

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 06/2/99

Received By: yacketa

Wanted: As time permits

Identical to LRB:

For: Legislative Fiscal Bureau 6-7044

By/Representing: Goldman

This file may be shown to any legislator: NO

Drafter: yacketa

May Contact:

Alt. Drafters: kenneda

Subject: Public Assistance - med. assist.

Extra Copies:

Pre Topic:

LFB:.....Goldman -

Topic:

Multiple medical assistance changes

Instructions:

See Attached; motion #997

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/2	yacketa 06/12/99	wjackson 06/12/99	haugca 06/12/99	_____	lrb_docadmin 06/13/99		
/3	kenneda 06/13/99	jgeller 06/13/99	haugca 06/13/99	_____	lrb_docadmin 06/13/99		

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Handwritten notes:
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CH 5/26-13

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FE Sent For:

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Representative Gard
Senator Burke
Senator Jauch
Representative Kaufert
Representative Riley

MEDICAL ASSISTANCE

Motion:

Move to approve the Governor's recommendations contained in Fiscal Bureau Papers # 475 thru 488 with the following modifications.

No draft a. LFB Paper # 475, Modification. Decrease MA benefits funding by \$795,200 GPR and \$28,500,400 FED in 1999-00 and \$20,389,400 GPR and \$21,183,400 FED in 2000-01 to reflect reestimates of the amount of funding required to support MA benefits under current law.

✓ b. LFB Paper #476, Alternative A2. Provide \$10,870,200 GPR and \$16,171,700 FED and -\$1,890,400 PR in 1999-00 and \$12,885,900 GPR, \$17,140,800 FED and -\$3,703,900 PR in 2000-01 to reflect reestimates of the costs of the funding BadgerCare in the 1999-01 biennium. In addition, make the following technical modifications to the bill: (a) reduce funding by \$38,475,800 FED annually to reflect base funding for BadgerCare benefits that were not reflected in the bill; (b) transfer GPR and FED funding for BadgerCare benefits in the bill from the MA appropriation to the BadgerCare benefits appropriation; (c) correct a title error in the Chapter 20 schedule relating to federal BadgerCare benefits; and (d) delete references to a state plan amendment as it relates to Department's authority to establish a lower income threshold for BadgerCare eligibility. Finally, specify that DHFS may not activate the enrollment trigger to lower the income threshold for BadgerCare before it receives approval from the Committee. Authorize DHFS to seek this approval under 14-day passive review. *TAY*

No draft c. LFB Paper #477, Alternative A2. Increase funding by \$521,500 GPR and \$1,969,000 FED in 1999-00 and \$1,539,400 GPR and \$2,986,700 FED in 2000-01 to fund projected MA administration costs in the 1999-01 biennium.

d. LFB Paper #478. Amend the bills as follows:

No draft *Funding for Regular Rate Increase.* Provide \$2,669,500 GPR and \$3,809,500 FED in 1999-00 and \$5,673,700 GPR and \$8,506,700 FED in 2000-01 to increase nursing home rates by 2.5% in 1999-00 and an additional 2% in 2000-01.

No draft *IGT Allocation.* Delete \$400,000 GPR in 1999-00 and \$4,900,000 GPR in 2000-01 to reduce the amount of additional funding for county-owned nursing homes to \$2,000,000 and \$4,000,000, respectively, rather than \$2,400,000 in 1999-00 and \$8,900,000 in 2000-01.

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IGT Claims. Provide \$3,373,600 GPR in 1999-00 and \$6,875,500 GPR in 2000-01 to offset equal losses of federal matching funds in the IGT program resulting from increasing rates above the rates recommended by the Governor. *no draft*

Statutory Changes. Adopt the Governor's proposed statutory changes, but update and retain the requirement that payments be based on the most recent costs reports, so that 1999-00 payments would be based on 1998 cost reports and 2000-01 payments would be based on 1999 cost reports.

Wage Pass-Through. Provide \$3,423,500 GPR and \$4,885,500 FED in 1999-00 and \$4,520,100 GPR and \$6,558,500 FED in 2000-01 to fund a 5% wage pass-through supplement for all nursing homes, but limited to certified nurse assistants. Require nursing homes to apply for the wage pass-through supplement and specify that the wage pass-through would first be available starting October 1, 1999.

