

1999 DRAFTING REQUEST

Bill

Received: **12/8/98**

Received By: **kenneda**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 7-9546**

By/Representing: **Jablonsky**

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

Drafter: **kenneda**

May Contact:

Alt. Drafters:

Subject: **Mental Health - detent/commit**
Mental Health - miscellaneous

Extra Copies:

Topic:

DOA:.....Jablonsky - Rate setting for the mental health institutes

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>
/1	kenneda 12/26/98	gilfokm 12/26/98	ismith 12/28/98	_____	lrb_docadmin 12/28/98		S&L

FE Sent For:

<END>

1999 DRAFTING REQUEST

Bill

Received: **12/8/98**

Received By: **kenneda**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 7-9546**

By/Representing: **Jablonsky**

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

Drafter: **kenneda**

May Contact:

Alt. Drafters:

Subject: **Mental Health - detent/commit**
Mental Health - miscellaneous

Extra Copies:

Topic:

DOA:.....Jablonsky - Rate setting for the mental health institutes

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>
1/?	kenneda	A-12-26 kmg	IS 12/28	IS/WLJ 12/28			

FE Sent For:

<END>

STATE OF



WISCONSIN

Department of Administration
Division of State Executive Budget and Planning
101 S. Webster - 7th Floor
Telephone: 266-

Date: 12/8/98

To: Steve Miller

From: Sue Sablonsky

This would give the mental
health institutes flexibility
in setting rates

Rate Setting

DHFS

Department of Health and Family Services
1999-2001 Biennial Budget Statutory Language Request
November 5, 1998

Rate Setting

Current Language

s.51.42(3)(as) 3. specifies the rate setting process for the Mental Health Institutes (MHIs).

Proposed Change

Amend s.51.42(3)(as) 3. to allow for more flexibility in setting rates at the MHIs.

Effect of the Change

Changing the way that rates are set will allow the MHIs more flexibility in pricing their services in an economically competitive manner.

Rationale for the Change

The Department annually sets rates at the MHIs. The Department is authorized to establish rates that are based on the per diem cost of specific levels of care. There is no flexibility in the rate setting process and the MHIs are unable to set rates that might make them economically more competitive. When the Department's Long Term Care initiative is established, the Institutes will need to be able to set rates that respond to client and provider needs in a more flexible manner. For example, the Institutes may find that it is a good financial practice to sell advance bed days at a discount to counties. Allowing the MHIs flexibility in their rate setting will also help the Institutes to adapt to long term care reform as it continues to evolve.

Desired Effective Date: Upon Passage of Bill
Agency: DHFS
Agency Contact: Ellen Hadidian
Phone: 266-8155

12/6

Q to Sue Jablonsky:

What is meant by the instructions? Section 51.42(3)
(as) 2. currently requires that care provided reflect
the estimated per diem cost — wouldn't changing
this put the mhi's in deficit?

Kennedy, Debora

From: Jablonsky, Sue [sue.jablonsky@doa.state.wi.us]
Sent: Wednesday, December 23, 1998 8:31 AM
To: Kennedy, Debora
Subject: FW: DCTF Draft Language

just wanted to make sure you get this. ellen sent me a copy but the address was so weird, i didn't know if you would get it or not

> -----Original Message-----

> From: Hadidan, Ellen
> Sent: Wednesday, December 23, 1998 7:25 AM
> To: Jablonsky, Sue
> Subject: RE: DCTF Draft Language

>
> That does look weird - it's not the address I used; I typed in gwia and
> added
> her e-mail address from phone book. I had better check this. Meanwhile,
> can
> you forward the message to her, just to make sure she got it?

>
> >>> Sue Jablonsky 12/22 2:05 PM >>>
> what kind of weird address is that?

>
> -----Original Message-----

> From: Hadidan, Ellen
> Sent: Tuesday, December 22, 1998 1:57 PM
> To: *DHFSMAST.gwia.á
> Cc: Flood, Laura; Jablonsky, Sue
> Subject: DCTF Draft Language

>
> Debora -

>
> Sorry it has taken so long to get back to you on these issues. Attached
> you
> will find draft definitions of "outpatient" and "day treatment," per your
> request for the draft on the mental health institute services. The out
> patient
> definition is derived from a HCFA definition to enable us to receive
> Medicare
> reimbursement.

>
> Regarding your question regarding language for rate setting for the MHIs,
> the
> Department would like language that allows flexibility in setting rates so
> that
> directors have more options in the kind of programs and rates that the
> MHIs
> could offer. One possibility under consideration is selling discounted
> beds to
> counties or HMOs, but the directors think that other options may emerge in
> the
> future and would like language that would allow them to accomodate these
> options. You could include a directive to the effect that in setting
> rates the
> institutes are responsible for establishing a structure that recovers the
> cost
> of operations, so that there would be no question that this might
> exacerbate the
> deficit.

