFS and used to assist victims of kidney disease, cystic fibrosis, or hemophilia.

(no P) ← The bill also requires DHFS to promulgate rules to contain the cost of assistance for the victims of kidney disease, cystic fibrosis, or hemophilia, which rules may include managed care requirements. Finally, under the bill, if the amounts appropriated for assistance for the victims of kidney disease, cystic fibrosis, or hemophilia are insufficient to provide assistance to all persons who are eligible to receive that assistance, DHFS may establish waiting lists for the receipt of that assistance and may assign priorities to persons who are on those waiting lists.

For further information see the *state* 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. 20.435 (4) (je) of the statutes, as created by 2001 Wisconsin Act 16,~~
2 ~~is amended to read:~~

1 ~~20.435 (4) (je) Disease aids; drug manufacturer rebates and recovery from~~
2 ~~estates. All moneys recovered from estates under s. 49.682 (3) and all moneys~~
3 ~~received from rebate payments by manufacturers under s. 49.687 (3) to be used to~~
4 ~~assist victims of disease, as provided in ss. 49.68, 49.683, and 49.685.~~

5 **SECTION 2.** 49.68 (3) (a) of the statutes is amended to read:

6 49.68 (3) (a) Any Subject to s. 49.687 (6), any permanent resident of this state
7 who suffers from chronic renal disease may be accepted into the dialysis treatment
8 phase of the renal disease control program if the resident meets the standards set
9 by rule under sub. (2) and the requirements specified in s. 49.687 and the rules
10 promulgated under s. 49.687.

11 **SECTION 3.** 49.68 (3) (b) of the statutes, as affected by 2001 Wisconsin Act 16,
12 is amended to read:

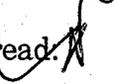
13 49.68 (3) (b) From the appropriation accounts under ss. 20.435 (4) (e) and (je),
14 the state shall pay the cost of medical treatment required as a direct result of chronic
15 renal disease of certified patients from the date of certification, including the cost of
16 administering recombinant human erythropoietin to appropriate patients, whether
17 the treatment is rendered in an approved facility in the state or in a dialysis or
18 transplantation center ~~which that~~ is approved as such by a contiguous state, subject
19 to the conditions specified under par. (d) and s. 49.687 (6). Approved facilities may
20 include a hospital in-center dialysis unit or a nonhospital dialysis center ~~which that~~
21 is closely affiliated with a home dialysis program supervised by an approved facility.
22 Aid shall also be provided for all reasonable expenses incurred by a potential
23 living-related donor, including evaluation, hospitalization, surgical costs, and
24 postoperative follow-up to the extent that ~~these those~~ costs are not reimbursable
25 under the federal medicare program, another state-funded health care assistance

1 program, as defined by rule promulgated under s. 49.687 (4), or other insurance. In
 2 addition, all expenses incurred in the procurement, transportation, and preservation
 3 of cadaveric donor kidneys shall be covered to the extent that these ~~these~~ those costs are
 4 not otherwise reimbursable. All donor-related costs are chargeable to the recipient
 5 and reimbursable under this subsection. The cost of travel, lodging, and meals for
 6 persons who must travel to receive inpatient or outpatient dialysis treatment for
 7 kidney disease are not reimbursable under this subsection.

8 **SECTION 4.** 49.68 (3) (d) 1. of the statutes is amended to read:

9 49.68 (3) (d) 1. No aid may be granted under this subsection unless the recipient
 10 has no other form of aid available from the federal medicare program, from another
 11 state-funded health care assistance program, as defined by rule promulgated under
 12 s. 49.687 (4), or from private health, accident, sickness, medical and, or hospital
 13 insurance coverage. If insufficient aid is available from other sources and if the
 14 recipient has paid an amount equal to the annual medicare deductible amount
 15 specified in subd. 2., the state shall pay the difference in cost to a qualified recipient.
 16 If at any time sufficient federal or private insurance aid or other state aid becomes
 17 available during the treatment period, state aid under this subsection shall be
 18 terminated or appropriately reduced. Any patient who is eligible for the federal
 19 medicare program shall register and pay the premium for medicare medical
 20 insurance coverage where permitted, and shall pay an amount equal to the annual
 21 medicare deductible amounts required under 42 USC 1395e and 1395L (b), prior to
 22 becoming eligible for state aid under this subsection.