Require DHFS to examine currently required cost reports for the period in which a facility received a wage pass-through supplement to determine whether the facility's wage, salary and fringe costs per patient day have increased over the prior year by a percentage at least equal to the wage pass-through supplement. Authorize DHFS to recoup payments when it determines that the facility did not meet this requirement to increase compensation spending. Require DHFS to adjust the compensation per patient day amounts for all of the following factors: (a) regular rate increases or decreases; (b) fringe benefits; (c) purchased services; (d) acuity level of patients; (e) reporting period that is different from the payment period; and (f) any other factor determined by DHFS that is relevant and that is readily available in the Department's database.

Issue Paper
P. 9-11
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all

e. LFB Paper #479. Reduce MA benefits funding by \$743,600 GPR and \$1,061,100 FED in 1999-00 and \$1,489,400 GPR and \$2,161,100 FED in 2000-01 to reflect projected drug savings. Prohibit DHFS from reducing pharmacy reimbursement rates, including reductions to the pharmacy dispensing fee, in the 1999-01 biennium as a means of achieving these savings.

Non-94?

DAK

See change attached

f. LFB Paper #480. Delete all of the Governor's statutory changes relating to MA dental reimbursement. Provide \$10,100 GPR and \$14,300 FED in 1999-00 and delete \$552,900 GPR and \$726,300 FED in 2000-01 and increase reimbursement rates for MA dental services provided to adults to 65% of calendar year 1998 usual and customary charges and increase reimbursement for MA dental services provided to children to 69% of calendar year 1998 usual and customary charges. In addition, require DHFS to provide dental services for all MA HMO enrollees on a fee-for-service basis.

Delete
49.45
(24h)

DAK

See change attached

TAY

49.46 (2)(b) 1. except as provided in 49.45 (24h)

Direct DHFS to develop a dental outreach and education plan for MA recipients and dentists that would address MA patient compliance issues. Direct DHFS to develop this plan in consultation with representatives of various stakeholders, including the Department of Public Instruction, the Department of Workforce Development, the Wisconsin Dental Association, state dental and dental hygiene schools, community health care providers, MA recipients and other health care advocates. Require DHFS to submit this plan to the Governor and the appropriate

Non-94?

TAY

49.45 (48)

legislative standing committees by January 1, 2000. Specify that DHFS would include a fiscal estimate for implementing the plan on a statewide basis and information regarding components of the plan that would be eligible for TANF funding or federal MA administrative matching funds as part of the proposal. ✓

g. Paper #481, Alternatives A2 and B2. Reduce funding by \$95,600 GPR and \$2,363,900 FED in 2000-01 to reflect a reestimate of the funding required to increase MA rates for noninstitutional services for which the Governor recommends a rate increase, except FQHCs and dental services. In addition, provide \$1,346,500 GPR and \$1,921,500 FED in 1999-00 and \$1,552,000 GPR and \$2,251,900 FED in 2000-01 to increase rates for personal care services by \$0.50 per hour, beginning in 1999-00. *no draft*

h. LFB Paper #482, Alternative #A3 and B2. Modify the Governor's provisions by: *none*
(a) providing the funding amount recommended by the Governor in 1999-00 on a one-time basis, rather than in 2000-01; (b) specifying that all hospitals in the state with at least a 25% increase in uncompensated care between calendar year 1997 and 1998 would be eligible for a supplemental payment. Further, direct DHFS to divide total uncompensated care for each qualifying hospital by total uncompensated care for all qualifying hospitals in order to calculate each qualifying hospital's uncompensated care as a percent of the total. This percentage would be applied to the total amount available for the supplemental payments in order to calculate a hospital's supplemental payment. ✓ *DAX*

i. LFB Paper #483, Alternatives A1 and B1. Provide \$348,900 and \$494,600 FED in 1999-00 and \$556,900 GPR and \$748,400 FED in 2000-01. *No draft*

0495 ✓ *LFB 60496*
j. LFB Paper #484, Alternatives A, B1, B2, B3, B4, B5 and B6. Modify the Governor's recommendations by: (a) reducing funding by \$385,300 GPR and \$687,800 FED in 1999-00 and \$2,689,000 GPR and \$3,399,700 FED in 2000-01 to reflect a reestimate of the net costs of implementing the MA purchase plan; (b) increase funding by \$9,100 GPR and \$13,000 FED in 1999-00 and \$3,200 GPR and \$4,600 FED in 2000-01 and delete DHFS authority to establish an entry premium; (c) increase funding by \$5,400 GPR and \$7,600 FED in 1999-00 and \$34,700 GPR and \$50,300 FED in 2000-01 and prohibit DHFS from collecting monthly premiums based on earned income if the participant's total income (both earned and unearned) is less than 150% of the FPL; (d) provide that any allowed deductions in excess of unearned income be deducted from earned income for calculation of the monthly premium; (e) increasing funding by \$126,400 GPR and \$126,400 FED annually to support vocational and other services at the Pathways pilot sites to restore base funding for the sites that was erroneously deleted in the reestimate; (f) provide \$10,100 GPR in 1999-00 and \$81,000 GPR in 2000-01 to support the MA purchase plan, rather than transferring GPR funds from HIRSP; and (g) reduce funding by \$5,300 GPR and \$7,600 FED in 1999-00 and \$43,600 GPR and \$63,200 FED in 2000-01 to reduce the \$20,000 exclusion for assets to \$15,000. *TAX*