>
> Please call me at 6-8155 if you have any questions.
> << File: lrb - outpatient, day treatmt.doc >>
>
>



SOON In edit 12/26

State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1173/1

DAK...:u...
King

D-NOTE

DOA:.....Jablonsky - Rate setting for the mental health institutes
FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT <sup>Don't
Gen Cost</sup> relating to: the budget.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Under current law, county departments of community programs authorize all care of any patient in mental health institutes, which are operated by the department of health and family services (DHFS). If a mental health institute provides a county department of community programs with service, DHFS regularly bills the county department for the care at rates that reflect the estimated per diem cost of specific levels of care, as adjusted periodically by DHFS.

This bill authorizes DHFS to set rates on a flexible basis, rather than at the estimated per diem cost of specific levels of care, for billing county departments of community programs for care provided in mental health institutes. The bill requires that the flexible rate structure set by DHFS recover the cost of operations.

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:

2 SECTION 1. 51.42 (3) (as) 3. of the statutes is amended to read:

1 51.42 (3) (as) 3. Care, services and supplies provided after December 31, 1973,
2 to any person who, on December 31, 1973, was in or under the supervision of a mental
3 health institute, or was receiving mental health services in a facility authorized by
4 s. 51.08 or 51.09, but was not admitted to a mental health institute by the
5 department of health and family services, shall be charged to the county department
6 of community programs which was responsible for such care and services at the place
7 where the patient resided when admitted to the institution. The department of
8 health and family services ~~shall~~ may bill county departments of community
9 programs for care provided at the mental health institutes [✓] at rates which reflects the
10 ~~estimated per diem cost of specific levels of care, to be adjusted periodically by the~~
11 department of health and family services sets on a flexible basis, except that this
12 flexible rate structure shall cover the cost of operations of the mental health
13 institute.

History: 1971 c. 125; 1973 c. 90, 198, 333, 336; 1975 c. 39, 198, 199, 224, 422; 1975 c. 428 s. 16; 1975 c. 430 ss. 24 to 31, 80; 1977 c. 26 ss. 37, 38, 75; 1977 c. 29 ss. 612 to 623p, 1656 (18); 1977 c. 193; 1977 c. 203 s. 106; 1977 c. 272; 1977 c. 354 s. 101; 1977 c. 418, 428, 447; 1979 c. 34, 117, 177, 221, 330, 355; 1981 c. 20 ss. 923 to 942, 2202 (20) (d), (n), (q); 1981 c. 93 ss. 105 to 122, 186; 1981 c. 329; 1983 a. 27 ss. 1106 to 1112, 2202 (20); 1983 a. 189 ss. 44, 329 (5); 1983 a. 192, 239, 365, 375, 524; 1985 a. 29, 120, 176; 1987 a. 3, 27, 199, 339, 366; 1989 a. 31, 122; 1991 a. 39, 274, 315; 1993 a. 16, 437, 445; 1995 a. 27 ss. 3260 to 3262, 9126 (19), 9145 (1); 1995 a. 64, 77, 92, 201, 224, 276, 352, 417; 1997 a. 27, 164, 237, 268.

(END)

D-NOTE

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1173/1dn

DAK...*king*

To Sue Jablonsky:

Is the first sentence of s. 51.42 (3) (as) 3. still relevant?

Debora A. Kennedy
Assistant Chief Counsel
266-0137

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

LRB-1173/1dn
DAK:kmg:ijs

December 28, 1998

To Sue Jablonsky:

Is the first sentence of s. 51.42 (3) (as) 3. still relevant?

Debora A. Kennedy
Assistant Chief Counsel
266-0137



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1173/1
DAK:kmg:ijs

DOA:.....Jablonsky – Rate setting for the mental health institutes
FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Under current law, county departments of community programs authorize all care of any patient in mental health institutes, which are operated by the department of health and family services (DHFS). If a mental health institute provides a county department of community programs with services, DHFS regularly bills the county department for the care at rates that reflect the estimated per diem cost of specific levels of care, as adjusted periodically by DHFS.

This bill authorizes DHFS to set rates on a flexible basis, rather than at the estimated per diem cost of specific levels of care, for billing county departments of community programs for care provided in mental health institutes. The bill requires that the flexible rate structure set by DHFS recover the cost of operations.

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:

2 SECTION 1. 51.42 (3) (as) 3. of the statutes is amended to read:

