1999 SENATE BILL 243

September 28, 1999 – Introduced by Senators Welch, George, Robson, Darling, Roessler, Rude, Farrow, Huelsman and Drzewiecki, cosponsored by Representatives Kelso, Gard, Ladwig, Underheim, Urban, La Fave, Olsen, Huebsch, Grothman, Gunderson, Seratti, Sykora, Kreibich, Hundertmark, Townsend, Stone and Gundrum. Referred to Committee on Health, Utilities, Veterans and Military Affairs.

AN ACT *to amend* 46.036 (4) (c) of the statutes; **relating to:** changing requirements for provision of an audit report by providers of care and services purchased by the department of health and family services or county departments.

Analysis by the Legislative Reference Bureau

Currently, contracts for the purchase of care and services by the department of health and family services (DHFS) or by a county department of social services, human services, developmental disabilities services or community programs are subject to certain standard requirements. One of these requirements is that each provider of care and services that exceed \$25,000 supply the purchaser with a certified financial compliance audit report biennially, or annually if required under federal law. DHFS may waive this requirement, as may a purchaser for services for a family–operated group home.

This bill changes requirements for provision of audit reports by providers of care and services to require that audits be provided annually and to apply the requirement to purchased care and services that equal or exceed \$50,000, except that an audit for care and services of less than \$50,000 is required if the purchaser so requests and if circumstances specified in the bill occur. The bill eliminates the requirement that the certified audit report be for a financial and compliance audit.

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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. 46.036 (4) (c) of the statutes is amended to read:

46.036 **(4)** (c) Unless waived by the department, biennially, or annually if required under federal law, provide the purchaser with a certified financial and compliance audit report if the care and services purchased are equal to or exceed \$25,000. The \$50,000. A provider shall provide the purchaser with a certified audit report for purchased care and services of less than \$50,000 if the purchaser so requests and if the purchaser has not previously contracted with the provider, the purchaser has evidence that the provider has previously experienced significant financial management problems or an audit is necessary for the department to claim federal moneys. An audit under this paragraph shall follow standards that the department prescribes. A purchaser may waive the requirements of this paragraph for any family-operated group home, as defined under par. (a), from which it purchases services.

14 (END)