Finally, require recipients of long-term care services under the community options program who are between the ages of 18 and 65 to either be engaged in gainful employment or participate in a program that is certified by DHFS to provide health and employment services that are aimed at

helping the individual achieve employment goals. Specify that the Department can waive this requirement if it would cause undue hardship or if the individual's disabilities are so severe that any kind of employment is not feasible.

✓ k. LFB Paper #485, Alternative 4. Delete the provisions in the bill that would authorize DHFS to submit a waiver to the federal Department of Health and Human Service to require HMO enrollment for children in out-of-home care as a condition of participating in MA. TAY ✓

l. LFB Paper #486, Alternatives 3 and 5. Modify the Governor's recommendations relating to divestment restrictions by: (a) substituting the Applicable Federal Rate required under s. 1274(d) of the IRS code as the required interest rate for annuities, promissory notes and similar instruments; (b) imposing a lower minimum interest rate for fixed annuities with a guaranteed life payment that is equal to the appropriate average of the AFT rates, depending on the expected length of the annuity, less 1.5%; and (c) exempting variable annuities that are tied to a mutual fund registered with the U.S. Securities and Exchange Commission from the minimum interest rate requirements. In addition, require that divestment calculations for annuities, promissory notes and similar instruments discount future payments by the appropriate applicable federal rate that applied on the date the annuity or other instrument was established.

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60496

m. LFB Paper #487, Alternative 2. Eliminate the asset test for AFDC-related MA eligibility. TAY ✓

n. LFB Paper #488, Modification and Alternative 1. Increase estimated revenues to the general fund by \$445,000 annually to reflect reestimates of MA reimbursement for school-based services. In addition, specify that the Wisconsin School for the Visually Handicapped would be eligible to claim MA reimbursement for school-based services. DAK ✓

49.45(39)
(a) 1-3
(am),
(b)

o. CIP IB Slots (No paper). Provide \$181,700 GPR and \$259,300 FED in 1999-00 and \$539,800 GPR and \$783,200 FED in 2000-01 to fund 50 additional CIP IB slots in 1999-00 and an additional 50 slots (a total of 100 slots) in 2000-01. In addition, expand the application of the enhanced CIP IB rate to persons relocated from an intermediate care facility for the mentally retarded (ICF-MR) if the ICF-MR files a DIIFS-approved plan for significant downsizing or closure within a five-year period. (Specify that the enhanced reimbursement rate cannot exceed the facility's rate at the time of DHFS plan approval.) Specify that the enhanced rate under this provision would be 90% of the enhanced rate that would have been provided to an ICF-MR that closed all of its beds. ✓
DAK

46.278
(6)(e)
2.a.+b.
+1.c.

[Change to Bill: \$24,291,800 GPR, -\$76,263,200 FED, \$5,594,300 PR and \$890,000 GPR-REV]



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 1, 1999

Joint Committee on Finance

Paper #480

Dental Reimbursement (DHFS -- Medical Assistance)

[LFB 1999-01 Budget Summary: Page 269, #7]

CURRENT LAW

Wisconsin's medical assistance (MA) program covers basic dental services within the following categories of service: (a) diagnostic; (b) preventive; (c) restorative; (d) endodontics; (e) periodontics; (f) fixed and removable prosthodontics; (g) oral and maxillofacial surgery; (h) orthodontics; and (i) adjunctive general services. Limitations apply to the frequency and type of covered dental services. MA payment for dental services is the lesser or the provider's usual and customary charges or amounts prescribed under a fee schedule established by the Department of Health and Family Services (DHFS).

1997 Wisconsin Act 27, the biennial budget act, increased rates for dental services by 5% in each year of the 1997-99 biennium.

