

Senate Bill 621

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## Chapter 590

AN ACT to repeal 49.18 (10), 49.19 (8), 49.38, 49.395, 49.40, 49.51 (3) and (4), 49.61 (9) and chapter 163; to renumber and amend 49.39; to amend 20.670 (3) (d), (e) and (o), 46.015, 48.06 (3), 49.18 (1) (a) and (b), 49.19 (1) (a) and (c), 49.20 (2), 49.22 (1) (intro. par.), 49.61 (1m) and (6) (a); to repeal and recreate 49.19 (4) (d) and (5); and to create 49.05 (8), 49.19 (4) (dm), 49.45, 49.46, 49.47, 49.52 and 141.15 of the statutes, as affected by the laws of 1965, relating to social security aids, granting rule-making authority and providing a penalty.

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

SECTION 1. 20.670 (3) (d), (e) and (o) of the statutes, as affected by chapters 163 and 433, laws of 1965, are amended to read:

20.670 (3) (d) A sum sufficient to provide state aid for county administered public assistance programs under ~~ss. 49.18, 49.19, 49.38, 49.39, 49.395, 49.40, 49.51 (3) (b) and 49.61 and ch. 163 s. 49.52 (2), (3) and (4).~~ *The joint committee on finance as part of its budget determinations in each session shall review the standard allowances for assistance in relation to the social security aid programs and the formula for state reimbursement to counties for such aid program and make recommendations to the legislature relating to changes they deem advisable.*

(e) ~~The amounts in the schedule~~ A sum sufficient for state aid under ss. 49.04 and 49.046, for direct aid for poor relief to counties and local units of government.

(o) All federal moneys received for meeting costs of public assistance programs under ~~ss. 49.046, 49.18, 49.19, 49.38, 49.40, 49.51 (3) (a) and 49.61 and ch. 163 and 49.52 (1)~~ to be expended for the purposes specified in the agreement between the state department of public welfare and the federal government.

SECTION 2. 46.015 of the statutes is amended to read:

46.015 The department shall be organized to include a deputy director and the following divisions: mental hygiene, corrections, children and youth, public assistance, and business management. The director may, with the approval of the board, allocate and reallocate departmental functions and institutions among these divisions *and combine and create divisions as necessary for effective administration of the department.*

SECTION 2a. 48.06 (3) of the statutes is amended to read:

48.06 (3) Regardless of the form of court service adopted by any county under this section or s. 48.56, the same state and federal aid shall be paid to each county as if such court services were integrated in the county public welfare department. Such state aid shall be administered and prorated in the same manner as other aids under s. ~~49.51 (3) and (4)~~ 49.52, as though such co-operative services were requested by the state department of public welfare.

SECTION 3. 49.05 (8) of the statutes is created to read:

49.05 (8) (a) For the purpose of conserving and developing work skills through community work and training programs of a constructive nature, the department may authorize work and training projects which are designed to provide opportunity for employable recipients of aid to dependent children who have attained the age of 18 to perform work for any public agency. The department shall reimburse county welfare departments pursuant to s. 49.52 (1) and (2) for payments made by such county welfare departments to recipients of aid to dependent children for work performed under this section, but it shall not make reimbursement for any equipment, materials, supplies or supervision of such work and training projects. The department through its supervision shall ascertain:

1. That appropriate standards for the health, safety and other work conditions on the job are established and maintained.

2. That the rate of pay for such work is not less than exists for similar work in the community.

3. That such projects serve a public purpose, do not supplant any regular workers or employes of the state or public agency, except emergencies or nonrecurring projects, and are of a type not normally performed in the past by the state or public agencies.

4. That the workers will be covered by workmen's compensation.

(b) The department may make any necessary rules in relation to the administration of work relief and retraining projects as are necessary to carry out the purposes of the employment and retraining of unemployed recipients of aid to dependent children.

SECTION 4. 49.18 (1) (a) of the statutes, as affected by chapters 138 and 433, laws of 1965, is amended to read:

49.18 (1) (a) Any needy person who is blind shall receive aid from the county of his residence as provided in this section. The amount granted shall be determined on the basis of need taking into consideration all income and resources as well as ordinary and special expenses incidental to blindness, except that the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under Title I or II of the federal economic opportunity act of 1964 or such payment made to or in behalf of any person and any excess remaining after this exclusion shall be considered as income for any other individual only to the extent made available to or for the benefit of such other individual and except that as permitted or required for federal aid in making such determination of need, the first \$85 per month of earned income together with one-half of any earned income in excess of the first \$85 shall be disregarded in determining such amount. Any amount of earned income so disregarded in determining the amount of aid to the blind a recipient of such aid is eligible for, shall not be taken into consideration in determining the need of any other individual for aid to the blind, old-age assistance, aid to dependent children or aid to totally and permanently disabled persons. Under a plan approved by the department a recipient may during a period not in excess of 12 months

accumulate additional amounts of other income and resources for the purpose of achieving self-support through self-activity as set out in the approved plan. The maximum aid per month shall not exceed \$75.

SECTION 4m. 49.18 (1) (b) of the statutes is amended to read:

49.18 (1) (b) For the purposes of this section, the term "aid to the blind" means money payments to, or medical care in behalf of or any type of remedial care recognized under this section or s. ~~49.40~~ 49.46 in behalf of blind individuals who are needy, but does not include any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual ~~(a) who is a patient in an institution for tuberculosis or mental diseases, or (b) who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof,~~ except that the exclusion of money payments to needy individuals described in clause (a) or (b) shall, in the case of any such individuals who are not patients in a public institution, be effective July 1, 1952. Beginning July 1, 1953, no payment of aid to the blind shall be made to any individual in a private or public institution unless a standard-setting authority has been designated or established which shall be responsible for establishing and maintaining standards for such institution. Such individuals shall not be barred from receiving general aid under ss. 49.02 and 49.03. Aid to the blind shall also be granted to blind dependent persons residing voluntarily in county or city homes and the department shall make claim for federal reimbursement therefor when federal funds are made available for that purpose and pay the same to the county.

