



## 1995 ASSEMBLY BILL 1006

March 13, 1996 - Introduced by Representatives FOTI, RYBA, ZIEGELBAUER, LEHMAN, MUSSER, FREESE, GOETSCH, KAUFERT, SERATTI, OLSEN, SCHNEIDERS, ROBSON, HAHN, LADWIG, R. POTTER, COLEMAN, VRAKAS, SILBAUGH, SPRINGER, KRUSICK, COGGS, KELSO, OTTE and OURADA, cosponsored by Senators BUETTNER, ROSENZWEIG, HUELSMAN and ANDREA. Referred to Joint committee on Finance.

1     **AN ACT to amend** 20.435 (1) (b) and 20.435 (7) (bd); **to repeal and recreate**  
2             20.435 (1) (b); and **to create** 49.45 (6vm) of the statutes; **relating to:** transfer  
3             of funds from the medical assistance program to the long-term support  
4             community options program under certain conditions and making  
5             appropriations.

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### ***Analysis by the Legislative Reference Bureau***

Under current law before enactment of 1995 Wisconsin Act 27 (the biennial budget act), the department of health and social services (DHSS) was required annually to submit to the joint committee on finance (JCF) a report on nursing home bed utilization by medical assistance recipients for the immediate prior 2 consecutive fiscal years. If the report indicated a decrease in bed utilization in the most recent fiscal year from the previous fiscal year, DHSS was required to calculate, under a formula, the difference in costs between the 2 fiscal years for the provision of the care. The DHSS report to JCF was required to include a proposal to transfer the amount of that difference from the general purpose revenue appropriation for medical assistance to the general purpose revenue appropriation for the long-term support community options program. JCF was authorized to approve or modify the DHSS proposal. If within 14 working days after submission of the report JCF did not schedule a meeting to review the action, the secretary of health and social services was required to so transfer the funds. These requirements were eliminated under the biennial budget act. Also under that act, DHSS was renamed to be the department of health and family services (DHFS).

This bill restores, with certain changes, the requirements for the transfer to the community options program of funds that are the difference in costs resulting from decreased utilization of nursing home beds that are funded under the medical assistance program. Under the bill, DHFS must annually, by November 15, submit

to JCF a report on bed utilization by recipients of medical assistance in facilities other than centers for the developmentally disabled. The formula used to calculate the difference in costs resulting from a decrease in bed utilization must include consideration of the costs of different levels of care (for example, skilled or intermediate care) that are provided and must subtract the additional cost of placements made under the community integration programs for individuals who are relocated to the community from certain institutions and that result in delicensure of nursing home beds. The sum under the formula is then obtained by dividing total medical assistance expenditures for nursing home care by the total number of days of care provided in the nursing homes during a fiscal year. If the DHFS report includes a proposal to transfer funds to the community options program, as determined under the formula, the bill prohibits JCF from altering the formula and limits the JCF review to determining whether the formula is properly administered.

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

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

1           **SECTION 1.** 20.435 (1) (b) of the statutes, as affected by 1995 Wisconsin Act 27,  
2 section 807, is amended to read:

3           20.435 (1) (b) *Medical assistance program benefits.* Biennially, the amounts in  
4 the schedule to provide the state share of medical assistance program benefits  
5 administered under s. 49.45, to provide medical assistance program benefits  
6 administered under s. 49.45 that are not also provided under par. (o) and to fund the  
7 pilot project under s. 46.27 (9) and (10). Notwithstanding s. 20.002 (1), the  
8 department may transfer from this appropriation to the appropriation under sub. (7)  
9 (kb) funds in the amount of and for the purposes specified in s. 46.485.  
10 Notwithstanding ss. 20.001 (3) (b) and 20.002 (1), the department may credit or  
11 deposit into this appropriation and may transfer between fiscal years funds that it  
12 transfers from the appropriation under sub. (7) (kb) for the purposes specified in s.  
13 46.485 (3r). Notwithstanding s. 20.002 (1), the department may transfer from this

1 appropriation to the appropriation under sub. (7) (bd) funds in the amount of and for  
2 the purposes specified in s. 49.45 (6vm).

