

1999 ASSEMBLY BILL 857

March 8, 2000 – Introduced by Representatives RHOADES, HANDRICK, GRONEMUS, KESTELL, BOYLE, COGGS, HUNDERTMARK, LA FAVE, J. LEHMAN, MEYER, MUSSER, OLSEN, PLOUFF, REYNOLDS, RYBA, SPILLNER, SYKORA and TOWNSEND, cosponsored by Senators MOEN, ROESSLER, PLACHE, RUDE, CLAUSING, DRZEWIECKI, BRESKE, WIRCH, BURKE, FARROW, ROSENZWEIG, ROBSON, DARLING and BAUMGART. Referred to Committee on Health.

1 **AN ACT** *to amend* 20.435 (4) (b) of the statutes; **relating to:** medical assistance
 2 wage or salary supplements for nursing home housekeeping, laundry and food
 3 workers and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the department of health and family services (DHFS) pays a combination of general purpose revenues and federal medicaid moneys to nursing homes for care provided to recipients of medical assistance (MA). DHFS must calculate a payment rate for a nursing home by applying, to information from cost reports for the nursing home's previous fiscal year, a statutory formula that includes specified standards and considers specified cost centers and allowable costs. Among the cost centers that DHFS must consider is allowable support service costs, including dietary service and environmental service (providing maintenance, housekeeping, laundry and security services).

This bill provides a supplement of \$4,550,000 of general purpose revenues and federal medicaid moneys to the MA payment rates for nursing homes, beginning on July 1, 2000, for the payment of wages or salaries for or an increase in the staff hours of housekeeping, laundry and food workers. Each nursing home may apply to DHFS and receive up to the total maximum amount per patient day for the wages or salaries that DHFS calculates for the nursing home, under a method specified in the bill. In order to ensure that each nursing home expends the supplement for the wages or salaries, each nursing home must complete a form, prepared by DHFS, to determine if the nursing home's housekeeping, laundry and food workers' wage or salary costs

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per patient day increased by 3.5% during the 12 months following the supplement. However, if the nursing home had in effect on January 1, 2000, a collective bargaining agreement that included an increase in wages or salaries or increase in staff hours of housekeeping, laundry and food workers, DHFS may not include that increase in the required increased expenditures unless all parties to the collective bargaining agreement otherwise agree. DHFS may adjust the percentage increase to account for specific factors. If DHFS determines that any part of the supplement provided to a nursing home was not expended as required, DHFS may recoup that part of the supplement.

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:

1 **SECTION 1.** 20.435 (4) (b) of the statutes, as affected by 1999 Wisconsin Act 9,
2 is amended to read:
3 20.435 **(4)** (b) *Medical assistance program benefits.* Biennially, the amounts in
4 the schedule to provide the state share of medical assistance program benefits
5 administered under s. 49.45, to provide medical assistance program benefits
6 administered under s. 49.45 that are not also provided under par. (o), to fund the pilot
7 project under s. 46.27 (9) and (10), to provide the facility payments under 1999
8 Wisconsin Act 9, section 9123 (9m), and 1999 Wisconsin Act (this act), section 2
9 (1), to fund services provided by resource centers under s. 46.283 and for services
10 under the family care benefit under s. 46.284 (5). Notwithstanding s. 20.002 (1), the
11 department may transfer from this appropriation to the appropriation under sub. (7)
12 (kb) funds in the amount of and for the purposes specified in s. 46.485.
13 Notwithstanding ss. 20.001 (3) (b) and 20.002 (1), the department may credit or
14 deposit into this appropriation and may transfer between fiscal years funds that it
15 transfers from the appropriation under sub. (7) (kb) for the purposes specified in s.
16 46.485 (3r). Notwithstanding s. 20.002 (1), the department may transfer from this

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

SECTION 2. Nonstatutory provisions.**(1) FACILITY PAYMENT; WAGE OR SALARY SUPPLEMENT.**

3
4
5 (a) In addition to any facility payment increases for state fiscal year 2000–01,
6 in order to permit a facility, as defined in section 49.45 (6m) (a) 3. of the statutes, to
7 increase, beginning on July 1, 2000, wages or salaries for or increase staff hours of
8 housekeeping, laundry and food workers, as determined by the department of health
9 and family services, from the appropriations under section 20.435 (4) (b) and (o) of
10 the statutes, the department shall, beginning on July 1, 2000, supplement facility
11 payment rates under section 49.45 (6m) (av) of the statutes by an amount not to
12 exceed \$4,550,000 in state fiscal year 2000–01, or by multiplying the total amount
13 of the wages reported in the 1998 cost reports of facilities by 3.5%, whichever is less.
14 The department shall calculate each facility's maximum payment per patient day
15 under this paragraph by multiplying by 3.5% the amount obtained by dividing the
16 total of the facility's housekeeping, laundry and food workers' wages or salaries by
17 the total number of patient days of the facility, as indicated by the facility's 1998 cost
18 reports. Each facility may apply to the department for up to the total maximum
19 amount per patient day calculated for the facility and receive that supplemental
20 amount for each medical assistance day of service provided.

21 (b) In order to ensure that a supplement provided to a facility under paragraph
22 (a) was expended in accordance with the purpose specified in paragraph (a), the
23 department of health and family services shall prepare a supplemental application
24 form for completion by facilities in applying for the supplement, to determine
25 whether the facility's housekeeping, laundry and food workers' wage or salary costs

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1 per patient day have increased during the period after June 30, 2000, and before July
2 1, 2001, by a percentage that is at least equal to 3.5%, unless paragraph (c) applies.

3 The department shall adjust the required percentage increase to account for all of
4 the following:

5 1. Any payment rate decrease applicable to the facility that is in effect
6 beginning on July 1, 2000.

7 2. Any decrease or increase in the facility's expenditures for contracted labor
8 services.

9 3. Any change in the facility's patient acuity levels.

10 4. Whether or not the facility's reporting period corresponds to the supplement
11 payment period.

12 5. Any other factor that the department determines is relevant and that is
13 readily available in the database of the department.

14 (c) Unless otherwise agreed to by the parties to a collective bargaining
15 agreement in effect on January 1, 2000, the department may not include any
16 increase in wages or salaries or increase in staff hours of housekeeping, laundry and
17 food workers of a facility that is codified in that collective bargaining agreement in
18 the increased expenditures required under paragraph (b).

19 (d) If the department of health and family services determines that a
20 supplement under paragraph (a) provided to a facility was not expended as required
21 under paragraph (b), the department may recoup that part of the supplement that
22 was not expended as required.

SECTION 3. Appropriation changes.

23
24 (1) FACILITY PAYMENT; WAGES OR SALARIES. In the schedule under section 20.005
25 (3) of the statutes for the appropriation to the department of health and family

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1 services under section 20.435 (4) (b) of the statutes, as affected by the acts of 1999,
2 the dollar amount is increased by \$2,181,400 for fiscal year 2000–01 to provide to a
3 facility under section 49.45 (6m) of the statutes a medical assistance payment rate
4 increase for wages or salaries for or an increase of staff hours of housekeeping,
5 laundry and food workers.

6

(END)