

**1999 DRAFTING REQUEST**

**Bill**

Received: **09/8/98**

Received By: **kenneda**

Wanted: **As time permits**

Identical to LRB:

For: **Peggy Krusick (608) 266-1733**

By/Representing: **Davin Lescohier**

This file may be shown to any legislator: **NO**

Drafter: **kenneda**

May Contact: **Dave Lund (DHFS) 6-2021, Dick Sw**

Alt. Drafters:

Subject: **Health - long-term care  
Public Assistance - med. assist.**

Extra Copies: **TAY**

**Pre Topic:**

No specific pre topic given

**Topic:**

Increase MA nursing home reimbursement to supplement wages, fringe benefits or hours for direct care nursing staff

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/4	kenneda 03/22/99	ygeller 03/22/99	martykr 03/22/99	_____	lrb_docadmin 03/22/99	lrb_docadmin	S&L 04/28/99

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FE Sent For: 03/25/99, 05/7/99 .  
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*15 5/7 JG km 5/7 km 5/7*

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*Richard Megna*

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*km*

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WISCONSIN STATE ASSEMBLY



PEGGY KRUSICK  
STATE REPRESENTATIVE

1999  
BILL  
REQUEST

TO: Legislative Reference Bureau  
100 North Hamilton Street, 5th Floor

Date: August 28, 1998

Legislator requesting this draft: Rep. Peggy Krusick

Person submitting request: Davin Lescohier, legislative assistant  
266-1733

**PROBLEM:** Turnover rates for direct care staff in nursing homes are alarmingly high, especially among nurse aides. One of the leading causes is that these difficult nursing jobs typically pay low wages.

**PROPOSAL FOR SOLUTION:** Please draft a bill that would increase the state's reimbursement to nursing homes by \$5 million in each fiscal year of the next biennium to supplement the wages, fringe benefits or hours for direct care nursing staff, which include registered nurses, licensed practical nurses and nurse's assistants.

Nursing homes that used this supplement for increased costs for hours of outside purchased services (i.e., pools) of RNs, LPNs or nurse's assistants would not receive reimbursement for amounts that exceed the average wages and fringe benefits for those types of personnel employed by the nursing home.

Attached is a copy of 1989 Wisconsin Act 6, which serves as a model for this proposal.

**CONTACTS:** Dave Lund, DHFS, Health Care Financing Bureau, 266-2021  
Dick Sweet, Legislative Council, 266-2982

Thanks for your help. Just call if you have any questions.

## STATE OF WISCONSIN

Date of enactment: March 28, 1989

1989 Senate Bill 6

Date of publication\*: March 30, 1989

# 1989 Wisconsin Act 6

AN ACT to amend 49.45 (6m) (ar) 1. cm, 49.45 (6m) (av) 2, 49.45 (6m) (av) 5m and 49.45 (6u) (intro.) of the statutes, relating to increasing payment for certain facilities that provide care to medical assistance recipients with respect to certain direct care costs, active treatment and operating deficits and making an appropriation.

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

SECTION 2. 49.45 (6m) (ar) 1. cm of the statutes is amended to read:

49.45 (6m) (ar) 1. cm. Funding Notwithstanding the limitations under par. (ag) 8, funding distributed to facilities for the provision of active treatment to residents who are developmentally disabled with a diagnosis of developmental disability shall be distributed in accordance with a method developed by the department which is consistent with a prudent buyer approach to payment for services.

SECTION 3. 49.45 (6m) (av) 2 of the statutes is amended to read:

49.45 (6m) (av) 2. The department shall compile an average payment rate for each facility based on that facility's rates for cost centers described under par. (am) 1 to 4 that were in effect on June 30 of the previous year. The department may develop a method for adjusting the facility's rate for the cost center under par. (am) 1 in compiling the average payment rate under this subdivision.

SECTION 4. 49.45 (6m) (av) 5m of the statutes is amended to read:

49.45 (6m) (av) 5m. The Notwithstanding the limitations under par. (ag) 8, the rate under subd. 1, 4 or 5. b or c may be adjusted by the department to reflect funding for active treatment services payments for the provision of active treatment to facility residents with a diagnosis of developmental disability.

SECTION 5. 49.45 (6u) (intro.) of the statutes is amended to read:

49.45 (6u) (intro.) Except as provided in par. (g), from the appropriation under s. 20.435 (1) (o), for reduction of operating deficits, as defined under crite-

ria developed by the department, incurred by a facility, as defined under sub. (6m) (a) 2, that is established under s. 49.14 (1) or that is owned and operated by a city or village, the department shall allocate \$3,715,000 in fiscal year 1987-88 and \$3,715,000 in fiscal year 1988-89 to these facilities and up to ~~\$1,000,000~~ \$4,000,000 in fiscal year 1988-89, as determined by the department, and shall perform all of the following:

SECTION 6. **Nonstatutory provisions; health and social services.** (1) FACILITY PAYMENT; WAGE OR HOUR SUPPLEMENT. Notwithstanding the requirement for an annual update of the prospective payment system under section 49.45 (6m) (ag) (intro.) of the statutes and the limitations on facility payment rate increases in section 49.45 (6m) (ag) 8 of the statutes, the following shall apply:

(a) The department of health and social services may, for state fiscal year 1988-89, in order to permit a facility to receive increased payment for direct care wages, fringe benefits or hours for registered nurses, licensed practical nurses and nurse's assistants, supplement facility payment rates under section 49.45 (6m) (av) of the statutes by an amount not to exceed, in the aggregate, 3.5% of total 1987 direct care costs reported by facilities for direct care wages, fringe benefits or hours of registered nurses, licensed practical nurses and nurse's assistants, except that payment may not be made under this supplement for any costs attributable to increases in the worker's compensation portion of a facility's direct care fringe benefits costs that were incurred by the facility after June 30, 1988, or attributable to increased costs for hours of outside purchased services of registered nurses, licensed practical nurses or nurse's assistants that exceed the average wages and fringe benefits for registered nurses,

\* Section 991.11, WISCONSIN STATUTES 1987-88: **Effective date of acts.** "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment]

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licensed practical nurses or nurse's assistants employed by the facility that were incurred by the facility after June 30, 1988. If the rate of a facility, because of the supplement under this paragraph, is determined under section 49.45 (6m) (av) 5 of the statutes, the facility is ineligible for the supplement under this paragraph, except for a facility for which the state fiscal year 1988-89 rate under section 49.45 (6m) (av) 1 of the statutes is greater than a 0% increase and less than a 2% increase over the facility's average payment rate on June 30, 1988, under section 49.45 (6m) (av) 2 of the statutes. A facility for which the rate, including the supplement under this paragraph, is determined under section 49.45 (6m) (av) 4 of the statutes, may receive a supplement under this paragraph according to a method which the department shall determine.

(b) In order to assure that a supplement provided to a facility under paragraph (a) was expended for the purpose specified in paragraph (a), the department of health and social services shall review the facility's cost reports following provision of the supplement and shall recover from the facility any part of the supplement that was not expended in accordance with paragraph (a) and based on the following criteria:

1. If a facility's allowable direct care costs as established under section 49.45 (6m) (ar) 1 of the statutes for the facility's state fiscal year 1988-89 rates exceed the standards of payment specified under section 49.45 (6m) (ar) 1. a of the statutes, absent the supplement, recovery may be made of the amount, up to the amount of funding received by the facility under paragraph (a), by which revenues exceed expenditures for purposes permitted under paragraph (a) for the period after June 30, 1988, and before July 1, 1989.

2. If a facility's allowable direct care costs as established under section 49.45 (6m) (ar) 1 of the statutes for the facility's state fiscal year 1988-89 rates, are less than the standards of payment specified under section 49.45 (6m) (ar) 1. a of the statutes, absent the supplement, recovery may be made of the following:

a. If the facility incurred direct care costs after June 30, 1988, and before January 1, 1989, that are greater than the amount calculated by the department under section 49.45 (6m) (ar) 1. b of the statutes, the amount, up to the amount of funding received by the facility under paragraph (a), by which revenues exceed expenditures for purposes permitted under paragraph (a) for the period after June 30, 1988, and before July 1, 1989.

b. If the facility incurred direct care costs after June 30, 1988, and before January 1, 1989, that are less than or equal to the amount calculated by the department under section 49.45 (6m) (ar) 1. b of the statutes, the amount, up to the amount of funding received by the facility under paragraph (a), by which revenues exceed expenditures for purposes permitted under paragraph (a) for the period after December 31, 1988, and before July 1, 1989.

(c) In calculating a facility's payment rate for state fiscal year 1989-90, the department of health and social services shall include in the facility's base rate the amount of any supplement provided to the facility under paragraph (a), less any recovery made from the facility under paragraph (b).

(2) **REPORT ON FACILITY PAYMENT SUPPLEMENT.** By December 31, 1989, the department of health and social services shall submit to the chief clerk of each house of the legislature for distribution under section 13.172 (2) of the statutes a report concerning the amounts of payment made under the supplement under subsection (1). The report shall include both a cumulative statewide total and shall separately indicate the payment amounts made for registered nurses, licensed practical nurses and nurse's assistants and, within these separate categories, the separate payment amounts made for direct care wages, fringe benefits or hours for all of the following:

(a) Each facility in the state for which payment was made.

(b) Each facility ownership type, whether proprietary; nonprofit; county-owned; or other-government-owned, including municipally owned or the Wisconsin veterans home at King.

(c) The owner of each facility for which payment was made under paragraph (a).

**SECTION 7. Appropriation changes; health and social services.** (1) **FACILITY MEDICAL ASSISTANCE PAYMENT.** The dollar amount in the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health and social services under section 20.435 (1) (b) of the statutes, as affected by the acts of 1987 and 1989, is increased by \$3,740,000 for fiscal year 1988-89 to permit the supplement provided under SECTION 6 (1) (a) of this act and to increase funding for the provision of active treatment for the developmentally disabled by facilities receiving initial certification, after June 30, 1988, as intermediate care facilities for the mentally retarded.

