



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1899/P4
SWB:cjs&amn

DOA:.....Ames, BB0311 - Disproportionate Share Hospital Payment
Increases

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

1. Disproportionate share hospital payments

This bill increases the amount that DHS is required to pay to hospitals that serve a disproportionate share of low-income patients and meet certain other criteria, including that 1) the hospital is located in this state; 2) the hospital provides a wide array of services, including services provided through an emergency department; 3) the inpatient days for Medical Assistance recipients at the hospital were at least 6 percent of the total inpatient days at that hospital during the most recent year for which such information is available; and 4) the hospital meets applicable, minimum requirements to be a disproportionate share hospital under federal law.

The bill also increases the maximum amount that DHS may pay a single such hospital in a fiscal year, provided there is no conflict with federal rules, from \$4,600,000 to \$9,200,000, except that a hospital located in Wisconsin that is a free-standing pediatric teaching hospital that has a Medicaid inpatient utilization rate greater than 50 percent may receive up to \$12,000,000 each fiscal year.

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:

SECTION 1. 49.45 (3m) (a) (intro.) of the statutes is amended to read:

49.45 **(3m)** (a) (intro.) Subject to par. (c) and notwithstanding sub. (3) (e), from the appropriations under s. 20.435 (4) (b) and (o), in each fiscal year, the department shall pay to hospitals that serve a disproportionate share of low-income patients an amount equal to the sum of ~~\$27,500,000~~ \$56,500,000, as the state share of payments, and the matching federal share of payments. The department may make a payment to a hospital under this subsection under the calculation method described in par. (b) if the hospital meets all of the following criteria:

SECTION 2. 49.45 (3m) (b) 3. a. of the statutes is amended to read:

49.45 **(3m)** (b) 3. a. No single hospital receives more than ~~\$4,600,000~~ \$9,200,000, except that a hospital that is a free-standing pediatric teaching hospital located in Wisconsin that has a percentage calculated under subd. 1. a. greater than 50 percent may receive up to \$12,000,000 each fiscal year.

(END)