SECTION 5. 49.18 (10) of the statutes, as amended by chapter 433, laws of 1965, is repealed.

SECTION 6. 49.19 (1) (a) of the statutes is amended to read:

49.19 (1) (a) A "dependent child" as used in this section means a child under the age of 18, who has been deprived of parental support or care by reason of the death, continued absence from the home, or incapacity of a parent, *or the financial inability of his parent or parents to support him due to the unemployment of such parent*, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousins, nephews, or nieces in a residence maintained by one or more such relatives as his or their own home, or living in a residence maintained by one or more of such relatives as his or their own home because the parents of said child have been found unfit to have its care and custody, or who is living in a foster home having a license under s. 48.62, when a license is required under such section and placed in such home by a county agency pursuant to ch. 48.

SECTION 6m. 49.19 (1) (c) of the statutes, as amended by chapter 361, laws of 1965, is amended to read:

49.19 (1) (c) "Aid to dependent children" means money payments with respect to, or medical care in behalf of or any type of remedial care recognized under subs. (1) to ~~(9)~~ (10) or s. ~~49.40~~ 49.46 or necessary burial expenses as defined in sub. (5) in behalf of, a dependent child or dependent children including such aid to meet the needs of the relative with whom any dependent child is living and the spouse of such relative if living with him and if such relative is the child's parent and the child is a dependent child by reason of the physical or mental incapacity of a parent or payments made to another individual not a relative enumerated under par. (a), pursuant to federal regulations, when such individual has been appointed by a court of competent jurisdiction as a legal repre-

sentative of the dependent child or when such individual who may be a caseworker has been designated by the county welfare department to receive payment of the aid or cash payments to recipients who are engaged in an approved work relief or training project.

SECTION 7. 49.19 (4) (d) of the statutes, is repealed and recreated to read:

49.19 (4) (d) Aid may be granted to the mother or stepmother of a dependent child only if she:

1. Is without a husband; or
2. Is the wife of a husband who is incapacitated for gainful work by mental or physical disability; or
3. Is the wife of a husband who has been sentenced to a penal institution; or
4. Is the wife of a husband who has been committed to the department pursuant to s. 959.15, irrespective of the probable period of such commitment; or
5. Is the wife of a husband who has continuously abandoned or failed to support her, if the husband has been legally charged with abandonment under s. 52.05 or with failure to support under s. 52.055 or in proceedings commenced under s. 52.10 (1) to (31); or
6. Has been divorced or legally separated from her husband and is unable through use of the provisions of law to compel her former husband to adequately support the child for whom aid is sought; or
7. Has commenced an action for divorce or legal separation and obtained a temporary order for support under s. 247.23 which order is either insufficient to adequately meet the needs of the child or cannot be enforced through the provisions of law; or
8. Has obtained an order under s. 247.08 from the court to compel support, which order is either insufficient to adequately meet the needs of the child or cannot be enforced through the provisions of law; or
9. Is incapacitated and the county agency believes she is the proper payee.

SECTION 8. 49.19 (4) (dm) of the statutes is created to read:

49.19 (4) (dm) Aid may be paid to parents of a dependent child if the parents are unable to supply the needs of the child because of unemployment of both of the parents if the parents have been in the labor market sometime during the 12-month period prior to application but are not currently gainfully employed. Parents are not included if they have been self-employed or unless they are working fewer hours than is customary with those employed in their industry. No benefits shall be paid until a parent has been unemployed for 2 weeks. Aid to dependent children of unemployed parents may be granted only so long as federal aid for this purpose is available to the state. No aid shall be granted when the unemployed parent, without good cause, refuses to:

1. Apply for work when referred by the state employment service;
2. Accept work if offered;
3. Accept vocational retraining;
4. Participate in a public work project, but such parent shall be given reasonable opportunity to seek regular private employment.

SECTION 9. 49.19 (5) of the statutes, as affected by chapters 138, 157, 433 and 450, laws of 1965, is repealed and recreated to read:

49.19 (5) The aid shall be sufficient to enable the person having the care and custody of such children to care properly for them. The amount granted shall be determined by a budget for the family in which all income except under s. 49.18 (1) (a) as well as expenses shall be considered, except that the first \$85 plus one-half of the excess over \$85 of payments

made to or on behalf of any person for or with respect to any month under Title I or II of the federal economic opportunity act of 1964 or such payment made to or in behalf of any person and any excess remaining after this exclusion shall be considered as income for any other individual only to the extent made available to or for the benefit of such other individual, and except of the first \$80 of earned income of each dependent child under the age of 18 the first \$20 shall be disregarded together with one-half of the remaining \$60 per month but the total so disregarded shall not exceed \$150 per month for earned income of children in the same home. Such family budget shall be based on a standard budget, including the parents or other person who may be found eligible to receive aid under this section. Medical and dental aid may be granted to a minor child, to the person having his care and custody, and to the incapacitated father when he is in the home, as necessary. The aid allowed under this subsection may be given in the form of supplies or commodities or vouchers for the same, in lieu of money, as a type of remedial care authorized under sub. (1) (c), whenever the giving of aid in such form is deemed advisable by the county welfare director dispensing such aid as a means either of attempting to rehabilitate a particular person having the care and custody of any such children or of preventing the misuse or mismanagement by such person of aid in the form of money payments. Not to exceed \$200 shall be allowed to cover the funeral and burial expenses of a dependent child or its parents, exclusive of and in addition to the actual cemetery charges which shall also be paid by the county responsible for the burial of the recipient. No aid shall continue longer than one year without reinvestigation. This subsection does not prohibit such public assistance as may legitimately accrue directly to persons other than the beneficiaries of this section who may reside in the same household.

