

2011 DRAFTING REQUEST

Bill

Received: 12/23/2010

Received By: **tdodge**

Wanted: **As time permits**

Companion to LRB:

For: **Administration-Budget 7-7980**

By/Representing: **Skwarczek**

May Contact:

Drafter: **tdodge**

Subject: **Health - medical assistance**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to: **tamara.dodge@legis.wisconsin.gov**

Pre Topic:

DOA:.....Skwarczek, BB0165 -

Topic:

Allow crediting of all provider refunds and collections to MA appropriation

Instructions:

See attached. Draft similar to LRB-0175

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	tdodge 12/28/2010	nmatzke 01/03/2011	rschlue 01/03/2011	_____	mbarman 01/03/2011		State
/2	tdodge 01/05/2011	nmatzke 01/27/2011	rschlue 01/27/2011	_____	sbasford 01/27/2011		State
/3	tdodge 02/11/2011	nmatzke 02/12/2011	rschlue 02/14/2011	_____	sbasford 02/14/2011		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/4	tdodge 02/21/2011	wjackson 02/21/2011	rschluet 02/21/2011	_____	sbasford 02/21/2011		

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/3	tdodge 02/11/2011	nmatzke 02/12/2011	rschluet 02/14/2011	_____	sbasford 02/14/2011		

(9 WLJ 2/21)

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/2	tdodge 01/05/2011	nmatzke 01/27/2011	rschluet 01/27/2011	_____	sbasford 01/27/2011		

FE Sent For:

1/3 nwn
2/12

[Handwritten signature]
2/14/11

<END>

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/2	tdodge 01/05/2011	lrb_editor /2 nwn 1/27		_____			

FE Sent For:

<END>

Dodge, Tamara

From: Hanaman, Cathlene
Sent: Thursday, December 23, 2010 11:31 AM
To: Dodge, Tamara
Subject: FW: Statutory Language Drafting Request

From: DOADLBASADMININTERNETSHAREPOINT@WI.GOV
[mailto:DOADLBASADMININTERNETSHAREPOINT@WI.GOV]
Sent: Thursday, December 23, 2010 11:21 AM
To: Hanaman, Cathlene
Cc: Shayna.Hetzel@wisconsin.gov; Thornton, Scott - DOA; Gauger, Michelle C - DOA
Subject: Statutory Language Drafting Request

Topic: Crediting refunds and collections to MA appropriation

Tracking Code: BB0165

SBO Team: HSI

SBO Analyst: Skwarczek, Marta A - DOA
Phone: (608) 267-7980
E-mail: Marta.Skwarczek@Wisconsin.gov

Agency Acronym: DHS

Agency Number: 435

Priority: Medium

Intent:

Create a new appropriation in program 4 to capture all refunds, third party liability payments, drug rebates, audit recoveries, and other payments (not just the ones related to expenditures made in a fiscal year other than the fiscal year in which the expenditure was made.) Please draft this similar to LRB-0175.

Attachments: False



State of Wisconsin
2011 - 2012 LEGISLATURE



RMR

LRB-0809/2

TJD:nwn:rs

DOA:.....Skwarczek, BB0165 – Allow crediting of all provider refunds and collections to MA appropriation

FOR 2011-13 BUDGET – NOT READY FOR INTRODUCTION

1 ^{don't gen.} AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals with limited resources. DHS makes payments to providers of those health services and other payments related to MA out of various appropriation accounts, including a general purpose revenue appropriation account. These expenditures sometimes generate refunds from providers, third party liability payments, drug rebates, audit recoveries, and other collections.

Under current law, a refund of an expenditure received in the same fiscal year as the original expenditure was made is deposited in the appropriation account from which the expenditure was made, if the secretary of administration designates it as a refund of an expenditure. Under certain circumstances, the refund of an expenditure may be expended by an agency. Current law requires that revenue received by an agency incidentally in connection with general purpose revenue appropriations that is not designated as a refund of an expenditure and for which there is no program revenue appropriation be designated general purpose revenue-earned. This revenue is not available for expenditure by the agency.

*
*

an agency may expend

This bill creates a program revenue appropriation account into which moneys received from provider refunds, third party liability payments, drug rebates, audit recoveries, and other collections related to expenditures from the general purpose revenue appropriation account for the MA program, regardless of the fiscal year in which the expenditure was made, are deposited. DHS may expend the moneys in this program revenue appropriation account for the same purposes it expends moneys from the general purpose revenue appropriation account for the MA program.

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

2 20.001 (5) REFUNDS OF EXPENDITURES. Any amount not otherwise appropriated
3 under this chapter that is received by a state agency as a result of an adjustment
4 made to a previously recorded expenditure from a sum certain appropriation to that
5 agency due to activities that are of a temporary nature or activities that could not be
6 anticipated during budget development and which serves to reduce or eliminate the
7 previously recorded expenditure in the same fiscal year in which the previously
8 recorded expenditure was made, except as provided in ~~ss.~~ ss. 20.435 (4) (gm) and
9 20.437 (2) (md), may, upon request of the agency, be designated by the secretary of
10 administration as a refund of an expenditure. Except as otherwise provided in this
11 subsection, the secretary of administration may designate an amount received by a
12 state agency as a refund of an expenditure only if the agency submits to the secretary
13 a written explanation of the circumstances under which the amount was received
14 that includes a specific reference in a statutory or nonstatutory law to a function of
15 the agency under which the amount was received and the appropriation from which
16 the previously recorded expenditure was made. A refund of an expenditure shall be
17 deposited by the receiving state agency in the appropriation account from which the

1 previously recorded expenditure was made. Except as otherwise provided in this
2 subsection, a state agency which proposes to make an expenditure from moneys
3 designated as a refund of an expenditure shall submit to the secretary of
4 administration a written explanation of the purpose of the expenditure, including a
5 specific reference in a statutory or nonstatutory law to a function of the agency under
6 which the expenditure is to be made and the appropriation from which the
7 expenditure is to be made. After submission and approval of an estimate of the
8 amount proposed to be expended under s. 16.50 (2), a state agency may expend the
9 moneys received from the refund of the expenditure. The secretary of administration
10 may waive submission of any explanation required by this subsection for categories
11 of refunds of expenditures or proposed refunds of expenditures.

12 **SECTION 2.** 20.435 (4) (gm) of the statutes is created to read:

13 20.435 (4) (gm) *Medical assistance; provider refunds and collections.* All
14 moneys received from provider refunds, third party liability payments, drug rebates,
15 audit recoveries, and other collections related to expenditures made from par. (b),
16 regardless of the fiscal year in which the expenditure from par. (b) is made, to provide
17 a portion of the state share of Medical Assistance program benefits administered
18 under subch. IV of ch. 49; to provide a portion of the Badger Care health care program
19 under s. 49.665; to provide a portion of the Medical Assistance program benefits
20 administered under subch. IV of ch. 49 that are not also provided under par. (o); to
21 fund the pilot project under s. 46.27 (9) and (10)[^] to fund services provided by resource
22 centers under s. 46.283; to fund services under the family care benefit under s. 46.284
23 (5); and to assist victims of diseases, as provided in ss. 49.68, 49.683, and 49.685.

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

1 **SECTION 3.** 46.27 (9) (a) of the statutes is amended to read:

2 46.27 **(9)** (a) The department may select up to 5 counties that volunteer to
3 participate in a pilot project under which they will receive certain funds allocated for
4 long-term care. The department shall allocate a level of funds to these counties
5 equal to the amount that would otherwise be paid under s. 20.435 (4) (b), (gm), or (w)
6 to nursing homes for providing care because of increased utilization of nursing home
7 services, as estimated by the department. In estimating these levels, the department
8 shall exclude any increased utilization of services provided by state centers for the
9 developmentally disabled. The department shall calculate these amounts on a
10 calendar year basis under sub. (10).

