

2009 DRAFTING REQUEST

Bill

Received: **09/24/2008**

Received By: **rryan**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Fox**

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

Drafter: **rryan**

May Contact:

Add. Drafters:

Subject: **Health - medical assistance**

Extra Copies: **TJD**

Submit via email: **NO**

Pre Topic:

DOA:.....Fox, BB0091 -

Topic:

Eliminate nursing home appeals board

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>
/?							State
/1	rryan 10/24/2008	csicilia 10/24/2008	rschluet 10/24/2008		cduerst 10/24/2008		State
/2	rryan 12/02/2008	csicilia 12/03/2008	jfrantze 12/03/2008		lparisi 12/03/2008		S&L
/3	rryan 01/23/2009	csicilia 01/23/2009	mduchek 01/23/2009		mbarman 01/23/2009		S&L
/4	rryan 01/27/2009	wjackson 01/27/2009	mduchek 01/28/2009		sbasford 01/28/2009		

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Eliminate nursing home appeals board; nursing home payment for remodeling and renovation

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FE Sent For:

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2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Eliminating the Nursing Home Appeals Board
- Tracking Code: BB0091
- SBO team: Health and Insurance
- SBO analyst: Krista Willing
 - Phone: 267-7980
 - Email: krista.willing@wisconsin.gov
- Agency acronym: DHS
- Agency number: 435
- Priority (Low, Medium, High): Medium

Intent:

Revise Appropriation to allocate the funds for payments to Medicaid certified nursing homes for capital improvement projects. See attached document.

DHS

Department of Health Services
2009-2011 Biennial Budget Statutory Language Request
September 12, 2008

Nursing Home Appeals Board Statutory Language

Decision Needed

Should the Department modify existing statutory language to eliminate the nursing home appeals board and reallocate the funds to a nursing home capital improvement incentive?

Background

1. Current law provides a small supplemental appropriation (\$1,360,500 AF) and mechanism for nursing homes to request additional payments to address inequities in Medicaid payments for nursing home services. Although the statutes allow for various criteria, the primary basis for allocating this fund has been the amount of unreimbursed costs.
2. Originally created to comply with federal regulations, the appeals board is no longer federally required. In addition, the Department provides appeal mechanisms and administrative review outside of the appeals board for Medicaid reimbursement.
3. The Department proposes to eliminate the board and reallocate the budgeted amount to fund nursing home capital incentive payments.
4. In general, nursing home buildings in Wisconsin are old and not designed to be cost efficient or to reflect consumer preferences. The average age of a nursing home statewide is 31.3 years. Effective FY09, the Department established new incentive payments to support remodeling and renovation of nursing homes that use innovative, resident-centered design elements. One of the most significant ways to improve nursing home quality of life is to replace old buildings with new environments that are home-like and support resident-centered care. The Department is able to fund \$1 million AF of new capital payments annually. The nursing appeals funds would be reallocated to the capital incentive program, expanding the pool of available funds to \$2.36 million in each year of the 2009-11 biennium.

Current Language

s. 20.435 (4)

(d) Facility appeals mechanism. The amounts in the schedule for the execution of functions under s. 49.45 (6m) (e).

[Handwritten notes and signatures]

s. 49.45 (6m)

(e) The department shall establish an appeals mechanism within the department to review petitions from facilities providing skilled, intermediate, limited, personal or residential care or providing care for the mentally retarded for modifications to any payment under this subsection. The department may, upon the presentation of facts, modify a payment if demonstrated substantial inequities exist for the period appealed. Upon review of the department's decision the secretary may grant the modifications, which may exceed maximum payment levels allowed under this subsection but may not exceed federal maximum reimbursement levels. The department shall develop specific criteria and standards for granting payment modifications, and shall take into account the following, without limitation because of enumeration, in reviewing petitions for modification:

1. The efficiency and effectiveness of the facility if compared with facilities providing similar services and if valid cost variations are considered.
2. The effect of rate modifications upon compliance with federal regulations authorized under 42 USC 1396 to 1396p.
3. The need for additional revenue to correct licensure and certification deficiencies.
4. The relationship between total revenue and total costs for all patients.
5. The existence and effectiveness of specialized programs for the chronically mentally ill or developmentally disabled.
6. Exceptional patient needs.
7. Demonstrated experience in providing high quality patient care.

Proposed Change

Revise the appropriation under s. 20.435 (4) (d) to allocate the funds for payments to Medicaid certified nursing homes for capital improvement projects based on criteria developed by the Department. Repeal s. 49.45 (6m) (e).

Desired Effective Date: Upon passage of the budget
Agency: DHS
Agency Contact: Michael Pancook
Phone: 266-9364

I:\osfbudgt\budstaff\2009-11\final stat language papers for doa\723 nh appeal board elimination.doc

LRB-0397

Does DHS need stat. change to provide authority for these incentive payments?

Are incentive payments beyond cost reimbursement?

DOTA (Krista Willing) grants authority to call DHS

DHS - Michael Pancook
incentive payments are not beyond costs

DHS provides additional payment for bed
- if remodel. To meet more stringent
criteria, ^{remedility} payment is greater

plus can get something in area
of \$10 / patient day add-on for
innovation

Why want a separate appropriation for
remodelling reimbursement?