(2) **COMMUNITY OPTIONS PROGRAM SUPPLEMENT.** The dollar amounts in the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health and social services under section 20.435 (4) (bd) of the statutes, as affected by the acts of 1987 and 1989, are increased by \$558,400 for fiscal year 1988-89 to increase funding to provide services under section 46.27 of the statutes to individuals who have received assessments under section 46.27 (6) of the statutes but have not received services under section 46.27 of the statutes. Of the amount appropriated under this subsection, \$390,900 is designated for services to eligible individuals under section 46.27 (11) of the statutes and \$167,500 is designated for services to eligible individuals under section 46.27 (5) (b) of the statutes.

**SECTION 8. Effective date.** This act takes effect on January 1, 1989.

Questions for Dave Lund 6-2021: Conversation 11/10/98

① Should amt of increase (\$5 million per fiscal year) be written as a percentage of total 1997 direct care costs, as Act 6 is written? wages + fb only, for staff (not pool employees)  
~~Make off 7/1/99 1997-98 rates~~

✓ ② Should there be a prohib. on payment for worker's comp, as in Act 6? (No)

- ③ Do restrictions on payment, for facilities for which rates are determined under 49.45 (6m) (a) 5, apply, as in Act 6? (Don't need to do.)

- ④ Recovery provisions same as in Act 6? (No)

- ⑤ REPORT ON SUPPLEMENT, as in Act 6? - just a report that distribution was made.

✓ ⑥ Include hours? - (No)

From Dave Lescahier 11/12/98:

Dave Lund + he agreed that the \$ should be distributed by first calculating the facility's rate + adding pro rata \$5 million as a flat amount for dir. care wages + benefit; to be effective 7/1/99  
Calculate by dividing \$5 mil by # of projected resident days for fy in facility -

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SECTION 5. 119.42 (1) of the statutes is created to read:

119.42 (1) In this section, "teacher" has the meaning given under s. 40.02 (55), but excludes the superintendent of schools, deputy superintendent of schools,

associate superintendent of schools, secretary-business manager of the board, executive assistant to the superintendent of schools, assistant to the superintendent of schools, community superintendent, division director and department director.

1989 Assembly Bill 109

Date of enactment: March 28, 1989  
Date of publication: March 30, 1989

### 1989 Wisconsin Act 5

AN ACT relating to spearfishing law enforcement aid and making appropriations.

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

SECTION 1. **Nonstatutory provisions; spearfishing law enforcement aid.** Notwithstanding section 29.599 of the statutes, the department of natural resources may reimburse political subdivisions under section 29.599 of the statutes for reimbursable but unpaid law enforcement costs relating to the 1988 spearfishing season for which the political subdivisions filed an application for aid under section 29.599 of the statutes prior to July 1, 1988, from the appropriation under section 20.370 (4) (ga) of the statutes. The department of natural resources shall pay all claims under this SECTION by July 31, 1989.

SECTION 1m. **Nonstatutory provisions; federal reimbursement.** The department of administration shall seek reimbursement from the federal government for law enforcement aid provided by the state under this act.

SECTION 2. **Appropriation changes.** (1) The dollar amounts in the schedule under section 20.005 (3) of

the statutes for the appropriation to the department of natural resources under section 20.370 (4) (ga) of the statutes, as affected by the acts of 1987 and 1989, are increased by \$129,100 for fiscal year 1988-89 to provide increased spearfishing law enforcement aid for the 1988 spearfishing season.

(2) The dollar amounts in the schedule under section 20.005 (3) of the statutes for the appropriation to the joint committee on finance under section 20.865 (4) (a) of the statutes, as affected by the acts of 1987 and 1989, are increased by \$300,000 for fiscal year 1988-89 for the purpose of making available increased funding under section 29.599 of the statutes for reimbursement of law enforcement costs incurred during the 1989 spearfishing season. Notwithstanding section 20.001 (3) (b) of the statutes, the moneys appropriated under this subsection shall not lapse to the general fund at the end of the 1987-89 fiscal biennium.

1989 Senate Bill 6

Date of enactment: March 28, 1989  
Date of publication: March 30, 1989

### 1989 Wisconsin Act 6

AN ACT to amend 49.45 (6m) (ar) 1. cm, 49.45 (6m) (av) 2, 49.45 (6m) (av) 5m and 49.45 (6u) (intro.) of the statutes, relating to increasing payment for certain facilities that provide care to medical assistance recipients ~~with respect to certain direct care costs, active treatment and operating deficits~~ and making an appropriation.

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49.45 (6m) (av) 2. The department shall compile an average payment rate for each facility based on that facility's rates for cost centers described under par. (am) 1 to 4 that were in effect on June 30 of the previous year. The department may develop a method for adjusting the facility's rate for the cost center under par. (am) 1 in compiling the average payment rate under this subdivision.

SECTION 4. 49.45 (6m) (av) 5m of the statutes is amended to read:

49.45 (6m) (av) 5m. The Notwithstanding the limitations under par. (ag) 8, the rate under subd. 1, 4 or 5, b or c may be adjusted by the department to reflect funding for active treatment services payments for the provision of active treatment to facility residents with a diagnosis of developmental disability.

SECTION 5. 49.45 (6u) (intro.) of the statutes is amended to read:

49.45 (6u) (intro.) Except as provided in par. (g) from the appropriation under s. 20.435 (1) (o), for reduction of operating deficits, as defined under criteria developed by the department, incurred by a facility, as defined under sub. (6m) (a) 2, that is established under s. 49.14 (1) or that is owned and operated by a city or village, the department shall allocate \$3,715,000 in fiscal year 1987-88 and \$3,715,000 in fiscal year 1988-89 to these facilities and up to \$1,000,000 \$4,000,000 in fiscal year 1988-89, as determined by the department, and shall perform all of the following:

SECTION 6. Nonstatutory provisions; health and social services. (1) FACILITY PAYMENT; WAGE OR HOUR SUPPLEMENT. Notwithstanding the requirement for an annual update of the prospective payment system under section 49.45 (6m) (ag) (intro.) of the statutes and the limitations on facility payment rate increases in section 49.45 (6m) (ag) 8 of the statutes, the following shall apply:

(a) The department of health and social services may, for state fiscal year ~~1988-89~~ <sup>1992-99</sup>, in order to permit a facility to receive increased payment for direct care wages, fringe benefits or hours for registered nurses, licensed practical nurses and nurse's assistants, supplement facility payment rates under section 49.45 (6m) (av) of the statutes by an amount not to exceed, in the aggregate, ~~3%~~ <sup>3%</sup> of total ~~488~~ direct care costs reported by facilities for direct care wages, fringe benefits or hours of registered nurses, licensed practical nurses and nurse's assistants, except that payment may not be made under this supplement for any costs attributable to increases in the worker's compensation portion of a facility's direct care fringe benefits costs that were incurred by the facility after June 30, 1988,

or attributable to increased costs for hours of outside purchased services of registered nurses, licensed practical nurses or nurse's assistants that exceed the average wages and fringe benefits for registered nurses, licensed practical nurses or nurse's assistants employed by the facility that were incurred by the facility after June 30, 1988. If the rate of a facility, because of the supplement under this paragraph, is determined under section 49.45 (6m) (av) 5 of the statutes, the facility is ineligible for the supplement under this paragraph, except for a facility for which the state fiscal year 1988-89 rate under section 49.45 (6m) (av) 1 of the statutes is greater than a 0% increase and less than a 2% increase over the facility's average payment rate on June 30, 1988, under section 49.45 (6m) (av) 2 of the statutes. A facility for which the rate, including the supplement under this paragraph, is determined under section 49.45 (6m) (av) 4 of the statutes, may receive a supplement under this paragraph according to a method which the department shall determine.

(b) In order to assure that a supplement provided to a facility under paragraph (a) was expended for the purpose specified in paragraph (a), the department of health and social services shall review the facility's cost reports following provision of the supplement and shall recover from the facility any part of the supplement that was not expended in accordance with paragraph (a) and based on the following criteria:

1. If a facility's allowable direct care costs as established under section 49.45 (6m) (ar) 1 of the statutes for the facility's state fiscal year 1988-89 rates exceed the standards of payment specified under section 49.45 (6m) (ar) 1. a of the statutes, absent the supplement, recovery may be made of the amount, up to the amount of funding received by the facility under paragraph (a), by which revenues exceed expenditures for purposes permitted under paragraph (a) for the period after June 30, 1988, and before July 1, 1989.

2. If a facility's allowable direct care costs as established under section 49.45 (6m) (ar) 1 of the statutes for the facility's state fiscal year 1988-89 rates, are less than the standards of payment specified under section 49.45 (6m) (ar) 1. a of the statutes, absent the supplement, recovery may be made of the following:

a. If the facility incurred direct care costs after June 30, 1988, and before January 1, 1989, that are greater than the amount calculated by the department under section 49.45 (6m) (ar) 1. b of the statutes, the amount, up to the amount of funding received by the facility under paragraph (a), by which revenues exceed expenditures for purposes permitted under paragraph (a) for the period after June 30, 1988, and before July 1, 1989.

b. If the facility incurred direct care costs after June 30, 1988, and before January 1, 1989, that are less than or equal to the amount calculated by the department under section 49.45 (6m) (ar) 1. b of the statutes, the amount, up to the amount of funding received by the facility under paragraph (a), by which revenues exceed

Keep ?

Family

family

costs for

Hours ?

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1997

expenditures for purposes permitted under paragraph (a) for the period after December 31, 1988, and before July 1, 1989.

(c) In calculating a facility's payment rate for state fiscal year 1989-90, the department of health and social services shall include in the facility's base rate the amount of any supplement provided to the facility under paragraph (a), less any recovery made from the facility under paragraph (b).