11 **SECTION 4.** 46.27 (10) (a) 1. of the statutes is amended to read:

12 46.27 **(10)** (a) 1. The department shall determine for each county participating
13 in the pilot project under sub. (9) a funding level of state medical assistance
14 expenditures to be received by the county. This level shall equal the amount that the
15 department determines would otherwise be paid under s. 20.435 (4) (b), (gm), or (w)
16 because of increased utilization of nursing home services, as estimated by the
17 department.

18 **SECTION 5.** 46.275 (5) (a) of the statutes is amended to read:

19 46.275 **(5)** (a) Medical Assistance reimbursement for services a county, or the
20 department under sub. (3r), provides under this program is available from the
21 appropriation accounts under s. 20.435 (4) (b), (gm), (o), and (w). If 2 or more counties
22 jointly contract to provide services under this program and the department approves
23 the contract, Medical Assistance reimbursement is also available for services
24 provided jointly by these counties.

25 **SECTION 6.** 46.275 (5) (c) of the statutes is amended to read:

1 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (gm), (o), and (w) to
2 counties and to the department under sub. (3r) for services provided under this
3 section may not exceed the amount approved by the federal department of health and
4 human services. A county may use funds received under this section only to provide
5 services to persons who meet the requirements under sub. (4) and may not use
6 unexpended funds received under this section to serve other developmentally
7 disabled persons residing in the county.

8 **SECTION 7.** 46.278 (6) (d) of the statutes is amended to read:

9 46.278 (6) (d) If a county makes available nonfederal funds equal to the state
10 share of service costs under a waiver received under sub. (3), the department may,
11 from the appropriation under s. 20.435 (4) (o), provide reimbursement for services
12 that the county provides under this section to persons who are in addition to those
13 who may be served under this section with funds from the appropriation accounts
14 under s. 20.435 (4) (b), (gm), or (w).

15 **SECTION 8.** 46.2785 (5) (a) of the statutes is amended to read:

16 46.2785 (5) (a) Medical assistance reimbursement for services a county or
17 private agency contracts for or provides under the waiver program shall be made
18 from the appropriation accounts under s. 20.435 (4) (b), (gm), and (o).

19 **SECTION 9.** 46.283 (5) of the statutes is amended to read:

20 46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),
21 (bm), (gm), (pa), and (w) and (7) (b), (bd), and (md), the department may contract with
22 organizations that meet standards under sub. (3) for performance of the duties under
23 sub. (4) and shall distribute funds for services provided by resource centers.

24 **SECTION 10.** 46.284 (5) (a) of the statutes is amended to read:

1 46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g), (gm),
2 (im), (o), and (w) and (7) (b), (bd), and (g), the department shall provide funding on
3 a capitated payment basis for the provision of services under this section.
4 Notwithstanding s. 46.036 (3) and (5m), a care management organization that is
5 under contract with the department may expend the funds, consistent with this
6 section, including providing payment, on a capitated basis, to providers of services
7 under the family care benefit.

8 **SECTION 11.** 49.45 (5m) (am) of the statutes is amended to read:

9 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriation accounts
10 under s. 20.435 (4) (b), (gm), (o), (w) and (xc), the department shall distribute not
11 more than \$5,000,000 in each fiscal year, to provide supplemental funds to rural
12 hospitals that, as determined by the department, have high utilization of inpatient
13 services by patients whose care is provided from governmental sources, except that
14 the department may not distribute funds to a rural hospital to the extent that the
15 distribution would exceed any limitation under 42 USC 1396b (i) (3).

16 **SECTION 12.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

17 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this
18 subsection made under s. 20.435 (4) (b), (gm), (o), (pa), or (w) shall, except as provided
19 in pars. (bg), (bm), and (br), be determined according to a prospective payment
20 system updated annually by the department. The payment system shall implement
21 standards that are necessary and proper for providing patient care and that meet
22 quality and safety standards established under subch. II of ch. 50 and ch. 150. The
23 payment system shall reflect all of the following:

24 **SECTION 13.** 49.45 (6v) (b) of the statutes is amended to read:

1 49.45 **(6v)** (b) The department shall, each year, submit to the joint committee
2 on finance a report for the previous fiscal year, except for the 1997–98 fiscal year, that
3 provides information on the utilization of beds by recipients of medical assistance in
4 facilities and a discussion and detailed projection of the likely balances,
5 expenditures, encumbrances and carry over of currently appropriated amounts in
6 the appropriation accounts under s. 20.435 (4) (b), (gm), and (o).

7 **SECTION 14.** 49.45 (6x) (a) of the statutes is amended to read:

8 49.45 **(6x)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts
9 under s. 20.435 (4) (b), (gm), (o), and (w), the department shall distribute not more
10 than \$4,748,000 in each fiscal year, to provide funds to an essential access city
11 hospital, except that the department may not allocate funds to an essential access
12 city hospital to the extent that the allocation would exceed any limitation under 42
13 USC 1396b (i) (3).

14 **SECTION 15.** 49.45 (6y) (a) of the statutes is amended to read:

15 49.45 **(6y)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts
16 under s. 20.435 (4) (b), (gm), (o), and (w), the department may distribute funding in
17 each fiscal year to provide supplemental payment to hospitals that enter into a
18 contract under s. 49.02 (2) to provide health care services funded by a relief block
19 grant, as determined by the department, for hospital services that are not in excess
20 of the hospitals' customary charges for the services, as limited under 42 USC 1396b
21 (i) (3). If no relief block grant is awarded under this chapter or if the allocation of
22 funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the
23 department may distribute funds to hospitals that have not entered into a contract
24 under s. 49.02 (2).

25 **SECTION 16.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

1 49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation
2 accounts under s. 20.435 (4) (b), (gm), (o), and (w), the department may distribute
3 funding in each fiscal year to supplement payment for services to hospitals that enter
4 into indigent care agreements, in accordance with the approved state plan for
5 services under 42 USC 1396a, with relief agencies that administer the medical relief
6 block grant under this chapter, if the department determines that the hospitals serve
7 a disproportionate number of low-income patients with special needs. If no medical
8 relief block grant under this chapter is awarded or if the allocation of funds to such
9 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
10 may distribute funds to hospitals that have not entered into indigent care
11 agreements. The department may not distribute funds under this subsection to the
12 extent that the distribution would do any of the following:

13 **SECTION 17.** 49.45 (8) (b) of the statutes is amended to read:

14 49.45 **(8)** (b) Reimbursement under s. 20.435 (4) (b), (gm), (o), and (w) for home
15 health services provided by a certified home health agency or independent nurse
16 shall be made at the home health agency's or nurse's usual and customary fee per
17 patient care visit, subject to a maximum allowable fee per patient care visit that is
18 established under par. (c).

19 **SECTION 18.** 49.45 (24m) (intro.) of the statutes is amended to read:

20 49.45 **(24m)** (intro.) From the appropriation accounts under s. 20.435 (4) (b),
21 (gm), (o), and (w), in order to test the feasibility of instituting a system of
22 reimbursement for providers of home health care and personal care services for
23 medical assistance recipients that is based on competitive bidding, the department
24 shall:

25 **SECTION 19.** 49.45 (51) (a) of the statutes is amended to read:

1 49.45 (51) (a) By November 1 annually, the department shall provide to the
2 department of revenue information concerning the estimated amounts of
3 supplements payable from the appropriation accounts under s. 20.435 (4) (b) and
4 (gm) to specific local governmental units for the provision of transportation for
5 medical care, as specified under s. 49.46 (2) (b) 3., during the fiscal year. Beginning
6 November 1, 2004, the information that the department provides under this
7 paragraph shall include any adjustments necessary to reflect actual claims
8 submitted by service providers in the previous fiscal year.