FIX COMPONENT

23 **SECTION 5.** 49.68 (3) (e) of the statutes is repealed and recreated to read: 

24 ~~49.68 (3) (e) If the amount of aid payable under this subsection is insufficient~~
 25 ~~to pay the total cost of the medical treatment provided under this subsection, the~~

1 ~~provider of that treatment may not bill the recipient of the treatment for the~~
2 ~~difference between the amount of aid payable under this subsection and the total cost~~
3 ~~of the treatment.~~

4 **SECTION 6.** 49.682 (3) of the statutes is amended to read:

5 49.682 (3) The department shall administer the program under this section
6 and may contract with an entity to administer all or a portion of the program,
7 including gathering and providing the department with information needed to
8 recover payment of aid provided under s. 49.68, 49.683, or 49.685. All funds received
9 under this subsection, net of any amount claimed under s. 887.035 (3), shall be
10 remitted to the state treasurer for deposit in the general fund and credited to the
11 appropriation account under s. 20.435 (4) (je).

12 **SECTION 7.** 49.683 (1) of the statutes is amended to read:

13 49.683 (1) The Subject to s. 49.687 (6), the department may provide financial
14 assistance for costs of medical care of persons over the age of 18 years with the
15 diagnosis of cystic fibrosis who meet financial requirements established by the
16 department by rule under s. 49.687 (1) the requirements specified in s. 49.687 and
17 the rules promulgated under s. 49.687.

18 **SECTION 8.** 49.683 (2) of the statutes, as affected by 2001 Wisconsin Act 16, is
19 amended to read:

20 49.683 (2) Approved costs for medical care under sub. (1) shall be paid from the
21 appropriation accounts under s. 20.435 (4) (e) and (je) to the extent that those costs
22 are not reimbursable under the federal medicare program, any other state-funded
23 health care assistance program, as defined by rule promulgated under s. 49.687 (4),
24 or private health insurance coverage. ~~if the amount of aid payable under this~~
25 ~~subsection is insufficient to pay the total cost of the medical care provided under sub.~~

1 ~~(1), the provider of that care may not bill the recipient of the care for the difference~~
2 ~~between the amount of aid payable under this subsection and the total cost of the~~
3 ~~care.~~

4 **SECTION 9.** 49.685 (4) of the statutes is amended to read:

5 49.685 (4) ELIGIBILITY. ~~Any~~ Subject to s. 49.687 (6), any permanent resident of
6 this state who suffers from hemophilia or other related congenital bleeding disorder
7 may participate in the program if that person meets the requirements of specified in
8 this section and s. 49.687 and the ~~standards set by rule~~ rules promulgated under this
9 section and s. 49.687. The person shall enter into an agreement with the
10 comprehensive hemophilia treatment center for a maintenance program to be
11 followed by that person as a condition for continued eligibility. The physician
12 director or a designee shall, at least once in each 6-month period, review the
13 maintenance program and verify that the person is complying with the program.

14 **SECTION 10.** 49.685 (6) (b) of the statutes is amended to read:

15 49.685 (6) (b) Reimbursement ~~shall~~ may not be made under this section for any
16 blood products or supplies ~~which~~ that are not purchased from or provided by a
17 comprehensive hemophilia treatment center, or a source approved by the treatment
18 center. Reimbursement ~~shall~~ may not be made under this section for any portion of
19 the costs of blood products or supplies ~~which~~ that are payable under any other state
20 or federal program, under any other state-funded health care assistance program,
21 as defined by rule promulgated under s. 49.687 (4), or under any grant, contract and
22 any other contractual, or other arrangement. ~~If the amount of aid payable under this~~
23 ~~section is insufficient to pay the total cost of the blood products or supplies provided~~
24 ~~under this section, the provider of those blood products or supplies may not bill the~~

~~patient for the difference between the amount of aid payable under this section and the total cost of the blood products or supplies.~~

SECTION 11. 49.687 (title) of the statutes, as affected by 2001 Wisconsin Act 16, is amended to read:

49.687 (title) Disease aids; patient requirements; rebate agreements cost-saving measures.

SECTION 12. 49.687 (4) of the statutes is created to read:

49.687 (4) The department may provide assistance under s. 49.68, 49.683, or 49.685 to a person only if the person has first applied for assistance under all other state-funded health care assistance programs for which the person may be eligible. The department shall promulgate a rule defining those other state-funded health care assistance programs and, in defining those programs, shall include the medical assistance program under subch. IV, the health insurance risk-sharing plan under ch. 149, the badger care health care program under s. 49.665, the prescription drug assistance for elderly persons program under s. 49.688, and any other state-funded health care assistance program under which assistance may be payable for the treatment of kidney disease, cystic fibrosis, or hemophilia.

SECTION 13. 49.687 (5) of the statutes is created to read:

49.687 (5) The department shall promulgate rules to contain the cost of assistance provided under ss. 49.68, 49.683, and 49.685. Those rules may include managed care requirements.