SECTION 10. 49.19 (8) of the statutes is repealed.

SECTION 11. 49.20 (2) of the statutes is amended to read:

49.20 (2) The term "old-age assistance" means money payments to or medical care in behalf of or any type of remedial care recognized under ss. 49.20 to 49.38 or s. ~~49.40~~ ~~49.46~~ in behalf of needy individuals who are 65 years of age or older (or 60 years or older in the event of the change in the federal law as provided in s. 49.22 (1)) but does not include any such payments or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual ~~(a) who is a patient in an institution for tuberculosis or mental diseases, or (b) who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof,~~ except that the exclusion of money payments to needy individuals described in clause ~~(a) or (b)~~ shall, in the case of any such individuals who are not patients in a public institution, be effective July 1, 1952. Beginning July 1, 1953, no payment of old-age assistance shall be made to any individual in a private or public institution unless a standard-setting authority has been designated or established which shall be responsible for establishing and maintaining standards for such institutions. Such individuals shall not be barred from receiving general aid under ss. 49.02 and 49.03. Old-age assistance shall also be granted to aged dependent persons residing voluntarily in county or city homes and the department shall make claim for federal reimbursement therefor when federal funds are made available for that purpose and pay the same to the county.

SECTION 12. 49.22 (1) (intro. par.) of the statutes, as amended by chapters 138 and 433, laws of 1965, is amended to read:

49.22 (1) (intro. par.) Any needy person who complies with ss. 49.20 to ~~49.38~~ ~~49.37~~ shall be entitled to financial assistance in old age. The

amount granted shall be determined by a budget in which all income and resources, except that the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under Title I or II of the federal economic opportunity act of 1964 or such payment made to or in behalf of any person and any excess remaining after this exclusion shall be considered as income for any other individual only to the extent made available to or for the benefit of such other individual *and except in making such determination, of the first \$80 per month of income which is earned there shall be disregarded not more than the first \$20 thereof plus one-half of the remainder* and except as provided by s. 49.18 (1) (a), as well as expenses shall be considered ~~and the aid per month shall not exceed \$75~~, the payment of the aid to be made monthly, except that the director of the county agency may, for the purpose of protecting the public, direct that the monthly allowance be paid in 2 or more installments. Old-age assistance may be granted to a person only if:

SECTION 13. 49.38 (1) of the statutes is repealed.

SECTION 13a. 49.38 (2) of the statutes, as amended by chapter 433, laws of 1965, is repealed.

SECTION 13b. 49.38 (3) of the statutes is repealed.

SECTION 14. 49.39 of the statutes, as amended by chapter 433, laws of 1965, is renumbered 49.52 (5) and amended to read:

49.52 (5) Any county which is financially unable to fully perform its duties under ss. 49.18 to ~~49.38~~ 49.37 and 49.61 after having received payments under ~~ss. 20.670 (21) subs. (1) and (2) and 49.395 s. 20.670 (3) (d)~~ may make application to the department for financial assistance to enable it to perform such duties. Before making a determination upon the application, the department shall hold hearings, investigate and obtain or receive proof as to total indebtedness, and tax levy limitations, cash on hand, anticipated revenues from all sources, reasonableness of amounts of its expenditures and necessity therefor, tax delinquencies, reasonableness of valuation for taxation purposes and such other factors not enumerated which are probative on the applicant's financial condition. If the department is satisfied that the applicant's financial condition is such that it cannot provide money for such forms of public assistance, the department shall certify to the department of administration for payment to the applicant out of the appropriations provided by s. 20.670 (3) (d) an amount which will, together with money that the applicant can provide, be sufficient to enable the applicant to properly perform its duties. No such payment shall be made unless the department's certification is approved by the board on government operations. The department shall fix the time and place of hearing, issue subpoenas, take testimony and make reasonable rules and regulations which are necessary to enable it to effectively perform its duties under this section.

SECTION 15. 49.395 of the statutes, as amended by chapter 433, laws of 1965, is repealed.

SECTION 16. 49.40 of the statutes is repealed effective July 1, 1966.

SECTION 17. 49.45, 49.46 and 49.47 of the statutes are created to read:

49.45 MEDICAL ASSISTANCE; ADMINISTRATION. (1) PURPOSE. To provide appropriate health care for eligible persons and obtain the most benefits available under Title XIX of the federal social security act, the department shall administer medical assistance, rehabilitative and other services to help eligible individuals and families attain or retain capability for independence or self-care as hereinafter provided.

(2) DUTIES. (a) The department shall:

1. Exercise responsibility relating to fiscal matters, the eligibility for benefits under standards set forth in ss. 49.46 and 49.47 and general supervision of the medical assistance program;

2. Employ necessary personnel under the classified service for the efficient and economical performance of the program and shall supply residents of this state with information concerning the program and procedures;

3. Determine the eligibility of persons for medical assistance, rehabilitative and social services pursuant to ss. 49.46 and 49.47 and rules and policies adopted by the department and may designate this function to the county agency administering the social security aid program;

4. Certify all proper charges and claims for administrative services to the department of administration for payment and the department of administration shall draw its warrant forthwith;

5. Co-operate with the state bureau of handicapped children, state board of health and the state board of vocational, technical and adult education to carry out the provisions of Title XIX;

6. Appoint such advisory committees as are necessary and proper; and

7. Co-operate with the federal authorities for the purpose of providing the assistance and services available under Title XIX to obtain the best financial reimbursement available to the state from federal funds.