9 **SECTION 20.** 49.45 (52) of the statutes is amended to read:

10 49.45 (52) PAYMENT ADJUSTMENTS. Beginning on January 1, 2003, the
11 department may, from the appropriation account under s. 20.435 (7) (b), make
12 Medical Assistance payment adjustments to county departments under s. 46.215,
13 46.22, 46.23, or 51.42, or 51.437 or to local health departments, as defined in s. 250.01
14 (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and
15 (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16., except for
16 services specified under s. 49.46 (2) (b) 6. b. and c. provided to children participating
17 in the early intervention program under s. 51.44. Payment adjustments under this
18 subsection shall include the state share of the payments. The total of any payment
19 adjustments under this subsection and Medical Assistance payments made from
20 appropriation accounts under s. 20.435 (4) (b), (gm), (o), and (w), may not exceed
21 applicable limitations on payments under 42 USC 1396a (a) (30) (A).

22 **SECTION 21.** 49.472 (6) (a) of the statutes is amended to read:

23 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation ~~account~~
24 accounts under s. 20.435 (4) (b), (gm), or (w), the department shall, on the part of an
25 individual who is eligible for medical assistance under sub. (3), pay premiums for or

1 purchase individual coverage offered by the individual's employer if the department
2 determines that paying the premiums for or purchasing the coverage will not be more
3 costly than providing medical assistance.

4 **SECTION 22.** 49.472 (6) (b) of the statutes is amended to read:

5 49.472 (6) (b) If federal financial participation is available, from the
6 appropriation ~~account~~ accounts under s. 20.435 (4) (b), (gm), or (w), the department
7 may pay medicare Part A and Part B premiums for individuals who are eligible for
8 medicare and for medical assistance under sub. (3).

9 **SECTION 23.** 49.473 (5) of the statutes is amended to read:

10 49.473 (5) The department shall audit and pay, from the appropriation
11 accounts under s. 20.435 (4) (b), (gm), and (o), allowable charges to a provider who
12 is certified under s. 49.45 (2) (a) 11. for medical assistance on behalf of a woman who
13 meets the requirements under sub. (2) for all benefits and services specified under
14 s. 49.46 (2).

15 **SECTION 24.** 79.02 (3) (e) of the statutes is amended to read:

16 79.02 (3) (e) For the distribution in 2004 and subsequent years, the total
17 amount of the November payments to each county and municipality under s. 79.035
18 shall be reduced by an amount equal to the amount of supplements paid from the
19 appropriation accounts under s. 20.435 (4) (b) and (gm) that the county or
20 municipality received for the fiscal year in which a payment is made under this
21 section, as determined under s. 49.45 (51).

22 (END)



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0809/2 3
TJD:nwn:rs

In: 2/11/11

RMR

DOA:.....Skwarczek, BB0165 - Allow crediting of all provider refunds and collections to MA appropriation

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

^ (PR) appropriation
; a program revenue account containing moneys from MA cost sharing, penalty assessments, and the pharmacy benefits purchasing pool, and the MA trust fund

don't gen.

1

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES (GPR)

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals with limited resources. DHS makes payments to providers of those health services and other payments related to MA out of various appropriation accounts, including a general purpose revenue appropriation account. These expenditures sometimes generate refunds from providers, third party liability payments, drug rebates, audit recoveries, and other collections.

Under current law, a refund of an expenditure received in the same fiscal year as the original expenditure was made is deposited in the appropriation account from which the expenditure was made, if the secretary of administration designates it as a refund of an expenditure. Under certain circumstances, an agency may expend the refund of an expenditure. Current law requires that revenue received by an agency incidentally in connection with general purpose revenue appropriations that is not designated as a refund of an expenditure and for which there is no program revenue appropriation be designated general purpose revenue-earned. This revenue is not available for expenditure by the agency.

GPR use 2x

PR

PR

the PR appropriation account, and the MA trust fund

This bill creates a program revenue appropriation account into which moneys received from provider refunds, third party liability payments, drug rebates, audit recoveries, and other collections related to expenditures from the general purpose revenue appropriation account, for the MA program, regardless of the fiscal year in which the expenditure was made, are deposited. DHS may expend the moneys in this program revenue appropriation account for the same purposes it expends moneys from the general purpose revenue appropriation account for the MA program.

GPR

PR

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

(GPR)

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

1 **SECTION 1.** 20.001 (5) of the statutes is amended to read:

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6 anticipated during budget development and which serves to reduce or eliminate the

7 previously recorded expenditure in the same fiscal year in which the previously

8 recorded expenditure was made, except as provided in ss. 20.435 (4) (gm) and

9 20.437 (2) (md), may, upon request of the agency, be designated by the secretary of

10 administration as a refund of an expenditure. Except as otherwise provided in this

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14 that includes a specific reference in a statutory or nonstatutory law to a function of

15 the agency under which the amount was received and the appropriation from which

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 5 specific reference in a statutory or nonstatutory law to a function of the agency under
 6 which the expenditure is to be made and the appropriation from which the
 7 expenditure is to be made. After submission and approval of an estimate of the
 8 amount proposed to be expended under s. 16.50 (2), a state agency may expend the
 9 moneys received from the refund of the expenditure. The secretary of administration
 10 may waive submission of any explanation required by this subsection for categories
 11 of refunds of expenditures or proposed refunds of expenditures.

12 **SECTION 2.** 20.435 (4) (gm) of the statutes is created to read:

13 20.435 (4) (gm) *Medical assistance; provider refunds and collections.* All
 14 moneys received from provider refunds, third party liability payments, drug rebates,
 15 audit recoveries, and other collections related to expenditures made from par. (b),
 16 regardless of the fiscal year in which the expenditure from par. (b) is made, to provide
 17 a portion of the state share of Medical Assistance program benefits administered
 18 under subch. IV of ch. 49; to provide a portion of the Badger Care health care program
 19 under s. 49.665; to provide a portion of the Medical Assistance program benefits
 20 administered under subch. IV of ch. 49 that are not also provided under par. (o); to
 21 fund the pilot project under s. 46.27 (9) and (10); to fund services provided by resource
 22 centers under s. 46.283; to fund services under the family care benefit under s. 46.284
 23 (5); and to assist victims of diseases, as provided in ss. 49.68, 49.683, and 49.685.

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

(jz) and (w) except for those moneys in the appropriation accounts directed to be deposited under par. (im) or (in)

1 **SECTION 3.** 46.27 (9) (a) of the statutes is amended to read:

2 46.27 (9) (a) The department may select up to 5 counties that volunteer to
3 participate in a pilot project under which they will receive certain funds allocated for
4 long-term care. The department shall allocate a level of funds to these counties
5 equal to the amount that would otherwise be paid under s. 20.435 (4) (b), (gm), or (w)
6 to nursing homes for providing care because of increased utilization of nursing home
7 services, as estimated by the department. In estimating these levels, the department
8 shall exclude any increased utilization of services provided by state centers for the
9 developmentally disabled. The department shall calculate these amounts on a
10 calendar year basis under sub. (10).

11 **SECTION 4.** 46.27 (10) (a) 1. of the statutes is amended to read:

12 46.27 (10) (a) 1. The department shall determine for each county participating
13 in the pilot project under sub. (9) a funding level of state medical assistance
14 expenditures to be received by the county. This level shall equal the amount that the
15 department determines would otherwise be paid under s. 20.435 (4) (b), (gm), or (w)
16 because of increased utilization of nursing home services, as estimated by the
17 department.

18 **SECTION 5.** 46.275 (5) (a) of the statutes is amended to read:

19 46.275 (5) (a) Medical Assistance reimbursement for services a county, or the
20 department under sub. (3r), provides under this program is available from the
21 appropriation accounts under s. 20.435 (4) (b), (gm), (o), and (w). If 2 or more counties
22 jointly contract to provide services under this program and the department approves
23 the contract, Medical Assistance reimbursement is also available for services
24 provided jointly by these counties.

