

2011 DRAFTING REQUEST

Bill

Received: **01/12/2011**

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, BB0218 -

Topic:

Eliminating certain supplemental payments to hospitals

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	tdodge 01/12/2011	csicilia 01/14/2011	rschluet 01/14/2011	_____	mbarman 01/14/2011		State
/2	tdodge 02/01/2011	csicilia 02/02/2011	rschluet 02/03/2011	_____	sbasford 02/03/2011		State
/3	tdodge 02/10/2011	csicilia 02/11/2011	rschluet 02/11/2011	_____	mbarman 02/11/2011		

FE Sent For:

<END>

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/2	tdodge 02/01/2011	csicilia 02/02/2011	rschlue 02/03/2011	_____	sbasford 02/03/2011		

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13 gjs 2/11
10

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1/?	tdodge	1/14 gs		_____	_____		

FE Sent For:

<END>

Dodge, Tamara

From: Hanaman, Cathlene
Sent: Wednesday, January 12, 2011 8:29 AM
To: Dodge, Tamara; Knepp, Fern
Subject: FW: Statutory Language Drafting Request

From: DOADLBBASADMININTERNETSHAREPOINT@WI.GOV
[mailto:DOADLBBASADMININTERNETSHAREPOINT@WI.GOV]
Sent: Tuesday, January 11, 2011 5:50 PM
To: Hanaman, Cathlene
Cc: Hetzel, Shayna - DOA; Thornton, Scott - DOA; Gauger, Michelle C - DOA; Skwarczek, Marta A - DOA
Subject: Statutory Language Drafting Request

Topic: Supplemental payments to hospitals

Tracking Code: BB0218

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:

Eliminate the following supplemental payments to hospitals: 1. Funding for essential access city hospital under s. 49.45(6x)

2. Funding for level I adult trauma centers under s. 49.45(6y)(ap)

3. Funding for uncompensated care under s. 49.45(5r)

4. Funding for rural hospitals under s. 49.45(5m)

Attachments: False



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0986?
TJD:.....

In. 1/12/11

gjs RMR

DOA:.....Skwarczek, BB0218 - Eliminating certain supplemental payments to hospitals

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

efg ✓

Do NOT Ger

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 provides health services to individuals who have limited resources. One of the benefits that MA provides is hospital care, and therefore DHS reimburses certain hospitals for the care provided to MA recipients. In addition to those reimbursements, DHS currently makes supplemental payments to certain hospitals, including rural hospitals with high utilization of inpatient services by individuals whose care is subsidized by governmental sources; the University of Wisconsin Hospital and Clinics for uncompensated care; essential access city hospitals; hospitals that are Level I adult trauma centers; hospitals serving low-income patients; and hospitals based on hospital performance. The moneys to make supplemental payments to hospitals under the MA program generally derive from general purpose revenue, federal financial participation moneys, the MA trust fund, and the hospital assessment fund, which is a fund collecting some of the moneys paid by hospitals under the hospital assessment. This bill eliminates the supplemental payments from the MA program to rural hospitals, the University of Wisconsin Hospital and Clinics for uncompensated care, essential access city hospitals, and Level I adult trauma centers.

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) (xc) of the statutes is amended to read:

2 20.435 (4) (xc) *Hospital assessment fund; hospital payments.* From the hospital

3 assessment fund, the amounts in the schedule to reimburse eligible hospitals for

4 services provided under the Medical Assistance Program under subch. IV of ch. 49,

5 make payments to health maintenance organizations under s. 49.45 (59), provide

6 supplemental funds to rural hospitals under s. 49.45 (5m) (am), make supplemental

7 ~~payments to Level I adult trauma centers under s. 49.45 (6y) (ap),~~ make

8 supplemental payments to hospitals based on performance under s. 49.45 (6y) (ar),

9 make refunds under s. 50.38 (6), and make the transfer under s. 50.38 (8).

