

Fiscal Estimate Narratives

OCI 2/9/2016

LRB Number	15-4264/1	Introduction Number	AB-0856	Estimate Type	Original
Description Long-term care districts and care management organizations					

Assumptions Used in Arriving at Fiscal Estimate

This bill would allow a long-term care district or a governmental entity that has a contract to operate a care management organization to create a nonstock, nonprofit corporation under Wis. Stat. ch. 181 or a service insurance corporation under Wis. Stat. ch. 613. Before creating the corporation that will provide services under the family care benefit, the long-term care district or governmental entity must submit the proposed articles of incorporation to DHS for review and approval. With approval of DHS and OCI, the long-term care district or governmental entity may then assign to the corporation the district's assets and liabilities, a contract with DHS to operate a care management organization, a permit issued by OCI to operate as a care management organization, or a care management organization certification by DHS. DHS must then notify enrollees of the transfer of the contract to the corporation and inform enrollees of their rights and responsibilities in accordance with any federal requirements.

Laws and regulations for the creation and approval of service insurance corporations and care management organizations already exist under current law. Chapters 613, 648, Wis. Stat.; ch. Ins 57, Wis. Adm. Code. Although this bill may require some additional filing activity on the part of OCI, our analysis indicates that the agency can absorb any potential cost of enforcing the bill's requirements and that the bill will have negligible financial impact on the agency.

Long-Range Fiscal Implications

None