25 **SECTION 6.** 46.275 (5) (c) of the statutes is amended to read:

1 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (gm), (o), and (w) to
2 counties and to the department under sub. (3r) for services provided under this
3 section may not exceed the amount approved by the federal department of health and
4 human services. A county may use funds received under this section only to provide
5 services to persons who meet the requirements under sub. (4) and may not use
6 unexpended funds received under this section to serve other developmentally
7 disabled persons residing in the county.

8 **SECTION 7.** 46.278 (6) (d) of the statutes is amended to read:

9 46.278 (6) (d) If a county makes available nonfederal funds equal to the state
10 share of service costs under a waiver received under sub. (3), the department may,
11 from the appropriation under s. 20.435 (4) (o), provide reimbursement for services
12 that the county provides under this section to persons who are in addition to those
13 who may be served under this section with funds from the appropriation accounts
14 under s. 20.435 (4) (b), (gm), or (w).

15 **SECTION 8.** 46.2785 (5) (a) of the statutes is amended to read:

16 46.2785 (5) (a) Medical assistance reimbursement for services a county or
17 private agency contracts for or provides under the waiver program shall be made
18 from the appropriation accounts under s. 20.435 (4) (b), (gm), and (o).

19 **SECTION 9.** 46.283 (5) of the statutes is amended to read:

20 46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),
21 (bm), (gm), (pa), and (w) and (7) (b), (bd), and (md), the department may contract with
22 organizations that meet standards under sub. (3) for performance of the duties under
23 sub. (4) and shall distribute funds for services provided by resource centers.

24 **SECTION 10.** 46.284 (5) (a) of the statutes is amended to read:

1 46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g), (gm),
2 (im), (o), and (w) and (7) (b), (bd), and (g), the department shall provide funding on
3 a capitated payment basis for the provision of services under this section.
4 Notwithstanding s. 46.036 (3) and (5m), a care management organization that is
5 under contract with the department may expend the funds, consistent with this
6 section, including providing payment, on a capitated basis, to providers of services
7 under the family care benefit.

8 **SECTION 11.** 49.45 (5m) (am) of the statutes is amended to read:

9 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriation accounts
10 under s. 20.435 (4) (b), (gm), (o), (w) and (xc), the department shall distribute not
11 more than \$5,000,000 in each fiscal year, to provide supplemental funds to rural
12 hospitals that, as determined by the department, have high utilization of inpatient
13 services by patients whose care is provided from governmental sources, except that
14 the department may not distribute funds to a rural hospital to the extent that the
15 distribution would exceed any limitation under 42 USC 1396b (i) (3).

16 **SECTION 12.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

17 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this
18 subsection made under s. 20.435 (4) (b), (gm), (o), (pa), or (w) shall, except as provided
19 in pars. (bg), (bm), and (br), be determined according to a prospective payment
20 system updated annually by the department. The payment system shall implement
21 standards that are necessary and proper for providing patient care and that meet
22 quality and safety standards established under subch. II of ch. 50 and ch. 150. The
23 payment system shall reflect all of the following:

24 **SECTION 13.** 49.45 (6v) (b) of the statutes is amended to read:

1 49.45 (6v) (b) The department shall, each year, submit to the joint committee
2 on finance a report for the previous fiscal year, except for the 1997-98 fiscal year, that
3 provides information on the utilization of beds by recipients of medical assistance in
4 facilities and a discussion and detailed projection of the likely balances,
5 expenditures, encumbrances and carry over of currently appropriated amounts in
6 the appropriation accounts under s. 20.435 (4) (b), (gm), and (o).

7 **SECTION 14.** 49.45 (6x) (a) of the statutes is amended to read:

8 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriation accounts
9 under s. 20.435 (4) (b), (gm), (o), and (w), the department shall distribute not more
10 than \$4,748,000 in each fiscal year, to provide funds to an essential access city
11 hospital, except that the department may not allocate funds to an essential access
12 city hospital to the extent that the allocation would exceed any limitation under 42
13 USC 1396b (i) (3).

14 **SECTION 15.** 49.45 (6y) (a) of the statutes is amended to read:

15 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the appropriation accounts
16 under s. 20.435 (4) (b), (gm), (o), and (w), the department may distribute funding in
17 each fiscal year to provide supplemental payment to hospitals that enter into a
18 contract under s. 49.02 (2) to provide health care services funded by a relief block
19 grant, as determined by the department, for hospital services that are not in excess
20 of the hospitals' customary charges for the services, as limited under 42 USC 1396b
21 (i) (3). If no relief block grant is awarded under this chapter or if the allocation of
22 funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the
23 department may distribute funds to hospitals that have not entered into a contract
24 under s. 49.02 (2).

25 **SECTION 16.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

1 49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation
2 accounts under s. 20.435 (4) (b), (gm), (o), and (w), the department may distribute
3 funding in each fiscal year to supplement payment for services to hospitals that enter
4 into indigent care agreements, in accordance with the approved state plan for
5 services under 42 USC 1396a, with relief agencies that administer the medical relief
6 block grant under this chapter, if the department determines that the hospitals serve
7 a disproportionate number of low-income patients with special needs. If no medical
8 relief block grant under this chapter is awarded or if the allocation of funds to such
9 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
10 may distribute funds to hospitals that have not entered into indigent care
11 agreements. The department may not distribute funds under this subsection to the
12 extent that the distribution would do any of the following:

13 **SECTION 17.** 49.45 (8) (b) of the statutes is amended to read:

14 49.45 **(8)** (b) Reimbursement under s. 20.435 (4) (b), (gm), (o), and (w) for home
15 health services provided by a certified home health agency or independent nurse
16 shall be made at the home health agency's or nurse's usual and customary fee per
17 patient care visit, subject to a maximum allowable fee per patient care visit that is
18 established under par. (c).

19 **SECTION 18.** 49.45 (24m) (intro.) of the statutes is amended to read:

20 49.45 **(24m)** (intro.) From the appropriation accounts under s. 20.435 (4) (b),
21 (gm), (o), and (w), in order to test the feasibility of instituting a system of
22 reimbursement for providers of home health care and personal care services for
23 medical assistance recipients that is based on competitive bidding, the department
24 shall:

25 **SECTION 19.** 49.45 (51) (a) of the statutes is amended to read:

1 49.45 (51) (a) By November 1 annually, the department shall provide to the
2 department of revenue information concerning the estimated amounts of
3 supplements payable from the appropriation accounts under s. 20.435 (4) (b) and
4 (gm) to specific local governmental units for the provision of transportation for
5 medical care, as specified under s. 49.46 (2) (b) 3., during the fiscal year. Beginning
6 November 1, 2004, the information that the department provides under this
7 paragraph shall include any adjustments necessary to reflect actual claims
8 submitted by service providers in the previous fiscal year.

9 **SECTION 20.** 49.45 (52) of the statutes is amended to read:

10 49.45 (52) PAYMENT ADJUSTMENTS. Beginning on January 1, 2003, the
11 department may, from the appropriation account under s. 20.435 (7) (b), make
12 Medical Assistance payment adjustments to county departments under s. 46.215,
13 46.22, 46.23, or 51.42, or 51.437 or to local health departments, as defined in s. 250.01
14 (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and
15 (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16., except for
16 services specified under s. 49.46 (2) (b) 6. b. and c. provided to children participating
17 in the early intervention program under s. 51.44. Payment adjustments under this
18 subsection shall include the state share of the payments. The total of any payment
19 adjustments under this subsection and Medical Assistance payments made from
20 appropriation accounts under s. 20.435 (4) (b), (gm), (o), and (w), may not exceed
21 applicable limitations on payments under 42 USC 1396a (a) (30) (A).

22 **SECTION 21.** 49.472 (6) (a) of the statutes is amended to read:

23 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation ~~account~~
24 accounts under s. 20.435 (4) (b), (gm), or (w), the department shall, on the part of an
25 individual who is eligible for medical assistance under sub. (3), pay premiums for or

1 purchase individual coverage offered by the individual's employer if the department
2 determines that paying the premiums for or purchasing the coverage will not be more
3 costly than providing medical assistance.