(2) REPORT ON FACILITY PAYMENT SUPPLEMENT. By December 31, 1989, the department of health and social services shall submit to the chief clerk of each house of the legislature for distribution under section 13.172 (2) of the statutes a report concerning the amounts of payment made under the supplement under subsection (1). The report shall include both a cumulative statewide total and shall separately indicate the payment amounts made for registered nurses, licensed practical nurses and nurse's assistants and, within these separate categories, the separate payment amounts made for direct care wages, fringe benefits or hours for all of the following:

(a) Each facility in the state for which payment was made.

(b) Each facility ownership type, whether proprietary; nonprofit; county-owned; or other-government-owned, including municipally owned or the Wisconsin veterans home at King.

(c) The owner of each facility for which payment was made under paragraph (a).

SECTION 7. Appropriation changes; health and social services. (1) FACILITY MEDICAL ASSISTANCE PAY-

family

MENT. The dollar amount in the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health and social services under section 20.435 (1) (b) of the statutes, as affected by the acts of 1987 and 1989, is increased by \$3,740,000 for fiscal year 1988-89 to permit the supplement provided under SECTION 6 (1) (a) of this act. and to increase funding for the provision of active treatment for the developmentally disabled by facilities receiving initial certification, after June 30, 1988, as intermediate care facilities for the mentally retarded.

family

(2) COMMUNITY OPTIONS PROGRAM SUPPLEMENT. The dollar amounts in the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health and social services under section 20.435 (4) (bd) of the statutes, as affected by the acts of 1987 and 1989, are increased by \$558,400 for fiscal year 1988-89 to increase funding to provide services under section 46.27 of the statutes to individuals who have received assessments under section 46.27 (6) of the statutes but have not received services under section 46.27 of the statutes. Of the amount appropriated under this subsection, \$390,900 is designated for services to eligible individuals under section 46.27 (11) of the statutes and \$167,500 is designated for services to eligible individuals under section 46.27 (5) (b) of the statutes.

SECTION 8. Effective date. This act takes effect on January 1, 1989.

July 1

1999

Date of enactment: March 28, 1989

Date of publication: April 4, 1989

1989 Senate Bill 11

# 1989 Wisconsin Act 7

AN ACT to repeal 757.69 (1m); to renumber and amend 343.305 (8) (b) 3; to amend 343.30 (1q) (h), 343.305 (8) (a), 343.305 (8) (b) 1, 343.305 (8) (c) 1, 343.305 (8) (c) 2, 343.305 (8) (c) 3, 343.305 (8) (c) 5, 343.305 (10) (g), 343.325 (title), 343.325 (2) and (3) and 343.325 (4) and (5); and to create 343.305 (8) (am), 343.305 (8) (b) 3 and 4, 343.325 (3m) and 343.325 (6) and (7) of the statutes, relating to suspension, revocation or cancellation of a motor vehicle operator's license.

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

SECTION 1. 343.30 (1q) (h) of the statutes is amended to read:

343.30 (1q) (h) The court or department shall provide that the period of suspension or revocation imposed under this subsection shall be reduced by any period of suspension or revocation previously imposed served under s. 343.305 if the suspension or revocation under s. 343.305 and the conviction for

violation of s. 346.63 (1) or (2m) or a local ordinance in conformity therewith arise out of the same incident or occurrence. The court or department shall order that the period of suspension or revocation imposed under this subsection run concurrently with any period of time remaining on a suspension or revocation imposed under s. 343.305 arising out of the same incident or occurrence. The court may modify an occupational license authorized under s. 343.305 (8) (d) in accordance with this subsection.

Question for Damien Lescolier

Because of s. 16.47(2), can eff. date be  
past passage of budget? (Yes)





(SOON) (in on '17)  
**State of Wisconsin**  
**1999 - 2000 LEGISLATURE**

D-NOTE

LRB-0038/1

DAK.....

PK

## 1999 BILL

gen cost

WFO:  
check auto refs.

- 1 **AN ACT** ...; **relating to:** increasing payment to supplement wages and fringe
- 2 benefits for direct care nursing staff for nursing homes that provide care to
- 3 medical assistance recipients and making an appropriation.

### *Analysis by the Legislative Reference Bureau*

Under current law, the department of health and family services (DHFS) must calculate individual rates of payment to nursing homes for care provided to medical assistance recipients by means of a statutory formula that considers various costs, including allowable direct care costs for staff services. Currently, increases in total payments to nursing homes for this care are limited, during fiscal year 1998-99, to \$30,145,200 or 3.5% over that paid for services provided in fiscal year 1997-98, whichever is less.

This bill provides for a supplement in payment to nursing homes serving medical assistance recipients that is specifically for direct care costs for wages and fringe benefits for registered nurses, licensed practical nurses and nurse's assistants. The supplement, from general purpose revenues, is \$5,000,000 in fiscal year 1999-00 and \$5,000,000 in fiscal year 2000-01. DHFS must calculate each nursing home's supplementary payment for each fiscal year by first calculating the nursing home's rate per resident day under the statutory formula and adding to that amount an amount that is obtained by dividing \$5,000,000 by the number of resident days in the nursing home that is projected for that fiscal year. DHFS is required to report to the legislature concerning the amounts of these supplementary payments for each nursing home to which payment was made. The report must specify each

patient

then

**BILL**

facility ownership type (whether proprietary, nonprofit or government-owned) and must specify the owner of each nursing home to which payment was made.

For further information see the *state and local* 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. Nonstatutory provisions; health and family services.**

(1) FACILITY PAYMENT; WAGES AND FRINGE BENEFITS SUPPLEMENT. Notwithstanding the limitations on facility payment rate increases in section 49.45 (6m) (ag) 8. of the statutes, in order to permit a facility, as defined in section 49.45 (6m) (a) 3. of the statutes, to receive increased payment for direct care costs for wages and fringe benefits for registered nurses, licensed practical nurses and nurse's assistants, the department of health and family services shall supplement facility payment rates under section 49.45 (6m) (av) of the statutes by an amount not to exceed \$5,000,000 in state fiscal year 1999-00 and \$5,000,000 in state fiscal year 2000-01. The department shall calculate each facility's supplementary payment for each fiscal year under this subsection by first calculating the facility's rate per resident day under section 49.45 (6m) (av) of the statutes and <sup>then</sup> adding to this amount an amount that is obtained by dividing \$5,000,000 by the number of resident days in the facility that is projected for that fiscal year. The payment<sup>s</sup> shall be calculated as of July 1, 1999, and July 1, 2000, respectively.

(2) REPORT ON FACILITY PAYMENT SUPPLEMENT. By December 31, 2000, the department of health and family services shall submit to the chief clerk of each house of the legislature for distribution under section 13.172 (2) of the statutes a report concerning the amounts of payment made under the supplement under subsection

(1). The report shall include both a cumulative statewide total and shall separately, in the manner provided.

a.r.

in the manner provided

patient

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**BILL**

1 indicate the payment amounts made for registered nurses, licensed practical nurses  
2 and nurse's assistants and, within these separate categories, the separate payment  
3 amounts made for direct care wages, fringe benefits or hours for all of the following:

4 (a) Each facility in the state for which payment was made.

5 (b) Each facility ownership type, whether proprietary; nonprofit;  
6 county-owned; or other government-owned, including municipally-owned or the  
7 Wisconsin veterans home at King.

8 (c) The owner of each facility for which payment was made under paragraph

9 (a). a.r.

**SECTION 2. Appropriation changes; health and family services.**

11 (1) FACILITY PAYMENT; WAGES AND FRINGE BENEFITS SUPPLEMENT. In the schedule  
12 under section 20.005 (3) of the statutes for the appropriation to the department of  
13 health and family services under section 20.435 (5) (b) of the statutes, as affected by  
14 the acts of 1999, the dollar amount is increased by \$5,000,000 for fiscal year 1999-00  
15 and the dollar amount is increased by \$5,000,000 for fiscal year 2000-01 to permit  
16 the supplement provided under <sup>CS</sup>Section 16(1) of this act.

**SECTION 3. Effective date.**

18 (1) FACILITY MEDICAL ASSISTANCE PAYMENT. This act takes effect on July 1, 1999,  
19 or on the day after publication of the 1999-~~2001~~<sup>STEP</sup> biennial budget act, whichever is  
20 later.

21 (END)

D-NOTE

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0038/1dn

DAK.....

PK

To Representative Krusick:

1. Because s. 16.47 (2), stats., prohibits each house of the legislature from passing a bill that contains an appropriation of or increases the cost of state government by more than \$10,000, except for emergency appropriations bills, until the budget bill has passed both houses, I have drafted for this bill an effective date that is July 1, 1999, or after passage of the budget bill, whichever is later. If you have any questions about this, I would be happy to discuss it with you.

2. I would appreciate it if you would show this draft to Dave Lund in DHFS; I would like for him to review the language with respect to the calculation of the payment and with respect to the report. Thank you.

Debora A. Kennedy  
Assistant Chief Counsel  
266-0137

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0038/1dn  
DAK:pk:jf

November 17, 1998

To Representative Krusick:

1. Because s. 16.47 (2), stats., prohibits each house of the legislature from passing a bill that contains an appropriation of or increases the cost of state government by more than \$10,000, except for emergency appropriations bills, until the budget bill has passed both houses, I have drafted for this bill an effective date that is July 1, 1999, or after passage of the budget bill, whichever is later. If you have any questions about this, I would be happy to discuss it with you.

2. I would appreciate it if you would show this draft to Dave Lund in DHFS; I would like for him to review the language with respect to the calculation of the payment and with respect to the report. Thank you.

Debora A. Kennedy  
Assistant Chief Counsel  
266-0137

For 0038/2

"1/24/98 From Devin (Kumsick's aide):  
Add "Medicaid-eligible" to resident days  
→ Analysis + p. 2, l. 13



State of Wisconsin  
1999 - 2000 LEGISLATURE

SOON In edit. 11/24

LRB-0038/2

DAK:pk

Jlg

1999 BILL

1 <sup>Regen</sup> **AN ACT relating to:** increasing payment to supplement wages and fringe benefits  
 2 for direct care nursing staff for nursing homes that provide care to medical  
 3 assistance recipients and making an appropriation.

