



2007 ASSEMBLY BILL 385

May 31, 2007 - Introduced by Representatives FRISKE, MURSAU, TOWNSEND, BIES, GUNDERSON, A. OTT and JESKEWITZ, cosponsored by Senator S. FITZGERALD. Referred to Committee on Health and Healthcare Reform.

1 **AN ACT** *to amend* 49.665 (3) and 49.688 (7) (a); and *to create* 49.45 (3) (cm) of
2 the statutes; **relating to:** deadlines for payment of provider claims under the
3 Medical Assistance and Badger Care programs and the prescription drug
4 assistance program for elderly persons.

Analysis by the Legislative Reference Bureau

Under current administrative rules, the Department of Health and Family Services (DHFS) must issue payment for at least 95 percent of provider claims under the Medical Assistance (MA), Badger Care, and Senior Care programs within 30 days of receipt of the claims, issue payment for at least 99 percent of claims within 90 days of receipt, and issue payment for 100 percent of claims within 180 days of receipt. The rules allow exceptions to these deadlines under the following circumstances: for a claim that is paid in accordance with a court order, hearing decision, or corrective action taken by DHFS; if a claim for payment is also made under Medicare; or if the U.S. Department of Health and Human Services waives the federal payment deadlines.

This bill codifies the requirement that DHFS issue payment for at least 95 percent of claims under MA, Badger Care, and Senior Care programs within 30 days of receipt of the claims and requires that DHFS issue payment for 100 percent of such claims within 45 days of receipt. The bill also codifies the exceptions to payment deadlines for payments in accordance with court orders, hearing decisions, or corrective actions, for claims for which a Medicare claim is submitted, and if the federal government has granted a waiver of payment deadlines.

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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.** 49.45 (3) (cm) of the statutes is created to read:

2 49.45 (3) (cm) 1. Except as provided under subd. 2., the department shall issue
3 payment for at least 95 percent of proper provider claims for reimbursement under
4 the Medical Assistance program within 30 days of receipt of the claims and shall
5 issue payment for 100 percent of such claims within 45 days of receipt of the claims.

6 2. The department may exceed the claims payment deadlines under subd.1.
7 under any of the following circumstances:

8 a. If a claim is filed under Medicare, as defined in par. (L) 1. b., for payment for
9 a service, the department has up to 6 months after the department or the provider
10 receives notice of the disposition of the Medicare claim to issue payment for the
11 service.

12 b. The department may issue payments at any time in accordance with a court
13 order or to comply with a hearing decision or a corrective action taken by the
14 department.

15 c. If the department is granted a waiver under 42 CFR 447.45 (e) that exempts
16 the department from federal deadlines for payment of claims, the department may
17 exceed the deadlines under subd.1. to the extent permitted in the waiver.

18 **SECTION 2.** 49.665 (3) of the statutes is amended to read:

19 49.665 (3) ADMINISTRATION. Subject to sub. (2) (a) 2., the department shall
20 administer a program to provide the health services and benefits described in s. 49.46
21 (2) to persons that meet the eligibility requirements specified in sub. (4) and issue

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1 payment for such services in accordance with s. 49.45 (3) (cm). The department shall
2 promulgate rules setting forth the application procedures and appeal and grievance
3 procedures. The department may promulgate rules limiting access to the program
4 under this section to defined enrollment periods. The department may also
5 promulgate rules establishing a method by which the department may purchase
6 family coverage offered by the employer of a member of an eligible family or of a
7 member of an eligible child's household, or family or individual coverage offered by
8 the employer of an eligible unborn child's mother or her spouse, under circumstances
9 in which the department determines that purchasing that coverage would not be
10 more costly than providing the coverage under this section.

11 **SECTION 3.** 49.688 (7) (a) of the statutes is amended to read:

12 49.688 (7) (a) Except as provided in par. (b), from the appropriation accounts
13 under s. 20.435 (4) (bv), (j), and (pg), beginning on September 1, 2002, the department
14 shall, under a schedule that is identical to that used by the department for payment
15 of pharmacy provider claims under medical assistance, including payment deadlines
16 under s. 49.45 (3) cm), provide to pharmacies and pharmacists payments for
17 prescription drugs sold by the pharmacies or pharmacists to persons eligible under
18 sub. (2) who have paid the deductible specified under sub. (3) (b) 1. or 2. or who, under
19 sub. (3) (b) 1., are not required to pay a deductible. The payment for each prescription
20 drug under this paragraph shall be at the program payment rate, minus any
21 copayment paid by the person under sub. (5) (a) 2. or 4., and plus, if applicable,
22 incentive payments that are similar to those provided under s. 49.45 (8v). The
23 department shall devise and distribute a claim form for use by pharmacies and
24 pharmacists under this paragraph and may limit payment under this paragraph to
25 those prescription drugs for which payment claims are submitted by pharmacists or

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SECTION 3

1 pharmacies directly to the department. The department may apply to the program
2 under this section the same utilization and cost control procedures that apply under
3 rules promulgated by the department to medical assistance under subch. IV of ch.
4 49.

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(END)