4 **SECTION 22.** 49.472 (6) (b) of the statutes is amended to read:

5 49.472 (6) (b) If federal financial participation is available, from the
6 appropriation ~~account~~ accounts under s. 20.435 (4) (b), (gm), or (w), the department
7 may pay medicare Part A and Part B premiums for individuals who are eligible for
8 medicare and for medical assistance under sub. (3).

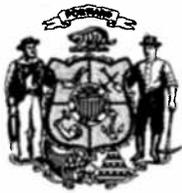
9 **SECTION 23.** 49.473 (5) of the statutes is amended to read:

10 49.473 (5) The department shall audit and pay, from the appropriation
11 accounts under s. 20.435 (4) (b), (gm), and (o), allowable charges to a provider who
12 is certified under s. 49.45 (2) (a) 11. for medical assistance on behalf of a woman who
13 meets the requirements under sub. (2) for all benefits and services specified under
14 s. 49.46 (2).

15 **SECTION 24.** 79.02 (3) (e) of the statutes is amended to read:

16 79.02 (3) (e) For the distribution in 2004 and subsequent years, the total
17 amount of the November payments to each county and municipality under s. 79.035
18 shall be reduced by an amount equal to the amount of supplements paid from the
19 appropriation accounts under s. 20.435 (4) (b) and (gm) that the county or
20 municipality received for the fiscal year in which a payment is made under this
21 section, as determined under s. 49.45 (51).

22 (END)



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0809/B
TJD:nwn:rs

In: 2/21/11

+WY - RMR

DOA:.....Skwarczek, BB0165 - Allow crediting of all provider refunds and collections to MA appropriation

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

D-note

Do Not Gen

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals with limited resources. DHS makes payments to providers of those health services and other payments related to MA out of various appropriation accounts, including a general purpose revenue (GPR) appropriation account; a program revenue (PR) appropriation account containing moneys from MA cost sharing, penalty assessments, and the pharmacy benefits purchasing pool; and the MA trust fund. These expenditures sometimes generate refunds from providers, third party liability payments, drug rebates, audit recoveries, and other collections.

Under current law, a refund of an expenditure received in the same fiscal year as the original expenditure was made is deposited in the appropriation account from which the expenditure was made, if the secretary of administration designates it as a refund of an expenditure. Under certain circumstances, an agency may expend the refund of an expenditure. Current law requires that revenue received by an agency incidentally in connection with GPR appropriations that is not designated as a refund of an expenditure and for which there is no PR appropriation be designated GPR revenue-earned. This revenue is not available for expenditure by the agency.

This bill creates a PR appropriation account into which moneys received from provider refunds, third party liability payments, drug rebates, audit recoveries, and other collections related to expenditures from the GPR appropriation account, the MA cost-sharing appropriation account, and the MA trust fund for the MA program, regardless of the fiscal year in which the expenditure was made, are deposited. DHS may expend the moneys in this PR appropriation account for the same purposes it expends moneys from the GPR appropriation account for the MA program.

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

2 **20.001 (5) REFUNDS OF EXPENDITURES.** Any amount not otherwise appropriated
3 under this chapter that is received by a state agency as a result of an adjustment
4 made to a previously recorded expenditure from a sum certain appropriation to that
5 agency due to activities that are of a temporary nature or activities that could not be
6 anticipated during budget development and which serves to reduce or eliminate the
7 previously recorded expenditure in the same fiscal year in which the previously
8 recorded expenditure was made, except as provided in s. ss. 20.435 (4) (gm) and
9 20.437 (2) (md), may, upon request of the agency, be designated by the secretary of
10 administration as a refund of an expenditure. Except as otherwise provided in this
11 subsection, the secretary of administration may designate an amount received by a
12 state agency as a refund of an expenditure only if the agency submits to the secretary
13 a written explanation of the circumstances under which the amount was received
14 that includes a specific reference in a statutory or nonstatutory law to a function of
15 the agency under which the amount was received and the appropriation from which
16 the previously recorded expenditure was made. A refund of an expenditure shall be
17 deposited by the receiving state agency in the appropriation account from which the

1 previously recorded expenditure was made. Except as otherwise provided in this
2 subsection, a state agency which proposes to make an expenditure from moneys
3 designated as a refund of an expenditure shall submit to the secretary of
4 administration a written explanation of the purpose of the expenditure, including a
5 specific reference in a statutory or nonstatutory law to a function of the agency under
6 which the expenditure is to be made and the appropriation from which the
7 expenditure is to be made. After submission and approval of an estimate of the
8 amount proposed to be expended under s. 16.50 (2), a state agency may expend the
9 moneys received from the refund of the expenditure. The secretary of administration
10 may waive submission of any explanation required by this subsection for categories
11 of refunds of expenditures or proposed refunds of expenditures.

12 **SECTION 2.** 20.435 (4) (gm) of the statutes is created to read:

13 20.435 (4) (gm) *Medical assistance; provider refunds and collections.* All
14 moneys received from provider refunds, third party liability payments, drug rebates,
15 audit recoveries, and other collections related to expenditures made from pars. (b),
16 (jz), and (w), except for those moneys deposited in the appropriation accounts under
17 par. (im) or (in) regardless of the fiscal year in which the expenditure from par. (b),
18 (jz), or (w) is made, to provide a portion of the state share of Medical Assistance
19 program benefits administered under subch. IV of ch. 49; to provide a portion of the
20 Badger Care health care program under s. 49.665; to provide a portion of the Medical
21 Assistance program benefits administered under subch. IV of ch. 49 that are not also
22 provided under par. (o); to fund the pilot project under s. 46.27 (9) and (10); to fund
23 services provided by resource centers under s. 46.283; to fund services under the
24 family care benefit under s. 46.284 (5); and to assist victims of diseases, as provided
25 in ss. 49.68, 49.683, and 49.685.

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

1 **SECTION 3.** 46.27 (9) (a) of the statutes is amended to read:

2 46.27 (9) (a) The department may select up to 5 counties that volunteer to
3 participate in a pilot project under which they will receive certain funds allocated for
4 long-term care. The department shall allocate a level of funds to these counties
5 equal to the amount that would otherwise be paid under s. 20.435 (4) (b), (gm), or (w)
6 to nursing homes for providing care because of increased utilization of nursing home
7 services, as estimated by the department. In estimating these levels, the department
8 shall exclude any increased utilization of services provided by state centers for the
9 developmentally disabled. The department shall calculate these amounts on a
10 calendar year basis under sub. (10).

11 **SECTION 4.** 46.27 (10) (a) 1. of the statutes is amended to read:

12 46.27 (10) (a) 1. The department shall determine for each county participating
13 in the pilot project under sub. (9) a funding level of state medical assistance
14 expenditures to be received by the county. This level shall equal the amount that the
15 department determines would otherwise be paid under s. 20.435 (4) (b), (gm), or (w)
16 because of increased utilization of nursing home services, as estimated by the
17 department.

18 **SECTION 5.** 46.275 (5) (a) of the statutes is amended to read:

19 46.275 (5) (a) Medical Assistance reimbursement for services a county, or the
20 department under sub. (3r), provides under this program is available from the
21 appropriation accounts under s. 20.435 (4) (b), (gm), (o), and (w). If 2 or more counties
22 jointly contract to provide services under this program and the department approves

1 the contract, Medical Assistance reimbursement is also available for services
2 provided jointly by these counties.

3 **SECTION 6.** 46.275 (5) (c) of the statutes is amended to read:

4 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (gm), (o), and (w) to
5 counties and to the department under sub. (3r) for services provided under this
6 section may not exceed the amount approved by the federal department of health and
7 human services. A county may use funds received under this section only to provide
8 services to persons who meet the requirements under sub. (4) and may not use
9 unexpended funds received under this section to serve other developmentally
10 disabled persons residing in the county.