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

Under current law, the department of health and family services (DHFS) must calculate individual rates of payment to nursing homes for care provided to medical assistance recipients by means of a statutory formula that considers various costs, including allowable direct care costs for staff services. Currently, increases in total payments to nursing homes for this care are limited, during fiscal year 1998-99, to \$30,145,200 or 3.5% over that paid for services provided in fiscal year 1997-98, whichever is less.

This bill provides for a supplement in payment to nursing homes serving medical assistance recipients that is specifically for direct care costs for wages and fringe benefits for registered nurses, licensed practical nurses and nurse's assistants. The supplement, from general purpose revenues, is \$5,000,000 in fiscal year 1999-00 and \$5,000,000 in fiscal year 2000-01. DHFS must calculate each nursing home's supplementary payment for each fiscal year by first calculating the nursing home's rate per patient day under the statutory formula and then adding to that amount an amount that is obtained by dividing \$5,000,000 by the number of resident days in the nursing home that is projected for that fiscal year. DHFS is required to report to the legislature concerning the amounts of these supplementary payments for each nursing home to which payment was made. The report must

medical assistance - eligible

**BILL**

specify each facility ownership type (whether proprietary, nonprofit or government-owned) and must specify the owner of each nursing home to which payment was made.

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. Nonstatutory provisions; health and family services.**

2           (1) FACILITY PAYMENT; WAGES AND FRINGE BENEFITS SUPPLEMENT. Notwithstanding  
3 the limitations on facility payment rate increases in section 49.45 (6m) (ag) 8. of the  
4 statutes, in order to permit a facility, as defined in section 49.45 (6m) (a) 3. of the  
5 statutes, to receive increased payment for direct care costs for wages and fringe  
6 benefits for registered nurses, licensed practical nurses and nurse's assistants, the  
7 department of health and family services shall supplement facility payment rates  
8 under section 49.45 (6m) (av) of the statutes by an amount not to exceed \$5,000,000  
9 in state fiscal year 1999-00 and \$5,000,000 in state fiscal year 2000-01. The  
10 department shall calculate each facility's supplementary payment for each fiscal  
11 year under this subsection by first calculating the facility's rate per patient day  
12 under section 49.45 (6m) (av) of the statutes and then adding to this amount an  
13 amount that is obtained by dividing \$5,000,000 by the number of resident days in the  
14 facility that is projected for that fiscal year. The payments shall be calculated as of  
15 July 1, 1999, and July 1, 2000, respectively.

16           (2) REPORT ON FACILITY PAYMENT SUPPLEMENT. By December 31, 2000, the  
17 department of health and family services shall submit, in the manner provided  
18 under section 13.172 (2) of the statutes, a report concerning the amounts of payment  
19 made under the supplement under subsection (1). The report shall include both a

✓ medical assistance - eligible



**BILL**

1 cumulative statewide total and shall separately indicate the payment amounts made  
2 for registered nurses, licensed practical nurses and nurse’s assistants and, within  
3 these separate categories, the separate payment amounts made for direct care  
4 wages, fringe benefits or hours for all of the following:

- 5 (a) Each facility in the state for which payment was made.
- 6 (b) Each facility ownership type, whether proprietary; nonprofit;  
7 county-owned; or other government-owned, including municipally owned or the  
8 Wisconsin Veterans Home at King.
- 9 (c) The owner of each facility for which payment was made under paragraph  
10 (a).

**SECTION 2. Appropriation changes; health and family services.**

12 (1) FACILITY PAYMENT; WAGES AND FRINGE BENEFITS SUPPLEMENT. In the schedule  
13 under section 20.005 (3) of the statutes for the appropriation to the department of  
14 health and family services under section 20.435 (5) (b) of the statutes, as affected by  
15 the acts of 1999, the dollar amount is increased by \$5,000,000 for fiscal year 1999–00  
16 and the dollar amount is increased by \$5,000,000 for fiscal year 2000–01 to permit  
17 the supplement provided under SECTION 1 (1) of this act.

**SECTION 3. Effective date.**

19 (1) FACILITY MEDICAL ASSISTANCE PAYMENT. This act takes effect on July 1, 1999,  
20 or on the day after publication of the 1999–2001 biennial budget act, whichever is  
21 later.

22 (END) ✓

WISCONSIN STATE ASSEMBLY



PEGGY KRUSICK  
STATE REPRESENTATIVE

TO: Debora Kennedy  
FROM: Peggy Krusick  
DATE: December 14, 1998  
SUBJECT: Nursing home wage pass through

---

Dick Sweet of the Legislative Council suggested the following minor change to the wage pass through bill draft, LRB-0038/2:

- ✓ On page 2, lines 13 and 14, specify that the \$5 million should be divided by the total number of medical-assistance eligible resident days in all facilities in the state. Otherwise, it looks as if just one facility would be getting the entire pool of money.

Let me know if you have any questions. Thanks a lot.

---

*Dec. 30, 1998, From Davin: wait to make change until after Rep. Krusick hears from DHFS its comments + he notifies me*



PEGGY KRUSICK  
STATE REPRESENTATIVE

TO: Debora Kennedy  
FROM: Peggy Krusick  
DATE: February 2, 1999  
SUBJECT: Nursing home wage pass through

---

In addition to the change I previously sent in my memo dated December 14, please modify the wage pass-through bill draft (LRB-0038/2) to:

- Exclude facilities with staffing costs above state maximum limits from any requirement to further increase compensation or staffing. In facilities that are paying at the maximum rate or near that rate and have higher-than-average staffing levels, it may not be optimal to require additional increases in compensation or staffing.
- Direct DHFS to implement a mechanism to ensure that the supplement is used for nursing staff compensation or hours, and specify how DHFS will recoup funds that are found to have been used for some other purpose. Please consult Richard Megna of the Legislative Fiscal Bureau if you have any questions developing enforcement guidelines.

Thanks for your help.

---

From Richard Megna 2/23:

DHFS can ensure by adjusting cost report info, as compared to previous year, for:

- ① Any changes occurring in pt. days.
- ② Any rate increase (other than the supplement) that is applicable to the facility
- ③ Differences in costs for contract labor v. in-house staff

WISCONSIN STATE ASSEMBLY



**PEGGY KRUSICK**  
STATE REPRESENTATIVE

TO: Debora Kennedy  
FROM: Peggy Krusick  
DATE: February 9, 1999  
SUBJECT: Nursing home wage pass through

---

Please make the following modifications to the wage pass-through bill draft, LRB-0038/2:

- ✓ • Exempt from the bill, as suggested by DHFS, the State Centers and the Veteran's Home at King. Each of these facilities operates under a different reimbursement procedure than other nursing homes.
- ✓ • Allocate \$2 million in each year of the biennium for the purpose of increasing the reimbursement rate for personal care worker services in home health settings. This increase would be in addition to the department's budget proposal to raise the rate from \$11.50 to \$12.50 an hour.

These changes are in addition to the modifications I previously sent you in my memos dated December 14 and February 2.

Thanks for all your help. Just let me know if you have any questions.

---

Soon

D-NOTE

# 1999 BILL

not The supplement does not apply to the Wisconsin Veterans Home at King, Wisconsin, to the state centers for the developmentally disabled or to nursing homes that paid their personnel at or in excess of the standard for allowable direct care costs in fiscal years 1997-98 and 1998-99.

increasing medical assistance rates of payment for workers providing in-home personal care services, requiring a report

- 1 AN ACT relating to: increasing payment to supplement wages and fringe benefits
- 2 Regen medical assistance to nursing homes for direct care nursing staff for nursing homes that provide care to medical
- 3 assistance recipients and making ~~an~~ appropriation.

### Analysis by the Legislative Reference Bureau

Under current law, the department of health and family services (DHFS) must calculate individual rates of payment to nursing homes for care provided to medical assistance recipients by means of a statutory formula that considers various costs, including allowable direct care costs for staff services. Currently, increases in total payments to nursing homes for this care are limited, during fiscal year 1998-99, to \$30,145,200 or 3.5% over that paid for services provided in fiscal year 1997-98, whichever is less.

This bill provides for a supplement in payment to nursing homes serving medical assistance recipients that is specifically for direct care costs for wages and fringe benefits for registered nurses, licensed practical nurses and nurse's assistants. The supplement, from general purpose revenues, is \$5,000,000 in fiscal year 1999-00 and \$5,000,000 in fiscal year 2000-01. DHFS must calculate each nursing home's supplementary payment for each fiscal year by first calculating the nursing home's rate per patient day under the statutory formula and then adding to that amount an amount that is obtained by dividing \$5,000,000 by the number of medical assistance-eligible resident days in the nursing home that is projected for that fiscal year. DHFS is required to report to the legislature concerning the amounts of these supplementary payments for each nursing home to which payment

INSERT AIA

INSERT AIB

all



**BILL**

was made. The report must specify each facility ownership type (whether proprietary, nonprofit or government-owned) and must specify the owner of each nursing home to which payment was made.

For further information see the *state and local* 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:*

auto ref B to Ins 3-17

(a)

auto ref A to Ins 2-15

**SECTION 1. Nonstatutory provisions; health and family services.**

(1) FACILITY PAYMENT; WAGES AND FRINGE BENEFITS SUPPLEMENT. Notwithstanding the limitations on facility payment rate increases in section 49.45 (6m) (ag) 8. of the statutes, in order to permit a facility, as defined in section 49.45 (6m) (a) 3. of the statutes, to receive increased payment for direct care costs for wages and fringe benefits for registered nurses, licensed practical nurses and nurse's assistants, the department of health and family services shall supplement facility payment rates under section 49.45 (6m) (av) of the statutes by an amount not to exceed \$5,000,000 in state fiscal year 1999-~~00~~<sup>2000</sup> and \$5,000,000 in state fiscal year 2000-01. The department shall calculate each facility's supplementary payment for each fiscal year under this subsection by first calculating the facility's rate per patient day under section 49.45 (6m) (av) of the statutes and then adding to this amount an amount that is obtained by dividing \$5,000,000 by the number of medical assistance-eligible resident days in ~~the facility~~ that is projected for that fiscal year.