SECTION 14. 49.687 (6) of the statutes is created to read:

49.687 (6) If the amounts available under s. 20.435 (4) (e) and (je) are insufficient to provide assistance under s. 49.68, 49.683, and 49.685 to all persons who are eligible to receive assistance under those sections, the department may



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-4664/2

GMM:cjs:pg

DOA:.....Jablonsky – Disease aids program modification

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** requiring the department of health and family services
2 to implement certain cost-saving measures for the programs that provide
3 financial assistance to victims of kidney disease, cystic fibrosis, and
4 hemophilia, requiring the exercise of rule-making authority, and making an
5 appropriation.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

HEALTH

Under current law, DHFS provides financial assistance to persons who meet certain financial requirements established by DHFS by rule for the treatment of kidney disease, cystic fibrosis, and hemophilia. This bill requires DHFS to implement certain cost-saving measures relating to the provision of that financial assistance.

Specifically, under current law, aid for the treatment of kidney disease may not be granted if the recipient has other forms of aid available from the federal medicare program or from private insurance coverage. Similarly, reimbursement for the treatment of hemophilia may not be made for any costs that are payable under any other state or federal program or under any grant, contract, or other contractual

arrangement. This bill permits DHFS to provide financial assistance for the treatment of kidney disease, cystic fibrosis, or hemophilia to a person only if the person has first applied for assistance under all other state-funded health care assistance programs for which the person may be eligible. The bill requires DHFS to promulgate a rule defining those other state-funded health care assistance programs and, in defining those programs, to include the medical assistance program, the health insurance risk-sharing plan, the badger care health care program, the prescription drug assistance for elderly persons program, and any other state-funded health care assistance program under which benefits may be payable for the treatment of kidney disease, cystic fibrosis, or hemophilia.

Current law, requires DHFS to promulgate rules concerning reasonable costs for the treatment of kidney disease, but specifies that the financial assistance provided for the treatment of kidney disease must be equal to the allowable charges for that treatment under the federal medicare program. This bill eliminates the requirement that the financial assistance provided for the treatment of kidney disease must be equal to the allowable charges for that treatment under the federal medicare program. The bill also requires DHFS to promulgate rules to contain the cost of assistance for the victims of kidney disease, cystic fibrosis, or hemophilia, which rules may include managed care requirements. Finally, under the bill, if the amounts appropriated for assistance for the victims of kidney disease, cystic fibrosis, or hemophilia are insufficient to provide assistance to all persons who are eligible to receive that assistance, DHFS may establish waiting lists for the receipt of that assistance and may assign priorities to persons who are on those waiting lists.

For further information see the *state* 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.** 49.68 (3) (a) of the statutes is amended to read:
- 2 49.68 (3) (a) Any Subject to s. 49.687 (6), any permanent resident of this state
- 3 who suffers from chronic renal disease may be accepted into the dialysis treatment
- 4 phase of the renal disease control program if the resident meets the standards set
- 5 by rule under sub. (2) and the requirements specified in s. 49.687 and the rules
- 6 promulgated under s. 49.687.
- 7 **SECTION 2.** 49.68 (3) (b) of the statutes, as affected by 2001 Wisconsin Act 16,
- 8 is amended to read:

1 49.68 (3) (b) From the appropriation accounts under ss. 20.435 (4) (e) and (je),
2 the state shall pay the cost of medical treatment required as a direct result of chronic
3 renal disease of certified patients from the date of certification, including the cost of
4 administering recombinant human erythropoietin to appropriate patients, whether
5 the treatment is rendered in an approved facility in the state or in a dialysis or
6 transplantation center ~~which that~~ is approved as such by a contiguous state, subject
7 to the conditions specified under par. (d) and s. 49.687 (6). Approved facilities may
8 include a hospital in-center dialysis unit or a nonhospital dialysis center ~~which that~~
9 is closely affiliated with a home dialysis program supervised by an approved facility.
10 Aid shall also be provided for all reasonable expenses incurred by a potential
11 living-related donor, including evaluation, hospitalization, surgical costs, and
12 postoperative follow-up to the extent that ~~these those~~ costs are not reimbursable
13 under the federal medicare program, ~~another state-funded health care assistance~~
14 program, as defined by rule promulgated under s. 49.687 (4), or other insurance. In
15 addition, all expenses incurred in the procurement, transportation, and preservation
16 of cadaveric donor kidneys shall be covered to the extent that ~~these those~~ costs are
17 not otherwise reimbursable. All donor-related costs are chargeable to the recipient
18 and reimbursable under this subsection. The cost of travel, lodging, and meals for
19 persons who must travel to receive inpatient or outpatient dialysis treatment for
20 kidney disease are not reimbursable under this subsection.