11 **SECTION 7.** 46.278 (6) (d) of the statutes is amended to read:

12 46.278 (6) (d) If a county makes available nonfederal funds equal to the state
13 share of service costs under a waiver received under sub. (3), the department may,
14 from the appropriation under s. 20.435 (4) (o), provide reimbursement for services
15 that the county provides under this section to persons who are in addition to those
16 who may be served under this section with funds from the appropriation accounts
17 under s. 20.435 (4) (b), (gm), or (w).

18 **SECTION 8.** 46.2785 (5) (a) of the statutes is amended to read:

19 46.2785 (5) (a) Medical assistance reimbursement for services a county or
20 private agency contracts for or provides under the waiver program shall be made
21 from the appropriation accounts under s. 20.435 (4) (b), (gm), and (o).

22 **SECTION 9.** 46.283 (5) of the statutes is amended to read:

23 46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),
24 (bm), (gm), (pa), and (w) and (7) (b), (bd), and (md), the department may contract with

1 organizations that meet standards under sub. (3) for performance of the duties under
2 sub. (4) and shall distribute funds for services provided by resource centers.

3 **SECTION 10.** 46.284 (5) (a) of the statutes is amended to read:

4 46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g), (gm),
5 (im), (o), and (w) and (7) (b), (bd), and (g), the department shall provide funding on
6 a capitated payment basis for the provision of services under this section.
7 Notwithstanding s. 46.036 (3) and (5m), a care management organization that is
8 under contract with the department may expend the funds, consistent with this
9 section, including providing payment, on a capitated basis, to providers of services
10 under the family care benefit.

11 **SECTION 11.** 49.45 (5m) (am) of the statutes is amended to read:

12 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriation accounts
13 under s. 20.435 (4) (b), (gm), (o), (w) and (xc), the department shall distribute not
14 more than \$5,000,000 in each fiscal year, to provide supplemental funds to rural
15 hospitals that, as determined by the department, have high utilization of inpatient
16 services by patients whose care is provided from governmental sources, except that
17 the department may not distribute funds to a rural hospital to the extent that the
18 distribution would exceed any limitation under 42 USC 1396b (i) (3).

19 **SECTION 12.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

20 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this
21 subsection made under s. 20.435 (4) (b), (gm), (o), (pa), or (w) shall, except as provided
22 in pars. (bg), (bm), and (br), be determined according to a prospective payment
23 system updated annually by the department. The payment system shall implement
24 standards that are necessary and proper for providing patient care and that meet

1 quality and safety standards established under subch. II of ch. 50 and ch. 150. The
2 payment system shall reflect all of the following:

3 **SECTION 13.** 49.45 (6v) (b) of the statutes is amended to read:

4 49.45 (6v) (b) The department shall, each year, submit to the joint committee
5 on finance a report for the previous fiscal year, except for the 1997-98 fiscal year, that
6 provides information on the utilization of beds by recipients of medical assistance in
7 facilities and a discussion and detailed projection of the likely balances,
8 expenditures, encumbrances and carry over of currently appropriated amounts in
9 the appropriation accounts under s. 20.435 (4) (b), (gm), and (o).

10 **SECTION 14.** 49.45 (6x) (a) of the statutes is amended to read:

11 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriation accounts
12 under s. 20.435 (4) (b), (gm), (o), and (w), the department shall distribute not more
13 than \$4,748,000 in each fiscal year, to provide funds to an essential access city
14 hospital, except that the department may not allocate funds to an essential access
15 city hospital to the extent that the allocation would exceed any limitation under 42
16 USC 1396b (i) (3).

17 **SECTION 15.** 49.45 (6y) (a) of the statutes is amended to read:

18 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the appropriation accounts
19 under s. 20.435 (4) (b), (gm), (o), and (w), the department may distribute funding in
20 each fiscal year to provide supplemental payment to hospitals that enter into a
21 contract under s. 49.02 (2) to provide health care services funded by a relief block
22 grant, as determined by the department, for hospital services that are not in excess
23 of the hospitals' customary charges for the services, as limited under 42 USC 1396b
24 (i) (3). If no relief block grant is awarded under this chapter or if the allocation of
25 funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the

1 department may distribute funds to hospitals that have not entered into a contract
2 under s. 49.02 (2).

3 **SECTION 16.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

4 49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation
5 accounts under s. 20.435 (4) (b), (gm), (o), and (w), the department may distribute
6 funding in each fiscal year to supplement payment for services to hospitals that enter
7 into indigent care agreements, in accordance with the approved state plan for
8 services under 42 USC 1396a, with relief agencies that administer the medical relief
9 block grant under this chapter, if the department determines that the hospitals serve
10 a disproportionate number of low-income patients with special needs. If no medical
11 relief block grant under this chapter is awarded or if the allocation of funds to such
12 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
13 may distribute funds to hospitals that have not entered into indigent care
14 agreements. The department may not distribute funds under this subsection to the
15 extent that the distribution would do any of the following:

16 **SECTION 17.** 49.45 (8) (b) of the statutes is amended to read:

17 49.45 **(8)** (b) Reimbursement under s. 20.435 (4) (b), (gm), (o), and (w) for home
18 health services provided by a certified home health agency or independent nurse
19 shall be made at the home health agency's or nurse's usual and customary fee per
20 patient care visit, subject to a maximum allowable fee per patient care visit that is
21 established under par. (c).

22 **SECTION 18.** 49.45 (24m) (intro.) of the statutes is amended to read:

23 49.45 **(24m)** (intro.) From the appropriation accounts under s. 20.435 (4) (b),
24 (gm), (o), and (w), in order to test the feasibility of instituting a system of
25 reimbursement for providers of home health care and personal care services for

1 medical assistance recipients that is based on competitive bidding, the department
2 shall:

3 **SECTION 19.** 49.45 (51) (a) of the statutes is amended to read:

4 49.45 (51) (a) By November 1 annually, the department shall provide to the
5 department of revenue information concerning the estimated amounts of
6 supplements payable from the appropriation accounts under s. 20.435 (4) (b) and
7 (gm) to specific local governmental units for the provision of transportation for
8 medical care, as specified under s. 49.46 (2) (b) 3., during the fiscal year. Beginning
9 November 1, 2004, the information that the department provides under this
10 paragraph shall include any adjustments necessary to reflect actual claims
11 submitted by service providers in the previous fiscal year.

12 **SECTION 20.** 49.45 (52) of the statutes is amended to read:

13 49.45 (52) PAYMENT ADJUSTMENTS. Beginning on January 1, 2003, the
14 department may, from the appropriation account under s. 20.435 (7) (b), make
15 Medical Assistance payment adjustments to county departments under s. 46.215,
16 46.22, 46.23, or 51.42, or 51.437 or to local health departments, as defined in s. 250.01
17 (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and
18 (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16., except for
19 services specified under s. 49.46 (2) (b) 6. b. and c. provided to children participating
20 in the early intervention program under s. 51.44. Payment adjustments under this
21 subsection shall include the state share of the payments. The total of any payment
22 adjustments under this subsection and Medical Assistance payments made from
23 appropriation accounts under s. 20.435 (4) (b), (gm), (o), and (w), may not exceed
24 applicable limitations on payments under 42 USC 1396a (a) (30) (A).

25 **SECTION 21.** 49.472 (6) (a) of the statutes is amended to read:

1 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation ~~account~~
2 accounts under s. 20.435 (4) (b), (gm), or (w), the department shall, on the part of an
3 individual who is eligible for medical assistance under sub. (3), pay premiums for or
4 purchase individual coverage offered by the individual's employer if the department
5 determines that paying the premiums for or purchasing the coverage will not be more
6 costly than providing medical assistance.

7 **SECTION 22.** 49.472 (6) (b) of the statutes is amended to read:

8 49.472 (6) (b) If federal financial participation is available, from the
9 appropriation ~~account~~ accounts under s. 20.435 (4) (b), (gm), or (w), the department
10 may pay medicare Part A and Part B premiums for individuals who are eligible for
11 medicare and for medical assistance under sub. (3).

12 **SECTION 23.** 49.473 (5) of the statutes is amended to read:

13 49.473 (5) The department shall audit and pay, from the appropriation
14 accounts under s. 20.435 (4) (b), (gm), and (o), allowable charges to a provider who
15 is certified under s. 49.45 (2) (a) 11. for medical assistance on behalf of a woman who
16 meets the requirements under sub. (2) for all benefits and services specified under
17 s. 49.46 (2).

18 **SECTION 24.** 79.02 (3) (e) of the statutes is amended to read:

19 79.02 (3) (e) For the distribution in 2004 and subsequent years, the total
20 amount of the November payments to each county and municipality under s. 79.035
21 shall be reduced by an amount equal to the amount of supplements paid from the
22 appropriation accounts under s. 20.435 (4) (b) and (gm) that the county or
23 municipality received for the fiscal year in which a payment is made under this
24 section, as determined under s. 49.45 (51).

25 (END)

D-note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0809/4dn

TJD:...

Wlj

Date

To Marta Skwarzcek:

↓ ↓ ↓
This draft reconciles LRB-0809/3, LRB-0986/3, and LRB-0174/3. All of these drafts should continue to appear in the compiled bill.

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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0809/4dn
TJD:wlj:rs

February 21, 2011

To Marta Skwarzcek:

This draft reconciles LRB-0809/3, LRB-0986/3, and LRB-0174/3. All of these drafts should continue to appear in the compiled bill.

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State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0809/4
TJD:nwn:rs

DOA:.....Skwarczek, BB0165 - Allow crediting of all provider refunds and collections to MA appropriation

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals with limited resources. DHS makes payments to providers of those health services and other payments related to MA out of various appropriation accounts, including a general purpose revenue (GPR) appropriation account; a program revenue (PR) appropriation account containing moneys from MA cost sharing, penalty assessments, and the pharmacy benefits purchasing pool; and the MA trust fund. These expenditures sometimes generate refunds from providers, third party liability payments, drug rebates, audit recoveries, and other collections.

Under current law, a refund of an expenditure received in the same fiscal year as the original expenditure was made is deposited in the appropriation account from which the expenditure was made, if the secretary of administration designates it as a refund of an expenditure. Under certain circumstances, an agency may expend the refund of an expenditure. Current law requires that revenue received by an agency incidentally in connection with GPR appropriations that is not designated as a refund of an expenditure and for which there is no PR appropriation be designated GPR revenue-earned. This revenue is not available for expenditure by the agency.

This bill creates a PR appropriation account into which moneys received from provider refunds, third party liability payments, drug rebates, audit recoveries, and other collections related to expenditures from the GPR appropriation account, the MA cost-sharing appropriation account, and the MA trust fund for the MA program, regardless of the fiscal year in which the expenditure was made, are deposited. DHS may expend the moneys in this PR appropriation account for the same purposes it expends moneys from the GPR appropriation account for the MA program.

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

2 20.001 (5) REFUNDS OF EXPENDITURES. Any amount not otherwise appropriated
3 under this chapter that is received by a state agency as a result of an adjustment
4 made to a previously recorded expenditure from a sum certain appropriation to that
5 agency due to activities that are of a temporary nature or activities that could not be
6 anticipated during budget development and which serves to reduce or eliminate the
7 previously recorded expenditure in the same fiscal year in which the previously
8 recorded expenditure was made, except as provided in s. ss. 20.435 (4) (gm) and
9 20.437 (2) (md), may, upon request of the agency, be designated by the secretary of
10 administration as a refund of an expenditure. Except as otherwise provided in this
11 subsection, the secretary of administration may designate an amount received by a
12 state agency as a refund of an expenditure only if the agency submits to the secretary
13 a written explanation of the circumstances under which the amount was received
14 that includes a specific reference in a statutory or nonstatutory law to a function of
15 the agency under which the amount was received and the appropriation from which
16 the previously recorded expenditure was made. A refund of an expenditure shall be
17 deposited by the receiving state agency in the appropriation account from which the

1 previously recorded expenditure was made. Except as otherwise provided in this
2 subsection, a state agency which proposes to make an expenditure from moneys
3 designated as a refund of an expenditure shall submit to the secretary of
4 administration a written explanation of the purpose of the expenditure, including a
5 specific reference in a statutory or nonstatutory law to a function of the agency under
6 which the expenditure is to be made and the appropriation from which the
7 expenditure is to be made. After submission and approval of an estimate of the
8 amount proposed to be expended under s. 16.50 (2), a state agency may expend the
9 moneys received from the refund of the expenditure. The secretary of administration
10 may waive submission of any explanation required by this subsection for categories
11 of refunds of expenditures or proposed refunds of expenditures.

12 **SECTION 2.** 20.435 (4) (gm) of the statutes is created to read:

13 20.435 (4) (gm) *Medical assistance; provider refunds and collections.* All
14 moneys received from provider refunds, third party liability payments, drug rebates,
15 audit recoveries, and other collections related to expenditures made from pars. (b),
16 (jz), and (w), except for those moneys deposited in the appropriation accounts under
17 par. (im) or (in) regardless of the fiscal year in which the expenditure from par. (b),
18 (jz), or (w) is made, to provide a portion of the state share of Medical Assistance
19 program benefits administered under subch. IV of ch. 49; to provide a portion of the
20 Badger Care health care program under s. 49.665; to provide a portion of the Medical
21 Assistance program benefits administered under subch. IV of ch. 49 that are not also
22 provided under par. (o); to fund the pilot project under s. 46.27 (9) and (10); to fund
23 services provided by resource centers under s. 46.283; to fund services under the
24 family care benefit under s. 46.284 (5); and to assist victims of diseases, as provided
25 in ss. 49.68, 49.683, and 49.685.

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

1 **SECTION 3.** 46.27 (9) (a) of the statutes is amended to read:

2 46.27 **(9)** (a) The department may select up to 5 counties that volunteer to
3 participate in a pilot project under which they will receive certain funds allocated for
4 long-term care. The department shall allocate a level of funds to these counties
5 equal to the amount that would otherwise be paid under s. 20.435 (4) (b), (gm), or (w)
6 to nursing homes for providing care because of increased utilization of nursing home
7 services, as estimated by the department. In estimating these levels, the department
8 shall exclude any increased utilization of services provided by state centers for the
9 developmentally disabled. The department shall calculate these amounts on a
10 calendar year basis under sub. (10).

11 **SECTION 4.** 46.27 (10) (a) 1. of the statutes is amended to read:

12 46.27 **(10)** (a) 1. The department shall determine for each county participating
13 in the pilot project under sub. (9) a funding level of state medical assistance
14 expenditures to be received by the county. This level shall equal the amount that the
15 department determines would otherwise be paid under s. 20.435 (4) (b), (gm), or (w)
16 because of increased utilization of nursing home services, as estimated by the
17 department.

18 **SECTION 5.** 46.275 (5) (a) of the statutes is amended to read:

19 46.275 **(5)** (a) Medical Assistance reimbursement for services a county, or the
20 department under sub. (3r), provides under this program is available from the
21 appropriation accounts under s. 20.435 (4) (b), (gm), (o), and (w). If 2 or more counties
22 jointly contract to provide services under this program and the department approves

1 the contract, Medical Assistance reimbursement is also available for services
2 provided jointly by these counties.