Answer: reassurance for "nursing homes"

49.45 (6m) applies to nursing homes & CBRFs
but request is just for nursing homes;
do I need to specify nursing homes?

Answer: No, CBRFs ^{are} currently reimbursed
under 49.45 (6m)

In 10/24/08

ejs

RMR

DOA:.....Willing, BB0091 - Eliminate nursing home appeals board; nursing home payment for remodeling and renovation

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

Do NOT Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES ✓

MEDICAL ASSISTANCE ✓

DHS

Under current law, the portion of Medical Assistance (MA) payments to nursing homes that is intended to cover capital costs is generally based on the replacement value of a nursing home. However, in some cases the department may pay nursing homes on the basis of actual capital costs. This bill authorizes DHS to pay nursing homes on the basis of actual costs for remodeling and renovation projects that improve quality of life for nursing home residents.

Under current law, people generally have a right to an administrative appeal of actions by state agencies. Current law also specifically requires that DHS establish a mechanism for reviewing petitions from nursing homes for modification of MA payments and develop criteria for granting modifications. Upon conducting a review, DHS may modify an MA payment to a nursing home, as long as the modified payment does not exceed federal maximum reimbursement levels. The bill repeals the requirement that DHS establish a mechanism for reviewing petitions from nursing homes to modify MA payments.

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FE Sent For:

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STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

Call from Sabrina Fox

12/2/08

0397/1

Just want portion of draft
regarding nursing home bond of
appents, not appropriation of \$
for nursing home capital improvements



In 12/2/08

DOA:..... ^{Fox} Willing, BB0091 - Eliminate nursing home appeals board, nursing home payment for remodeling and renovation

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

skv

LPS: ~~the~~ check sheet to make sure these changes have been made
Do NOT Gen

RMR

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Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

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Ryan, Robin

From: Fox, Sabrina E - DOA [Sabrina.Fox@wisconsin.gov]
Sent: Thursday, January 22, 2009 3:32 PM
To: Ryan, Robin
Subject: FW: LRB Draft: 09-0397/2 Eliminate nursing home appeals board
Attachments: 09-0397/2.pdf

Hi Robin:

Unfortunately, I am e-mailing to request a change to the attached draft regarding the elimination of the nursing home appeals board. We would like to include language in this draft regarding the nursing home bed assessment. Can you please add stat language that would increase the nursing home bed assessment to \$100 in SFY10 and \$130 in SFY11? I believe this change would be made to s. 50.14. Please let me know if you have any questions.

Thanks in advance for your help.
Sabrina

From: Frantzen, Jean [mailto:Jean.Frantzen@legis.wisconsin.gov]
Sent: Wednesday, December 03, 2008 11:00 AM
To: Fox, Sabrina E - DOA
Cc: Gauger, Michelle C - DOA; Hanaman, Cathlene - LEGIS; Beadles, Kathleen - DOA
Subject: LRB Draft: 09-0397/2 Eliminate nursing home appeals board

Following is the PDF version of draft 09-0397/2.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0397/2

RLR:cjs:ff

3
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Stays

In 1/23/09

DOA:.....Fox, BB0091 - Eliminate nursing home appeals board

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

SA
8-1-09

RMR

Do Not Gen

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Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

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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:

2 SECTION 1. 20.435 (4) (d) of the statutes is repealed.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 49.45 (6m) (e) of the statutes is repealed.

(END)

1
INS
2-1
2 →

1 **Ins analysis:**

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

Currently, the state imposes a monthly, per-bed assessment on nursing homes in an amount that may not exceed \$75. This bill increases the maximum amount of the monthly, per-bed assessment imposed on nursing homes to \$100 in state fiscal year 2009-10, and \$130 in each year thereafter.

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Ins 2-1:

7

SECTION 1. 50.14 (2) (am) of the statutes is amended to read:

8

50.14 (2) (am) For nursing homes, an amount not to exceed \$75 \$100 in state

9

fiscal year 2009-10, and, beginning in state fiscal year 2010-11, an amount not to

10

exceed \$130.

Ryan, Robin

From: Fox, Sabrina E - DOA [Sabrina.Fox@wisconsin.gov]
Sent: Tuesday, January 27, 2009 3:56 PM
To: Ryan, Robin
Subject: FW: LRB Draft: 09-0397/3 Eliminate nursing home appeals board
Attachments: 09-0397/3.pdf

Hi Robin:

One more change to the attached draft. The nursing home bed assessment will now be \$150 in FY10 and \$170 in FY11. This change should make the draft final. Thank you. sabrina

From: Duchek, Michael [mailto:Michael.Duchek@legis.wisconsin.gov]
Sent: Friday, January 23, 2009 11:58 AM
To: Fox, Sabrina E - DOA
Cc: Gauger, Michelle C - DOA; Hanaman, Cathlene - LEGIS; Beadles, Kathleen - DOA
Subject: LRB Draft: 09-0397/3 Eliminate nursing home appeals board

Following is the PDF version of draft 09-0397/3.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0397/3

RLR:cjs:md

In 1/27/09

+wlj

DOA:.....Fox, BB0091 - Eliminate nursing home appeals board

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

RMR

Do Not Gen

1 AN ACT ...; relating to: the budget.

\$1150

\$170

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

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