(b) The department may:

1. Designate other functions, responsibilities and services as may be appropriate to be performed by the county welfare agency in each county;

2. Contract with nonprofit organizations incorporated or existing under and by virtue of s. 148.03 or 182.032 or with insurance companies licensed and authorized to do business in this state, to administer the benefits under the medical assistance program in full or in part for and in behalf of the department and may accept the contract deemed most advantageous to the department for such administrative services;

3. Audit all claims filed by any contractor making the payment of benefits paid under ss. 49.46 and 49.47 and make proper fiscal adjustments.

(3) REIMBURSEMENT. (a) Reimbursement shall be made to each county agency for the administrative services performed in the medical assistance program on the basis of s. 49.52 (1) (b) and (2).

(b) The contractor, if any, making payment of benefits under s. 49.46 or 49.47 shall be entitled to reimbursement from the department for benefits so paid when a certification of eligibility is properly on file with the contractor in addition to the payment of administrative expense incurred pursuant to the contract and as provided in sub. (2) (a) 4, but the contractor shall not be reimbursed for benefits erroneously paid where no certification is on file.

(4) INFORMATION RESTRICTED. The use or disclosure of any information concerning applicants and recipients of medical assistance not connected with the administration of this section is prohibited.

(5) APPEAL. Any person whose application for medical assistance is denied or is not acted upon promptly or who believes that the payments made in his behalf have not been properly determined may file an appeal with the department pursuant to s. 49.50 (8).

(6) PAYMENTS. Payment for services provided under this section shall be made directly to the hospital, skilled nursing home, other organization or individual providing such services and no additional charge shall be made to the beneficiary of such service by such hospital, skilled nursing home, other organization or individual who provided such service except for or to the extent that benefits are not provided pursuant to this section.

(7) **PENALTY.** Any person who receives or assists another in receiving assistance under this section, to which he is not entitled, shall be subject to the penalties under s. 49.12.

(8) **RECOVERY OF PAYMENT.** (a) Medical assistance paid in behalf of any recipient cannot be recovered from such beneficiary unless such benefits were incorrectly paid. Any benefits incorrectly paid shall be recoverable from the beneficiary or from his estate.

(b) All amounts recovered pursuant to this section shall be deposited in the state treasury and the net amount recovered shall be prorated among the federal government, the state and the county on the basis of the proportionate amount which each contributed.

(9) **FREE CHOICE.** Any person eligible for medical assistance under ss. 49.46 and 49.47 may be entitled to use the physician, dentist, pharmacist, hospital, skilled nursing home or other provider of care which he has designated as his choice, and nothing herein shall vitiate the legal responsibility of the physician or dentist or hospital to patients and all contract and tort relationships with patients shall remain as though dealings are direct between the physician, dentist or hospital and the patient. No physician or dentist shall be required to practice exclusively in the medical assistance program.

(10) **RULE-MAKING POWERS.** The department is authorized to make such rules as are consistent with its duties in administering medical assistance.

(11) **DEFINITIONS.** As used in this section, unless the context indicates otherwise:

(a) "Charge" means the customary, usual and reasonable demand for payment as established by the department for services, care or commodities which does not exceed the general level of charges by others who render such service or care, or provide such commodities, under similar or comparable circumstances within the community in which the charge is incurred.

(b) "Hospital" means an institution, approved by the appropriate state agency, providing 24-hour continuous nursing service to patients confined therein; which provides standard dietary, nursing, diagnostic and therapeutic facilities; and whose professional staff is composed only of physicians and surgeons, or of physicians and surgeons and doctors of dental surgery.

(c) "Physician" means a person licensed to practice medicine and surgery, and includes graduates of osteopathic colleges holding an unlimited license to practice medicine and surgery.

(d) "Dentist" means a person licensed to practice dentistry.

(e) "Skilled nursing home" means a facility, licensed or approved by the state board of health or a facility approved by the department for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care and which employs sufficient registered nursing practitioners for supervision of those giving nursing care to patients.

**49.46 MEDICAL ASSISTANCE; RECIPIENTS OF SOCIAL SECURITY AIDS.** (1) **ELIGIBILITY.** (a) All persons included in the grant of old-age assistance, aid to dependent children, aid to the blind or aid to totally and permanently disabled shall be furnished medical assistance pursuant to this section.

(b) Any person shall be considered a recipient of aid for 2 months prior to the month of application if the proper agency determines eligibility existed during such prior month.

(c) Medical assistance shall be paid to any person currently not receiving old-age assistance, aid to the blind, aid to dependent children or aid to totally and permanently disabled persons if the only reason that such person is not eligible for such aid is the lack of the required period of residence within the state.

(d) For the purposes of this section:

1. Children placed in licensed foster homes by the division for children and youth and which children would be eligible for payment of aid to dependent children in foster homes except that such placement is not made by a county agency will be considered as recipients of aid to dependent children.

2. Any person who would be eligible for aid to the blind, old-age assistance or aid to totally and permanently disabled except that his income and resources are sufficient to meet his budgetary needs as computed pursuant to s. 49.18 (1) (a), 49.22 (1) or 49.61 (6) but who is living in an approved medical facility and does not have sufficient income and resources to meet his expenses while living in such facility shall be considered a recipient for purposes of this section.