3 **SECTION 6.** 46.275 (5) (c) of the statutes is amended to read:

4 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (gm), (o), and (w) to
5 counties and to the department under sub. (3r) for services provided under this
6 section may not exceed the amount approved by the federal department of health and
7 human services. A county may use funds received under this section only to provide
8 services to persons who meet the requirements under sub. (4) and may not use
9 unexpended funds received under this section to serve other developmentally
10 disabled persons residing in the county.

11 **SECTION 7.** 46.278 (6) (d) of the statutes is amended to read:

12 46.278 (6) (d) If a county makes available nonfederal funds equal to the state
13 share of service costs under a waiver received under sub. (3), the department may,
14 from the appropriation under s. 20.435 (4) (o), provide reimbursement for services
15 that the county provides under this section to persons who are in addition to those
16 who may be served under this section with funds from the appropriation accounts
17 under s. 20.435 (4) (b), (gm), or (w).

18 **SECTION 8.** 46.2785 (5) (a) of the statutes is amended to read:

19 46.2785 (5) (a) Medical assistance reimbursement for services a county or
20 private agency contracts for or provides under the waiver program shall be made
21 from the appropriation accounts under s. 20.435 (4) (b), (gm), and (o).

22 **SECTION 9.** 46.283 (5) of the statutes is amended to read:

23 46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),
24 (bm), (gm), (pa), and (w) and (7) (b), (bd), and (md), the department may contract with

1 organizations that meet standards under sub. (3) for performance of the duties under
2 sub. (4) and shall distribute funds for services provided by resource centers.

3 **SECTION 10.** 46.284 (5) (a) of the statutes is amended to read:

4 46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g), (gm),
5 (im), (o), and (w) and (7) (b), (bd), and (g), the department shall provide funding on
6 a capitated payment basis for the provision of services under this section.
7 Notwithstanding s. 46.036 (3) and (5m), a care management organization that is
8 under contract with the department may expend the funds, consistent with this
9 section, including providing payment, on a capitated basis, to providers of services
10 under the family care benefit.

11 **SECTION 11.** 49.45 (5m) (am) of the statutes is amended to read:

12 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriation accounts
13 under s. 20.435 (4) (b), (gm), (o), (w) and (xc), the department shall distribute not
14 more than \$5,000,000 in each fiscal year, to provide supplemental funds to rural
15 hospitals that, as determined by the department, have high utilization of inpatient
16 services by patients whose care is provided from governmental sources, except that
17 the department may not distribute funds to a rural hospital to the extent that the
18 distribution would exceed any limitation under 42 USC 1396b (i) (3).

19 **SECTION 12.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

20 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this
21 subsection made under s. 20.435 (4) (b), (gm), (o), (pa), or (w) shall, except as provided
22 in pars. (bg), (bm), and (br), be determined according to a prospective payment
23 system updated annually by the department. The payment system shall implement
24 standards that are necessary and proper for providing patient care and that meet

1 quality and safety standards established under subch. II of ch. 50 and ch. 150. The
2 payment system shall reflect all of the following:

3 **SECTION 13.** 49.45 (6v) (b) of the statutes is amended to read:

4 49.45 (6v) (b) The department shall, each year, submit to the joint committee
5 on finance a report for the previous fiscal year, except for the 1997-98 fiscal year, that
6 provides information on the utilization of beds by recipients of medical assistance in
7 facilities and a discussion and detailed projection of the likely balances,
8 expenditures, encumbrances and carry over of currently appropriated amounts in
9 the appropriation accounts under s. 20.435 (4) (b), (gm), and (o).

10 **SECTION 14.** 49.45 (6y) (a) of the statutes is amended to read:

11 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the appropriation accounts
12 under s. 20.435 (4) (b), (gm), (o), and (w), the department may distribute funding in
13 each fiscal year to provide supplemental payment to hospitals that enter into a
14 contract under s. 49.02 (2) to provide health care services funded by a relief block
15 grant, as determined by the department, for hospital services that are not in excess
16 of the hospitals' customary charges for the services, as limited under 42 USC 1396b
17 (i) (3). If no relief block grant is awarded under this chapter or if the allocation of
18 funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the
19 department may distribute funds to hospitals that have not entered into a contract
20 under s. 49.02 (2).

21 **SECTION 15.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

22 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation
23 accounts under s. 20.435 (4) (b), (gm), (o), and (w), the department may distribute
24 funding in each fiscal year to supplement payment for services to hospitals that enter
25 into indigent care agreements, in accordance with the approved state plan for

1 services under 42 USC 1396a, with relief agencies that administer the medical relief
2 block grant under this chapter, if the department determines that the hospitals serve
3 a disproportionate number of low-income patients with special needs. If no medical
4 relief block grant under this chapter is awarded or if the allocation of funds to such
5 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
6 may distribute funds to hospitals that have not entered into indigent care
7 agreements. The department may not distribute funds under this subsection to the
8 extent that the distribution would do any of the following:

9 **SECTION 16.** 49.45 (8) (b) of the statutes is amended to read:

10 49.45 (8) (b) Reimbursement under s. 20.435 (4) (b), (gm), (o), and (w) for home
11 health services provided by a certified home health agency or independent nurse
12 shall be made at the home health agency's or nurse's usual and customary fee per
13 patient care visit, subject to a maximum allowable fee per patient care visit that is
14 established under par. (c).

15 **SECTION 17.** 49.45 (24m) (intro.) of the statutes is amended to read:

16 49.45 (24m) (intro.) From the appropriation accounts under s. 20.435 (4) (b),
17 (gm), (o), and (w), in order to test the feasibility of instituting a system of
18 reimbursement for providers of home health care and personal care services for
19 medical assistance recipients that is based on competitive bidding, the department
20 shall:

21 **SECTION 18.** 49.45 (51) (a) of the statutes is amended to read:

22 49.45 (51) (a) By November 1 annually, the department shall provide to the
23 department of revenue information concerning the estimated amounts of
24 supplements payable from the appropriation accounts under s. 20.435 (4) (b) and
25 (gm) to specific local governmental units for the provision of transportation for

1 medical care, as specified under s. 49.46 (2) (b) 3., during the fiscal year. Beginning
2 November 1, 2004, the information that the department provides under this
3 paragraph shall include any adjustments necessary to reflect actual claims
4 submitted by service providers in the previous fiscal year.

5 **SECTION 19.** 49.472 (6) (a) of the statutes is amended to read:

6 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation ~~account~~
7 accounts under s. 20.435 (4) (b), (gm), or (w), the department shall, on the part of an
8 individual who is eligible for medical assistance under sub. (3), pay premiums for or
9 purchase individual coverage offered by the individual's employer if the department
10 determines that paying the premiums for or purchasing the coverage will not be more
11 costly than providing medical assistance.

12 **SECTION 20.** 49.472 (6) (b) of the statutes is amended to read:

13 49.472 (6) (b) If federal financial participation is available, from the
14 appropriation ~~account~~ accounts under s. 20.435 (4) (b), (gm), or (w), the department
15 may pay medicare Part A and Part B premiums for individuals who are eligible for
16 medicare and for medical assistance under sub. (3).

17 **SECTION 21.** 49.473 (5) of the statutes is amended to read:

18 49.473 (5) The department shall audit and pay, from the appropriation
19 accounts under s. 20.435 (4) (b), (gm), and (o), allowable charges to a provider who
20 is certified under s. 49.45 (2) (a) 11. for medical assistance on behalf of a woman who
21 meets the requirements under sub. (2) for all benefits and services specified under
22 s. 49.46 (2).

23 **SECTION 22.** 79.02 (3) (e) of the statutes is amended to read:

24 79.02 (3) (e) For the distribution in 2004 and subsequent years, the total
25 amount of the November payments to each county and municipality under s. 79.035

1 shall be reduced by an amount equal to the amount of supplements paid from the
2 appropriation accounts under s. 20.435 (4) (b) and (gm) that the county or
3 municipality received for the fiscal year in which a payment is made under this
4 section, as determined under s. 49.45 (51).

5 (END)