The payments shall be calculated as of July 1, 1999, and July 1, 2000, respectively.

**REPORT ON FACILITY PAYMENT SUPPLEMENT.** By December 31, 2000, the department of health and family services shall submit, in the manner provided under section 13.172 (2) of the statutes, a report concerning the amounts of payment made under the supplement under subsection (1). The report shall include both a

all facilities in the state

INSERT A 2

INSERT 2-15

**BILL**

1 cumulative statewide total and shall separately indicate the payment amounts made  
2 for registered nurses, licensed practical nurses and nurse's assistants and, within  
3 these separate categories, the separate payment amounts made for direct care  
4 wages, fringe benefits or hours for all of the following:

5 (a) Each facility in the state for which payment was made.

6 (b) Each facility ownership type, whether proprietary; nonprofit;  
7 county-owned; or other government-owned, including municipally owned ~~of the~~  
8 ~~Wisconsin Veterans Home at King.~~

9 (c) The owner of each facility for which payment was made under paragraph  
10 (a).

**SECTION 2. Appropriation changes; health and family services.**

12 (1) FACILITY PAYMENT; WAGES AND FRINGE BENEFITS SUPPLEMENT. In the schedule  
13 under section 20.005 (3) of the statutes for the appropriation to the department of  
14 health and family services under section 20.435 (5) (b) of the statutes, as affected by  
15 the acts of 1999, the dollar amount is increased by \$5,000,000 for fiscal year 1999-00 <sup>Plain</sup>  
16 and the dollar amount is increased by \$5,000,000 for fiscal year 2000-01 to permit  
17 the supplement provided under SECTION 1 (1) of this act.

✓  
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3-17

**SECTION 3. Effective date.**

AND PERSONAL CARE

19 (1) FACILITY ~~MEDICAL ASSISTANCE PAYMENT~~ <sup>S</sup> This act takes effect on July 1, 1999,  
20 or on the day after publication of the 1999-2001 biennial budget act, whichever is  
21 later.

(END)

D - NOTE



If currently, <sup>a</sup> medical assistance recipient may receive personal care services if he or she is not eligible for home health aide services under Medicare and, <sup>m</sup> for more than 50 hours of the services in a calendar year, the provider receives prior authorization from DHFS.

with

DHFS also must ensure that the supplement was, in fact, expended for the intended purpose by comparing<sup>m</sup> cost reports from separate years and adjusting that information to account for any changes occurring in patient days, additional payment rate increase<sup>se</sup> and differences in labor costs caused by increased costs for contract labor, rather than employment of in-house staff. lastly, <sup>NO</sup><sub>H</sub>

INSERT A 2

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU - LEGAL SECTION  
(608-266-3561)

# The bill also provides for a supplement in payment for in-home <sup>personal</sup> care services that are provided to medical assistance recipients. The supplement is \$2,000,000 in each of fiscal years 1999-2000<sup>✓</sup> and 2000-01<sup>✓</sup>, from general purpose revenues.

nonstat  
par

auto ref  
A

(b) Paragraph (a) does not apply to any of the following:

# 1. A center for

the developmentally disabled, as defined in section 51.01 (3) of

the statutes,

or to the Wisconsin Veterans Home at Kenosha, Wisconsin.

which the

# 2. A facility for allowable direct care costs

for services of facility personnel, as described under

section 49.45 (6m) (am) 1. d. and e. of the statutes,

met or exceeded the standard for payment under

section 49.45 (6m) (ar) 1. a. of the statutes,

as indicated by cost reports of the facility for

the period during state fiscal years 1997-98 and

1998-99.

nonstat  
par

(c) In order to ensure that a supplement

auto ref  
A

provided to a facility under paragraph (a) was

expended for the purpose specified in paragraph

(a), the department of health and family services

auto ref  
A

shall, for facility cost reports covering the period during state fiscal year 1999-2000, as compared with reports covering the period during state fiscal year 1998-99, and for facility cost reports covering the period during state fiscal year 2000-01, as compared with reports covering the period during state fiscal year 1999-2000, adjust the information to account for all of the following:

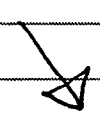
¶ 1. Any changes occurring in patient days.

¶ 2. Any <sup>payment</sup> rate increase applicable to the facility that is in effect beginning July 1, 1999, and is other than the supplement under paragraph

(a).

← (auto ref A)

¶ 3. Differences in labor costs caused by increased costs for contract labor, as opposed to employment of in-house staff.



auto ref C  
to INS 3-17

CS

nonstat

#  
2

SUPPLEMENT; IN-HOME PERSONAL CARE SERVICES.

NO  
#

The department of health and family services shall

supplement rates of payment made under section

49.45 (42) of the statutes for workers providing in-home personal

care services provided to medical assistance

recipients by an amount not to exceed

\$2,000,000 in each of state fiscal years 1999-2000

and 2000-01.

End of INS 2-15

1999

INSERT 3-17

DDD

LRB \_\_\_\_\_ / \_\_\_\_\_

Nonstat File Sequence:

\$\$\$ CHANGE

1. In the component bar:

For the action phrase, execute: ..... create → action: → \*NS: → \$change

For the budget action phrase, execute: ..... create → action: → \*NS: → 92XX

For the text, execute: ..... create → text: → \*NS: → \$change

2. Nonstatutory subunits are numbered automatically if "(#1)", "(#2)", etc., is filled in.. Below, for the budget, fill in the 9200 department code; and fill in "\_\_\_" or "( )" only if a "frozen" number is needed.

SECTION # 192 mmmm. Appropriation changes; .....

(B) → health and family services, .....

(CS) → (#1) SUPPLEMENT; IN-HOME PERSONAL CARE SERVICES, .....

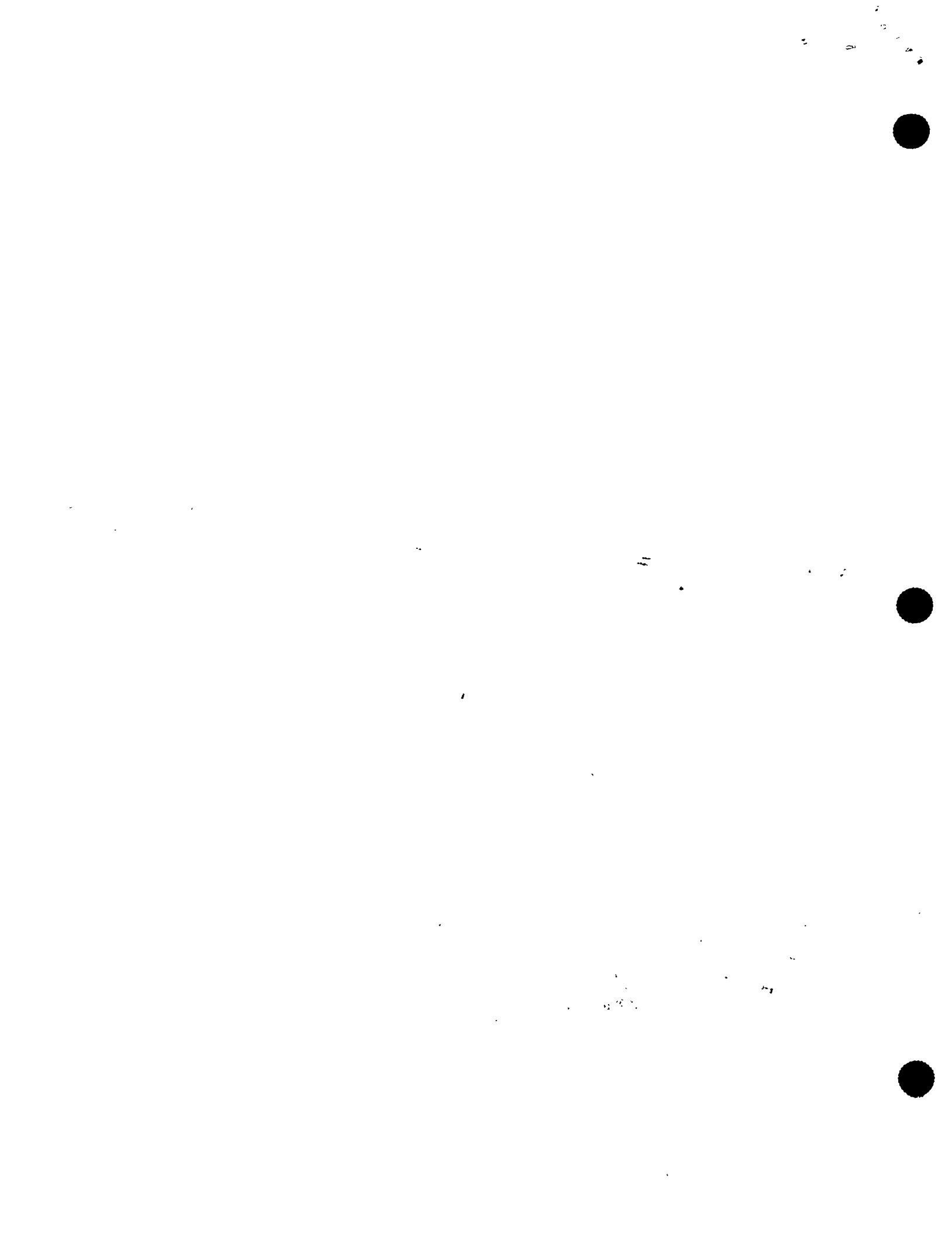
In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health and family services .....

under section 20.135 (5) (b) of the statutes, as affected by the acts of 1999, the dollar amount is increased by \$ 2,000,000 for fiscal year 1999-00 and the dollar amount is increased by \$ 2,000,000 for fiscal year 2000-01

~~to increase funding for the [purpose] [purposes] for which the appropriation is made~~ to increase funding for to permit the supplement provided under .....