21 **SECTION 3.** 49.68 (3) (d) 1. of the statutes is amended to read:

22 49.68 (3) (d) 1. No aid may be granted under this subsection unless the recipient
23 has no other form of aid available from the federal medicare program, ~~from another~~
24 state-funded health care assistance program, as defined by rule promulgated under
25 s. 49.687 (4), or from private health, accident, sickness, medical ~~and, or~~ hospital

1 insurance coverage. If insufficient aid is available from other sources and if the
2 recipient has paid an amount equal to the annual medicare deductible amount
3 specified in subd. 2., the state shall pay the difference in cost to a qualified recipient.
4 If at any time sufficient federal or private insurance aid or other state aid becomes
5 available during the treatment period, state aid under this subsection shall be
6 terminated or appropriately reduced. Any patient who is eligible for the federal
7 medicare program shall register and pay the premium for medicare medical
8 insurance coverage where permitted, and shall pay an amount equal to the annual
9 medicare deductible amounts required under 42 USC 1395e and 1395L (b), prior to
10 becoming eligible for state aid under this subsection.

11 **SECTION 4.** 49.68 (3) (e) of the statutes is repealed.

12 **SECTION 5.** 49.683 (1) of the statutes is amended to read:

13 49.683 (1) The Subject to s. 49.687 (6), the department may provide financial
14 assistance for costs of medical care of persons over the age of 18 years with the
15 diagnosis of cystic fibrosis who meet financial requirements established by the
16 department by rule under s. 49.687 (1) the requirements specified in s. 49.687 and
17 the rules promulgated under s. 49.687.

18 **SECTION 6.** 49.683 (2) of the statutes, as affected by 2001 Wisconsin Act 16, is
19 amended to read:

20 49.683 (2) Approved costs for medical care under sub. (1) shall be paid from the
21 appropriation accounts under s. 20.435 (4) (e) and (je) to the extent that those costs
22 are not reimbursable under the federal medicare program, any other state-funded
23 health care assistance program, as defined by rule promulgated under s. 49.687 (4),
24 or private health insurance coverage.

25 **SECTION 7.** 49.685 (4) of the statutes is amended to read:

1 49.685 (4) ELIGIBILITY. ~~Any~~ Subject to s. 49.687 (6), any permanent resident of
2 this state who suffers from hemophilia or other related congenital bleeding disorder
3 may participate in the program if that person meets the requirements of specified in
4 this section and s. 49.687 and the ~~standards set by rule~~ rules promulgated under this
5 section and s. 49.687. The person shall enter into an agreement with the
6 comprehensive hemophilia treatment center for a maintenance program to be
7 followed by that person as a condition for continued eligibility. The physician
8 director or a designee shall, at least once in each 6-month period, review the
9 maintenance program and verify that the person is complying with the program.

10 **SECTION 8.** 49.685 (6) (b) of the statutes is amended to read:

11 49.685 (6) (b) Reimbursement ~~shall~~ may not be made under this section for any
12 blood products or supplies ~~which that~~ that are not purchased from or provided by a
13 comprehensive hemophilia treatment center, or a source approved by the treatment
14 center. Reimbursement ~~shall~~ may not be made under this section for any portion of
15 the costs of blood products or supplies ~~which that~~ that are payable under any ~~other state~~
16 ~~or federal program, under any other state-funded health care assistance program,~~
17 as defined by rule promulgated under s. 49.687 (4), or under any grant, contract and
18 ~~any other contractual, or other~~ arrangement.

19 **SECTION 9.** 49.687 (title) of the statutes, as affected by 2001 Wisconsin Act 16,
20 is amended to read:

21 **49.687 (title) Disease aids; patient requirements; rebate agreements**
22 **cost-saving measures.**

23 **SECTION 10.** 49.687 (4) of the statutes is created to read:

24 49.687 (4) The department may provide assistance under s. 49.68, 49.683, or
25 49.685 to a person only if the person has first applied for assistance under all other

1 state-funded health care assistance programs for which the person may be eligible.
2 The department shall promulgate a rule defining those other state-funded health
3 care assistance programs and, in defining those programs, shall include the medical
4 assistance program under subch. IV, the health insurance risk-sharing plan under
5 ch. 149, the badger care health care program under s. 49.665, the prescription drug
6 assistance for elderly persons program under s. 49.688, and any other state-funded
7 health care assistance program under which assistance may be payable for the
8 treatment of kidney disease, cystic fibrosis, or hemophilia.

9 **SECTION 11.** 49.687 (5) of the statutes is created to read:

10 49.687 (5) The department shall promulgate rules to contain the cost of
11 assistance provided under ss. 49.68, 49.683, and 49.685. Those rules may include
12 managed care requirements.

13 **SECTION 12.** 49.687 (6) of the statutes is created to read:

14 49.687 (6) If the amounts available under s. 20.435 (4) (e) and (je) are
15 insufficient to provide assistance under s. 49.68, 49.683, and 49.685 to all persons
16 who are eligible to receive assistance under those sections, the department may
17 establish waiting lists for the enrollment of those persons in the programs under
18 those sections and may assign priorities to persons who are on those waiting lists
19 based on criteria that the department shall promulgate by rule.

20 (END)