3 **SECTION 2.** 20.435 (1) (b) of the statutes, as affected by 1995 Wisconsin Act 27,  
4 section 808, and 1995 Wisconsin Act .... (this act), is repealed and recreated to read:

5 20.435 (1) (b) *Medical assistance program benefits.* Biennially, the amounts in  
6 the schedule to provide the state share of medical assistance program benefits  
7 administered under s. 49.45, to provide medical assistance program benefits  
8 administered under s. 49.45 that are not also provided under par. (o) and to fund the  
9 pilot project under s. 46.27 (9) and (10). Notwithstanding s. 20.002 (1), the  
10 department may transfer from this appropriation to the appropriation under sub. (3)  
11 (kb) funds in the amount of and for the purposes specified in s. 46.485.  
12 Notwithstanding ss. 20.001 (3) (b) and 20.002 (1), the department may credit or  
13 deposit into this appropriation and may transfer between fiscal years funds that it  
14 transfers from the appropriation under sub. (3) (kb) for the purposes specified in s.  
15 46.485 (3r). Notwithstanding s. 20.002 (1), the department may transfer from this  
16 appropriation to the appropriation under sub. (7) (bd) funds in the amount of and for  
17 the purposes specified in s. 49.45 (6vm).

18 **SECTION 3.** 20.435 (7) (bd) of the statutes, as affected by 1995 Wisconsin Act 27,  
19 is amended to read:

20 20.435 (7) (bd) *Community options program and long-term support pilot*  
21 *projects.* The amounts in the schedule for assessments, case planning, services and  
22 administration under s. 46.27 and for pilot projects for home and community-based  
23 long-term support services under s. 46.271. Notwithstanding ss. 20.001 (3) (a) and  
24 20.002 (1), the department may under this paragraph transfer moneys between  
25 fiscal years. Except for moneys authorized for transfer under this appropriation or

1 under s. 46.27 (7) (fm) or (g), all moneys under this appropriation that are allocated  
2 under s. 46.27 and are not spent or encumbered by counties by December 31 of each  
3 year shall lapse to the general fund on the succeeding January 1 unless transferred  
4 to the next calendar year by the joint committee on finance. Notwithstanding ss.  
5 20.001 (3) (a) and 20.002 (1), the department may credit or deposit into this  
6 appropriation funds that it transfers from the appropriation under sub. (1) (b) for the  
7 purposes specified in s. 49.45 (6vm).

8 **SECTION 4.** 49.45 (6vm) of the statutes is created to read:

9 49.45 **(6vm)** TRANSFER OF FUNDS TO COMMUNITY OPTIONS PROGRAM. (a) "Facility"  
10 means a nursing home, as defined under s. 50.01 (3), or a community-based  
11 residential facility, as defined under s. 50.01 (1g), that is licensed under s. 50.03 and  
12 certified by the department as a provider of medical assistance. "Facility" does not  
13 include a center for the developmentally disabled, as defined in s. 51.01 (3).

14 (b) The department shall, by November 15 of each year, submit to the joint  
15 committee on finance a report that provides information on the utilization of beds by  
16 recipients of medical assistance in facilities for the immediate prior 2 consecutive  
17 fiscal years.

18 (c) If the report specified in par. (b) indicates that utilization of beds by  
19 recipients of medical assistance in facilities decreased during the most recently  
20 completed fiscal year from the utilization of beds by recipients of medical assistance  
21 in facilities in the next most recently completed fiscal year, the department shall, for  
22 every level of care, multiply the difference between the number of days of care  
23 provided in each of the immediate prior 2 consecutive fiscal years by the average  
24 daily costs of the respective type of care in such facilities and shall reduce the sum  
25 of these products by the additional cost of placements under s. 46.277 or 46.278 that

1 effect delicensure of nursing home beds. The average daily costs of care shall be  
2 calculated by dividing the total medical assistance expenditures for that type of care  
3 in facilities by the total number of days of that type of care provided in facilities in  
4 that fiscal year.

5 (d) If par. (c) applies, the department's report under par. (b) shall include a  
6 proposal to transfer the amount calculated under par. (c) from the appropriation  
7 under s. 20.435 (1) (b) to the appropriation under s. 20.435 (7) (bd) for the purpose  
8 of increasing funding for the community options program under s. 46.27. The  
9 secretary shall transfer the amount identified under the proposal if within 14  
10 working days after the submission of the proposal the joint committee on finance  
11 does not schedule a meeting for the purpose of reviewing the proposed action.

12 (e) The review under par. (d) by the joint committee on finance may not alter  
13 the formula that is specified in par. (c) and is limited to determining whether par. (c)  
14 is properly administered.

15 **SECTION 5. Effective dates.** This act takes effect on the day after  
16 publication, except as follows:

17 (1) The repeal and recreation of section 20.435 (1) (b) of the statutes takes effect  
18 on July 1, 1996, or on the day after publication, whichever is later.

19 (END)