GOVERNOR

Provide \$2,973,900 (\$1,225,300 GPR and \$1,748,600 FED) in 1999-00 and \$6,572,300 (\$2,712,500 GPR and \$3,859,800 FED) in 2000-01 to increase MA rates paid to dentists.

In 1999-00, fee-for-service dental rates would be increased by the lessor of: (a) 10% above the amounts paid for dental services in 1998-99; or (b) \$1,225,300. In 2000-01, the rate increase would be the lessor of: (a) 10% above the amount paid for dental services in 2000-01 that equals the percentage increase in MA recipients receiving fee-for-service dental services in 2000-01 as compared to 1999-00. DHFS would be required to determine this percentage by September 1, 2000.

Specify that the calculation of these payments would exclude estimated changes in total payments attributable to changes in total payments attributable to changes in recipient utilization

of fee-for-service dental services as expressed by the Joint Committee on Finance, Legislature and Governor as part of the budget determinations. The effect of this provision is to ensure that the proposed limits on MA dental rate increase would not limit increases in total payments for dental services resulting from increased utilization.

DISCUSSION POINTS

Access to Dental Services

1. The intent of the Governor's rate increase provisions is to provide an incentive for dentists to provide more services to MA recipients. The proposed incentive system is based on total spending for MA dental services and it assumes that dentists would provide services to new patients or increase the amount of services they provide to current patients in order to maximize the rate increase that would be implemented in the second year of the biennium.

2. A number of technical modifications are necessary to meet the Governor's intent. If the Committee wanted to provide a 10% increase for dental services in 1999-00 and up to a 10% increase in 2000-01, based on increased utilization of services, it should modify the bill to specify that the total increase paid in 1999-00 from the MA GPR benefits appropriation would be an amount equal to the lesser of \$625,200 or 10% over the amount paid from that appropriation in 1998-99. The total increase paid in 2000-01 from the MA GPR benefits appropriation would be the lesser of: (a) 10% over the amount paid for dental services from that appropriation in 1999-00; (b) \$722,400; or (c) the percentage increase in the number of MA recipients receiving dental services on a fee-for-service basis calculated as of January 1, 2001, over the number receiving dental services on a fee-for-service basis on January 1, 2000. DHFS would be required to make this determination by March 1, 2001.

If the Committee adopted the Governor's recommendation, as modified, it could delete \$600,100 GPR and \$856,400 FED in 1999-00 and \$1,364,900 GPR and \$1,919,500 FED in 2000-01 from the bill. Funding can be deleted because under the bill, the total all funds cost of the 10% rate increase was inadvertently budgeted in the MA GPR benefits appropriation. However, only the state's share of the costs of the rate increase should be budgeted in the GPR benefits appropriation (approximately 41% of the total).

3. Access to dental services for MA recipients has been identified as problem by a number of constituencies, including dentists, community-based health clinics, MA recipients, the state dental and dental hygienist schools, child health advocates and other health care providers. Many states have identified access to dental services as one of the most significant challenges facing MA programs. In June, 1998, the federal Health Care Financing Administration, Health Resources and Services Administration and the National Center for Education in Maternal and Child Health, convened a national conference to address this issue. The conference was titled "Building Partnerships to Improve Children's Access to MA Oral Health Services." Inadequate reimbursement for dental services was the most commonly mentioned obstacle to increasing the

number of MA-eligible children receiving dental services.

4. The number of dentists in Wisconsin is not sufficient to meet demand for publicly and privately financed dental services because of a long-term decline in the number of dental school graduates and the aging of the dentist population. Consequently, Wisconsin dentists are able to fill their practices without providing services to MA recipients. Because reimbursement rates for non-MA recipients typically exceed MA rates, dentists can increase the earning potential of their practice by limiting the number of MA patients they serve. Approximately 57% of licensed dentists in the state are MA certified, compared to approximately 90% of licensed physicians.

5. The Wisconsin Dental Association (WDA) has identified three main barriers to increased participation among dentists in the MA program. The three barriers are: (a) low MA reimbursement rates; (b) burdensome MA paperwork and administrative requirements; and (c) problems with patient compliance, such as high rates of "no show" patients among the MA population.

6. If the intent of the administration's proposed rate increase is to reward dentists for increasing the amount of services that are provided to MA recipients, it may be more effective to limit the rate increase to only dentists who increase their participation in the MA program. The state of Utah implemented an incentive system on July 1, 1997.