(2) **BENEFITS.** The department shall audit and pay charges made in accordance with s. 49.45 (11) (a) for medical assistance to recipients for inpatient hospital services other than services in an institution for tuberculosis or mental diseases (except as hereinafter provided); hospital outpatient services; physicians', dentists', podiatrists', optometrists' and nurses' services; laboratory and X-ray services; eye glasses prescribed by a physician skilled in the diseases of the eye or by an optometrist; transportation to obtain medical care; the following services when prescribed by a physician: skilled nursing home services excluding services in an institution for tuberculosis or mental diseases (except as hereinafter provided), home health care, physical and occupational therapy and related services, medical supplies and equipment, including rental of durable equipment, drugs, prosthetic devices and other diagnostic, screening, preventive and rehabilitative and other medical services, and inpatient hospital and skilled nursing home services for individuals 65 years of age and over when a patient in an institution for mental diseases. Nursing services rendered in connection with treatment by prayer or spiritual means alone and in accordance with the tenets and practice of any recognized church or religious denomination and given by a duly accredited practitioner thereof may be furnished such individuals by any visiting nurse service, sanatorium, nursing home and private duty nursing services given in conformity with the tenets and practices of such church or religious denomination upon referral by and certification of said accredited practitioner that in his or her opinion such services are necessary for the health and well-being of the said individual. Medical assistance shall also include payment of any of the deductible and coinsurance portions of the above services which are not paid under Title XVIII and the \$3 enrollment fee under the supplemental medical services in Title XVIII.

(3) **EFFECTIVE DATE.** The benefits under this section shall take effect on July 1, 1966, and benefits under s. 49.40 shall continue in effect until such date. Payment of medical services performed pursuant to s. 49.40 prior to this date shall be paid by the county welfare agency responsible for the same after the effective date of this section but no such medical services shall be paid more than one year after the completion of such service.

**49.47 MEDICAL ASSISTANCE; MEDICALLY INDIGENT. (1) PURPOSE.** Medical assistance as set forth herein shall be provided to persons over 65, all children under 21 and, if the child is "dependent" pursuant to s. 49.19, the relatives enumerated in s. 49.19 with whom the child is living, or blind or disabled if eligible under this section.

(2) DEFINITIONS. As used in this section, unless the context indicates otherwise:

(a) "Beneficiary" means a person eligible for, and a recipient of, medical assistance under this section.

(b) "Illness" means a bodily disorder, bodily injury, disease or mental disease. All illnesses existing simultaneously which are due to the same or related causes shall be considered "one illness." Successive periods of illness less than 6 months apart, which are due to the same or related causes, shall also be considered "one illness."

(c) "Spouse" means the legal husband or wife of the beneficiary, whether or not eligible for benefits under this chapter.

(d) "Visiting nurse" means a registered nurse or a trained practical nurse employed by an organized, voluntary home nursing agency or by an official agency established under s. 141.10, and rendering home nursing services to patients who are under the care of a physician.

(3) APPLICATION. (a) At any time any resident of this state who believes himself medically indigent and qualified for aid under this section may make application, on forms prescribed by the department. If eligibility is questionable by reason of the information contained on the application or is incomplete, further investigation shall be made to determine eligibility.

(b) The agency shall promptly review the application and shall issue a certificate to the individual showing eligibility when eligibility has been established.

(4) ELIGIBILITY. (a) Any person who meets the limitations on income and resources under pars. (b) and (c) and is 65 years of age or older, blind pursuant to s. 49.18, 18 years or older and totally and permanently disabled pursuant to s. 49.61, or a child under the age of 21 living in the family group dependent pursuant to s. 49.19 and the enumerated relatives of such child with whom the child is living and any medically indigent child under 21.

(b) Eligibility exists if his property does not exceed a home and the land used and operated in connection therewith, or a mobile home used as a place of abode; household and personal possessions, including an automobile; resources needed for income producing; and additional property not in excess of \$2,300, if single, or \$3,000, if a family of 2, and \$500 additional for each legal dependent in any combination of real property, tangible personal property, cash value of life insurance, or cash or other liquid assets. "Resources" as used herein include without limitation by reason of enumeration, all moneys received from insurance payments for loss, damage or injury to property or person, life insurance proceeds paid upon death or surrender of the policy, cash proceeds from the sale of property enumerated herein, gifts, inheritances and bequests.

(c) 1. Eligibility exists if his income does not exceed \$1,800, if single, or \$2,700, if a family of 2, with an additional allowance of \$500 for each legal dependent. "Income" as used herein includes, without limitation by reason of enumeration, all pensions from state, federal or private sources, annuities, social security payments and recurrent insurance payments from state, federal and private sources, wages, salaries, alimony, returns on investments, net rents and net profits from business or professional enterprises. "Income" shall not include earned income which would be excluded in determining income in computing the budget pursuant to s. 49.18 (1) (a), 49.19 (5), 49.22 (1) or 49.61 (6) (a).

2. Whenever an applicant has excess income, no certification shall be issued until such time as the excess income above the applicable limits has been expended for medical care or for any other type of remedial care recognized under state law or for personal health insurance premiums or both.

(d) A certificate of eligibility shall not be given to any person who has within one year of the date of making application hereunder conveyed, transferred or disposed of property so as to make himself eligible for benefits under this section.

(e) Temporary absence of a resident from the state shall not be grounds for denying the certificate or for the cancellation of an existing certificate.

(5) INVESTIGATION BY DEPARTMENT. The department may make additional investigation of eligibility when there is reasonable ground for belief that an applicant may not be eligible, that the beneficiary may have received benefits to which he is not entitled, or upon the request of the secretary of the U.S. department of health, education and welfare.

(6) BENEFITS; EXCLUSIONS. The department shall audit and pay charges made in accordance with s. 49.45 (11) (a) for medical assistance to beneficiaries for the following:

1. Inpatient hospital services in a semiprivate room (other than services in an institution for tuberculosis or mental diseases);
2. Outpatient hospital services;
3. Diagnostic laboratory and X-ray procedures;
4. Skilled nursing home services directly following hospitalization (other than services in an institution for tuberculosis or mental diseases) for individuals 21 years of age or older when authorized by a physician;
5. Physicians' services whether furnished in the office, the patients' home, a hospital or a skilled nursing home or elsewhere;
6. Dental services;
7. Inpatient hospital services and skilled nursing home services following hospitalization for individuals 65 years of age or over in an institution for mental diseases not exceeding 45 days per illness.

8. The deductible portion and coinsurance of any health care benefits paid under Title XVIII of the social security act reduced by the amount of available excess income and conforming to the scope, amount and duration of benefits payable under the state plan, and

9. The following services when prescribed by a physician, physical or occupational therapy when rendered by a licensed or registered therapist, home nursing care by a visiting nurse, or in localities not under or within the jurisdiction of an organized, voluntary home nursing agency or an official agency established under s. 141.10 or a private proprietary home health agency licensed under s. 141.15, services by a registered nurse or licensed trained practical nurse rendering home nursing services to patients who are under the care of a physician who directs such home nursing services, and pharmaceutical services.

(b) Benefits shall not include any payments with respect to care or services for an individual who is an inmate of a public institution, except as a patient in a medical institution, or who is a patient in an institution for tuberculosis; care or services in any other private or public institution unless it has been approved by a standard-setting authority responsible by law for establishing and maintaining standards for such institution or that part of any services otherwise authorized under this section which are payable through insurance, 3rd party liability, or any federal, state, county, municipal or private benefit systems to which the beneficiary may otherwise be entitled.

(c) Payments shall not include care for services rendered earlier than 2 months preceding the month of application, but in no event may payments be made for medical assistance rendered during a period when the beneficiary would not have been eligible for benefits under this section.

(d) The maximum combined liability for payment for care in a hospital and skilled nursing home under this section shall not exceed 45 days

per illness and skilled nursing home care will be paid only for beneficiaries transferring directly to such facility from a hospital.

(7) **REDUCTION OF BENEFITS.** If the funds appropriated become or are estimated to be insufficient to make full payment of benefits provided under this section, all charges for service so authorized shall be prorated on the basis of funds available or by limiting the benefits provided.

(8) **EFFECTIVE DATE.** The benefits under this section shall take effect on July 1, 1966, and benefits under ch. 163 shall continue in effect until such date. Payment of medical services performed pursuant to ch. 163 prior to this date shall be paid by the contractor responsible for the same presented after the effective date of this section (1965), but no such medical services or care shall be paid more than one year after the completion of such services or care.

**SECTION 18.** 49.51 (3) of the statutes, as affected by chapter 433, laws of 1965, is repealed.

**SECTION 19.** 49.51 (4) of the statutes is repealed.

**SECTION 20.** 49.52 of the statutes is created to read:

**49.52 REIMBURSEMENT TO COUNTIES.** (1) **FEDERAL AID.** (a) From the federal funds received by the state for grants of aid, excluding medical aid issued under s. 49.46, in the aid to the blind, aid to dependent children, old-age assistance and aid to totally and permanently disabled persons there shall be determined in each of said programs the percentage of the federal fund in relation to the total amount expended for such purpose and the state shall reimburse from these moneys to each county the percentage as computed of the total amount expended by such county in each program.

(b) From the federal funds received by the state for the administration by counties of aid to the blind, aid to dependent children, old-age assistance and aid to totally and permanently disabled persons including medical assistance there shall be computed the percentage that such federal funds relate to the total cost of county administration of said programs and the state shall pay to the counties from these moneys the amount determined on the basis of such percentage to the total administrative costs of each county.

(2) **STATE AID.** (a) The state aid to which any county shall be entitled shall be determined according to the amount expended by the county for aid to the blind, aid to dependent children, old-age assistance and aid to totally and permanently disabled persons including services and medical administration and child welfare services, mental hygiene services and other welfare services performed by the county agency administering such aids in co-operation with or at the request of the state department, pursuant to express authorization, but excluding general relief, after deducting the reimbursement received from federal funds pursuant to sub. (1) and paid as follows:

1. For all months prior to January 1, 1968, the following counties shall receive 80% of such nonfederally reimbursed expenditures: Ashland, Bayfield, Burnett, Douglas, Florence, Forest, Iron, Jackson, Menominee, Pepin, Rusk, Sawyer, Trempealeau, Vernon and Washburn; the following counties shall receive 70% of such nonfederally reimbursed expenditures: Buffalo, Crawford, Langlade, Taylor; the following counties shall receive 65% of such nonfederally reimbursed expenditures: Barron, Juneau, Polk and Richland; the following counties shall receive 60% of such nonfederally reimbursed expenditures: Adams, Clark, Dunn, Monroe, Price and Waushara; the following counties shall receive 55% of such nonfederally reimbursed expenditures: Chippewa, Eau Claire, Grant, Marinette, Marquette, Oconto, Shawano and Waupaca; the following counties shall receive 50% of such nonfederally reimbursed expenditures:

Columbia, Dane, Dodge, Fond du Lac, Iowa, Kenosha, La Crosse, Lafayette, Lincoln, Milwaukee, Oneida, Pierce, Portage, Racine, St. Croix, Sauk and Wood; and the following counties shall receive 45% of such non-federally reimbursed expenditures: Brown, Calumet, Door, Green, Green Lake, Jefferson, Kewaunee, Manitowoc, Marathon, Outagamie, Ozaukee, Rock, Sheboygan, Vilas, Walworth, Washington, Waukesha and Winnebago.

2. Beginning January 1, 1968, and for each year thereafter, the amount of state aid to be received by each county shall be determined as follows: The department shall determine a state-wide mill rate by dividing the total of expenditures remaining after deduction of the federal reimbursement for 1) approved expenditures under this paragraph together with 2) expenditures under ss. 49.46 and 49.47 for the fiscal year ending June 30, by the state full value of all general taxable property as determined by the state department of taxation the following September 15 in accordance with s. 70.57. The mill rate for each county shall be computed in the same manner by dividing the total of expenditures remaining after deduction of the federal reimbursement for 1) approved expenditures by such county under this paragraph together with 2) expenditures under ss. 49.46 and 49.47 for residents of such county for the fiscal year ending June 30, by the state full value of all general property in the county as determined by the state department of taxation the following September 15 in accordance with s. 70.57. The state aid to be paid to each county shall be determined by the percentage relationship between the mill rate for each county and the state-wide mill rate in accordance with the following schedule:

Mill rate necessary to meet the total nonfederal share of expenditures (exclusive of general relief) as a per cent of the state-wide mill rate	Percentage rate of participation by:	
	State	County
Under 75%	45	55
75% but less than 125	50	50
125% but less than 150	55	45
150% but less than 175	60	40
175% but less than 200	65	35
200% but less than 225	70	30
225% and over	80	20

4. If the cost for any county as determined under this section for 1966-67 exceeds the cost of the 1964-65 base year the county shall be reimbursed for the full amount of that excess. In fiscal years after 1966-67 such counties shall receive additional reimbursement only to the extent that the state's total participation is less than the state's total participation in 1966-67, but never more than necessary to reduce the county's participation to the 1964-65 level. At the point where the state's reimbursement to the county equals the state's percentage of the nonfederal share under the formula, no additional reimbursement shall be provided.

(3) REIMBURSEMENT PROCEDURE, CLAIM AND AUDIT. (a) The county treasurer and county agency administrator of each county shall monthly certify under oath to the department, in such manner as the department prescribes, the claim of the county for state and federal reimbursement under this section, and if the department approves such claim, it shall certify to the department of administration for reimbursement to the county the amounts due under subs. (1) and (2) and payment claimed shall be made to the counties monthly.

(b) Each county shall be liable for its prorata share of the medical expenses paid by the state under ss. 49.46 and 49.47 and shall reimburse the state for such prorata share. For the purposes of administration the

state may deduct the amount of such medical payment owing to the state from the claim submitted under par. (a) and pay the remaining balance to the county pursuant to par. (c).

(c) To facilitate prompt reimbursement the certification of the department may be based on the certified statements of the county officers filed pursuant to par. (a). Any necessary audit adjustments for any month of current or prior fiscal years may be included in subsequent certifications.

SECTION 21. 49.61 (1m) and (6) (a) of the statutes, as amended by chapters 138 and 362, laws of 1965, are amended to read:

49.61 (1m) In this section, "aid to the totally and permanently disabled" means money payments to, or medical care in behalf of, or any type of remedial care recognized under this section or s. 49.40 ~~49.46~~ in behalf of, needy individuals more than 18 and less than 65 years of age who are totally and permanently disabled, but does not include any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases, ~~or who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof.~~ No payment of aid to totally and permanently disabled persons shall be made to any individual in a private or public institution unless a standard-setting authority has been designated or established which is responsible for establishing and maintaining standards for such institutions. Such individuals shall not be barred from receiving general aid under ss. 49.02 and 49.03. Aid to the totally and permanently disabled shall be granted to totally and permanently disabled dependent persons residing voluntarily in county or city homes and the department shall make claim for federal reimbursement therefor when federal funds are made available for that purpose and pay the same to the county.

(6) (a) The amount of aid which a person may receive under this section shall be according to his need ~~but shall not exceed \$80 per month.~~ The agency shall, in determining need, take into consideration any other income and resources, but when permitted by federal regulation the first \$50 of earned income shall be disregarded *but in making such determination, of the first \$80 per month of income which is earned there shall be disregarded the first \$20 thereof plus one-half of the remaining \$60* in determining the amount of the grant and the earned income exemption provided in s. 49.18 (1) (a) shall not be considered in computing a grant of disabled aid when the disabled person is a member of the family of a recipient of blind aid and except that the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under Title I or II of the federal economic opportunity act of 1964 or such payment made to or in behalf of any person and any excess remaining after this exclusion shall be considered as income for any other individual only to the extent made available to or for the benefit of such other individual. Any person receiving aid under this section shall not be eligible for old-age assistance, aid to the blind or aid to dependent children.

SECTION 22. 49.61 (9) of the statutes, as amended by chapter 433, laws of 1965, is repealed.

SECTION 22m. 141.15 of the statutes is created to read:

141.15 LICENSING AND REGULATION OF PROPRIETARY HOME HEALTH AGENCIES. (1) DEFINITIONS. As used in this section, unless a different meaning appears from the context:

(a) A "proprietary home health agency" is a private proprietary organization (or a part of such organization) which: 1) primarily pro-

vides skilled nursing and other therapeutic services; 2) has policies established by a professional group (including at least one physician and at least one registered nurse) to govern services, and provides for supervision of these services by a physician or a registered nurse; 3) maintains clinical records on all patients.

