

**Public Notice
Health Services**

***Medicaid Reimbursement for Inpatient Hospital Services:
Acute Care, Children's, Rehabilitation, and Critical Access Hospitals
State of Wisconsin Medicaid Payment Plan for State Fiscal Year 2017***

The State of Wisconsin reimburses hospitals for inpatient services provided to Medical Assistance recipients under the authority of Title XIX of the Social Security Act and Chapter 49 of the Wisconsin Statutes. This program, administered by the State's Department of Health Services (the Department), is called Medical Assistance or Medicaid. In addition, Wisconsin has expanded this program to create the BadgerCare Plus program under the authority of Title XIX and Title XXI of the Social Security Act and Chapter 49 of the Wisconsin Statutes. Collectively, these programs are herein referred to as the Wisconsin Medicaid Program (WMP). Federal statutes and regulations require that a State Plan be developed that provides the methods and standards for reimbursement of covered services. Such a plan is currently in effect.

The WMP uses a reimbursement system for inpatient hospital services which is based on Diagnosis Related Groupings for acute care, children's, and critical access hospitals and on provider-specific, cost-based per diem rates for rehabilitation hospitals. These methodologies are used to provide hospital "base payments" to providers which serve WMP members. To promote WMP member access to these hospitals throughout the state, the WMP additionally provides hospital "access payments" per eligible WMP inpatient discharge. The amount of the hospital access payment per discharge is based on an available funding pool appropriated in the state budget and aggregate hospital upper payment limits. Critical access hospitals receive a different access payment per discharge than do acute care, children's, and rehabilitation hospitals. Effective July 1, 2016, the Department is updating the inpatient access payment amounts for state fiscal year 2017 (July 1, 2016 – June 30, 2017).

The Department will also be updating its graduate medical education supplemental payment methodology effective July 1, 2016. These payments are used to support new residents in primary care (family medicine, general internal medicine, and pediatrics), general surgery, and psychiatry; priority is given to hospital-based programs serving rural and underserved populations.

The following changes will be contained in the July 1, 2016 inpatient hospital state plan amendment:

- Access Payments for Acute Care Hospitals, Children's Hospitals, and Rehabilitation Hospitals will be updated and made in addition to the base payments.
- Access Payments for Critical Access Hospitals will be updated and made in addition to the base payments.
- Graduate Medical Education supplemental payment methodology will be updated.

This notification is intended to provide notice of the type of changes that are included in the amendment. Interested parties should obtain a copy of the actual proposed plan amendment to comprehensively review the scope of all changes.

Proposed Change

It is estimated that these changes will have no material impact on projected annual aggregate Medicaid expenditures in state fiscal year 2017. The Department maintains the same hospital and assessment budgets approved by the Legislature.

The Department's proposal involves no change in the definition of those eligible to receive benefits under Medicaid, and the benefits available to eligible recipients remains the same. The effective date for these proposed changes is July 1, 2016.

Copies of the Proposed Change

A copy of the proposed change may be obtained free of charge at your local county agency or by calling or writing as follows:

Regular Mail

Division of Health Care Access and Accountability
P.O. Box 309
Madison, WI 53701-0309

State Contact

Christian Moran, Hospital Policy and Rate Setting Section Chief
Bureau of Fiscal Management
(608) 261-8397 (phone)
(608) 266-1096 (fax)
Christian.Moran@wisconsin.gov

A copy of the proposed change is available for review at the main office of any county department of social services or human services.

Written Comments

Written comments are welcome. Written comments on the proposed change may be sent by fax, email, or regular mail per the above information. All written comments received will be reviewed, considered, and made available for public review between the hours of 7:45 a.m. and 4:30 p.m. daily in Room 350 of the State Office Building, 1 West Wilson Street, Madison, Wisconsin. Revisions may be made to the proposed change based on comments received.