(CS) SECTION 1 (2) of this act ✓  
auto ref B  
auto ref C from INS 2-15

\* Use the 2nd alternative if the purpose of the increase or decrease is more limited than the purpose or purposes of the appropriation as currently shown in the text of ch. 20, stats.





**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0038/3dn  
DAK:jl&pk:km

To Representative Krusick:

I would suggest that this draft be reviewed by Richard Megna and Dave Lund, to ensure that I have captured their intent. I would be happy to give any further assistance necessary.

Debora A. Kennedy  
Managing Attorney  
Phone: (608) 266-0137

3/11 From Richard Megna Re-0038/3

① p. 2, l. 5

to increase wages for  
or to increase staff hours of

② p. 3, line 4 facilities except those specified  
in (b) 1. + 2.

③ p. 2, l. 9 - 12,200,000 (both places)  
p. 3, l. 4 - "

p. 5, \$223,000 (rather than \$2,000,000)

X ④ Report: RM will speak with Davin in Kersick's  
office; they will get back to me. -

From Davin 3/17

Give nh's up to the maximum level

p. 3, delete lines 10 to 14

include the request to increase  
wages or staffing hrs does not apply  
to facilities above current max.  
limit, plus the wage supplement

From Richard Megna 3/17: To clarify ↑: Homes below  
the max. plus the supplement won't be able to  
retain the supplement unless increase dir.  
care costs.

# 1999 BILL

Regen

and federal medicaid  
moneys

nursing services,  
and may receive

1 **AN ACT relating to:** increasing medical assistance payment to nursing homes to  
 2 supplement wages and fringe benefits for direct care nursing staff, increasing  
 3 medical assistance rates of payments for workers providing in-home personal  
 4 care services, requiring a report and making appropriations.

### Analysis by the Legislative Reference Bureau

Under current law, the department of health and family services (DHFS) must calculate individual rates of payment to nursing homes for care provided to medical assistance recipients by means of a statutory formula that considers various costs, including allowable direct care costs for staff services. Currently, increases in total payments to nursing homes for this care are limited, during fiscal year 1998-99, to \$30,145,200 or 3.5% over that paid for services provided in fiscal year 1997-98, whichever is less.

Currently, a medical assistance recipient may receive personal care services if he or she is not eligible for home health aide services under medicare and, for more than 50 hours of the services in a calendar year, the provider receives prior authorization from DHFS.

This bill provides for a supplement in payment to nursing homes serving medical assistance recipients that is specifically for direct care costs for wages and fringe benefits for registered nurses, licensed practical nurses and nurse's assistants. The supplement, from general purpose revenues, is \$12,200,000 in fiscal year 1999-00 and \$5,000,000 in fiscal year 2000-01. The supplement does not apply to the Wisconsin Veterans Home at King, Wisconsin, to the state centers for the

or  
increase  
staff  
hours  
of

\$12,200,000

to increase

A medical assistance recipient may also receive home or community-based services under the long-term support community options program or under one of the community integration programs.

**BILL**

\$12,200,000

except the Wisconsin Veterans Home at Kings and the state centers for the developmentally disabled

developmentally disabled ~~into~~ nursing homes that paid their personnel at or in excess of the standard for allowable direct care costs in fiscal years 1997-98 and 1998-99. DHFS must calculate each nursing home's supplementary payment for each fiscal year by first calculating the nursing home's rate per patient day under the statutory formula and then adding to that amount an amount that is obtained by dividing ~~\$7,000,000~~ by the number of medical assistance-eligible resident days in all nursing homes that is projected for that fiscal year. DHFS ~~also~~ must ensure that the supplement was, in fact, expended for the intended purpose by comparing cost reports from separate years and adjusting that information to account for any changes occurring in patient days, additional payment rate increase and differences in labor costs caused by increased costs for contract labor, rather than employment of in-house staff. Lastly, DHFS is required to report to the legislature concerning the amounts of these supplementary payments for each nursing home to which payment was made. The report must specify each facility ownership type (whether proprietary, nonprofit or government-owned) and must specify the owner of each nursing home to which payment was made.

The bill also provides for a supplement in ~~payment~~ for in-house personal care services that are provided to medical assistance recipients. The supplement is \$2,000,000 in each of fiscal years 1999-2000 and 2000-01, from general purpose revenues, ~~whichever is less,~~

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

and federal medicare money

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

**SECTION 1. Nonstatutory provisions; health and family services.**

**(1) FACILITY PAYMENT; WAGES AND FRINGE BENEFITS SUPPLEMENT.**

(a) Notwithstanding the limitations on facility payment rate increases in section 49.45 (6m) (ag) 8. of the statutes, in order to permit a facility, as defined in section 49.45 (6m) (a) 3. of the statutes, to ~~receive increased payment for direct care costs for wages and fringe benefits~~ for registered nurses, licensed practical nurses and nurse's assistants, the department of health and family services shall supplement facility payment rates under section 49.45 (6m) (av) of the statutes by an amount not to exceed ~~\$5,000,000~~ in state fiscal year 1999-2000 and ~~\$3,000,000~~ in state fiscal year 2000-01. The department shall calculate each facility's

INSERT ANAL B

INSERT ANAL A

hourly reimbursement rates

home

an increase of 3% in the reimbursement rate on

increase wages and fringe benefits

or increase staff hours of

\$12,200,000

BILL

\$12,200,000

1 supplementary payment for each fiscal year under this subsection by first  
2 calculating the facility's rate per patient day under section 49.45 (6m) (av) of the  
3 statutes and then adding to this amount an amount that is obtained by dividing  
4 ~~\$8,000,000~~ by the number of medical assistance-eligible resident days in all facilities  
5 in the state that is projected for that fiscal year. The payments shall be calculated  
6 as of July 1, 1999, and July 1, 2000, respectively.

except those specified in par (b)  
paragraph

auto ref A

auto ref A

(b) Paragraph (a) does not apply to any of the following:

7  
8 1. A center for the developmentally disabled, as defined in section 51.01 (3) of  
9 the statutes, or to the Wisconsin Veterans Home at King, Wisconsin.

auto ref B

(c)

sum of the

10 A facility for which the allowable direct care costs for services of facility  
11 personnel, as described under section 49.45 (6m) (am) 1. d. and e. of the statutes,  
12 ~~or exceeded the standard for payment under section 49.45 (6m) (ar) 1. a. of the~~  
13 ~~statutes,~~ <sup>and</sup> as indicated by cost reports of the facility for the period during state fiscal  
14 years 1997-98 and 1998-99.

INSERT 3-14

in accordance with

(d)

15 (d) In order to ensure that a supplement provided to a facility under paragraph  
16 (a) was expended for the purpose specified in paragraph (a), the department of health  
17 and family services shall, for facility cost reports covering the period during state  
18 fiscal year 1999-2000, as compared with reports covering the period during state  
19 fiscal year 1998-99, and for facility cost reports covering the period during state  
20 fiscal year 2000-01, as compared with reports covering the period during state fiscal  
21 year 1999-2000, adjust the information to account for all of the following:

auto ref B

(c)

- 22 1. Any changes occurring in patient days.
- 23 2. Any payment rate increase applicable to the facility that is in effect
- 24 beginning July 1, 1999, and is other than the supplement under paragraph (a).

**BILL**

1 3. Differences in labor costs caused by increased costs for contract labor, as  
2 opposed to employment of in-house staff.

INSERT  
4-2

hourly reimbursement

(2) SUPPLEMENT IN-HOME PERSONAL CARE SERVICES. The department of health  
and family services shall supplement rates of payment made

auto ref D

(4) of the statutes for workers providing in-home personal care services to medical

assistance recipients by an amount not to exceed \$2,000,000 in each of state fiscal

(6) years 1999-2000 and 2000-01.

3% or in

, whichever is less,

(3) REPORT ON FACILITY PAYMENT SUPPLEMENT. By December 31, 2000, the

department of health and family services shall submit, in the manner provided

under section 13.172 (2) of the statutes, a report concerning the amounts of payment

made under the supplement under subsection (1). The report shall include both a

cumulative statewide total and shall separately indicate the payment amounts made

for registered nurses, licensed practical nurses and nurse's assistants and, within

these separate categories, the separate payment amounts made for direct care

wages, fringe benefits or hours for all of the following:

(a) Each facility in the state for which payment was made.

(b) Each facility ownership type, whether proprietary; nonprofit; county-owned; or other government-owned, including municipally owned.

(c) The owner of each facility for which payment was made under paragraph (a).

**SECTION 2. Appropriation changes; health and family services.**

(1) FACILITY PAYMENT; WAGES AND FRINGE BENEFITS SUPPLEMENT. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health and family services under section 20.435 (5) (b) of the statutes, as affected by the acts of 1999, the dollar amount is increased by \$5,000,000 for fiscal year 1999-00

**BILL**

1 and the dollar amount is increased by \$5,000,000 for fiscal year 2000-01 to permit  
2 the supplement provided under SECTION 1 (1) of this act. \$ 823,000

3 **SECTION 3. Appropriation changes; health and family services.**

4 (1) SUPPLEMENT; IN-HOME PERSONAL CARE SERVICES. In the schedule under section  
5 20.005 (3) of the statutes for the appropriation to the department of health and family  
6 services under section 20.455 (5) (b) of the statutes, as affected by the acts of 1999,  
7 the dollar amount is increased by ~~\$2,000,000~~ for fiscal year 1999-00 and the dollar  
8 amount is increased by ~~\$2,000,000~~ for fiscal year 2000-01 to increase funding to  
9 permit the supplement provided under SECTION 1 ~~(1)~~ of this act. (2) auto  
ref D

10 **SECTION 4. Effective date.**

11 (1) FACILITY AND PERSONAL CARE MEDICAL ASSISTANCE PAYMENTS. This act takes  
12 effect on July 1, 1999, or on the day after publication of the 1999-2001 biennial  
13 budget act, whichever is later.