(b) "Home health services" means the following items and services furnished to an individual, who is under the care of a physician, by a home health agency or by others under arrangements with them made by such agency, under a plan (for furnishing such items and services to such individual) established and periodically reviewed by a physician, which items and services are, except as provided in subd. 6, provided on a visiting basis in a place of residence used as such individual's home:

1. Part-time or intermittent nursing care provided by or under the supervision of a registered professional nurse;
2. Physical, occupational or speech therapy;
3. Medical social services under the direction of a physician;
4. Medical supplies (other than drugs and biologicals), and the use of medical appliances, while under such a plan;
5. In the case of a home health agency which is affiliated or under common control with a hospital, medical services provided by an intern or resident-in-training of such hospital, under an approved teaching program of such hospital; and
6. Any of the foregoing items and services which are provided on an outpatient basis, under arrangements made by the home health agency, at a hospital or extended care facility, or at a rehabilitation center which meets such standards as may be prescribed by rule, and a) the furnishing of which involves the use of equipment of such a nature that the items and services cannot readily be made available to the individual in such place of residence, or b) which are furnished at such facility while he is there to receive any such item or service, but not including transportation of the individual in connection with any such item or service.

(c) "Patient" means individuals cared for or treated by home health agencies.

(d) "Board" means the state board of health.

(e) Proprietary organization is a private organization not exempt from federal income taxation under section 501 of the internal revenue code of 1954.

(2) RULES. The board may develop, establish and enforce standards (a) for the care, treatment, health, safety, welfare and comfort of patients by proprietary home health agencies and (b) for the maintenance and operation of proprietary home health agencies which, in the light of advancing knowledge, will promote safe and adequate care and treatment of such patients by proprietary home health agencies; and to promulgate and enforce rules consistent with this section.

(3) ADMINISTRATION. The administration of this section shall be under the board which shall make or cause to be made such inspections and investigations as it deems necessary.

(4) LICENSING, INSPECTION AND REGULATION. The board is empowered to register, license, inspect and regulate proprietary home health agencies as provided in this section.

(5) APPLICATION FOR REGISTRATION AND LICENSE. (a) Registration shall be in writing in such form and contain such information as the board requires.

(b) The application for a license shall be in writing upon forms provided by the board and shall contain such information as it requires.

(6) ISSUANCE OF LICENSE; INSPECTION AND INVESTIGATION; ANNUAL RENEWAL; NONTRANSFERABLE; CONTENT. (a) The board shall issue a license

if the applicant is fit and qualified, and if the proprietary home health agencies meet the requirements established by this section. The board, or its designated representatives, shall make such inspections and investigations as are necessary to determine the conditions existing in each case and file written reports.

(b) A license, unless sooner suspended or revoked, shall be renewable annually on July 1, upon filing by the licensee, and approval by the board of an annual report and application for renewal on forms provided by the board.

(c) Each license shall be issued only for the proprietary home health agency named in the application and shall not be transferable or assignable. If application for renewal is not so filed, such license is automatically canceled as of the date of its expiration. Any license granted shall state such additional information and special limitations as the board, by rule, prescribes.

(7) DENIAL, SUSPENSION OR REVOCATION OF LICENSE; NOTICE. The board after notice to the applicant or licensee is authorized to deny, suspend or revoke a license in any case in which it finds that there has been a substantial failure to comply with the requirements of this section and the rules established hereunder.

(8) FAILURE TO REGISTER OR OPERATING WITHOUT LICENSE; PENALTY. It is unlawful for any person, acting jointly or severally with any other person, to conduct, maintain, operate, or permit to be maintained or operated, or to participate in the conducting, maintenance or operating of a home health agency, unless, it is licensed as a home health agency by the board. Any person who violates this section shall be fined not more than \$100 for the first offense and not more than \$200 for each subsequent offense, and each day of violation after the first conviction shall constitute a separate offense.

(9) RIGHT OF INJUNCTION. All orders issued by the board pursuant to s. 141.15 shall be enforced by the attorney general. The circuit court of Dane county shall have jurisdiction to enforce such orders by injunctive and other appropriate relief.

(10) PROVISIONAL LICENSES. A provisional license if approved by the board may be issued to any home health agency, the facilities of which are in use or needed for patients, but which is temporarily unable to conform to all the rules established under this section. A provisional license may not be issued for more than one year.

SECTION 23. Chapter 163 of the statutes, as affected by the laws of 1965, is repealed effective July 1, 1966.

SECTION 24. (1) In sections 46.22 (4) (c), 49.046, 49.18 (8), 49.22 (3) (b), 49.26 (5) (a), 49.37, 49.50 (8) and 49.51 (2) (a) 9 wherever the reference to sections "49.20 to 49.38" or "49.20 to 49.39" is made, "49.20 to 49.37" is substituted.

(2) In section 20.670 (9) (n) 1, the reference to "49.51 (3) (a)" is changed to "49.52" and in section 20.670 (9) (n) 2, the reference to ch. 163 is changed to "49.47".

(3) In section 49.046 substitute "49.46 or 49.47" for section 49.40.

(4) In section 49.19 (10) substitute "49.52" for sub. (8).

(5) In section 49.20 (1) substitute "49.52" for section 49.38.

(6) In section 49.22 (3) (b) substitute "49.20 to 49.37 or 49.46" for "49.20 to 49.40".

(7) In section 49.27 (2) and (3) substitute "49.46" for "49.40".

(8) In section 49.35 (1) substitute "49.22 to 49.37" for 49.22 to 49.38.

Approved June 28, 1966.