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1 ***-1631/7.4*** SECTION 1329. 49.175 (1) (y) of the statutes is created to read:
2 49.175 (1) (y) *Badger Challenge program*. For the Badger Challenge program
3 under s. 21.25, \$332,700 in each fiscal year.

4 ***-2024/3.3*** SECTION 1330. 49.175 (1) (z) of the statutes is created to read:
5 49.175 (1) (z) *Aid to Milwaukee Public Schools*. For aid to the school district
6 operating under ch. 119 under ss. 119.71, 119.72, 119.75 and 119.82, \$7,570,000 in
7 each fiscal year.

8 ***-0488/1.1*** SECTION 1331. 49.185 (3) (d) of the statutes is amended to read:
9 49.185 (3) (d) The individual has been employed in an unsubsidized job for at
10 least 9 6 consecutive months before applying for a grant.

11 ***-0488/1.2*** SECTION 1332. 49.185 (3) (i) of the statutes is amended to read:
12 49.185 (3) (i) The individual contributes, or obtains from other sources, an
13 amount at least equal to the amount of the grant, ~~and obtains funding from other~~
14 ~~sources in an amount at least equal to the amount of the grant~~, for tuition, books,
15 transportation or other direct costs of the training or education.

16 ***-1186/4.22*** SECTION 1333. 49.185 (5) of the statutes is amended to read:
17 49.185 (5) APPLICABILITY. This section applies beginning on ~~the date stated in~~
18 ~~the notice under s. 49.141 (2) (d), or on November 1, 1997, whichever is later.~~

19 ***-1989/3.3*** SECTION 1334. 49.187 of the statutes is created to read:
20 **49.187 Individual development accounts.** (1) ADMINISTRATION. The
21 department may establish a program to permit individuals who are eligible under
22 sub. (2) to establish individual development accounts. If the department establishes
23 the program under this section, the program shall be administered in accordance
24 with P.L. 105–285. The department may contract with community action agencies
25 under s. 46.30 to administer the program under this section.

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1 (2) ELIGIBILITY. An individual is eligible to establish an individual development
2 account if the all of the following criteria with respect to the individual are met:

3 (a) The individual is at least 18 years old.

4 (b) The individual is a custodial parent, as defined in s. 49.141 (1) (b).

5 (c) The individual meets the eligibility requirements under P.L. 105-285,
6 section 408 (a). In determining the net worth of an individual's household, as
7 required under P.L. 105-285, section 408 (a) (2), the community action agency or the
8 department shall exclude the equity value of vehicles up to a total equity value of
9 \$10,000 and one home that serves as the homestead of the individual's household.

10 (3) FUNDING FOR AND USE OF AN INDIVIDUAL DEVELOPMENT ACCOUNT. (a) An
11 individual who establishes an individual development account under this section
12 may deposit into the account only earned income, as defined in section 911 (d) (2) of
13 the Internal Revenue Code of 1986. For every \$1 that the individual deposits in the
14 account, the community action agency with which the department contracts under
15 sub. (1), or, if the department does not enter into a contract under sub. (1), the
16 department, shall deposit not less than 50 cents nor more than \$4 into the account.
17 Moneys deposited in an individual development account may be withdrawn only for
18 emergencies as provided under P.L. 105-285, section 404 (3) or for qualified expenses
19 specified under P.L. 105-285, section 404 (8).

20 (b) An individual who establishes an individual development account under
21 this section shall participate in financial planning and economic education programs
22 offered by the community action agency or by the department.

23 ***-1186/4.23*** SECTION 1335. 49.19 (11s) (a) of the statutes is amended to read:

24 49.19 (11s) (a) The department shall conduct a demonstration project under
25 this subsection pursuant to a waiver from the secretary of the federal department of

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1 health and human services beginning on January 1, 1996. To the extent permitted
2 in the waiver, the department may apply pars. (b) to (d) to all recipients of aid under
3 this section or to a test group of recipients of aid under this section determined by
4 the department. Paragraphs (b) to (d) do not apply to persons who are subject to s.
5 49.25, 1997 stats., and shall apply only while a waiver under this paragraph is in
6 effect and only with respect to recipients covered by the waiver.

7 ***-1186/4.24* SECTION 1336.** 49.19 (2) (a) of the statutes is amended to read:
8 49.19 (2) (a) Beginning on January 1, 1999, or beginning on the first day of
9 the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d),
10 1997 stats., whichever is sooner, no person is eligible to receive benefits under this
11 section and no aid may be granted under this section. No additional notice, other
12 than the enactment of this paragraph, is required to be given under sub. (13) to
13 recipients of aid under this section to terminate their benefits under this paragraph.

14 ***-1186/4.25* SECTION 1337.** 49.191 of the statutes is repealed.

15 ***-1186/4.26* SECTION 1338.** 49.193 of the statutes is repealed.

16 ***-1186/4.27* SECTION 1339.** 49.195 (1) of the statutes is amended to read:

17 49.195 (1) If any parent at the time of receiving aid under s. 49.19 or a benefit
18 under s. 49.148, 49.155 or 49.157 or at any time thereafter acquires property by gift,
19 inheritance, sale of assets, court judgment or settlement of any damage claim, or by
20 winning a lottery or prize, the county granting such aid, or the Wisconsin works
21 agency granting such a benefit, may sue the parent on behalf of the department to
22 recover the value of that portion of the aid or of the benefit which does not exceed the
23 amount of the property so acquired. The value of the aid or benefit liable for recovery
24 under this section may not include the value of work performed by a member of the
25 family in a community work experience program under s. 46.215 (1) (o), 1991 stats.,

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1 s. 46.22 (1) (b) 11., 1991 stats., or s. 49.50 (7j) (d), 1991 stats., or in a community work
2 experience component under s. 49.193 (6), 1997 stats. During the life of the parent,
3 the 10-year statute of limitations may be pleaded in defense against any suit for
4 recovery under this section; and if such property is his or her homestead it shall be
5 exempt from execution on the judgment of recovery until his or her death or sale of
6 the property, whichever occurs first. Notwithstanding the foregoing restrictions and
7 limitations, where the aid or benefit recipient is deceased a claim may be filed against
8 any property in his or her estate and the statute of limitations specified in s. 859.02
9 shall be exclusively applicable. The court may refuse to render judgment or allow
10 the claim in any case where a parent, spouse or child is dependent on the property
11 for support, and the court in rendering judgment shall take into account the current
12 family budget requirement as fixed by the U.S. department of labor for the
13 community or as fixed by the authorities of the community in charge of public
14 assistance. The records of aid or benefits paid kept by the county, by the department
15 or by the Wisconsin works agency are prima facie evidence of the value of the aid or
16 benefits furnished. Liability under this section shall extend to any parent or
17 stepparent whose family receives aid under s. 49.19 or benefits under s. 49.148,
18 49.155 or 49.157 during the period that he or she is a member of the same household,
19 but his or her liability is limited to such period. This section does not apply to medical
20 and health assistance payments for which recovery is prohibited or restricted by
21 federal law or regulation.

22 ***-0485/4.3*** **SECTION 1340.** 49.195 (3) of the statutes is amended to read:

23 49.195 (3) A county, tribal governing body, Wisconsin works agency or the
24 department shall determine whether an overpayment has been made under s. 49.19,
25 49.148, 49.155 or 49.157 and, if so, the amount of the overpayment. The county, tribal

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1 governing body. Wisconsin works agency or department shall provide notice of the
2 overpayment to the liable person and shall give that person an opportunity for a
3 review following the procedure specified under s. 49.152, or for a hearing under ch.
4 227. Notwithstanding s. 49.96, the department shall promptly recover all
5 overpayments made under s. 49.19, 49.148, 49.155 or 49.157 that have not already
6 been received under s. 49.161 or 49.19 (17) and shall promulgate rules establishing
7 policies and procedures to administer this subsection.

8 ***-0485/4.4*** SECTION 1341. 49.195 (3m) of the statutes is created to read:

9 49.195 (3m) (a) 1. If any person fails to pay to the department any amount
10 determined under sub. (3), no review or appeal of that determination is pending and
11 the time for requesting a review or taking an appeal has expired, the department
12 may issue a warrant directed to the clerk of circuit court of any county.

13 2. The clerk of circuit court shall enter in the judgment and lien docket the
14 name of the person mentioned in the warrant, the amount for which the warrant is
15 issued and the date on which the clerk entered that information.

16 3. A warrant entered under subd. 2. shall be considered in all respects as a final
17 judgment constituting a perfected lien upon the person's right, title and interest in
18 all real and personal property located in the county in which the warrant is entered.

19 4. After issuing a warrant, the department may file an execution with the clerk
20 of circuit court for filing with the sheriff of the county, commanding the sheriff to levy
21 upon and sell sufficient real and personal property of the person to pay the amount
22 stated in the warrant in the same manner as upon an execution against property
23 issued upon the judgment of a court of record, and to return the warrant to the
24 department and pay to it the money collected by virtue of the warrant within 60 days

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1 after receipt of the warrant. The execution may not command the sheriff to levy upon
2 or sell any property that is exempt from execution under ss. 815.18 (3) and 815.20.

3 (b) The clerk of circuit court shall accept, file and enter the warrant in the
4 judgment and lien docket without prepayment of any fee, but the clerk of circuit court
5 shall submit a statement of the proper fee semiannually to the department covering
6 the periods from January 1 to June 30 and July 1 to December 31 unless a different
7 billing period is agreed to between the clerk of circuit court and the department. The
8 department shall pay the fees, but shall add the fees provided by s. 814.61 (5) for
9 entering the warrants to the amount of the warrant and shall collect the fees from
10 the person named in the warrant when satisfaction or release is presented for entry.

11 (c) If a warrant that is not satisfied in full is returned, the department may
12 enforce the amount due as if the department had recovered judgment against the
13 person named in the warrant for the same amount.

14 (d) When the amount set forth in a warrant and all costs due the department
15 have been paid to it, the department shall issue a satisfaction of the warrant and file
16 it with the clerk of circuit court. The clerk of circuit court shall immediately enter
17 a satisfaction of the judgment on the judgment and lien docket. The department
18 shall send a copy of the satisfaction to the person named in the warrant.

19 (e) If the department finds that the interests of the state will not be jeopardized,
20 the department may issue a release of any warrant with respect to any real or
21 personal property upon which the warrant is a lien or cloud upon title. Upon
22 presentation to the clerk and payment of the fee for filing the release, the clerk shall
23 enter the release of record. The release is conclusive that the lien or cloud upon the
24 title of the property covered by the release is extinguished.

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1 (f) Notwithstanding s. 49.96, at any time after the filing of a warrant, the
2 department may commence and maintain a garnishee action as provided by ch. 812
3 or may use the remedy of attachment as provided by ch. 811 for actions to enforce a
4 judgment. The place of trial of such an action may be either in Dane County or the
5 county where the debtor resides and may not be changed from the county in which
6 that action is commenced, except upon consent of the parties.

7 (g) If the department issues an erroneous warrant, the department shall issue
8 a notice of withdrawal of the warrant to the clerk of circuit court for the county in
9 which the warrant is filed. The clerk shall void the warrant and any resulting liens.

10 ***-0485/4.5* SECTION 1342.** 49.195 (3n) of the statutes is created to read:

11 49.195 (3n) (a) In this subsection:

12 1. "Debt" means the amount of liability determined under sub. (3).

13 2. "Debtor" means an individual who is liable under sub. (3).

14 3. "Disposable earnings" means that part of the earnings of any debtor after the
15 deduction from those earnings of any amounts required by law to be withheld, any
16 life, health, dental or similar type of insurance premiums, union dues, any amount
17 necessary to comply with a court order to contribute to the support of minor children,
18 and any levy, wage assignment or garnishment executed prior to the date of a levy
19 under this subsection.

20 4. "Federal minimum hourly wage" means that wage prescribed by 29 USC 206

21 (a) (1).

22 5. "Levy" means all powers of distraint and seizure.

23 6. "Property" includes all tangible and intangible personal property and rights
24 to such property, including compensation paid or payable for personal services,
25 whether denominated as wages, salary, commission, bonus or otherwise, periodic

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1 payments received pursuant to a pension or retirement program, rents, proceeds of
2 insurance and contract payments.

3 (b) If any debtor neglects or refuses to pay a debt after the department has made
4 demand for payment, the department may collect that debt and the expenses of the
5 levy by levy upon any property belonging to the debtor. Whenever the value of any
6 property that has been levied upon under this section is not sufficient to satisfy the
7 claim of the department, the department may levy upon any additional property of
8 the person until the debt and expenses of the levy are fully paid.

9 (c) Any person in possession of or obligated with respect to property or rights
10 to property that is subject to levy and upon which a levy has been made shall, upon
11 demand of the department, surrender the property or rights or discharge the
12 obligation to the department, except that part of the property or rights which is, at
13 the time of the demand, subject to any prior attachment or execution under any
14 judicial process.

15 (d) 1. Any debtor who fails or refuses to surrender any property or rights to
16 property that is subject to levy, upon demand by the department, is subject to
17 proceedings to enforce the amount of the levy.

18 2. Any 3rd party who fails to surrender any property or rights to property
19 subject to levy, upon demand of the department, is subject to proceedings to enforce
20 the levy. The 3rd party is not liable to the department under this subdivision for more
21 than 25% of the debt. The department shall serve the levy as provided under par.

22 (m) on any 3rd party who fails to surrender property under this subdivision.
23 Proceedings may not be initiated by the department until 5 days after service of the
24 demand.

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1 3. When a 3rd party surrenders the property or rights to the property on
2 demand of the department or discharges the obligation to the department for which
3 the levy is made, the 3rd party is discharged from any obligation or liability to the
4 debtor with respect to the property or rights to the property arising from the
5 surrender or payment to the department.

6 (e) 1. If the department has levied upon property, any person, other than the
7 debtor who is liable to pay the debt out of which the levy arose, who claims an interest
8 in or lien on that property and claims that that property was wrongfully levied upon
9 may bring a civil action against the state in the circuit court for Dane County. That
10 action may be brought whether or not that property has been surrendered to the
11 department. The court may grant only the relief under subd. 2. No other action to
12 question the validity of or restrain or enjoin a levy by the department may be
13 maintained.

14 2. In an action under subd. 1., if a levy would irreparably injure rights to
15 property, the court may enjoin the enforcement of that levy. If the court determines
16 that the property has been wrongfully levied upon, it may grant a judgment for the
17 amount of money obtained by levy.

18 3. For purposes of an adjudication under this paragraph, the determination of
19 the debt upon which the interest or lien of the department is based is conclusively
20 presumed to be valid.

21 (f) The department shall determine its costs and expenses to be paid in all cases
22 of levy.

23 (g) 1. The department shall apply all money obtained under this subsection
24 first against the expenses of the proceedings and then against the liability in respect

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1 to which the levy was made and any other liability owed to the department by the
2 debtor.

3 2. The department may refund or credit any amount left after the applications
4 under subd. 1., upon submission of a claim for that amount and satisfactory proof of
5 the claim, to the person entitled to that amount.

6 (h) The department may release the levy upon all or part of property levied
7 upon to facilitate the collection of the liability or to grant relief from a wrongful levy,
8 but that release does not prevent any later levy.

9 (j) If the department determines that property has been wrongfully levied
10 upon, the department may return the property at any time, or may return an amount
11 of money equal to the amount of money levied upon.

12 (k) Any person who removes, deposits or conceals or aids in removing,
13 depositing or concealing any property upon which a levy is authorized under this
14 subsection with intent to evade or defeat the assessment or collection of any debt may
15 be fined not more than \$5,000 or imprisoned for not more than 3 years or both, and
16 shall be liable to the state for the costs of prosecution.

17 (L) If no appeal or other proceeding for review permitted by law is pending and
18 the time for taking an appeal or petitioning for review has expired, the department
19 shall make a demand to the debtor for payment of the debt which is subject to levy
20 and give notice that the department may pursue legal action for collection of the debt
21 against the debtor. The department shall make the demand for payment and give
22 the notice at least 10 days prior to the levy, personally or by any type of mail service
23 which requires a signature of acceptance, at the address of the debtor as it appears
24 on the records of the department. The demand for payment and notice shall include
25 a statement of the amount of the debt, including interest and penalties, and the name

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1 of the debtor who is liable for the debt. The debtor's refusal or failure to accept or
2 receive the notice does not prevent the department from making the levy. Notice
3 prior to levy is not required for a subsequent levy on any debt of the same debtor
4 within one year of the date of service of the original levy.

5 (m) 1. The department shall serve the levy upon the debtor and 3rd party by
6 personal service or by any type of mail service which requires a signature of
7 acceptance.

8 2. Personal service shall be made upon an individual, other than a minor or
9 incapacitated person, by delivering a copy of the levy to the debtor or 3rd party
10 personally; by leaving a copy of the levy at the debtor's dwelling or usual place of
11 abode with some person of suitable age and discretion residing there; by leaving a
12 copy of the levy at the business establishment with an officer or employe of the
13 establishment; or by delivering a copy of the levy to an agent authorized by law to
14 receive service of process.

15 3. The department representative who serves the levy shall certify service of
16 process on the notice of levy form and the person served shall acknowledge receipt
17 of the certification by signing and dating it. If service is made by mail, the return
18 receipt is the certificate of service of the levy.

19 4. The debtor's or 3rd party's failure to accept or receive service of the levy does
20 not invalidate the levy.

21 (n) Within 20 days after the service of the levy upon a 3rd party, the 3rd party
22 shall file an answer with the department stating whether the 3rd party is in
23 possession of or obligated with respect to property or rights to property of the debtor,
24 including a description of the property or the rights to property and the nature and
25 dollar amount of any such obligation.

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1 (p) A levy is effective from the date on which the levy is first served on the 3rd
2 party until the liability out of which the levy arose is satisfied, until the levy is
3 released or until one year from the date of service, whichever occurs first.

4 (q) 1. The debtor is entitled to an exemption from levy of the greater of the
5 following:

6 a. A subsistence allowance of 75% of the debtor's disposable earnings then due
7 and owing.

8 b. An amount equal to 30 times the federal minimum hourly wage for each full
9 week of the debtor's pay period; or, in the case of earnings for a period other than a
10 week, a subsistence allowance computed so that it is equivalent to that amount using
11 a multiple of the federal minimum hourly wage prescribed by the department by
12 rule.

13 2. The first \$1,000 of an account in a depository institution is exempt from any
14 levy to recover a benefit overpayment.

15 (r) No employer may discharge or otherwise discriminate with respect to the
16 terms and conditions of employment against any employe by reason of the fact that
17 his or her earnings have been subject to levy for any one levy or because of compliance
18 with any provision of this subsection. Any person who violates this paragraph may
19 be fined not more than \$1,000 or imprisoned for not more than one year or both.

20 (s) Any debtor who is subject to a levy proceeding made by the department has
21 the right to appeal the levy proceeding under ch. 227.44. The appeal is limited to
22 questions of prior payment of the debt that the department is proceeding against,
23 and mistaken identity of the debtor. The levy is not stayed pending an appeal in any
24 case where property is secured through the levy.

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1 (t) Any 3rd party is entitled to a levy fee of \$5 for each levy in any case where
2 property is secured through the levy. The 3rd party shall deduct the fee from the
3 proceeds of the levy.

4 ***-0485/4.6* SECTION 1343.** 49.195 (3n) (k) of the statutes, as created by 1999
5 Wisconsin Act (this act), is amended to read:

6 49.195 (3n) (k) Any person who removes, deposits or conceals or aids in
7 removing, depositing or concealing any property upon which a levy is authorized
8 under this subsection with intent to evade or defeat the assessment or collection of
9 any debt may be fined not more than \$5,000 or imprisoned for not more than ~~3~~
10 4 years and 6 months or both, and shall be liable to the state for the costs of
11 prosecution.

12 ***-0485/4.7* SECTION 1344.** 49.195 (3n) (r) of the statutes, as created by 1999
13 Wisconsin Act (this act), is amended to read:

14 49.195 (3n) (r) No employer may discharge or otherwise discriminate with
15 respect to the terms and conditions of employment against any employe by reason
16 of the fact that his or her earnings have been subject to levy for any one levy or
17 because of compliance with any provision of this subsection. Any person who violates
18 this paragraph may be fined not more than \$1,000 or imprisoned for not more than
19 ~~one-year~~ 2 years or both.

20 ***-0485/4.8* SECTION 1345.** 49.195 (3p) of the statutes is created to read:

21 49.195 (3p) The availability of the remedies under subs. (3m) and (3n) does not
22 abridge the right of the department to pursuc other remedies.

23 ***-0485/4.9* SECTION 1346.** 49.195 (3r) of the statutes is created to read:

24 49.195 (3r) From the appropriation under s. 20.445 (3) (L) the department may
25 contract with or employ a collection agency or other person to enforce a repayment

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1 obligation of a person who is found liable under sub. (3) who is delinquent in making
2 repayments.

3 ***-1186/4.28* SECTION 1347.** 49.20 of the statutes is repealed.

4 ***-1186/4.29* SECTION 1348.** 49.21 of the statutes is repealed.

5 ***-0497/4.3* SECTION 1349.** 49.23 (1) of the statutes is amended to read:

6 49.23 (1) From the appropriation under s. 20.445 (3) ~~(eb)~~ (k), the department
7 shall award grants to counties for programs to revise child support orders. Each
8 county receiving a grant shall review child support orders awarded to persons who
9 receive benefits under s. 48.57 (3m) or (3n) or 49.148 or whose children receive
10 benefits under s. 49.19 and to persons who do not receive benefits under s. 48.57 (3m)
11 or (3n) or 49.148 and whose children do not receive benefits under s. 49.19 and shall
12 initiate actions to revise the orders based on that review. Each county receiving a
13 grant shall review child support orders awarded to persons who receive benefits
14 under s. 48.57 (3m) or (3n) or 49.148 or whose children receive benefits under s. 49.19
15 and child support orders awarded to persons who do not receive benefits under s.
16 48.57 (3m) or (3n) or 49.148 and whose children do not receive benefits under s. 49.19
17 in proportion to the number of those 2 categories of orders in the county's child
18 support case load. Before a county may initiate an action to revise a child support
19 order under this subsection for a person who does not receive benefits under s. 48.57
20 (3m) or (3n) or 49.148 and whose children do not receive benefits under s. 49.19, the
21 custodial parent of the children must voluntarily consent to the revision.

22 ***-0497/4.4* SECTION 1350.** 49.23 (2) (a) (intro.) of the statutes is amended to
23 read:

24 49.23 (2) (a) (intro.) From the appropriation under s. 20.445 (3) ~~(eb)~~ (k), the
25 department shall provide state incentive payments, in a total amount of not less than

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1 \$259,000 in each fiscal year, to counties that meet the child support collection and
2 child support administrative efficiency criteria, according to a distribution formula
3 determined by the department that does all of the following:

4 ***-0497/4.5* SECTION 1351.** 49.23 (2) (a) 3. of the statutes is repealed.

5 ***-0497/4.6* SECTION 1352.** 49.24 (1) of the statutes, as affected by 1997
6 Wisconsin Act 27, section 1882n, is amended to read:

7 49.24 (1) From the appropriation under s. 20.445 (3) (k), the department shall
8 provide child support incentive payments to counties to offset reduced federal child
9 support incentive payments. Total payments under this subsection may not exceed
10 ~~\$3,178,000~~ \$3,850,000 in fiscal year ~~1997-98~~ 1999-2000 or \$3,850,000 in fiscal year
11 ~~1998-99~~ 2000-01.

12 ***-1186/4.30* SECTION 1353.** 49.25 of the statutes is repealed.

13 ***-1186/4.31* SECTION 1354.** 49.26 (1) (h) 1. as. of the statutes is amended to
14 read:

15 49.26 (1) (h) 1. as. The individual has failed to request a hearing or has failed
16 to show good cause for not cooperating with case management efforts in a hearing.
17 ~~If the individual is a recipient of aid under s. 49.19, the hearing shall be requested~~
18 ~~and held under s. 49.21 (1). If the individual is a member of a Wisconsin works group,~~
19 ~~as defined in s. 49.141 (1) (s), the~~ The hearing shall be requested and held under s.
20 49.152. The department shall determine by rule the criteria for good cause.

21 ***-1186/4.32* SECTION 1355.** 49.27 of the statutes is repealed.

22 ***-0500/1.1* SECTION 1356.** 49.30 (1m) (c) of the statutes is created to read:

23 49.30 (1m) (c) If a request for payment under sub. (1) is made more than 12
24 months after the death of the recipient, the county or applicable tribal governing

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1 body or organization responsible for burial of the recipient is not required to make
2 a payment for cemetery, funeral or burial expenses.

3 ***-1186/4.33* SECTION 1357.** 49.36 (2) of the statutes is amended to read:

4 49.36 (2) The department may contract with any county or Wisconsin works
5 agency to administer a work experience and job training program for parents who
6 are not custodial parents and who fail to pay child support or to meet their children's
7 needs for support as a result of unemployment or underemployment. The program
8 may provide the kinds of work experience and job training services available from
9 the program under s. 49.193, 1997 stats., or s. 49.147 (3) or (4). The program may
10 also include job search and job orientation activities. The department shall fund the
11 program from the appropriation under s. 20.445 (3) (dz).

12 ***-1186/4.34* SECTION 1358.** 49.36 (3) (g) of the statutes is repealed.

13 ***-0786/2.1* SECTION 1359.** 49.36 (7) of the statutes is amended to read:

14 49.36 (7) The department shall pay a county or Wisconsin works agency ~~\$200~~
15 \$400 for each person who participates in the program under this section in the region
16 in which the county or Wisconsin works agency administers the program under this
17 section. The county or Wisconsin works agency shall pay any additional costs of the
18 program.

19 ***-0702/9.49* SECTION 1360.** 49.37 of the statutes is repealed.

20 ***-0266/3.2* SECTION 1361.** 49.43 (8) of the statutes is amended to read:

21 49.43 (8) "Medical assistance" means any services or items under ss. 49.45 to
22 49.47 49.472, except s. 49.472 (6), and under ss. 49.49 to 49.497, or any payment or
23 reimbursement made for such services or items.

24 ***-0028/7.45* SECTION 1362.** 49.45 (2) (a) 4. of the statutes is amended to read:

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1 49.45 (2) (a) 4. To the extent funds are available under s. 20.435 (1) (4) (bm),
2 certify all proper charges and claims for administrative services to the department
3 of administration for payment and the department of administration shall draw its
4 warrant forthwith.

5 ***-1098/3.1* SECTION 1363.** 49.45 (2) (a) 9. of the statutes is amended to read:

6 49.45 (2) (a) 9. Periodically ~~set forth~~ prescribe conditions of participation and
7 terms of reimbursement in a contract with provider of service under this section.

8 ***-1098/3.2* SECTION 1364.** 49.45 (2) (a) 10. of the statutes is renumbered 49.45
9 (2) (a) 10. a. and amended to read:

10 49.45 (2) (a) 10. a. ~~After reasonable notice and opportunity for hearing, recover~~
11 Recover money improperly or erroneously paid, or overpayments to a provider either
12 by offsetting or adjusting amounts owed the provider under the program, crediting
13 against a provider's future claims for reimbursement for other services or items
14 furnished by the provider under the program, ~~or by~~ or requiring the provider to make
15 direct payment to the department or its fiscal intermediary.

16 ***-1098/3.3* SECTION 1365.** 49.45 (2) (a) 10. b. of the statutes is created to read:

17 49.45 (2) (a) 10. b. Promptly afford the provider an opportunity to present
18 information and argument regarding a recovery imposed under this subdivision, but
19 the department need not stay collection of the amount to be recovered pending that
20 opportunity.

21 ***-1098/3.4* SECTION 1366.** 49.45 (2) (a) 10. c. of the statutes is created to read:

22 49.45 (2) (a) 10. c. Establish a deadline for payment of a recovery imposed under
23 this subdivision and, if a provider fails to pay all of the amount to be recovered by the
24 deadline, require payment by the provider of interest on any delinquent amount at
25 the rate of 1% per month or fraction of a month from the date of the overpayment.

BILL**SECTION 1367**

1 ***-1098/3.5*** **SECTION 1367.** 49.45 (2) (a) 11. of the statutes is amended to read:

2 49.45 (2) (a) 11. Establish criteria for ~~the~~ certification of eligible providers of
3 ~~services under Title XIX of the social security act~~ medical assistance and, except as
4 provided in par. (b) 6. and 7. and s. 49.48, certify ~~such eligible providers who meet~~
5 the criteria.

6 ***-1098/3.6*** **SECTION 1368.** 49.45 (2) (a) 12. of the statutes is amended to read:

7 49.45 (2) (a) 12. ~~Decertify or suspend under this subdivision~~ a provider from
8 or restrict a provider's participation in the medical assistance program, if after
9 giving reasonable notice and opportunity for hearing, the department finds that the
10 provider has violated a federal statute or regulation or a state law statute or
11 administrative rule and ~~such violations are~~ the violation is by law statute, regulation
12 or rule grounds for decertification or ~~suspension~~ restriction. The department shall
13 suspend the provider pending the hearing under this subdivision if the department
14 includes in its decertification notice findings that the provider's continued
15 participation in the medical assistance program pending hearing is likely to lead to
16 the irretrievable loss of public funds and is unnecessary to provide adequate access
17 to services to medical assistance recipients. As soon as practicable after the hearing,
18 the department shall issue a written decision. No payment may be made under the
19 medical assistance program with respect to any service or item furnished by the
20 provider subsequent to decertification or during the period of suspension.

21 ***-1098/3.7*** **SECTION 1369.** 49.45 (2) (a) 13. of the statutes is amended to read:

22 49.45 (2) (a) 13. Impose additional sanctions for noncompliance with the
23 conditions of participation and terms of provider agreements reimbursement under
24 subd. 9. or certification criteria established under subd. 11. and, if prescribed by the
25 department, under par. (b) 6. or 7.

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1 ***-1098/3.8*** **SECTION 1370.** 49.45 (2) (a) 14. of the statutes is repealed.

2 ***-0028/7.46*** **SECTION 1371.** 49.45 (2) (a) 17. of the statutes is amended to read:

3 49.45 (2) (a) 17. Notify the governor, the joint committee on legislative
4 organization, the joint committee on finance and appropriate standing committees,
5 as determined by the presiding officer of each house, if the appropriation under s.
6 20.435 ~~(5)~~ (4) (b) is insufficient to provide the state share of medical assistance.

7 ***-1098/3.9*** **SECTION 1372.** 49.45 (2) (b) 6. of the statutes is created to read:

8 49.45 (2) (b) 6. Prescribe criteria for certification of providers of medical
9 assistance that limit the number of providers of particular services or that limit the
10 amount of resources, including employes and equipment, that a certified provider
11 may use to provide particular services to medical assistance recipients, if the
12 department finds all of the following:

13 a. That existing certified providers and resources provide services that are
14 adequate in quality and amount to meet the need of medical assistance recipients for
15 the particular services.

16 b. That the potential for medical assistance fraud or abuse exists if additional
17 providers are certified or additional resources are used by certified providers.

18 ***-1098/3.10*** **SECTION 1373.** 49.45 (2) (b) 7. of the statutes is created to read:

19 49.45 (2) (b) 7. Require, as a condition of certification under par. (a) 11., all
20 providers of a specific service that is among those enumerated under s. 49.46 (2) (b)
21 or 49.47 (6) (a), as specified in this subdivision, to file with the department a surety
22 bond issued by a surety company licensed to do business in this state. Providers
23 subject to this subdivision provide those services specified under s. 49.46 (2) (b) or
24 49.47 (6) (a) for which providers have demonstrated significant potential to violate
25 s. 49.489 (2) or (3) or 49.49 (1) (a), (2) (a) or (b), (3), (3m) (a), (3p), (4) (a) or (4m) (a),

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1 to require recovery under par. (a) 10. or to need additional sanctions under par. (a)
2 13. The surety bond shall be payable to the department and in an amount that would
3 reasonably pay the amount of a recovery and the department's costs to pursue
4 recovery under par. (a) 10. or to investigate and pursue allegations of violations of
5 s. 49.489 or 49.49. The department shall promulgate rules under this subdivision
6 that specify all of the following:

7 a. Services under medical assistance for which providers have demonstrated
8 significant potential to violate s. 49.489 (2) or (3) or 49.49 (1) (a), (2) (a) or (b), (3), (3m)
9 (a), (3p), (4) (a) or (4m) (a), to require recovery under par. (a) 10. or to need additional
10 sanctions under par. (a) 13.

11 b. The amount or amounts of the surety bonds.

12 c. Terms of the surety bond, including amounts, if any, without interest to be
13 refunded to the provider upon withdrawal or decertification from the medical
14 assistance program.

15 ***-0030/2.71* SECTION 1374.** 49.45 (3) (ag) of the statutes is amended to read:

16 49.45 (3) (ag) Reimbursement shall be made to each entity contracted with
17 under s. ~~46.271 (2m)~~ 46.281 (1) (d) for assessments completed functional screens
18 performed under s. ~~46.271 (2m) (a) 2.~~ 46.281 (1) (d).

19 ***-0028/7.47* SECTION 1375.** 49.45 (3) (am) 1. of the statutes is amended to
20 read:

21 49.45 (3) (am) 1. From the appropriation under s. 20.435 ~~(1) (4)~~ (bm), the
22 department shall make incentive payments to counties to encourage counties to
23 identify medical assistance applicants and recipients who have other health care
24 coverage and the providers of the health care coverage and give that information to
25 the department.

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1 ***-1098/3.11*** SECTION 1376. 49.45 (3) (f) 3. of the statutes is amended to read:
2 49.45 (3) (f) 3. Contractors under sub. (2) (b) shall maintain records as required
3 by the department for audit purposes. ~~Contractors~~ Upon request of the department,
4 ~~contractors~~ shall immediately provide the department access to the records ~~upon~~
5 ~~request of the department, and, which~~ the department may audit ~~the records.~~

6 ***-1098/3.12*** SECTION 1377. 49.45 (3) (g) of the statutes is amended to read:
7 49.45 (3) (g) The secretary may ~~appoint~~ authorize personnel to audit or
8 investigate and report to the department on any matter involving violations or
9 complaints alleging violations of ~~laws~~ statutes, regulations, or rules applicable to
10 ~~Title XIX of the federal social security act or the medical assistance program and to~~
11 perform such investigations or audits as are required to verify the actual provision
12 of services or items available under the medical assistance program and the
13 appropriateness and accuracy of claims for reimbursement submitted by providers
14 participating in the program. Department employes ~~appointed~~ authorized by the
15 secretary under this paragraph shall be issued, and shall possess at all times ~~during~~
16 ~~which~~ while they are performing their investigatory or audit functions under this
17 section, identification, signed by the secretary ~~which,~~ that specifically designates the
18 bearer as possessing the authorization to conduct medical assistance investigations
19 or audits. ~~Pursuant to~~ Under the request of a designated person and upon
20 presentation of ~~that~~ the person's authorization, providers and medical assistance
21 recipients shall immediately accord ~~such~~ the person access to any provider
22 personnel, records, books, ~~recipient medical records,~~ or documents or other
23 information needed. Under the written request of a designated person and upon
24 presentation of the person's authorization, providers and recipients shall
25 immediately accord the person access to any needed patient health care records of

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1 a recipient. Authorized employes ~~shall have authority to~~ may hold hearings,
2 administer oaths, take testimony and perform all other duties necessary to bring
3 ~~such~~ the matter before the department for final adjudication and determination.

4 ***-1098/3.13* SECTION 1378.** 49.45 (3) (h) 1. of the statutes is repealed.

5 ***-1098/3.14* SECTION 1379.** 49.45 (3) (h) 2. of the statutes is repealed.

6 ***-1098/3.15* SECTION 1380.** 49.45 (3) (h) 3. of the statutes is renumbered 49.45
7 (3) (h) and amended to read:

8 49.45 (3) (h) The failure or refusal of a ~~person to purge himself or herself of~~
9 ~~contempt found under s. 885.12 and perform the act as required by law shall~~
10 constitute provider immediately to accord department auditors under par. (f) 3. or
11 investigators under par. (g) access to any provider personnel, records, books, patient
12 health care records of medical assistance recipients or documents or other
13 information requested constitutes grounds for decertification or suspension of that
14 ~~person~~ the provider from participation in the medical assistance program and no
15 payment may be made for services rendered by ~~that person subsequent to the~~
16 provider following decertification or during the period of suspension.

17 ***-0028/7.48* SECTION 1381.** 49.45 (3) (j) of the statutes is amended to read:

18 49.45 (3) (j) Reimbursement for administrative contract costs under this
19 section is limited to the funds available under s. 20.435 ~~(1)~~ (4) (bm).

20 ***-0264/3.1* SECTION 1382.** 49.45 (5m) (a) of the statutes is renumbered 49.45
21 (5m) (am) and amended to read:

22 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriations under
23 s. 20.435 ~~(5)~~ (4) (b) and (o) the department shall distribute not more than \$2,256,000
24 in each fiscal year, to provide supplemental funds to rural hospitals that, as
25 determined by the department, have high utilization of inpatient services by

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1 patients whose care is provided from governmental sources, and to provide
2 supplemental funds to critical access hospitals, except that the department may not
3 distribute funds to a rural hospital or to a critical access hospital to the extent that
4 the distribution would exceed any limitation under 42 USC 1396b (i) (3).

5 ***-0264/3.2* SECTION 1383.** 49.45 (5m) (ag) of the statutes is created to read:

6 49.45 (5m) (ag) In this subsection, “critical access hospital” has the meaning
7 given in s. 50.33 (1g).

8 ***-0264/3.3* SECTION 1384.** 49.45 (5m) (b) of the statutes is amended to read:

9 49.45 (5m) (b) The supplemental funding for rural hospitals under par. (a) (am)
10 shall be based on the utilization, by recipients of medical assistance, of the total
11 inpatient days of a rural hospital in relation to that utilization in other rural
12 hospitals.

13 ***-0328/1.1* SECTION 1385.** 49.45 (6b) (intro.) of the statutes is renumbered

14 49.45 (6b) and amended to read:

15 49.45 (6b) CENTERS FOR THE DEVELOPMENTALLY DISABLED. From the
16 appropriation under s. 20.435 (2) (gk), the department may reimburse the cost of
17 services provided by the centers for the developmentally disabled. Reimbursement
18 to the centers for the developmentally disabled shall be reduced following each
19 placement made under s. 46.275 ~~which~~ that involves a relocation from a center for
20 the developmentally disabled, as follows: by \$184 per day, beginning in fiscal year
21 1999–2000, and by \$190 per day, beginning in fiscal year 2000–01.

22 ***-0328/1.2* SECTION 1386.** 49.45 (6b) (a) of the statutes is repealed.

23 ***-0328/1.3* SECTION 1387.** 49.45 (6b) (b) of the statutes is repealed.

24 ***-0328/1.4* SECTION 1388.** 49.45 (6b) (c) of the statutes is repealed.

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SECTION 1389

1 ***-0028/7.49*** SECTION 1389. 49.45 (6m) (ag) (intro.) of the statutes is amended
2 to read:

3 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this
4 subsection made under s. 20.435 (1) ~~(p)~~ or (5) ~~(b)~~ (4) (b), (pa) or (o) shall, except as
5 provided in pars. (bg), (bm) and (br), be determined according to a prospective
6 payment system updated annually by the department. The payment system shall
7 implement standards that are necessary and proper for providing patient care and
8 that meet quality and safety standards established under subch. II of ch. 50 and ch.
9 150. The payment system shall reflect all of the following:

10 ***-1756/2.1*** SECTION 1390. 49.45 (6m) (ag) 3m. of the statutes is repealed.

11 ***-1756/2.2*** SECTION 1391. 49.45 (6m) (ag) 8. of the statutes is repealed.

12 ***-1756/2.3*** SECTION 1392. 49.45 (6m) (ar) 1. a. of the statutes is amended to
13 read:

14 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
15 allowable direct care costs, for facilities that do not primarily serve the
16 developmentally disabled, that ~~are not less than the median for~~ take into account
17 direct care costs for a sample of all of those facilities in this state and separate
18 standards for payment of allowable direct care costs, for facilities that primarily
19 serve the developmentally disabled, that ~~are not less than the median for~~ take into
20 account direct care costs for a sample of all of those facilities in this state. The
21 standards shall be adjusted by the department for regional labor cost variations.

22 ***-1756/2.4*** SECTION 1393. 49.45 (6m) (ar) 1. cm. of the statutes is amended
23 to read:

24 49.45 (6m) (ar) 1. cm. ~~Notwithstanding the limitations under par. (ag) 8.,~~
25 ~~funding~~ Funding distributed to facilities for the provision of active treatment to

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1 residents with a diagnosis of developmental disability shall be distributed in
2 accordance with a method developed by the department which is consistent with a
3 prudent buyer approach to payment for services.

4 ***-1756/2.5* SECTION 1394.** 49.45 (6m) (ar) 2. a. of the statutes is amended to
5 read:

6 49.45 (6m) (ar) 2. a. The department shall establish one or more standards for
7 the payment of support service costs that ~~are not less than the median of~~ take into
8 account support service costs for a sample of all facilities within the state.

9 ***-1756/2.6* SECTION 1395.** 49.45 (6m) (ar) 3. a. of the statutes is amended to
10 read:

11 49.45 (6m) (ar) 3. a. The department shall establish standards, adjusted for
12 heating degree day variations in the state, for payment of fuel and utility costs that
13 ~~are not less than the median of~~ take into account heating fuel and utility costs for a
14 sample of all facilities within the state.

15 ***-1756/2.7* SECTION 1396.** 49.45 (6m) (ar) 4. of the statutes is amended to read:

16 49.45 (6m) (ar) 4. For net property taxes or municipal services, payment shall
17 be made for these costs that ~~range from~~ the amount of the previous calendar year's
18 tax or the amount of municipal service costs for a period specified by the department,
19 subject to a maximum limit as determined by the department.

20 ***-1756/2.8* SECTION 1397.** 49.45 (6m) (ar) 5. a. of the statutes is amended to
21 read:

22 49.45 (6m) (ar) 5. a. The department shall establish one or more standards for
23 the payment of administrative and general costs that ~~are not less than the median~~
24 of take into account administrative and general costs for a sample of all facilities
25 within the state.

BILL**SECTION 1398**

1 ***-1756/2.9*** **SECTION 1398.** 49.45 (6m) (ar) 6. of the statutes is amended to read:

2 49.45 **(6m)** (ar) 6. Capital payment shall be based on a replacement value for
3 a facility. The replacement value shall be determined by a commercial estimator
4 contracted for by the department and paid for by the facility. The replacement value
5 shall be subject to limitations determined by the department, ~~except that the~~
6 ~~department may not reduce final capital payment of a facility by more than \$3.50 per~~
7 ~~patient day.~~

8 ***-1756/2.10*** **SECTION 1399.** 49.45 (6m) (av) 1. of the statutes is amended to
9 read:

10 49.45 **(6m)** (av) 1. The department shall calculate a payment rate for a facility
11 by applying the criteria set forth under pars. (ag) 1. to 5., and 7. and 8., (am) 1. to 5.
12 and (ar) 1. to 5. to information from cost reports submitted by the facility.

13 ***-1756/2.11*** **SECTION 1400.** 49.45 (6m) (av) 5m. of the statutes is amended to
14 read:

15 49.45 **(6m)** (av) 5m. ~~Notwithstanding the limitations under par. (ag) 8., the~~ The
16 rate under subd. 1., 4. or 5. may be adjusted by the department to reflect payments
17 for the provision of active treatment to facility residents with a diagnosis of
18 developmental disability.

19 ***-1756/2.12*** **SECTION 1401.** 49.45 (6m) (bp) (intro.) of the statutes is amended
20 to read:

21 49.45 **(6m)** (bp) (intro.) Notwithstanding pars. ~~(ag) 3m.,~~ (am) 6. and (ar) 6., the
22 department may establish payment methods based on actual costs for capital
23 payment for a facility to which, after December 31, 1982, any of the following applies:

24 ***-0027/5.31*** **SECTION 1402.** 49.45 (6m) (br) 1. of the statutes is amended to
25 read:

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1 49.45 (6m) (br) 1. Notwithstanding s. 20.410 (3) (cd), 20.435 ~~(5)~~ (4) (bt) ~~or (bu)~~
2 or (7) (b) or 20.445 (3) (dz), the department shall reduce allocations of funds to
3 counties in the amount of the disallowance from the appropriation account under s.
4 20.435 ~~(5)~~ (4) (bt) ~~or (bu)~~ or (7) (b), or the department shall direct the department of
5 workforce development to reduce allocations of funds to counties or Wisconsin works
6 agencies in the amount of the disallowance from the appropriation account under s.
7 20.445 (3) (dz) or direct the department of corrections to reduce allocations of funds
8 to counties in the amount of the disallowance from the appropriation account under
9 s. 20.410 (3) (cd), in accordance with s. 16.544 to the extent applicable.

10 ***-0030/2.72*** SECTION 1403. 49.45 (6m) (c) 5. of the statutes is amended to
11 read:

12 49.45 (6m) (c) 5. Admit only patients assessed or who waive or are exempt from
13 the requirement of assessment under s. 46.27 (6) (a) or, if required under s. 50.035
14 (4n) or 50.04 (2h), who have been referred to a resource center.

15 ***-0028/7.50*** SECTION 1404. 49.45 (6t) (intro.) of the statutes is amended to
16 read:

17 49.45 (6t) COUNTY DEPARTMENT AND LOCAL HEALTH DEPARTMENT OPERATING
18 DEFICIT REDUCTION. (intro.) From the appropriation under s. 20.435 ~~(5)~~ (4) (o), for
19 reduction of operating deficits, as defined under criteria developed by the
20 department, incurred by a county department under s. 46.215, 46.22, 46.23 or 51.42
21 or by a local health department, as defined in s. 250.01 (4), for services provided
22 under s. 49.46 (2) (a) 4. d. and (b) 6. f., j., k. and L., 9. and 15., for case management
23 services under s. 49.46 (2) (b) 12. and for mental health day treatment services for
24 minors provided under the authorization under 42 USC 1396d (r) (5), the department
25 shall allocate up to \$4,500,000 in each fiscal year to these county departments, or

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1 local health departments as determined by the department, and shall perform all of
2 the following:

3 ***-0028/7.51* SECTION 1405.** 49.45 (6t) (d) of the statutes is amended to read:

4 49.45 (6t) (d) If the federal department of health and human services approves
5 for state expenditure in a fiscal year amounts under s. 20.435 (5) (4) (o) that result
6 in a lesser allocation amount than that allocated under this subsection or disallows
7 use of the allocation of federal medicaid funds under par. (c), reduce allocations under
8 this subsection and distribute on a prorated basis, as determined by the department.

9 ***-1756/2.13* SECTION 1406.** 49.45 (6u) (intro.) of the statutes is amended to
10 read:

11 49.45 (6u) SUPPLEMENTAL PAYMENTS TO CERTAIN FACILITIES. (intro.)
12 Notwithstanding sub. (6m), from the appropriation under s. 20.435 (5) (4) (o), for
13 reduction of operating deficits, as defined under criteria developed by the
14 department, incurred by a facility, as defined under sub. (6m) (a) 3., that is
15 established under s. 49.70 (1) or that is owned and operated by a city, village or town,
16 the department may not distribute to these facilities more than \$38,600,000 in each
17 fiscal year, as determined by the department, except that the department shall also
18 distribute for this same purpose from the appropriation under s. 20.435 (5) (4) (o) any
19 additional federal medical assistance moneys that were not anticipated before
20 enactment of the biennial budget act or other legislation affecting s. 20.435 (5) (4) (o)
21 and that were not used to fund nursing home rate increases under sub. (6m) (ag) 8.
22 The total amount that a county certifies under this subsection may not exceed 100%
23 of otherwise-unreimbursed care. In distributing funds under this subsection, the
24 department shall perform all of the following:

25 ***-0028/7.52* SECTION 1407.** 49.45 (6u) (d) of the statutes is amended to read:

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1 49.45 (6u) (d) If the federal department of health and human services approves
2 for state expenditure in a fiscal year amounts under s. 20.435 (5) (4) (o) that result
3 in a lesser allocation amount than that allocated under this subsection, allocate not
4 more than the lesser amount so approved by the federal department of health and
5 human services.

6 ***-0028/7.53*** SECTION 1408. 49.45 (6u) (e) of the statutes is amended to read:
7 49.45 (6u) (e) If the federal department of health and human services approves
8 for state expenditure in a fiscal year amounts under s. 20.435 (5) (4) (o) that result
9 in a lesser allocation amount than that allocated under this subsection, submit a
10 revision of the method developed under par. (b) for approval by the joint committee
11 on finance in that state fiscal year.

12 ***-1060/3.1*** SECTION 1409. 49.45 (6v) (b) of the statutes is amended to read:
13 49.45 (6v) (b) The department shall, each year, submit to the joint committee
14 on finance a report for the previous fiscal year, except for the 1997–98 fiscal year, that
15 provides information on the utilization of beds by recipients of medical assistance in
16 facilities and a discussion and detailed projection of the likely balances,
17 expenditures, encumbrances and carry over of currently appropriated amounts in
18 the appropriation accounts under s. 20.435 (4) (b) and (o).

19 ***-1060/3.2*** SECTION 1410. 49.45 (6v) (c) of the statutes is amended to read:
20 49.45 (6v) (c) If the report specified in par. (b) indicates that utilization of beds
21 by recipients of medical assistance in facilities decreased is less than estimates for
22 that utilization reflected in the intentions of the joint committee on finance,
23 legislature and governor, as expressed by them in the budget determinations, the
24 department shall include a proposal to transfer moneys from the appropriation
25 under s. 20.435 (5) (4) (b) to the appropriation under s. 20.435 (7) (bd) for the purpose

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1 of increasing funding for the community options program under s. 46.27. The
2 amount proposed for transfer may not reduce the balance in the appropriation
3 account under s. 20.435 (4) (b) below an amount necessary to ensure that that
4 appropriation account will end the current fiscal year or the current fiscal biennium
5 with a positive balance. The secretary shall transfer the amount identified under the
6 proposal.

7 ***-0028/7.54* SECTION 1411.** 49.45 (6w) (intro.) of the statutes is amended to
8 read:

9 49.45 (6w) HOSPITAL OPERATING DEFICIT REDUCTION. (intro.) From the
10 appropriation under s. 20.435 ~~(5)~~ (4) (o), for reduction of operating deficits, as defined
11 under criteria developed by the department, incurred by a hospital, as defined under
12 s. 50.33 (2) (a) and (b), that is operated by the state, established under s. 49.71 or
13 owned and operated by a city or village, the department shall allocate up to
14 \$3,300,000 in each fiscal year to these hospitals, as determined by the department,
15 and shall perform all of the following:

16 ***-0028/7.55* SECTION 1412.** 49.45 (6w) (d) of the statutes is amended to read:
17 49.45 (6w) (d) If the federal department of health and human services approves
18 for state expenditure in a fiscal year amounts under s. 20.435 ~~(5)~~ (4) (o) that result
19 in a lesser allocation amount than that allocated under this subsection or disallows
20 use of the allocation of federal medicaid funds under par. (c), reduce allocations under
21 this subsection and distribute on a prorated basis, as determined by the department.

22 ***-0028/7.56* SECTION 1413.** 49.45 (6x) (a) of the statutes is amended to read:
23 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriations under s.
24 20.435 ~~(5)~~ (4) (b) and (o) the department shall distribute not more than \$4,748,000
25 in each fiscal year, to provide funds to an essential access city hospital, except that

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1 the department may not allocate funds to an essential access city hospital to the
2 extent that the allocation would exceed any limitation under 42 USC 1396b (i) (3).

3 ***-0028/7.57* SECTION 1414.** 49.45 (6x) (d) of the statutes is amended to read:

4 49.45 (6x) (d) If the federal department of health and human services approves
5 for state expenditure in any state fiscal year amounts under s. 20.435 (5) (4) (o) that
6 result in a lesser distribution amount than that distributed under this subsection or
7 disallows use of federal medicaid funds under par. (a), the department of health and
8 family services shall reduce the distributions under this subsection.

9 ***-0028/7.58* SECTION 1415.** 49.45 (6y) (a) of the statutes is amended to read:

10 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the appropriations under s.
11 20.435 (5) (4) (b) and (o) the department shall distribute funding in each fiscal year
12 to provide supplemental payment to hospitals that enter into a contract under s.
13 49.02 (2) to provide health care services funded by a relief block grant, as determined
14 by the department, for hospital services that are not in excess of the hospitals'
15 customary charges for the services, as limited under 42 USC 1396b (i) (3). If no relief
16 block grant is awarded under this chapter or if the allocation of funds to such
17 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
18 may distribute funds to hospitals that have not entered into a contract under s. 49.02
19 (2).

20 ***-1393/3.3* SECTION 1416.** 49.45 (6y) (am) of the statutes is created to read:

21 49.45 (6y) (am) Notwithstanding sub. (3) (e), from the appropriations under s.
22 20.435 (4) (b), (h) and (o) the department shall distribute funding in each fiscal year
23 to provide supplemental payments to hospitals that enter into contracts under s.
24 49.02 (2) with a county having a population of 500,000 or more to provide health care
25 services funded by a relief block grant, as determined by the department, for hospital

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1 services that are not in excess of the hospitals' customary charges for the services,
2 as limited under 42 USC 1396b (i) (3).

3 ***-1393/3.4* SECTION 1417.** 49.45 (6y) (b) of the statutes is amended to read:

4 49.45 (6y) (b) The department need not promulgate as rules under ch. 227 the
5 procedures, methods of distribution and criteria required for distribution under ~~par.~~
6 pars. (a) and (am).

7 ***-0028/7.59* SECTION 1418.** 49.45 (6z) (a) (intro.) of the statutes is amended
8 to read:

9 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriations
10 under s. 20.435 ~~(5)~~ (4) (b) and (o) the department shall distribute funding in each
11 fiscal year to supplement payment for services to hospitals that enter into a contract
12 under s. 49.02 (2) to provide health care services funded by a relief block grant under
13 this chapter, if the department determines that the hospitals serve a
14 disproportionate number of low-income patients with special needs. If no medical
15 relief block grant under this chapter is awarded or if the allocation of funds to such
16 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
17 may distribute funds to hospitals that have not entered into a contract under s. 49.02
18 (2). The department may not distribute funds under this subsection to the extent
19 that the distribution would do any of the following:

20 ***-0028/7.60* SECTION 1419.** 49.45 (8) (b) of the statutes is amended to read:

21 49.45 (8) (b) Reimbursement under s. 20.435 ~~(5)~~ (4) (b) and (o) for home health
22 services provided by a certified home health agency or independent nurse shall be
23 made at the home health agency's or nurse's usual and customary fee per patient care
24 visit, subject to a maximum allowable fee per patient care visit that is established
25 under par. (c).

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1 ***-1098/3.16*** SECTION 1420. 49.45 (13) (a) of the statutes is amended to read:

2 49.45 (13) (a) The department may require ~~service~~ providers to prepare and
3 submit cost reports or financial reports for purposes of rate certification under Title
4 XIX of the federal Social Security Act, cost verification, fee schedule determination
5 or research and study purposes. These financial reports may include independently
6 audited financial statements ~~which shall include, including~~ balance sheets and
7 statements of revenues and expenses. The department may withhold
8 reimbursement or may decrease or not increase reimbursement rates if a provider
9 does not submit the reports required under this paragraph within the period
10 specified by the department or if the costs on which the reimbursement rates are
11 based cannot be verified from the provider's cost or financial reports ~~or records from~~
12 ~~which the reports are derived.~~

13 ***-1098/3.17*** SECTION 1421. 49.45 (13) (b) of the statutes is amended to read:

14 49.45 (13) (b) The In addition to the remedies specified under par. (a), the
15 department may require any provider who fails to submit a cost report or financial
16 report under par. (a) within the period specified by the department to forfeit not less
17 than \$10 nor more than \$100 for each day the provider fails to submit the report. A
18 provider may contest the imposition of a forfeiture under this paragraph by
19 submitting a written request for a hearing under s. 227.44 to the department within
20 10 days following the date on which the provider received notice of the forfeiture.

21 ***-1098/3.18*** SECTION 1422. 49.45 (21) (a) of the statutes is renumbered 49.45
22 (21) (a) (intro.) and amended to read:

23 49.45 (21) (a) (intro.) ~~If any~~ Before a provider liable for repayment of improper
24 ~~or erroneous payments or overpayments under ss. 49.43 to 49.497~~ sells or otherwise
25 transfers ownership of his or her business or all or substantially all of the assets of

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1 the business, ~~the transferor and transferee are each liable for the repayment. Prior~~
2 ~~to final transfer, the transferee is responsible for contacting the department and~~
3 ~~ascertaining if the transferor is liable under this paragraph. all of the following shall~~
4 take place:

5 ***-1098/3.19* SECTION 1423.** 49.45 (21) (a) 1. to 6. of the statutes are created
6 to read:

7 49.45 (21) (a) 1. The provider shall notify the department of the proposed sale
8 or other transfer.

9 2. Upon notification under subd. 1., the department shall inform the provider
10 of the extent of the provider's liability, if any, for repayment of improper or erroneous
11 payments or overpayments under ss. 49.43 to 49.497.

12 3. If the department informs the provider under subd. 2. that the provider has
13 liability, the provider shall so inform the prospective buyer or other transferee.

14 4. If the provider informs the prospective buyer or other transferee under subd.
15 3., joint and several liability for the repayment attaches to the provider and to the
16 prospective buyer or other transferee and the sale or other transfer is conditioned
17 upon repayment.

18 5. If the provider fails to notify the prospective buyer or other transferee under
19 subd. 3., no liability for the repayment attaches to the prospective buyer or other
20 transferee.

21 6. The provider and, if subd. 4. applies, the prospective buyer or other
22 transferee shall repay the amount of improper or erroneous payments or
23 overpayments under ss. 49.43 to 49.497 for which the provider and, if subd. 4.
24 applies, the prospective buyer or other transferee have liability.

25 ***-1098/3.20* SECTION 1424.** 49.45 (21) (b) of the statutes is amended to read:

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1 49.45 (21) (b) If a sale or other transfer specified in par. (a) occurs and the
2 applicable amount under par. (a) has not been repaid, the ~~department may proceed~~
3 ~~against either the transferor or the transferee. Within 30 days after receiving notice~~
4 ~~from the department, the transferor or the transferee shall pay the amount in full.~~
5 ~~Upon failure to comply, the sale or other transfer is void. The department may bring~~
6 ~~an action to compel payment. If a transferor fails to pay within 90 days after~~
7 ~~receiving notice from the department, the department or~~ may proceed under sub. (2)
8 (a) 12., or both.

9 ***-1301/3.1*** SECTION 1425. 49.45 (24h) of the statutes is created to read:

10 49.45 (24h) PAYMENT RATES FOR DENTAL SERVICES. (a) From the appropriation
11 under s. 20.435 (4) (b), the department shall provide an increase in the rate of
12 payment to providers of dental services specified under ss. 49.46 (2) (b) 1. and 49.47
13 (6) (a) 1. who provide the services on a fee-for-service basis. For state fiscal year
14 1999-2000, the total increase is an amount equal to the lesser of 10% over that paid
15 from this appropriation for the dental services in state fiscal year 1998-99 or
16 \$1,225,300. For state fiscal year 2000-01, the total increase is an amount equal to
17 the least of all of the following:

18 1. Ten percent over the amount paid for the dental services from the
19 appropriation in state fiscal year 2000-01.

20 2. An amount equal to \$1,504,200.

21 3. Whatever percentage over the amount paid for the dental services from the
22 appropriation in state fiscal year 2000-01 equals the percentage of increase in the
23 number of medical assistance recipients receiving dental services on a
24 fee-for-service basis in state fiscal year 2000-01 over the number receiving dental

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1 services on a fee-for-service basis in state fiscal year 1999–2000. By September 1,
2 2000, the department shall determine the percentage figure under this subdivision.

3 (b) Calculation of the payments under this subsection excludes estimated
4 changes in total payments reflected in the intentions of the joint committee on
5 finance, legislature and governor as expressed by them in the budget determinations
6 attributable to changes in recipient utilization of dental services provided on a
7 fee-for-service basis.

8 ***-0028/7.61* SECTION 1426.** 49.45 (24m) (intro.) of the statutes is amended to
9 read:

10 49.45 (24m) HOME HEALTH CARE AND PERSONAL CARE PILOT PROGRAM. (intro.)
11 From the appropriations under s. 20.435 ~~(5)~~ (4) (b) and (o), in order to test the
12 feasibility of instituting a system of reimbursement for providers of home health care
13 and personal care services for medical assistance recipients that is based on
14 competitive bidding, the department shall:

15 ***-0287/1.1* SECTION 1427.** 49.45 (25m) of the statutes is created to read:

16 49.45 (25m) MANAGED CARE FOR CHILDREN IN FOSTER CARE. The department may
17 request a waiver from the secretary of the federal department of health and human
18 services to allow the department to require a child who is in foster care to enroll in
19 a managed care plan as a condition of receiving medical assistance. If the waiver is
20 granted and in effect, the department may require a child who is in foster care to
21 enroll in a managed care plan as a condition of receiving medical assistance.

22 ***-0315/4.1* SECTION 1428.** 49.45 (46) of the statutes is created to read:

23 49.45 (46) ALCOHOL AND OTHER DRUG ABUSE RESIDENTIAL TREATMENT SERVICES. (a)
24 If a county, city, town or village elects to become certified as a provider of alcohol and
25 other drug abuse residential treatment services or to contract with a certified

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1 provider to provide the services, the county, city, town or village may provide directly
2 or under contract alcohol and other drug abuse residential treatment services in
3 facilities with fewer than 16 beds under this subsection in the county, city, town or
4 village to medical assistance recipients through the medical assistance program. A
5 county, city, town or village that elects to provide or to contract for the services shall
6 pay the amount of the allowable charges for the services under the medical
7 assistance program that is not provided by the federal government. The department
8 shall reimburse the county, city, town or village under this subsection only for the
9 amount of the allowable charges for those services under the medical assistance
10 program that is provided by the federal government.

11 (b) This subsection does not apply after July 1, 2003.

12 ***-0321/6.1* SECTION 1429.** 49.45 (47) of the statutes is created to read:

13 49.45 (47) ADULT DAY CARE CENTERS. (a) In this subsection, “adult day care
14 center” means an entity that provides services for part of a day in a group setting to
15 adults who need an enriched health–supportive or social experience and who may
16 need assistance with activities of daily living, supervision or protection.

17 (b) No person may receive reimbursement under s. 46.27 (11) for the provision
18 of services to clients in an adult day care center unless the adult day care center is
19 certified by the department under sub. (2) (a) 11. as a provider of medical assistance.

20 (c) The biennial fee for the certification required under par. (b) of an adult day
21 care center is \$100, plus a biennial fee of \$20 per client, based on the number of
22 clients that the adult day care center is certified to serve. Fees collected under this
23 paragraph shall be credited to the appropriation account under s. 20.435 (6) (jm).

24 (d) The department, by rule, may increase any fee specified in par. (c).

25 ***-0263/2.1* SECTION 1430.** 49.453 (4) (title) of the statutes is amended to read:

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1 49.453 (4) (title) IRREVOCABLE ANNUITIES, PROMISSORY NOTES AND SIMILAR
2 TRANSFERS.

3 ***-0263/2.2*** SECTION 1431. 49.453 (4) (a) of the statutes is renumbered 49.453
4 (4) (a) (intro.) and amended to read:

5 49.453 (4) (a) (intro.) For the purposes of sub. (2), whenever a covered
6 individual or his or her spouse, or another person acting on behalf of the covered
7 individual or his or her spouse, transfers assets to an irrevocable annuity, or
8 transfers assets by promissory note or similar instrument, in an amount that exceeds
9 the expected value of the benefit, the covered individual or his or her spouse transfers
10 assets for less than fair market value. A transfer to an annuity, or a transfer by
11 promissory note or similar instrument, is not in excess of the expected value only if
12 all of the following are true:

13 ***-0263/2.3*** SECTION 1432. 49.453 (4) (a) 1. and 2. of the statutes are created
14 to read:

15 49.453 (4) (a) 1. The periodic payments back to the transferor include principal
16 and interest that, at the time that the transfer is made, is at least at the prime
17 lending rate as reported by the federal reserve board in federal statistical release H.
18 15.

19 2. The terms of the instrument provide for a payment schedule that includes
20 equal periodic payments, except that payments may be unequal if the interest
21 payments are tied to the prime lending rate, as reported by the federal reserve board
22 in federal statistical release H. 15., and the inequality is caused exclusively by
23 fluctuations in that rate.

24 ***-0263/2.4*** SECTION 1433. 49.453 (4) (c) of the statutes is amended to read:

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1 49.453 (4) (c) The department shall promulgate rules specifying the method to
2 be used in calculating the expected value of the benefit, based on 26 CFR 1.72–1 to
3 1.72–18, and specifying the criteria for adjusting the expected value of the benefit
4 based on a medical condition diagnosed by a physician before the assets were
5 transferred to the annuity, or transferred by promissory note or similar instrument.

6 *~~0261/2.1~~* **SECTION 1434.** 49.46 (1p) of the statutes is created to read:

7 49.46 (1p) **DEMONSTRATION PROJECT FOR PERSONS WITH HIV.** The department
8 shall request a waiver from the secretary of the federal department of health and
9 human services to allow the department to provide under this section coverage of
10 services specified under sub. (2) (b) 17. for persons who have HIV infection, as defined
11 in s. 252.01 (2). If a waiver is granted and in effect, the department shall provide
12 coverage for the services specified under sub. (2) (b) 17. for persons who qualify under
13 the terms of the waiver.

14 *~~0030/2.73~~* **SECTION 1435.** 49.46 (2) (b) 8. of the statutes is amended to read:

15 49.46 (2) (b) 8. Home or community–based services, if provided under s. 46.27
16 (11), 46.275, 46.277 or 46.278 or under the family care benefit if a waiver is in effect
17 under s. 46.281 (1) (c).

18 *~~0261/2.2~~* **SECTION 1436.** 49.46 (2) (b) 17. of the statutes is created to read:

19 49.46 (2) (b) 17. If a waiver under sub. (1p) is granted and in effect, clinical
20 evaluation services, as defined by the department, for persons who qualify for
21 coverage under sub. (1p), not to exceed \$500 per year per person.

22 *~~0315/4.2~~* **SECTION 1437.** 49.46 (2) (b) 18. of the statutes is created to read:

23 49.46 (2) (b) 18. Alcohol or other drug abuse residential treatment services of
24 no more than 45 days per treatment episode, under s. 49.45 (46). This subdivision
25 does not apply after July 1, 2003.

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1 ***-0030/2.74*** **SECTION 1438.** 49.47 (4) (as) 1. of the statutes is amended to read:

2 49.47 (4) (as) 1. The person would meet the financial and other eligibility
3 requirements for home or community-based services under s. 46.27 (11) or 46.277
4 or under the family care benefit if a waiver is in effect under s. 46.281 (1) (c) but for
5 the fact that the person engages in substantial gainful activity under 42 USC 1382c
6 (a) (3).

7 ***-0030/2.75*** **SECTION 1439.** 49.47 (4) (as) 3. of the statutes is amended to read:

8 49.47 (4) (as) 3. Funding is available for the person under s. 46.27 (11) or 46.277
9 or under the family care benefit if a waiver is in effect under s. 46.281 (1) (c).

10 ***-0266/3.3*** **SECTION 1440.** 49.472 of the statutes is created to read:

11 **49.472 Medical assistance purchase plan. (1) DEFINITIONS.** In this section:

12 (a) “Earned income” has the meaning given in 42 USC 1382a (a) (1).

13 (am) “Family” means an individual, the individual’s spouse and any dependent
14 child, as defined in s. 49.141 (1) (c), of the individual.

15 (b) “Health insurance” means surgical, medical, hospital, major medical or
16 other health service coverage, including a self-insured health plan, but does not
17 include hospital indemnity policies or ancillary coverages such as income
18 continuation, loss of time or accident benefits.

19 (c) “Independence account” means an account approved by the department that
20 consists solely of savings, and dividends or other gains derived from those savings,
21 from income earned from paid employment after the initial date that an individual
22 began receiving medical assistance under this section.

23 (d) “Medical assistance purchase plan” means medical assistance, eligibility for
24 which is determined under this section.

25 (e) “Unearned income” has the meaning given in 42 USC 1382a (a) (2).

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1 **(2) WAIVERS AND AMENDMENTS.** The department shall submit to the federal
2 department of health and human services an amendment to the state medical
3 assistance plan, and shall request any necessary waivers from the secretary of the
4 federal department of health and human services, to permit the department to
5 expand medical assistance eligibility as provided in this section. If the state plan
6 amendment and all necessary waivers are approved and in effect, the department
7 shall implement the medical assistance eligibility expansion under this section not
8 later than January 1, 2000, or 3 months after full federal approval, whichever is
9 later.

10 **(3) ELIGIBILITY.** Except as provided in sub. (6) (a), an individual is eligible for
11 and shall receive medical assistance under this section if all of the following
12 conditions are met:

13 (a) The individual's net income, including income that would be deemed to the
14 individual under 20 CFR 416.1160, is less than 250% of the poverty line for a family
15 the size of the individual's family. In calculating the net income, the department
16 shall disregard the income specified under 42 USC 1382a (b).

17 (b) The individual's assets do not exceed \$20,000. In determining assets, the
18 department may not include assets that are excluded from the resource calculation
19 under 42 USC 1382b (a) or assets accumulated in an independence account. The
20 department may exclude, in whole or in part, the value of a vehicle used by the
21 individual for transportation to paid employment.

22 (c) The individual would be eligible for supplemental security income for
23 purposes of receiving medical assistance but for evidence of work, attainment of the
24 substantial gainful activity level, earned income in excess of the limit established

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1 under 42 USC 1396d (q) (2) (B) and unearned income that is disregarded under sub.
2 (4) (a) 2.

3 (e) The individual is legally able to work in all employment settings without
4 a permit under s. 103.70.

5 (f) The individual maintains premium payments calculated by the department
6 in accordance with sub. (4), unless the individual is exempted from premium
7 payments under sub. (4) (b) or (c) or (5).

8 (g) The individual is engaged in gainful employment or is participating in a
9 program that is certified by the department to provide health and employment
10 services that are aimed at helping the individual achieve employment goals.

11 (h) The individual meets all other requirements established by the department
12 by rule.

13 (4) PREMIUMS. (a) Except as provided in par. (b) and sub. (5), an individual who
14 is eligible for medical assistance under sub. (3) and receives medical assistance shall
15 pay a monthly premium to the department. The department shall establish the
16 monthly premiums by rule in accordance with the following guidelines:

17 1. The premium for any individual may not exceed the sum of the following:

18 a. Three and one-half percent of the individual's earned income.

19 b. One hundred percent of the individual's unearned income after the
20 deductions specified in subd. 2.

21 2. In determining an individual's unearned income under subd. 1., the
22 department shall disregard all of the following:

23 a. A maintenance allowance established by the department by rule. The
24 maintenance allowance may not be less than the sum of \$20, the federal

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1 supplemental security income payment level determined under 42 USC 1382 (b) and
2 the state supplemental payment determined under s. 49.77 (2m).

3 b. Medical and remedial expenses and impairment-related work expenses.

4 3. The department may reduce the premium by 25% for an individual who is
5 covered by private health insurance.

6 (b) The department may waive monthly premiums that are calculated to be
7 below \$10 per month.

8 (c) The department shall assess a one-time entry premium based on a sliding
9 scale established by the department by rule and according to an individual's gross
10 income. In calculating an individual's gross income, the department may treat
11 earned and unearned income differently. The department may waive all or part of
12 the entry premium, or extend the time period for payment of the entry premium, for
13 an individual if the department determines that any of the following is true:

14 1. Assessment of the premium would impose an undue hardship on the
15 individual and, would fail to remove barriers to employment for the individual or
16 would fail to increase access to health care for the individual.

17 2. Assessment of the premium would reduce the cost-effectiveness of the
18 medical assistance purchase plan.

19 (5) COMMUNITY OPTIONS PARTICIPANTS. From the appropriation under s. 20.435
20 (7) (bd), the department shall pay the entry premium established under sub. (4) (c)
21 for a person who is a participant in the community options program under s. 46.27
22 (7), and may pay the entry premium calculated under sub. (4) (c) or the monthly
23 premium calculated under sub. (4) (a), for an individual who is a participant in the
24 community options program under s. 46.27 (11). No individual who is a participant
25 in the community options program under s. 46.27 (11) may be required to pay a

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1 monthly premium calculated under sub. (4) (a) if the individual pays the amount
2 calculated under s. 46.27 (6u) (c) 2.

3 (6) INSURED PERSONS. (a) Notwithstanding sub. (4) (a) 3., from the
4 appropriation under s. 20.435 (4) (b), the department shall, on the part of an
5 individual who is eligible for medical assistance under sub. (3), pay premiums for or
6 purchase individual coverage offered by the individual's employer if the department
7 determines that paying the premiums for or purchasing the coverage will not be more
8 costly than providing medical assistance.

9 (b) If federal financial participation is available, from the appropriation under
10 s. 20.435 (4) (b), the department may pay medicare Part A and Part B premiums for
11 individuals who are eligible for medicare and for medical assistance under sub. (3).

12 (7) DEPARTMENT DUTIES. The department shall do all of the following:

13 (a) Determine eligibility, or contract with a county department, as defined in
14 49.45 (6c) (a) 3., or with a tribal governing body to determine eligibility, of individuals
15 for the medical assistance purchase plan in accordance with sub. (3).

16 (b) Ensure, to the extent practicable, continuity of care for a medical assistance
17 recipient under this section who is engaged in paid employment, or is enrolled in a
18 home-based or community-based waiver program under section 1915 (c) of the
19 Social Security Act, and who becomes ineligible for medical assistance.

20 ***-0028/7.62* SECTION 1441.** 49.475 (5) of the statutes is amended to read:

21 49.475 (5) REIMBURSEMENT OF COSTS. From the appropriations under s. 20.435
22 ~~(1)~~ (4) (bm) and ~~(p)~~ (pa), the department shall reimburse an insurer that provides
23 information under this section for the insurer's reasonable costs incurred in
24 providing the requested information, including its reasonable costs, if any, to develop

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1 and operate automated systems specifically for the disclosure of information under
2 this section.

3 ***-0498/1.1* SECTION 1442.** 49.475 (6) of the statutes is created to read:

4 49.475 (6) SHARING INFORMATION. The department may provide to the
5 department of workforce development any information that the department receives
6 under this section. The 2 departments shall agree on procedures and methods to
7 adequately safeguard the confidentiality of the information provided.

8 ***-1098/3.21* SECTION 1443.** 49.489 of the statutes is created to read:

9 **49.489 False claims or statements prohibited.** (1) In this section:

10 (a) "Claim" means a request submitted by a provider for payment for services
11 or items furnished by the provider under the medical assistance program.

12 (b) "Statement" means a representation, certification, affirmation, document,
13 record or accounting or bookkeeping entry made with respect to a claim or to obtain
14 approval or payment of a claim.

15 (2) No provider may submit a claim or cause a claim to be submitted if the
16 provider knows or should know any of the following:

17 (a) That the claim is false.

18 (b) That the claim includes or is supported by a written statement that asserts
19 a material fact that is false.

20 (c) That the claim includes or is supported by a written statement that omits
21 a material fact that the provider has a duty to include and, by reason of the omission,
22 is false.

23 (3) No provider may make or cause to be made a written statement that
24 contains or is accompanied by an express certification or affirmation of the

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1 truthfulness and accuracy of the statement if the provider knows or should know any
2 of the following:

3 (a) That the statement asserts a material fact that is false.

4 (b) That the statement omits a material fact that the provider has a duty to
5 include and, by reason of the omission, is false.

6 (4) For purposes of subs. (2) and (3), all of the following apply:

7 (a) Each claim form constitutes a separate claim.

8 (b) Each representation, certification, affirmation, document, record or
9 accounting or bookkeeping entry constitutes a separate statement.

10 (c) A claim is subject to this section regardless of whether the claim is actually
11 paid.

12 (d) A claim is considered to be made when it is received by the fiscal agent.

13 (e) Except as provided in par. (f), a statement is considered to be made when
14 it is received by the fiscal agent.

15 (f) A statement that is not submitted to a fiscal agent but is retained by the
16 provider to support a claim is considered to be made when it is entered in the
17 provider's books, files or other records.

18 (5) Any person who violates sub. (2) or (3) may be required to forfeit not more
19 than \$5,000 for each offense.

20 (6) If the department assesses a forfeiture under sub. (5) for a violation of sub.
21 (2), the department may impose on the violator, in addition to the forfeiture, a false
22 claim surcharge in an amount that is not more than 200% of the amount of the claim
23 in regard to which sub. (2) was found to have been violated.

24 (7) The department may directly assess a forfeiture provided for in sub. (5).
25 If the department determines that a forfeiture should be assessed for a particular

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1 violation, the department shall send a notice of assessment to the alleged violator.
2 The notice shall specify the amount of the forfeiture assessed, the violation and the
3 statute alleged to have been violated and shall inform the alleged violator of the right
4 to a hearing under sub. (8).

5 (8) An alleged violator may contest an assessment of a forfeiture by sending,
6 within 30 days after receipt of the notice under sub. (7), a written request for hearing
7 under s. 227.44 to the division of hearings and appeals created under s. 15.103 (1).
8 The administrator of the division may designate a hearing examiner to preside over
9 the case and recommend a decision to the administrator under s. 227.46. The
10 decision of the administrator of the division shall be the final administrative
11 decision. The division shall commence the hearing within 30 days after receipt of the
12 request for hearing and shall issue a final decision within 15 days after the close of
13 the hearing. Proceedings before the division are governed by ch. 227. In any petition
14 for judicial review of a decision by the division, the party, other than the petitioner,
15 who was in the proceeding before the division shall be the named respondent.

16 (9) All forfeitures and false claim surcharges, if any, shall be paid to the
17 department within 10 days after receipt of notice of assessment or, if the forfeiture
18 is contested under sub. (8), within 10 days after receipt of the final decision after
19 exhaustion of administrative review, unless the final decision is appealed. The
20 department shall remit all forfeitures paid to the state treasurer for deposit in the
21 school fund. The department shall credit all false claims surcharges to the
22 appropriation account under s. 20.435 (1) (kx).

23 (10) The attorney general may bring an action in the name of the state to collect
24 any forfeiture or false claim surcharge imposed under this section if the forfeiture or
25 false claim surcharge has not been paid following the exhaustion of all

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1 administrative and judicial reviews. The only issue to be contested in any such action
2 is whether the forfeiture or false claim surcharge has been paid.

3 ***-1295/2.5* SECTION 1444.** 49.496 (2) (title) of the statutes is amended to read:

4 49.496 (2) (title) LIENS ON THE HOMES OF NURSING HOME RESIDENTS AND INPATIENTS
5 AT HOSPITALS.

6 ***-1295/2.6* SECTION 1445.** 49.496 (2) (a) of the statutes is amended to read:

7 49.496 (2) (a) Except as provided in par. (b), the department may obtain a lien
8 on a recipient's home if the recipient resides in a nursing home, or if the recipient
9 resides in a hospital and is required to contribute to the cost of care, and the recipient
10 cannot reasonably be expected to be discharged from the nursing home or hospital
11 and return home. The lien is for the amount of medical assistance paid on behalf of
12 the recipient while the recipient resides in a nursing home that is recoverable under
13 sub. (3) (a).

14 ***-1295/2.7* SECTION 1446.** 49.496 (2) (b) 3. of the statutes is amended to read:

15 49.496 (2) (b) 3. The recipient's sibling who has an ownership interest in the
16 home and who has lived in the home continuously beginning at least 12 months
17 before the recipient was admitted to the nursing home or hospital.

18 ***-1295/2.8* SECTION 1447.** 49.496 (2) (c) 1. of the statutes is amended to read:

19 49.496 (2) (c) 1. Notify the recipient in writing of its determination that the
20 recipient cannot reasonably be expected to be discharged from the nursing home or
21 hospital, its intent to impose a lien on the recipient's home and the recipient's right
22 to a hearing on whether the requirements for the imposition of a lien are satisfied.

23 ***-1295/2.9* SECTION 1448.** 49.496 (2) (f) 3. of the statutes is amended to read:

24 49.496 (2) (f) 3. A child of any age who resides in the home, if that child resided
25 in the home for at least 24 months before the recipient was admitted to the nursing

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1 home or hospital and provided care to the recipient that delayed the recipient's
2 admission to the nursing home or hospital.

3 ***-1295/2.10* SECTION 1449.** 49.496 (2) (f) 4. of the statutes is amended to read:
4 49.496 (2) (f) 4. A sibling who resides in the home, if the sibling resided in the
5 home for at least 12 months before the recipient was admitted to the nursing home
6 or hospital.

7 ***-1295/2.11* SECTION 1450.** 49.496 (2) (h) of the statutes is amended to read:
8 49.496 (2) (h) The department shall file a release of a lien imposed under this
9 subsection if the recipient is discharged from the nursing home or hospital and
10 returns to live in the home.

11 ***-1295/2.12* SECTION 1451.** 49.496 (3) (a) (intro.) of the statutes is amended
12 to read:

13 49.496 (3) (a) (intro.) Except as provided in par. (b), the department shall file
14 a claim against the estate of a recipient ~~or against the estate of the surviving spouse~~
15 ~~of a recipient~~ for all of the following unless already recovered by the department
16 under this section:

17 ***-1295/2.13* SECTION 1452.** 49.496 (3) (a) 1. of the statutes is amended to read:
18 49.496 (3) (a) 1. The amount of medical assistance paid on behalf of the
19 recipient while the recipient resided in a nursing home or while the recipient was an
20 inpatient in a ~~medical institution~~ hospital and was required to contribute to the cost
21 of care.

22 ***-1295/2.14* SECTION 1453.** 49.496 (3) (a) 2. a. of the statutes is amended to
23 read:

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SECTION 1453

1 49.496 (3) (a) 2. a. Home-based or community-based services under 42 USC
2 1396d (a) (7) and (8) and under any waiver granted under 42 USC 1396n (c) (4) (B)
3 or 42 USC 1396u.

4 ***-1295/2.15*** SECTION 1454. 49.496 (3) (a) 2. d. of the statutes is created to
5 read:

6 49.496 (3) (a) 2. d. Personal care services under s. 49.46 (2) (b) 6. j.

7 ***-1295/2.16*** SECTION 1455. 49.496 (3) (am) (intro.) of the statutes is amended
8 to read:

9 49.496 (3) (am) (intro.) The court shall reduce the amount of a claim under par.
10 (a) by up to ~~\$3,000~~ the amount specified in s. 861.33 (2) if necessary to allow the
11 recipient's heirs or the beneficiaries of the recipient's will to retain the following
12 personal property:

13 ***-1295/2.17*** SECTION 1456. 49.496 (3) (am) 3. of the statutes is amended to
14 read:

15 49.496 (3) (am) 3. Other tangible personal property not used in trade,
16 agriculture or other business, not to exceed \$1,000 in value the amount specified in
17 s. 861.33 (1) (a) 4.

18 ***-1295/2.18*** SECTION 1457. 49.496 (3) (b) of the statutes is amended to read:
19 49.496 (3) (b) A claim under par. (a) is not allowable if while the decedent has
20 a surviving child who is under age 21 or disabled or a surviving spouse.

21 ***-0260/2.3*** SECTION 1458. 49.496 (3) (c) of the statutes is renumbered 49.496
22 (3) (c) 1. and amended to read:

23 49.496 (3) (c) 1. If the department's claim is not allowable because of par. (b)
24 and the estate includes an interest in a home, the court exercising probate
25 jurisdiction shall, in the final judgment or summary findings and order, assign the

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1 interest in the home subject to a lien in favor of the department for the amount
2 described in par. (a). The personal representative or petitioner for summary
3 settlement or summary assignment of the estate shall record the final judgment as
4 provided in s. 863.29, 867.01 (3) (h) or 867.02 (2) (h).

5 ***-0260/2.4* SECTION 1459.** 49.496 (3) (c) 2. of the statutes is created to read:

6 49.496 (3) (c) 2. If the department's claim is not allowable because of par. (b),
7 the estate includes an interest in a home and the personal representative closes the
8 estate by sworn statement under s. 865.16, the personal representative shall
9 stipulate in the statement that the home is assigned subject to a lien in favor of the
10 department for the amount described in par. (a). The personal representative shall
11 record the statement in the same manner as described in s. 863.29, as if the
12 statement were a final judgment.

13 ***-1295/2.19* SECTION 1460.** 49.496 (3) (f) of the statutes is created to read:

14 49.496 (3) (f) The department may contract with or employ an attorney to
15 probate estates to recover under this subsection the costs of care.

16 ***-0028/7.63* SECTION 1461.** 49.496 (5) of the statutes is amended to read:

17 49.496 (5) USE OF FUNDS. From the appropriation under s. 20.435 ~~(5)~~ (4) (im),
18 the department shall pay the amount of the payments under sub. (4) that is not paid
19 from federal funds, shall pay to the federal government the amount of the funds
20 recovered under this section equal to the amount of federal funds used to pay the
21 benefits recovered under this section and shall spend the remainder of the funds
22 recovered under this section for medical assistance benefits under this subchapter.

23 ***-0033/1.2* SECTION 1462.** 49.499 (intro.) of the statutes, as affected by 1997
24 Wisconsin Act 27, is renumbered 49.499 (1) (intro.).

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1 ***-0033/1.3* SECTION 1463.** 49.499 (1) to (3) of the statutes are renumbered
2 49.499 (1) (a) to (c).

3 ***-0033/1.4* SECTION 1464.** 49.499 (2m) of the statutes is created to read:
4 49.499 (2m) From the appropriation under s. 20.435 (6) (g), the department
5 may distribute funds for innovative projects designed to protect the health and
6 property of a resident in a nursing facility, as defined in s. 49.498 (1) (i).

7 ***-1967/3.1* SECTION 1465.** 49.665 (1) (a) of the statutes is renumbered 49.665
8 (1) (e) and amended to read:

9 49.665 (1) (e) "~~Custodial parent~~ Parent" has the meaning given in s. 49.141 (1)
10 (~~b~~) (j).

11 ***-1967/3.2* SECTION 1466.** 49.665 (1) (b) of the statutes is repealed and
12 recreated to read:

13 49.665 (1) (b) "Child" means a person who is under the age of 19.

14 ***-1967/3.3* SECTION 1467.** 49.665 (1) (d) of the statutes is amended to read:

15 49.665 (1) (d) "Family" means a unit that consists of at least one ~~dependent~~
16 child and his or her ~~eustodial~~ parent or parents, all of whom reside in the same
17 household. "Family" includes the spouse of an individual who is a ~~eustodial~~ parent
18 if the spouse resides in the same household as the individual.

19 ***-1967/3.4* SECTION 1468.** 49.665 (1) (f) of the statutes is created to read:

20 49.665 (1) (f) "State plan" means the state child health plan under 42 USC
21 1397aa (b).

22 ***-1967/3.5* SECTION 1469.** 49.665 (3) of the statutes is amended to read:

23 49.665 (3) ADMINISTRATION. The department shall administer a program to
24 provide the health services and benefits described in s. 49.46 (2) to ~~families~~ persons
25 that meet the eligibility requirements specified in sub. (4). The department shall

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1 promulgate rules setting forth the application procedures and appeal and grievance
2 procedures. The department may promulgate rules limiting access to the program
3 under this section to defined enrollment periods. The department may also
4 promulgate rules establishing a method by which the department may purchase
5 family coverage offered by the employer of a member of an eligible family or by a
6 member of a child's household under circumstances in which the department
7 determines that purchasing that coverage would not be more costly than providing
8 the coverage under this section.

9 ***-1967/3.6*** SECTION 1470. 49.665 (4) (a) 1. of the statutes is amended to read:
10 49.665 (4) (a) 1. The family's income does not exceed 185% of the poverty line,
11 except as provided in par. (at) and except that a family that is already receiving
12 health care coverage under this section may have an income that does not exceed
13 200% of the poverty line. The department shall establish by rule the criteria to be
14 used to determine income.

15 ***-1967/3.7*** SECTION 1471. 49.665 (4) (am) of the statutes is created to read:
16 49.665 (4) (am) A child who does not reside with his or her parent is eligible
17 for health care coverage under this section if the child meets all of the following
18 requirements:

19 1. The child's income does not exceed 185% of the poverty line, except as
20 provided in par. (at) and except that a child that is already receiving health care
21 coverage under this section may have an income that does not exceed 200% of the
22 poverty line. The department shall use the criteria established under par. (a) 1. to
23 determine income under this subdivision.

24 2. The child does not have access to employer-subsidized health care coverage.

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1 3. The child has not had access to employer-subsidized health care coverage
2 within the time period established by the department under par. (a) 3. The
3 department may establish exceptions to this subdivision.

4 4. The child meets all other requirements established by the department by
5 rule. In establishing other eligibility criteria, the department may not include any
6 health condition requirements.

7 ***-1967/3.8*** **SECTION 1472.** 49.665 (4) (at) of the statutes is created to read:

8 49.665 (4) (at) 1. The department shall establish by state plan amendment a
9 lower maximum income level for the initial eligibility determination if funding under
10 s. 20.435 (4) (bc), (jz) and (p) is insufficient to accommodate the projected enrollment
11 levels for the health care program under this section. The adjustment may not be
12 greater than necessary to ensure sufficient funding.

13 2. If, after the department has established a lower maximum income level
14 under subd. 1., projections indicate that funding under s. 20.435 (4) (bc), (jz) and (p)
15 is sufficient to raise the level, the department shall, by state plan amendment, raise
16 the maximum income level for initial eligibility, but not to exceed 185% of the poverty
17 line.

18 3. The department may not adjust the maximum income level of 200% of the
19 poverty line for persons already receiving health care coverage under this section.

20 ***-1967/3.9*** **SECTION 1473.** 49.665 (4) (b) of the statutes is amended to read:

21 49.665 (4) (b) Notwithstanding fulfillment of the eligibility requirements
22 under this subsection, ~~a family~~ no person is ~~not~~ entitled to health care coverage under
23 this section.

24 ***-1967/3.10*** **SECTION 1474.** 49.665 (4) (c) of the statutes is amended to read:

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1 49.665 (4) (c) No family person may be denied health care coverage under this
2 section solely because of a health condition of that person or of any family member
3 of that person.

4 ***-1967/3.11*** SECTION 1475. 49.665 (5) (a) of the statutes is amended to read:

5 49.665 (5) (a) Except as provided in par. (b), a family that, or child who does
6 not reside with his or her parent, who receives health care coverage under this
7 section shall pay a percentage of the cost of that coverage in accordance with a
8 schedule established by the department by rule. If the schedule established by the
9 department requires a family, or child who does not reside with his or her parent, to
10 contribute more than 3% of the family's or child's income towards the cost of the
11 health care coverage provided under this section, the department shall submit the
12 schedule to the joint committee on finance for review and approval of the schedule.
13 If the cochairpersons of the joint committee on finance do not notify the department
14 within 14 working days after the date of the department's submittal of the schedule
15 that the committee has scheduled a meeting to review the schedule, the department
16 may implement the schedule. If, within 14 days after the date of the department's
17 submittal of the schedule, the cochairpersons of the committee notify the department
18 that the committee has scheduled a meeting to review the schedule, the department
19 may not require a family, or child who does not reside with his or her parent, to
20 contribute more than 3% of the family's or child's income unless the joint committee
21 on finance approves the schedule. The joint committee on finance may not approve
22 and the department may not implement a schedule that requires a family or child
23 to contribute more than 3.5% of the family's or child's income towards the cost of the
24 health care coverage provided under this section.

25 ***-1967/3.12*** SECTION 1476. 49.665 (5) (b) of the statutes is amended to read:

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1 49.665 (5) (b) The department may not require a family, or child who does not
2 reside with his or her parent, with an income below ~~143%~~ 150% of the poverty line
3 to contribute to the cost of health care coverage provided under this section.

4 *~~1295/2.20~~* SECTION 1477. 49.682 (2) (c) (intro.) of the statutes is amended
5 to read:

6 49.682 (2) (c) (intro.) The court shall reduce the amount of a claim under par.
7 (a) by up to \$3,000 the amount specified in s. 861.33 (2) if necessary to allow the
8 client's heirs or the beneficiaries of the client's will to retain the following personal
9 property:

10 *~~1295/2.21~~* SECTION 1478. 49.682 (2) (c) 3. of the statutes is amended to read:

11 49.682 (2) (c) 3. Other tangible personal property not used in trade, agriculture
12 or other business, not to exceed \$1,000 in value the amount specified in s. 861.33 (1)
13 (a) 4.

14 *~~0260/2.5~~* SECTION 1479. 49.682 (2) (e) of the statutes is renumbered 49.682
15 (2) (e) 1. and amended to read:

16 49.682 (2) (e) 1. If the department's claim is not allowable because of par. (d)
17 and the estate includes an interest in a home, the court exercising probate
18 jurisdiction shall, in the final judgment or summary findings and order, assign the
19 interest in the home subject to a lien in favor of the department for the amount
20 described in par. (a). The personal representative or petitioner for summary
21 settlement or summary assignment of the estate shall record the final judgment as
22 provided in s. 863.29, 867.01 (3) (h) or 867.02 (2) (h).

23 *~~0260/2.6~~* SECTION 1480. 49.682 (2) (e) 2. of the statutes is created to read:

24 49.682 (2) (e) 2. If the department's claim is not allowable because of par. (d),
25 the estate includes an interest in a home and the personal representative closes the

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1 estate by sworn statement under s. 865.16, the personal representative shall
2 stipulate in the statement that the home is assigned subject to a lien in favor of the
3 department for the amount described in par. (a). The personal representative shall
4 record the statement in the same manner as described in s. 863.29, as if the
5 statement were a final judgment.

6 ***-1295/2.22* SECTION 1481.** 49.682 (6) of the statutes is created to read:

7 49.682 (6) The department may contract with or employ an attorney to probate
8 estates to recover under this section the costs of care.

9 ***-0028/7.64* SECTION 1482.** 49.683 (2) of the statutes is amended to read:

10 49.683 (2) Approved costs for medical care under sub. (1) shall be paid from the
11 appropriation under s. 20.435 ~~(5)~~ (4) (e).

12 ***-0028/7.65* SECTION 1483.** 49.687 (2) of the statutes is amended to read:

13 49.687 (2) The department shall develop and implement a sliding scale of
14 patient liability for kidney disease aid under s. 49.68, cystic fibrosis aid under s.
15 49.683 and hemophilia treatment under s. 49.685, based on the patient's ability to
16 pay for treatment. To ensure that the needs for treatment of patients with lower
17 incomes receive priority within the availability of funds under s. 20.435 ~~(5)~~ (4) (e),
18 the department shall revise the sliding scale for patient liability by January 1, 1994,
19 and shall, every 3 years thereafter by January 1, review and, if necessary, revise the
20 sliding scale.

21 ***-1003/4.1* SECTION 1484.** 49.775 (4) of the statutes is amended to read:

22 49.775 (4) PAYMENT AMOUNT. The payment under sub. (2) is ~~\$100~~ \$150 per
23 month per dependent child.

24 ***-1098/3.22* SECTION 1485.** 49.85 (2) (a) of the statutes is amended to read:

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1 49.85 (2) (a) At least annually, the department of health and family services
2 shall certify to the department of revenue the amounts that, based on the
3 notifications received under sub. (1) and on other information received by the
4 department of health and family services, the department of health and family
5 services has determined that it may recover under s. 49.45(2)(a) 10. or 49.497, except
6 that the department of health and family services may not certify an amount under
7 this subsection unless it has met the notice requirements under sub. (3) and unless
8 its determination has either not been appealed or is no longer under appeal.

9 ***-1098/3.23*** SECTION 1486. 49.85 (3) (a) 1. of the statutes is amended to read:

10 49.85 (3) (a) 1. Inform the person that the department of health and family
11 services intends to certify to the department of revenue an amount that the
12 department of health and family services has determined to be due under s. 49.45
13 (2) (a) 10. or 49.497, for setoff from any state tax refund that may be due the person.

14 ***-0589/2.18*** SECTION 1487. 49.855 (7) of the statutes is repealed.

15 ***-2105/1.23*** SECTION 1488. 49.857 (1)(d) 3. of the statutes is amended to read:

16 49.857 (1) (d) 3. A license issued under s. 48.66 (1) (a) or (b).

17 ***-0265/1.1*** SECTION 1489. 49.89 (2) of the statutes is amended to read:

18 49.89 (2) SUBROGATION. The department of health and family services, the
19 department of workforce development, a county or an elected tribal governing body
20 that provides any public assistance under this chapter or under s. 253.05 as a result
21 of the occurrence of an injury, sickness or death that creates a claim or cause of action,
22 whether in tort or contract, on the part of a public assistance recipient or beneficiary
23 or the estate of a recipient or beneficiary against a 3rd party, including an insurer,
24 is subrogated to the rights of the recipient, beneficiary or estate and may make a
25 claim or maintain an action or intervene in a claim or action by the recipient,

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1 beneficiary or estate against the 3rd party. Subrogation under this subsection
2 because of the provision of medical assistance under subch. IV constitutes a lien,
3 equal to the amount of the medical assistance provided as a result of the injury,
4 sickness or death that gave rise to the claim. The lien is on any lump sum payment
5 resulting from a judgment or settlement that may be due the obligor. A lien under
6 this subsection continues until it is released and discharged by the department of
7 health and family services.

8 ***-0265/1.2*** SECTION 1490. 49.89 (3m) (bm) of the statutes is created to read:
9 49.89 (3m) (bm) A person against whom a claim that is subrogated under sub.
10 (2) or assigned under sub. (3) is made, or that person's attorney or insurer, shall
11 provide notice under par. (c), if that person, attorney or insurer knows, or could
12 reasonably determine, that the claimant is a recipient or former recipient of medical
13 assistance under subch. IV, or is the estate of a former recipient of medical assistance
14 under subch. IV.

15 ***-1186/4.35*** SECTION 1491. 49.89 (7) (c) of the statutes is amended to read:
16 49.89 (7) (c) The incentive payment shall be an amount equal to 15% of the
17 amount recovered because of benefits paid under s. 49.19, ~~49.20~~, s. 49.20, 1997 stats.,
18 and 49.30 or 253.05. The incentive payment shall be taken from the state share of
19 the sum recovered, except that the incentive payment for an amount recovered
20 because of benefits paid under s. 49.19 shall be considered an administrative cost
21 under s. 49.19 for the purpose of claiming federal funding.

22 ***-0030/2.76*** SECTION 1492. 50.01 (6h) of the statutes is created to read:
23 50.01 (6h) "Secretary" means the secretary of health and family services.

24 ***-0030/2.77*** SECTION 1493. 50.02 (2) (d) of the statutes is created to read:

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1 50.02 (2) (d) The department shall promulgate rules that prescribe the time
2 periods and the methods of providing information specified in ss. 50.033 (2r) and (2s),
3 50.034 (5m) and (5n), 50.035 (4m) and (4n) and 50.04 (2g) (a) and (2h) (a).

4 *~~1098/3.24~~* **SECTION 1494.** 50.03 (13) (a) of the statutes is amended to read:

5 50.03 (13) (a) *New license.* Whenever ownership of a facility is transferred from
6 the person or persons named in the license to any other person or persons, the
7 transferee must obtain a new license. The license may be a probationary license.
8 Penalties under sub. (1) shall apply to violations of this subsection. The transferee
9 shall notify the department of the transfer, file an application under sub. (3) (b) and
10 apply for a new license at least 30 days prior to final transfer. Retention of any
11 interest required to be disclosed under sub. (3) (b) after transfer by any person who
12 held such an interest prior to transfer may constitute grounds for denial of a license
13 where violations of this subchapter for which notice had been given to the transferor
14 are outstanding and uncorrected, if the department determines that effective control
15 over operation of the facility has not been transferred. If the transferor was a
16 provider under s. 49.43 (10), the transferee and transferor shall comply with s. 49.45
17 (21).

18 *~~0321/6.2~~* **SECTION 1495.** 50.033 (2) of the statutes is amended to read:

19 50.033 (2) **REGULATION.** Standards for operation of licensed adult family homes
20 and procedures for application for licensure, monitoring, inspection, revocation and
21 appeal of revocation under this section shall be under rules promulgated by the
22 department under s. 50.02 (2) (am) 2. An adult family home licensure is valid until
23 revoked under this section. Licensure is not transferable. The biennial licensure fee
24 for a licensed adult family home is ~~\$75~~ \$142.50. The fee is payable to the county
25 department under s. 46.215, 46.22, 46.23, 51.42 or 51.437, if the county department

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1 licenses the adult family home under sub. (1m) (b), and is payable to the department,
2 on a schedule determined by the department if the department licenses the adult
3 family home under sub. (1m) (b).

4 ***-0030/2.78* SECTION 1496.** 50.033 (2r) of the statutes is created to read:

5 50.033 (2r) PROVISION OF INFORMATION REQUIRED. Subject to sub. (2t), an adult
6 family home shall, within the time period after inquiry by a prospective resident that
7 is prescribed by the department by rule, inform the prospective resident of the
8 services of a resource center under s. 46.283, the family care benefit under s. 46.286
9 and the availability of a functional and financial screen to determine the prospective
10 resident's eligibility for the family care benefit under s. 46.286 (1).

11 ***-0030/2.79* SECTION 1497.** 50.033 (2s) of the statutes is created to read:

12 50.033 (2s) REQUIRED REFERRAL. Subject to sub. (2t), an adult family home shall,
13 within the time period prescribed by the department by rule, refer to a resource
14 center under s. 46.283 a person who is seeking admission, who is at least 65 years
15 of age or has a physical disability and whose disability or condition is expected to last
16 at least 90 days, unless any of the following applies:

17 (a) The person has received a screen for functional eligibility under s. 46.286
18 (1) (a) within the previous 6 months.

19 (b) The person is entering the adult family home only for respite care.

20 (c) The person is an enrollee of a care management organization.

21 ***-0030/2.80* SECTION 1498.** 50.033 (2t) of the statutes is created to read:

22 50.033 (2t) APPLICABILITY. Subsections (2r) and (2s) apply only if the secretary
23 has certified under s. 46.281 (3) that a resource center is available for the adult family
24 home and for specified groups of eligible individuals that include those persons
25 seeking admission to or the residents of the adult family home.

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1 ***-0030/2.81*** **SECTION 1499.** 50.034 (5m) of the statutes is created to read:

2 50.034 **(5m)** PROVISION OF INFORMATION REQUIRED. Subject to sub. (5p), a
3 residential care apartment complex shall, within the time period after inquiry by a
4 prospective resident that is prescribed by the department by rule, inform the
5 prospective resident of the services of a resource center under s. 46.283, the family
6 care benefit under s. 46.286 and the availability of a functional and financial screen
7 to determine the prospective resident's eligibility for the family care benefit under
8 s. 46.286 (1).

9 ***-0030/2.82*** **SECTION 1500.** 50.034 (5n) of the statutes is created to read:

10 50.034 **(5n)** REQUIRED REFERRAL. Subject to sub. (5p), a residential care
11 apartment complex shall, within the time period prescribed by the department by
12 rule, refer to a resource center under s. 46.283 a person who is seeking admission,
13 who is at least 65 years of age or has a physical disability and whose disability or
14 condition is expected to last at least 90 days, unless any of the following applies:

15 (a) The person has received a screen for functional eligibility under s. 46.286
16 (1) (a) within the previous 6 months.

17 (b) The person is entering the residential care apartment complex only for
18 respite care.

19 (c) The person is an enrollee of a care management organization.

20 ***-0030/2.83*** **SECTION 1501.** 50.034 (5p) of the statutes is created to read:

21 50.034 **(5p)** APPLICABILITY. Subsections (5m) and (5n) apply only if the secretary
22 has certified under s. 46.281 (3) that a resource center is available for the residential
23 care apartment complex and for specified groups of eligible individuals that include
24 those person seeking admission to or the residents of the residential care apartment
25 complex.

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1 *~~0030/2.84~~* **SECTION 1502.** 50.034 (8) of the statutes is created to read:

2 50.034 (8) **FORFEITURES.** (a) Whoever violates sub. (5m) or (5n) or rules
3 promulgated under sub. (5m) or (5n) may be required to forfeit not more than \$500
4 for each violation.

5 (b) The department may directly assess forfeitures provided for under par. (a).
6 If the department determines that a forfeiture should be assessed for a particular
7 violation, it shall send a notice of assessment to the residential care apartment
8 complex. The notice shall specify the amount of the forfeiture assessed, the violation
9 and the statute or rule alleged to have been violated, and shall inform the residential
10 care apartment complex of the right to a hearing under par. (c).

11 (c) A residential care apartment complex may contest an assessment of a
12 forfeiture by sending, within 10 days after receipt of notice under par. (b), a written
13 request for a hearing under s. 227.44 to the division of hearings and appeals created
14 under s. 15.103 (1). The administrator of the division may designate a hearing
15 examiner to preside over the case and recommend a decision to the administrator
16 under s. 227.46. The decision of the administrator of the division shall be the final
17 administrative decision. The division shall commence the hearing within 30 days
18 after receipt of the request for a hearing and shall issue a final decision within 15
19 days after the close of the hearing. Proceedings before the division are governed by
20 ch. 227. In any petition for judicial review of a decision by the division, the party,
21 other than the petitioner, who was in the proceeding before the division shall be the
22 named respondent.

23 (d) All forfeitures shall be paid to the department within 10 days after receipt
24 of notice of assessment or, if the forfeiture is contested under par. (c), within 10 days
25 after receipt of the final decision after exhaustion of administrative review, unless

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1 the final decision is appealed and the order is stayed by court order. The department
2 shall remit all forfeitures paid to the state treasurer for deposit in the school fund.

3 (e) The attorney general may bring an action in the name of the state to collect
4 any forfeiture imposed under this section if the forfeiture has not been paid following
5 the exhaustion of all administrative and judicial reviews. The only issue to be
6 contested in any such action shall be whether the forfeiture has been paid.

7 ***-0030/2.85* SECTION 1503.** 50.035 (4m) of the statutes is created to read:

8 50.035 (4m) PROVISION OF INFORMATION REQUIRED. Subject to sub. (4p), a
9 community-based residential facility shall, within the time period after inquiry by
10 a prospective resident that is prescribed by the department by rule, inform the
11 prospective resident of the services of a resource center under s. 46.283, the family
12 care benefit under s. 46.286 and the availability of a functional and financial screen
13 to determine the prospective resident's eligibility for the family care benefit under
14 s. 46.286 (1).

15 ***-0030/2.86* SECTION 1504.** 50.035 (4n) of the statutes is created to read:

16 50.035 (4n) REQUIRED REFERRAL. Subject to sub. (4p), a community-based
17 residential facility shall, within the time period prescribed by the department by
18 rule, refer to a resource center under s. 46.283 a person who is seeking admission,
19 who is at least 65 years of age or has a physical disability and whose disability or
20 condition is expected to last at least 90 days, unless any of the following applies:

21 (a) The person has received a screen for functional eligibility under s. 46.286
22 (1) (a) within the previous 6 months.

23 (b) The person is entering the community-based residential facility only for
24 respite care.

25 (c) The person is an enrollee of a care management organization.

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1 *~~0030/2.87~~* **SECTION 1505.** 50.035 (4p) of the statutes is created to read:

2 50.035 (4p) APPLICABILITY. Subsections (4m) and (4n) apply only if the secretary
3 has certified under s. 46.281 (3) that a resource center is available for the
4 community-based residential facility and for specified groups of eligible individuals
5 that include those persons seeking admission to or the residents of the
6 community-based residential facility.

7 *~~0327/1.4~~* **SECTION 1506.** 50.035 (7) (c) of the statutes is amended to read:

8 50.035 (7) (c) If the date estimated under par. (a) 2. is less than 24 months after
9 the date of the individual's statement of financial condition, the community-based
10 residential facility shall provide the statement to the county department under s.
11 46.215 or 46.22 and shall refer the potential resident to the county department to
12 determine whether an assessment under s. 46.27 (6) should be conducted.

13 *~~0030/2.88~~* **SECTION 1507.** 50.035 (8) of the statutes is repealed.

14 *~~0030/2.89~~* **SECTION 1508.** 50.035 (11) of the statutes is created to read:

15 50.035 (11) FORFEITURES. (a) Whoever violates sub. (4m) or (4n) or rules
16 promulgated under sub. (4m) or (4n) may be required to forfeit not more than \$500
17 for each violation.

18 (b) The department may directly assess forfeitures provided for under par. (a).
19 If the department determines that a forfeiture should be assessed for a particular
20 violation, it shall send a notice of assessment to the community-based residential
21 facility. The notice shall specify the amount of the forfeiture assessed, the violation
22 and the statute or rule alleged to have been violated, and shall inform the licensee
23 of the right to a hearing under par. (c).

24 (c) A community-based residential facility may contest an assessment of a
25 forfeiture by sending, within 10 days after receipt of notice under par. (b), a written

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1 request for a hearing under s. 227.44 to the division of hearings and appeals created
2 under s. 15.103 (1). The administrator of the division may designate a hearing
3 examiner to preside over the case and recommend a decision to the administrator
4 under s. 227.46. The decision of the administrator of the division shall be the final
5 administrative decision. The division shall commence the hearing within 30 days
6 after receipt of the request for a hearing and shall issue a final decision within 15
7 days after the close of the hearing. Proceedings before the division are governed by
8 ch. 227. In any petition for judicial review of a decision by the division, the party,
9 other than the petitioner, who was in the proceeding before the division shall be the
10 named respondent.

11 (d) All forfeitures shall be paid to the department within 10 days after receipt
12 of notice of assessment or, if the forfeiture is contested under par. (c), within 10 days
13 after receipt of the final decision after exhaustion of administrative review, unless
14 the final decision is appealed and the order is stayed by court order. The department
15 shall remit all forfeitures paid to the state treasurer for deposit in the school fund.

16 (e) The attorney general may bring an action in the name of the state to collect
17 any forfeiture imposed under this section if the forfeiture has not been paid following
18 the exhaustion of all administrative and judicial reviews. The only issue to be
19 contested in any such action shall be whether the forfeiture has been paid.

20 ***-0321/6.3* SECTION 1509.** 50.037 (2) (a) of the statutes is amended to read:

21 50.037 (2) (a) The biennial fee for a community-based residential facility is
22 ~~\$170~~ \$323, plus a biennial fee of ~~\$22~~ \$41.80 per resident, based on the number of
23 residents that the facility is licensed to serve.

24 ***-0030/2.90* SECTION 1510.** 50.04 (2g) of the statutes is created to read:

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1 50.04 (2g) PROVISION OF INFORMATION REQUIRED. (a) Subject to sub. (2i), a
2 nursing home shall, within the time period after inquiry by a prospective resident
3 that is prescribed by the department by rule, inform the prospective resident of the
4 services of a resource center under s. 46.283, the family care benefit under s. 46.286
5 and the availability of a functional and financial screen to determine the prospective
6 resident's eligibility for the family care benefit under s. 46.286 (1).

7 (b) Failure to comply with this subsection is a class "C" violation under sub. (4)
8 (b) 3.

9 *-0030/2.91* SECTION 1511. 50.04 (2h) of the statutes is created to read:

10 50.04 (2h) REQUIRED REFERRAL. (a) Subject to sub. (2i), a nursing home shall,
11 within the time period prescribed by the department by rule, refer to a resource
12 center under s. 46.283 a person who is seeking admission, who is at least 65 years
13 of age or has developmental disability or physical disability and whose disability or
14 condition is expected to last at least 90 days, unless any of the following applies:

- 15 1. The person has received a screen for functional eligibility under s. 46.286 (1)
16 (a) within the previous 6 months.
17 2. The person is seeking admission to the nursing home only for respite care.
18 3. The person is an enrollee of a care management organization.

19 (b) Failure to comply with this subsection is a class "C" violation under sub. (4)
20 (b) 3.

21 *-0030/2.92* SECTION 1512. 50.04 (2i) of the statutes is created to read:

22 50.04 (2i) APPLICABILITY. Subsections (2g) and (2h) apply only if the secretary
23 has certified under s. 46.281 (3) that a resource center is available for the nursing
24 home and for specified groups of eligible individuals that include those persons
25 seeking admission to or the residents of the nursing home.

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1 *~~0030/2.93~~* **SECTION 1513.** 50.04 (2m) of the statutes is renumbered 50.04
2 (2m) (a) and amended to read:

3 50.04 (2m) (a) ~~No~~ Except as provided in par. (b), no nursing home may admit
4 any patient until a physician has completed a plan of care for the patient and the
5 patient is assessed or the patient is exempt from or waives assessment under s. 46.27
6 (6) (a) ~~or 46.271 (2m) (a) 2.~~ Failure to comply with this subsection is a class "C"
7 violation under sub. (4) (b) 3.

8 *~~0030/2.94~~* **SECTION 1514.** 50.04 (2m) (b) of the statutes is created to read:
9 50.04 (2m) (b) Paragraph (a) does not apply to those residents for whom the
10 secretary has certified under s. 46.281 (3) that a resource center is available.

11 *~~0030/2.95~~* **SECTION 1515.** 50.06 (7) of the statutes is amended to read:
12 50.06 (7) (a) An individual who consents to an admission under this section
13 may request that an assessment be conducted for the incapacitated individual under
14 the long-term support community options program under s. 46.27 (6) or, if the
15 secretary has certified under s. 46.281 (3) that a resource center is available for the
16 individual, a functional and financial screen to determine eligibility for the family
17 care benefit under s. 46.286 (1).

18 *~~1059/3.9~~* **SECTION 1516.** 50.065 (2) (a) (intro.) of the statutes is amended to
19 read:

20 50.065 (2) (a) (intro.) Notwithstanding s. 111.335, and except as provided in
21 sub. (5), if the department knows or should know any of the following, the
22 department may not license, certify, issue a certificate of approval to or register a
23 person to operate an entity or continue the license, certification, certificate of
24 approval or registration of a person to operate an entity ~~if the department knows or~~
25 ~~should have known any of the following:~~

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1 ***-1059/3.10*** SECTION 1517. 50.065 (2) (ag) (intro.) of the statutes is amended
2 to read:

3 50.065 (2) (ag) (intro.) Notwithstanding s. 111.335, and except as provided in
4 sub. (5), if an entity knows or should know any of the following, the entity may not
5 hire or contract with a person who will be under the entity's control, as defined by
6 the department by rule, and who is expected to ~~have access to its clients, or provide~~
7 to clients of the entity direct care that is more intensive than negligible care in
8 quantity or quality or in amount of time required to provide the care; or the entity
9 may not permit to reside at the entity a person who is not a client and who is expected
10 to have access to a client, ~~if the entity knows or should have known any of the~~
11 following:

12 ***-1059/3.11*** SECTION 1518. 50.065 (2) (ag) (intro.) of the statutes, as affected
13 by 1997 Wisconsin Act 27, section 2059f, and 1999 Wisconsin Act ... (this act), is
14 repealed and recreated to read:

15 50.065 (2) (ag) (intro.) Notwithstanding s. 111.335, and except as provided in
16 sub. (5), if an entity knows or should have known any of the following, the entity may
17 not employ or contract with a person who will be under the entity's control, as defined
18 by the department by rule, and who provides to clients of the entity, or is expected
19 to provide to them, direct care that is more intensive than negligible care in quantity
20 or quality or in the amount of time required to provide the care; or the entity may not
21 permit to reside at the entity a person who is not a client and who has, or is expected
22 to have, access to a client:

23 ***-1059/3.12*** SECTION 1519. 50.065 (2) (b) 1. (intro.) of the statutes is amended
24 to read:

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1 50.065 (2) (b) 1. (intro.) Subject to subds. 1. e. ~~and 2.~~ and par. (bd), every entity
2 shall obtain all of the following with respect to a person specified under par. (ag)
3 (intro.) who is an employe or contractor or a prospective employe or contractor of the
4 entity:

5 *~~-1059/3.13~~* **SECTION 1520.** 50.065 (2) (b) 2. of the statutes is repealed.

6 *~~-1059/3.14~~* **SECTION 1521.** 50.065 (6) (am) 1. of the statutes is amended to
7 read:

8 50.065 (6) (am) 1. A person who is an employe, prospective employe, contractor
9 or prospective contractor of the entity, who will be under the entity's control and who
10 ~~has, or is expected to have, access to its clients, other than a person specified in sub.~~
11 (2) (b) 2 provides to clients of the entity, or is expected to provide to them, direct care
12 that is more intensive than negligible care in quantity or quality or in the amount
13 of time required to provide the care.

14 *~~-0333/2.3~~* **SECTION 1522.** 50.065 (8) of the statutes is amended to read:

15 50.065 (8) The department may charge a fee for obtaining the information
16 required under sub. (2) (am) or (3) (a). The fee or for providing information to an
17 entity to enable the entity to comply with sub. (2) (b) 1. or (3) (b). The department
18 may also charge a fee to a person who requests to demonstrate to the department
19 under sub. (5) that he or she has been rehabilitated. Fees charged under this
20 subsection may not exceed the reasonable cost of obtaining the information. No fee
21 may be charged to a nurse's assistant, as defined in s. 146.40 (1) (d), for obtaining or
22 maintaining the information if to do so would be inconsistent with federal law.

23 *~~-0183/2.10~~* **SECTION 1523.** 50.135 (1) of the statutes is amended to read:

24 50.135 (1) DEFINITION. In this section, "inpatient health care facility" means
25 any hospital, nursing home, county home, county mental hospital, ~~tuberculosis~~

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1 sanatorium or other place licensed or approved by the department under ss. 49.70,
2 49.71, 49.72, 50.02, 50.03, 50.35, 51.08, and 51.09, ~~58.06, 252.073 and 252.076~~, but
3 does not include community-based residential facilities.

4 ***-0028/7.66* SECTION 1524.** 50.135 (2) (c) of the statutes is amended to read:

5 50.135 (2) (c) The fees collected under par. (a) shall be credited to the
6 appropriations under s. 20.435 ~~(1)~~ (4) (gm) and (6) (jm) as specified in those
7 appropriations for licensing, review and certifying activities.

8 ***-0030/2.96* SECTION 1525.** 50.36 (2) (c) of the statutes is created to read:

9 50.36 (2) (c) The department shall promulgate rules that require that a
10 hospital, before discharging a patient who is aged 65 or older or who has
11 developmental disability or physical disability and whose disability or condition
12 requires long-term care that is expected to last at least 90 days, refer the patient to
13 the resource center under s. 46.283. The rules shall specify that this requirement
14 applies only if the secretary has certified under s. 46.281 (3) that a resource center
15 is available for the hospital and for specified groups of eligible individuals that
16 include persons seeking admission to or patients of the hospital.

17 ***-0030/2.97* SECTION 1526.** 50.38 of the statutes is created to read:

18 **50.38 Forfeitures. (1)** Whoever violates rules promulgated under s. 50.36 (2)
19 (c) may be required to forfeit not more than \$500 for each violation.

20 **(2)** The department may directly assess forfeitures provided for under sub. (1).
21 If the department determines that a forfeiture should be assessed for a particular
22 violation, the department shall send a notice of assessment to the hospital. The
23 notice shall specify the amount of the forfeiture assessed, the violation and the
24 statute or rule alleged to have been violated, and shall inform the hospital of the right
25 to a hearing under sub. (3).

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1 **(3)** A hospital may contest an assessment of a forfeiture by sending, within 10
2 days after receipt of notice under sub. (2), a written request for a hearing under s.
3 227.44 to the division of hearings and appeals created under s. 15.103 (1). The
4 administrator of the division may designate a hearing examiner to preside over the
5 case and recommend a decision to the administrator under s. 227.46. The decision
6 of the administrator of the division shall be the final administrative decision. The
7 division shall commence the hearing within 30 days after receipt of the request for
8 a hearing and shall issue a final decision within 15 days after the close of the hearing.
9 Proceedings before the division are governed by ch. 227. In any petition for judicial
10 review of a decision by the division, the party, other than the petitioner, who was in
11 the proceeding before the division shall be the named respondent.

12 **(4)** All forfeitures shall be paid to the department within 10 days after receipt
13 of notice of assessment or, if the forfeiture is contested under sub. (3), within 10 days
14 after receipt of the final decision after exhaustion of administrative review, unless
15 the final decision is appealed and the order is stayed by court order. The department
16 shall remit all forfeitures paid to the state treasurer for deposit in the school fund.

17 **(5)** The attorney general may bring an action in the name of the state to collect
18 any forfeiture imposed under this section if the forfeiture has not been paid following
19 the exhaustion of all administrative and judicial reviews. The only issue to be
20 contested in any such action shall be whether the forfeiture has been paid.

21 ***-0183/2.11*** **SECTION 1527.** 50.39 (2) of the statutes is amended to read:

22 50.39 (2) The use of the title "hospital" to represent or identify any facility
23 which does not meet the definition of a "hospital" as provided herein or is not subject
24 to approval under ss. 50.32 to 50.39 is prohibited, except that institutions governed
25 by ss. s. 51.09 and ~~252.073~~ are exempt.