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, 69, 103, 105; 2003 a. 33, 139, 186, 318, 320, 326, 327; 2005 a. 15, 22; 2005 a. 25 ss. 299 to 331, 2498 to 2500, 2510; 2005 a. 74, 107, 199, 228, 264, 388, 406, 434; 2007 a. 20 ss. 331 to 422, 9121 (6) (a); 2007 a. 39, 88, 107, 111, 130; 2009 a. 2, 15; 2009 a. 28 ss. 325 to 470, 485, 488, 490; 2009 a. 76, 180, 190, 219, 274, 276, 279, 318, 334.

10 **SECTION 2.** 49.45 (5m) of the statutes is repealed.

11 **SECTION 3.** 49.45 (5r) of the statutes is repealed.

12 **SECTION 4.** 49.45 (6x) of the statutes is repealed.

13 **SECTION 5.** 49.45 (6y) (ap) of the statutes is repealed.

14 **SECTION 6.** 50.38 (6) (a) 1. of the statutes is amended to read:

15 50.38 (6) (a) 1. If the federal government does not provide federal financial

16 participation under the federal Medicaid program for amounts collected under sub.

17 (2) (a) that are used to make payments required under s. 49.45 (3) (e) 11. ~~or (5r),~~ that

18 are transferred under sub. (8) and used to make payments from the Medical

X /

X /

X /

X /

1 Assistance trust fund, or that are transferred under sub. (9) and expended under s.
2 20.435 (4) (jw), the department shall, from the fund from which the payment or
3 expenditure was made, refund eligible hospitals, other than critical access hospitals,
4 the amount for which the federal government does not provide federal financial
5 participation.

6 **History:** 2009 a. 2, 190.

SECTION 7. 50.38 (6) (a) 2. of the statutes is amended to read:

7 50.38 (6) (a) 2. If the department makes a refund under subd. 1. as result of
8 failure to obtain federal financial participation under the federal Medicaid program
9 for a payment required under s. 49.45 (3) (e) 11. ~~or (5r)~~ or a payment from the Medical
10 Assistance trust fund, the department shall recoup the part of the payment for which
11 the federal government does not provide federal financial participation.

12 **History:** 2009 a. 2, 190.

(END)

Dodge, Tamara

From: Skwarczek, Marta A - DOA [Marta.Skwarczek@Wisconsin.gov]

Sent: Tuesday, February 01, 2011 1:00 PM

To: Dodge, Tamara

Subject: BB0218 supplemental payments to hospitals LRB 11-0986/1

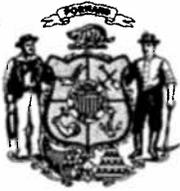
Tami,

Please restore payments to rural hospitals under s. 49.45(5m) and change s. 49.45(3)(e)11 so that starting in fiscal year 2011-12 and every year thereafter, total payments required under this subdivision, including both the federal and state share of Medical Assistance, shall equal the amount collected under s. 50.38(2)(a) for the fiscal year divided by 62.42 percent.

Thanks.

Marta Skwarczek

Wisconsin Department of Administration
Division of Executive Budget and Finance
Health Services and Insurance Team
Executive Policy and Budget Analyst
608-267-7980



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0986/L

TJD:cjs:rs

In 2/1/11

stays RMR 2

DOA:.....Skwarczek, BB0218 - Eliminating certain supplemental payments to hospitals

FOR 2011-13 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

Under current law, DHS administers the Medical Assistance (MA) program, which provides health services to individuals who have limited resources. One of the benefits that MA provides is hospital care, and therefore DHS reimburses certain hospitals for the care provided to MA recipients. In addition to those reimbursements, DHS currently makes supplemental payments to certain hospitals, including ~~rural hospitals with high utilization of inpatient services by individuals whose care is subsidized by governmental sources;~~ the University of Wisconsin Hospital and Clinics for uncompensated care; essential access city hospitals; hospitals that are Level I adult trauma centers; hospitals serving low-income patients; and hospitals based on hospital performance. The moneys to make supplemental payments to hospitals under the MA program generally derive from general purpose revenue, federal financial participation moneys, the MA trust fund, and the hospital assessment fund, which is a fund collecting some of the moneys paid by hospitals under the hospital assessment. This bill eliminates the supplemental payments from the MA program to ~~rural hospitals,~~ the University of Wisconsin Hospital and Clinics for uncompensated care, essential access city hospitals, and Level I adult trauma centers.

Insa →

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) (xc) of the statutes is amended to read:

2 20.435 (4) (xc) *Hospital assessment fund; hospital payments.* From the hospital
3 assessment fund, the amounts in the schedule to reimburse eligible hospitals for
4 services provided under the Medical Assistance Program under subch. IV of ch. 49,
5 make payments to health maintenance organizations under s. 49.45 (59), provide
6 ~~supplemental funds to rural hospitals under s. 49.45 (5m) (am),~~ make supplemental
7 ~~payments to Level I adult trauma centers under s. 49.45 (6y) (ap),~~ make
8 supplemental payments to hospitals based on performance under s. 49.45 (6y) (ar),
9 make refunds under s. 50.38 (6), and make the transfer under s. 50.38 (8).

5 plain

plain

Ins
2-10

10 ~~**SECTION 2.** 49.45 (5m) of the statutes is repealed.~~

11 **SECTION 3.** 49.45 (5r) of the statutes is repealed.

12 **SECTION 4.** 49.45 (6x) of the statutes is repealed.

13 **SECTION 5.** 49.45 (6y) (ap) of the statutes is repealed.

14 **SECTION 6.** 50.38 (6) (a) 1. of the statutes is amended to read:

15 50.38 (6) (a) 1. If the federal government does not provide federal financial
16 participation under the federal Medicaid program for amounts collected under sub.
17 (2) (a) that are used to make payments required under s. 49.45 (3) (e) 11. ~~or (5r)~~, that
18 are transferred under sub. (8) and used to make payments from the Medical
19 Assistance trust fund, or that are transferred under sub. (9) and expended under s.
20 20.435 (4) (jw), the department shall, from the fund from which the payment or
21 expenditure was made, refund eligible hospitals, other than critical access hospitals,

1 the amount for which the federal government does not provide federal financial
2 participation.

3 **SECTION 7.** 50.38 (6) (a) 2. of the statutes is amended to read:

4 50.38 **(6)** (a) 2. If the department makes a refund under subd. 1. as result of
5 failure to obtain federal financial participation under the federal Medicaid program
6 for a payment required under s. 49.45 (3) (e) 11. ~~or (5r)~~ or a payment from the Medical
7 Assistance trust fund, the department shall recoup the part of the payment for which
8 the federal government does not provide federal financial participation.

9 (END)

**2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0986/2ins
TJD:.....

1 **INSERT A** ✓

Under current law, DHS uses a portion of the hospital assessment collections to pay for services provided by hospitals, including services reimbursed on a fee-for-service basis and services provided under managed care. Currently, the total payments to hospitals required, including the federal and state shares of MA, must equal the amount collected under the hospital assessment divided by 61.68 percent. This bill requires that the total payments to hospitals equals the amount collected under the hospital assessment divided by 62.42 percent. ✓

(END INSERT A)

2 **INSERT 2-10** ✓

3 **SECTION 1.** 49.45 (3) (e) 11. of the statutes is amended to read:

4 49.45 (3) (e) 11. The department shall use a portion of the moneys collected
5 under s. 50.38 (2) (a) to pay for services provided by eligible hospitals, as defined in
6 s. 50.38 (1), other than critical access hospitals, under the Medical Assistance
7 Program under this subchapter, including services reimbursed on a fee-for-service
8 basis and services provided under a managed care system. For state fiscal year
9 2008-09, total payments required under this subdivision, including both the federal
10 and state share of Medical Assistance, shall equal the amount collected under s.
11 50.38 (2) (a) for fiscal year 2008-09 divided by 57.75 percent. For each state fiscal
12 year after state fiscal year 2008-09 years 2009-10 and 2010-11, total payments
13 required under this subdivision, including both the federal and state share of
14 Medical Assistance, shall equal the amount collected under s. 50.38 (2) (a) for the
15 fiscal year divided by 61.68 percent. For each state fiscal year after state fiscal year
16 2010-11, total payments required under this subdivision, including both the federal
17 and state share of Medical Assistance shall equal the amount collected under s. 50.38
18 (2) (a) for the fiscal year divided by 62.42 percent. ✓

854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107, 112, 183, 212, 246, 269, 335, 356, 437, 446, 469; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293; 1999 a. 9, 63, 103, 180, 185; 2001 a. 13, 16, 35, 38, 57, 67, 104, 109; 2003 a. 33, 318, 321; 2005 a. 22; 2005 a. 25 ss. 1120 to 1149f, 2503 to 2510; 2005 a. 107, 165, 253, 254, 264, 301, 340, 386, 441; 2007 a. 20 ss. 1513 to 1559h, 9121 (6) (a); 2007 a. 90, 97, 104, 141, 153; 2009 a. 2, 28, 113, 177, 180, 190, 221, 334, 342.

(END INSERT 2-10)

1

(END)

Dodge, Tamara

From: Skwarczek, Marta A - DOA [Marta.Skwarczek@Wisconsin.gov]

Sent: Wednesday, February 09, 2011 5:43 PM

To: Dodge, Tamara

Subject: BB0218, LRB-0986/2 Supplemental payments to hospitals

Tami,

Please get rid of all the changes in this draft and only keep the elimination of the essential access city hospital payment.

Thanks.

Marta Skwarczek

Wisconsin Department of Administration
Division of Executive Budget and Finance
Health Services and Insurance Team
Executive Policy and Budget Analyst
608-267-7980



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0986/2

TJD:cjs:rs

In: 2/10/11

stars RMR

DOA:.....Skwarczek, BB0218 - Eliminating certain supplemental payments to hospitals

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

do NOT gen

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Under current law, DHS uses a portion of the hospital assessment collections to pay for services provided by hospitals, including services reimbursed on a

fee-for-service basis and services provided under managed care. Currently, the total payments to hospitals required, including the federal and state shares of MA, must equal the amount collected under the hospital assessment divided by 61.68 percent. This bill requires that the total payments to hospitals equal the amount collected under the hospital assessment divided by 62.42 percent.

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

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11 49.45 (3) (e) 11. The department shall use a portion of the moneys collected
12 under s. 50.38 (2) (a) to pay for services provided by eligible hospitals, as defined in
13 s. 50.38 (1), other than critical access hospitals, under the Medical Assistance
14 Program under this subchapter, including services reimbursed on a fee-for-service
15 basis and services provided under a managed care system. For state fiscal year
16 2008-09, total payments required under this subdivision, including both the federal
17 and state share of Medical Assistance, shall equal the amount collected under s.
18 50.38 (2) (a) for fiscal year 2008-09 divided by 57.75 percent. For each state fiscal

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4 ~~fiscal year divided by 61.68 percent. For each state fiscal year after state fiscal year~~
5 ~~2010-11, total payments required under this subdivision, including both the federal~~
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7 ~~50.38 (2) (a) for the fiscal year divided by 62.42 percent.~~

8 ~~SECTION 3. 49.45 (5r) of the statutes is repealed.~~

9 SECTION 4. 49.45 (6x) of the statutes is repealed. X

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15 are transferred under sub. (8) and used to make payments from the Medical
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17 20.435 (4) (jw), the department shall, from the fund from which the payment or
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23 failure to obtain federal financial participation under the federal Medicaid program
24 for a payment required under s. 49.45 (3) (e) 11. or (5r) or a payment from the Medical

1 ~~Assistance trust fund, the department shall recoup the part of the payment for which~~
2 ~~the federal government does not provide federal financial participation.~~

3

(END)



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0986/3
TJD:cjs:rs

DOA:.....Skwarczek, BB0218 - Eliminating certain supplemental payments to hospitals

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

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MEDICAL ASSISTANCE

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

2 **SECTION 1.** 49.45 (6x) of the statutes is repealed.

3 (END)