14 (END)

(not)

A nursing home may spend the supplementary amount only to increase wages and fringe benefits for registered nurses, licensed practical nurses and nurse's assistants or to increase their staff hours if the sum of the nursing home's allowable direct care costs for personnel for fiscal years 1997-98 and 1998-99 plus the supplementary amount does not equal or exceed the sum of the medical assistance standard for allowable direct care costs plus the supplementary amount.

End of  
INSERT



non  
stat  
par.

#  
(4)

If the department of health and family services  
 determines that a supplement <sup>under paragraph (a)</sup> provided to a facility to  
 which paragraph (c) <sup>applies</sup> was not expended as required  
 under paragraph (c), the department may  
 recoup some or all of the supplement.

End of  
INSERT

**SUBMITTAL  
FORM**

**LEGISLATIVE REFERENCE BUREAU  
Legal Section Telephone: 266-3561  
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and **sign** on the appropriate line(s) below.

**Date:** 3/22/99

**To:** Representative Krusick

**Relating to LRB drafting number:** LRB-0038

**Topic**

Increase MA nursing home reimbursement to supplement wages, fringe benefits or hours for direct care nursing staff

**Subject(s)**

Health - long-term care, Public Assistance - med. assist.

1. **JACKET** the draft for introduction \_\_\_\_\_

in the **Senate** \_\_\_\_ or the **Assembly** \_\_\_\_ (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT**. See the changes indicated or attached \_\_\_\_\_

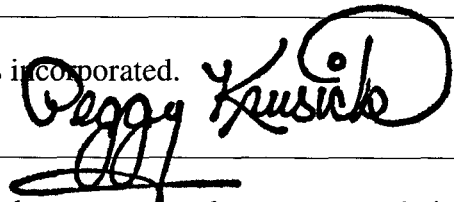
A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction \_\_\_\_\_

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Debra A. Kennedy, Managing Attorney  
Telephone: (608) 266-0137



Handwritten signature or scribble, possibly containing the word "Perry" or similar, with a horizontal line underneath.

**SUBMITTAL  
FORM**

**LEGISLATIVE REFERENCE BUREAU  
Legal Section Telephone: 266-3561  
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 2/25/99

To: Representative Krusick

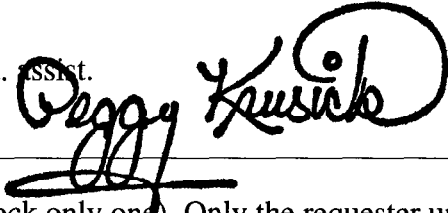
Relating to LRB drafting number: LRB-0038

**Topic**

Increase MA nursing home reimbursement to supplement wages, fringe benefits or hours for direct care nursing staff

**Subject(s)**

Health - long-term care, Public Assistance - med. assist.



1. **JACKET** the draft for introduction \_\_\_\_\_  
in the **Senate** \_\_\_\_ or the **Assembly**  (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT**. See the changes indicated or attached \_\_\_\_\_  
A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction \_\_\_\_\_  
If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Debora A. Kennedy, Managing Attorney  
Telephone: (608) 266-0137

Handwritten signature or initials, possibly "P. King" or "P. King" with a flourish below.

4/6/99 From Davin:

Redraft 0038/4

Supplement for in-home personal care services  
is \$1 (rather than 3%) and \$6,532,700 for 99-2000  
and \$7,231,900 for 2000-01

GPR for approp change is \$2,691,600 99-2000  
and \$2,985,300 2000-01

DAK pointed out typing error in SEC 2 (1),  
which will be corrected on redraft

NOTE: PLEASE RETURN THIS BILL DRAFT AND THIS TRANSMITTAL SHEET WITH YOUR FISCAL ESTIMATE FORMS

IF THERE IS A FISCAL EFFECT TO THE BILL, PLEASE SUBMIT THE FISCAL ESTIMATE WORKSHEET.

TO: **Bonnie Niemann**  
**Department of Health and Family Services**

FROM: Deborah Uecker  
Division of Executive Budget and Finance  
101 East Wilson Street  
Administration Building, 10th Floor  
Madison, WI 53702

SUBJECT: Fiscal Estimate - **LRB Number 0038/4**  
**1999 Bill Number**

UN-introduced  
copy to  
Rep. Krusick  
05-04-99

Please provide the necessary information on fiscal estimate forms and return two (2) copies to

Deborah Uecker, no later than: 01-Apr-99

If you cannot comply with the above deadline for any reason, please call Deborah at 267-0371.



Provide local government costs

\_\_\_\_\_ is responsible for local government costs.

**ALSO SENT TO:**  
Department of Health and Family Services

DATE DOA SENT TO AGENCY:

25-Mar-99

DATE DOA RECEIVED FROM AGENCY:

5/4/99

---

**TO BE COMPLETED BY AGENCY:**

Name and phone number of person who prepared the fiscal estimate.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Phone Number)

PLEASE SEND ORIGINAL COPIES OF THE FORMS THAT CAN BE REPRODUCED.

LRB or Bill No./Adm. Rule No.  
LRB-0038/4

Amendment No. if Applicable

**FISCAL ESTIMATE**

DOA-2048 N(R10/96)

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**Subject**

Medicaid Wage Pass-through for Nursing Homes and Personal Care Workers

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget     Yes     No

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
 Permissive     Mandatory  
2.  Decrease Costs  
 Permissive     Mandatory

3.  Increase Revenues  
 Permissive     Mandatory  
4.  Decrease Revenues  
 Permissive     Mandatory

5. Types of Local Governmental Units Affected:  
 Towns     Villages     Cities  
 Counties     Others \_\_\_\_\_  
 School Districts     WTCS Districts

**Fund Sources Affected**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**

20.435(5)(b) and (5)(o)

**Assumptions Used in Arriving at Fiscal Estimate**

This bill provides for a \$12.2 million supplement in payment to nursing homes serving Medicaid recipients that is specifically to increase wages and fringe benefits for certain nursing home employees. DHFS must ensure that the supplement was expended for the intended purposes. If it isn't, DHFS may recoup the supplement from the nursing home. The bill also provides up to \$2 million in funding for a supplement in hourly reimbursement rates for in-home personal care services provided to Medicaid recipients.

The bill as drafted only provides GPR funding to the Department for the personal care worker supplement in FY's 00 and 01. The \$12.2 million nursing home supplement would have to be paid from the Medicaid appropriations. Using the federal reimbursement rate for Medicaid for FY 00 (58.7975%), the \$12.2 million supplement would cost \$5,026,700 GPR and \$7,173,300 FED. Since the Medicaid appropriations budgets are set in a way to cover all expected Medicaid expenditures, the nursing home supplement in this bill would be an additional cost to the Medicaid program. The Department also assumes that while these supplements are provided on the basis of nonstatutory language for the 1999-01 biennium, the intent of the bill is for these supplemental payments to become part of the Medicaid base for these providers, and would therefore continue into the 2001-03 biennium.

In order to complete the required cost report review to assure compliance with the intent of the supplement by nursing homes, the Department will require additional resources. It is assumed that reviewing the cost reports for each of the 411 nursing homes serving Medicaid recipients will require approximately 6 hours of auditor time annually. This equals 2,466 hours. Using 1,850 hours of available work time per FTE, the Department will require an additional 1.3 FTE at the Auditor-Senior classification. This is equivalent to an annual cost of \$77,200 (\$21/hour x 1.36 fringe x 2080 hours x 1.3 FTE = \$77,200). This cost is split \$38,600 GPR and \$38,600 FED.

**Long-Range Fiscal Implications**

It is assumed that the \$12.2 million will remain in the base nursing home Medicaid budget for 2001-03. However, the legislation authorizing the supplement over-and-above the statutory rate calculation for a nursing home expires after FY 01. Therefore it is likely that some nursing homes will not receive their full share of the \$12.2 million beginning in FY 02 when they are again limited to the rate calculation in statute.

Agency/Prepared by: (Name & Phone No.)

DHFS/Michael Bormett 266-9359

Authorized Signature/Telephone No.

*John A. Kiesow*  
John A. Kiesow, 266-9622

Date

29  
4/20/99



**FISCAL ESTIMATE WORKSHEET**

1999 Session

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10/96)

ORIGINAL       UPDATED  
 CORRECTED        
SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
LRB-0038/4

Amendment No.

**Subject**

Medicaid Wage Pass-through for Nursing Homes and Personal Care Workers

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

<b>II. Annualized Costs:</b>		<b>Annualized Fiscal impact on State funds from:</b>	
		<b>Increased Costs</b>	<b>Decreased Costs</b>
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$ 77,200	\$ -
(FTE Position Changes)		( 1.3 FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations		14,200,000	-
<b>TOTAL State Costs by Category</b>		<b>\$ 14,277,200</b>	<b>\$ -0</b>
<b>B. State Costs by Source of Funds</b>		<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR		\$ 5,888,300	\$ -
FED		8,388,900	-
PRO/PRS			-
SEG/SEG-S			-
<b>State Revenues</b>	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
<b>TOTAL State Revenues</b>		<b>\$ 0</b>	<b>\$ -0</b>

**NET ANNUALIZED FISCAL IMPACT**  
STATE

LOCAL

NET CHANGE IN COSTS      \$14,277,200 \_\_\_\_\_      \$0 \_\_\_\_\_

NET CHANGE IN REVENUES      \$0 \_\_\_\_\_      \$0 \_\_\_\_\_

Agency/Prepared by: (Name & Phone No.) DHFS/Michael Bormett 266-9359	Authorized Signature/Telephone No. <i>John A. Kiesow</i> John A. Kiesow, 266-9622	Date 29 4/20/99
---	---	-----------------------



## 1999 BILL

Regen

1 AN ACT relating to: increasing medical assistance payment to nursing homes to  
2 supplement wages and fringe benefits for direct care nursing staff, increasing  
3 medical assistance rates of payments for workers providing in-home personal  
4 care services, requiring a report and making appropriations.

---

### *Analysis by the Legislative Reference Bureau*

Under current law, the department of health and family services (DHFS) must calculate individual rates of payment to nursing homes for care provided to medical assistance recipients by means of a statutory formula that considers various costs, including allowable direct care costs for staff services. Currently, increases in total payments to nursing homes for this care are limited, during fiscal year 1998-99, to \$30,145,200 or 3.5% over that paid for services provided in fiscal year 1997-98, whichever is less.

Currently, a medical assistance recipient may receive nursing services, and may receive personal care services if he or she is not eligible for home health aide services under medicare and, for more than 50 hours of the services in a calendar year, the provider receives prior authorization from DHFS. A medical assistance recipient may also receive home or community-based services under the long-term support community options program or under one of the community integration programs.

This bill provides for a supplement in payment to nursing homes serving medical assistance recipients that is specifically to increase wages and fringe benefits for, or increase staff hours of, registered nurses, licensed practical nurses

**BILL**

and nurse's assistants. The supplement, from general purpose revenues and federal medicaid moneys, is \$12,200,000 in fiscal year 1999-00 and \$12,200,000 in fiscal year 2000-01. The supplement does not apply to the Wisconsin Veterans Home at King, Wisconsin or to the state centers for the developmentally disabled. DHFS must calculate each nursing home's supplementary payment for each fiscal year by first calculating the nursing home's rate per patient day under the statutory formula and then adding to that amount an amount that is obtained by dividing \$12,200,000 by the number of medical assistance-eligible resident days in all nursing homes, except the Wisconsin Veterans Home at King, Wisconsin and the state centers for the developmentally disabled, that is projected for that fiscal year. A nursing home may spend the supplementary amount only to increase wages and fringe benefits for registered nurses, licensed practical nurses and nurse's assistants or to increase their staff hours if the sum of the nursing home's allowable direct care costs for personnel for fiscal years 1997-98 and 1998-99 plus the supplementary amount does not equal or exceed the sum of the medical assistance standard for allowable direct care costs plus the supplementary amount. DHFS must ensure that the supplement was, in fact, expended for the intended purpose by comparing cost reports from separate years and adjusting that information to account for any changes occurring in patient days, additional payment rate increase and differences in labor costs caused by increased costs for contract labor, rather than employment of in-house staff. If DHFS determines that the supplement was not expended by a nursing home as required, DHFS may recoup some or all of the supplement. Lastly, DHFS is required to report to the legislature concerning the amounts of these supplementary payments for each nursing home to which payment was made. The report must specify each facility ownership type (whether proprietary, nonprofit or government-owned) and must specify the owner of each nursing home to which payment was made.

whichever is less

The bill also provides for a supplement in hourly reimbursement rates for in-home personal care services that are provided to medical assistance recipients. The supplement is an increase of ~~3%~~ <sup>\$1</sup> in the reimbursement rate or ~~\$2,000,000~~ <sup>hourly</sup>, whichever is less, in each of fiscal years 1999-2000 and 2000-01, from general purpose revenues and federal medicaid moneys.

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

\$6,532,700

\$7,231,900 in fiscal year

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

1 **SECTION 1. Nonstatutory provisions; health and family services.**

auto ref A

2 (1) **FACILITY PAYMENT, WAGES AND FRINGE BENEFITS SUPPLEMENT.**

3 (a) Notwithstanding the limitations on facility payment rate increases in  
4 section 49.45 (6m) (ag) 8. of the statutes, in order to permit a facility, as defined in

**BILL**

1 section 49.45 (6m) (a) 3. of the statutes, to increase wages and fringe benefits for, or  
2 increase staff hours of, registered nurses, licensed practical nurses and nurse's  
3 assistants, the department of health and family services shall supplement facility  
4 payment rates under section 49.45 (6m) (av) of the statutes by an amount not to  
5 exceed \$12,200,000 in state fiscal year 1999–2000 and \$12,200,000 in state fiscal  
6 year 2000–01. The department shall calculate each facility's supplementary  
7 payment for each fiscal year under this subsection by first calculating the facility's  
8 rate per patient day under section 49.45 (6m) (av) of the statutes and then adding  
9 to this amount an amount that is obtained by dividing \$12,200,000 by the number  
10 of medical assistance–eligible resident days in all facilities in the state except those  
11 specified in paragraph (b) that is projected for that fiscal year. The payments shall  
12 be calculated as of July 1, 1999, and July 1, 2000, respectively.

13 (b) Paragraph (a) does not apply to a center for the developmentally disabled,  
14 as defined in section 51.01 (3) of the statutes, or to the Wisconsin Veterans Home at  
15 King, Wisconsin.

16 (c) A facility for which the sum of the allowable direct care costs for services of  
17 facility personnel, as described under section 49.45 (6m) (am) 1. d. and e. of the  
18 statutes and as indicated by cost reports of the facility for the period during state  
19 fiscal years 1997–98 and 1998–99, plus the supplement under paragraph (a), does  
20 not meet or exceed the sum of the standard for payment under section 49.45 (6m) (ar)  
21 1. a. of the statutes, plus the supplement, shall use the amount of the supplement  
22 for the purpose specified in paragraph (a).

23 (d) In order to ensure that a supplement provided to a facility under paragraph  
24 (a) was expended in accordance with paragraph (c), the department of health and  
25 family services shall, for facility cost reports covering the period during state fiscal

**BILL**

**SECTION 1**

1 year 1999-2000, as compared with reports covering the period during state fiscal  
2 year 1998-99, and for facility cost reports covering the period during state fiscal year  
3 2000-01, as compared with reports covering the period during state fiscal year  
4 1999-2000, adjust the information to account for all of the following:

5 1. Any changes occurring in patient days.

6 2. Any payment rate increase applicable to the facility that is in effect  
7 beginning July 1, 1999, and is other than the supplement under paragraph (a).

8 3. Differences in labor costs caused by increased costs for contract labor, as  
9 opposed to employment of in-house staff.

10 (e) If the department of health and family services determines that a  
11 supplement under paragraph (a) provided to a facility to which paragraph (c) applies  
12 was not expended as required under paragraph (c), the department may recoup some  
13 or all of the supplement.

✓, whichever is less

14 (2) SUPPLEMENT; IN-HOME PERSONAL CARE SERVICES. The department of health  
15 and family services shall supplement hourly reimbursement rates under section  
16 49.45 (42) of the statutes for workers providing in-home personal care services to  
17 medical assistance recipients by ~~3%~~ or in an amount not to exceed ~~\$2,000,000~~,

✓ \$1

18 ~~whichever is less~~, in ~~each~~ state fiscal year 1999-2000 and 2000-01.

✓ \$6,532,700

19 (3) REPORT ON FACILITY PAYMENT SUPPLEMENT. By December 31, 2000, the  
20 department of health and family services shall submit, in the manner provided  
21 under section 13.172 (2) of the statutes, a report concerning the amounts of payment  
22 made under the supplement under subsection (1). The report shall include both a  
23 cumulative statewide total and shall separately indicate the payment amounts made  
24 for registered nurses, licensed practical nurses and nurse's assistants and, within

in an amount  
not to exceed \$7,231,900 ✓  
state fiscal year

**BILL**

1 these separate categories, the separate payment amounts made for direct care  
2 wages, fringe benefits or hours for all of the following:

- 3 (a) Each facility in the state for which payment was made.
- 4 (b) Each facility ownership type, whether proprietary; nonprofit;  
5 county-owned; or other government-owned, including municipally owned.
- 6 (c) The owner of each facility for which payment was made under paragraph

7 (a). \$5,000,000 ✓

**SECTION 2. Appropriation changes; health and family services.**

9 (1) FACILITY PAYMENT, WAGES AND FRINGE BENEFITS SUPPLEMENT. In the schedule  
10 under section 20.005 (3) of the statutes for the appropriation to the department of  
11 health and family services under section 20.435 (5) (b) of the statutes, as affected by  
12 the acts of 1999, the dollar amount is increased by ~~\$823,000~~ for fiscal year 1999-00  
13 and the dollar amount is increased by ~~\$823,000~~ for fiscal year 2000-01 to permit the  
14 supplement provided under SECTION 1 (2) of this act. 1 ← auto  
ref A

**SECTION 3. Appropriation changes; health and family services.**

16 (1) SUPPLEMENT, IN-HOME PERSONAL CARE SERVICES. In the schedule under section  
17 20.005 (3) of the statutes for the appropriation to the department of health and family  
18 services under section 20.455 (5) (b) of the statutes, as affected by the acts of 1999,  
19 the dollar amount is increased by ~~\$823,000~~ for fiscal year 1999-00 and the dollar  
20 amount is increased by ~~\$823,000~~ for fiscal year 2000-01 to increase funding to permit  
21 the supplement provided under SECTION 1 (2) of this act.

**SECTION 4. Effective date.**

\$2,691,600 ✓

\$2,985,300 ✓





STEPHEN R. MILLER  
CHIEF

# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

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P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION (608) 266-3561  
LEGAL FAX (608) 264-8522

REFERENCE SECTION (608) 266-0341  
REFERENCE FAX (608) 266-5648

# *FISCAL ESTIMATES*

**BILL NUMBER:**

**ASSEMBLY BILL 344**

Note: The analysis of this bill states that a fiscal estimate was required for this bill. A request was made through the department of administration to have a fiscal estimate prepared. The agency(s) assigned to prepare a fiscal estimate for this bill did not return an estimate for this bill so none are included in this file.