7. In Utah, MA dental rate increases are targeted to dentists in underserved areas of the state and to dentists who make a commitment to provide a certain level of service to MA recipients. Under the Utah incentive system, all dentists in rural counties and dentists who agree to provide services to at least 100 unduplicated MA recipients per year are reimbursed at a rate equal to 120% of the MA maximum fee for the services they provide. Dentists sign an agreement prior to the commencement of the fiscal year and receive the incentive rate as soon as they begin to bill for services. After the first year of the program, 173 of the 178 dentists who participated in the program provided services to at least 100 MA recipients. Based on the incentive contract, the state was able to recoup the incentive payment from the remaining five dentists.

8. The Utah incentive appears to have met its goal of increasing access to dental services for MA recipients. Dental service utilization increased by 7.5% after the first year of the program. In addition, the vast majority (92%) of the dental claims that were paid in the first year were paid at the enhanced rate. The number of providers who are participating in the Utah MA program appears to be stable, but they are seeing more MA patients.

9. In Wisconsin, the number of MA certified dentists increased by 21 from 1996-97 to 1997-98. While the number of MA certified dentists submitting claims has increased, the number of dentists submitting 50 or more MA claims per year declined. In order to reward dentists who make a commitment to the MA program and see more than a few of MA recipients, the Committee could direct DHFS to establish an incentive system similar to the Utah program.

10. In 1997-98, approximately 20% of MA certified dentists served more than 100 MA

recipients. These dentists provided services to 76% of the MA recipients who were served in that year and their payments represent 76% of total MA fee-for-service dental expenditures. Therefore, a rate increase targeted to dentists who serve 100 or more unduplicated MA recipients per year (approximately two recipients per week) would successfully reward the dentists who are providing the majority of services under the program.

If the Committee wanted to provide a 10% rate increase targeted to dentists who serve more than 100 MA recipients, it could delete \$718,400 GPR and \$1,025,200 FED in 1999-00 and \$2,153,800 GPR and \$3,049,200 FED in 2000-01 from the bill. This estimate assumes a 3% increase in utilization in the second year of the biennium as a result of the 1999-00 rate increase.

If the Committee wanted to provide a 20% rate increase targeted to dentists who serve more than 100 MA recipients, it could delete \$211,500 GPR and \$301,800 FED in 1999-00 and \$1,551,800 GPR and \$2,175,600 FED in 2000-01 from the bill. This estimate assumes a 7% increase in utilization in the second year of the biennium as a result of the 1999-00 rate increase.

If the Committee adopted either of these alternatives, the effective date of the rate increase would be July 1, 1999, but providers would not begin receiving the increase until after the Department developed an incentive contract. Providers would receive the increased rate retroactively once the contract had been developed and signed by providers participating in the incentive program.

11. The WDA has indicated that the rate increase proposed by the Governor would not result in increased dental access for MA recipients. The WDA had indicated that a 10% increase might keep dentists from dropping out of the program, but that it was not likely to result in MA certified dentists seeing new MA patients.

12. The WDA has indicated that if dentists were reimbursed for their costs under the MA program, more dentists would be willing to serve MA patients and access to dental services would increase for this population. According to the Wisconsin Dental Association, in order to cover the cost of providing dental services, to MA clients, dentists must receive a reimbursement rate that represents 69% of usual and customary charges (UCC). Reimbursement at this level would cover all direct and indirect costs of providing services, except it would not include reimbursement to cover a portion of the dentists salary. Current MA dental reimbursement rates represent approximately 63% of charges for children's services and 53% of charges for adult services. The difference between the adult and children's service reimbursement rates is the result of rate increases targeted to pediatric dental services in prior years.

13. According to DHFS staff, the only MA programs in the country that have successfully increased dentists' participation in MA programs are states that have increased MA reimbursement rates to a level that covers the cost of providing services to MA recipients. Historically, the Legislature has provided rate increases intended to increase MA dental reimbursement rates to a percentage of UCC. In fiscal year 1991-92, MA dental rates were increased to 63% of calendar year (CY) 1991 charges. In fiscal year 1992-93, MA dental rates

were increased to 67% of CY 1991 charges. In 1996, reimbursement rates for pediatric dental services were increased to 75% of charges. However, as a result of inflation, these rates currently represent 63% of charges.

14. In 1997-98, total MA fee-for-service dental expenditures were approximately \$14.7 million (\$6.0 million GPR and \$8.7 million FED). These payments represented approximately 57% of the UCC billed by dentists. If the Committee wanted to increase MA reimbursement rates to 69% of the UCC in CY 1998, in order to cover the estimated cost of providing services to MA recipients, it could increase funding in the bill by \$198,300 GPR and \$283,000 FED in 1999-00 and delete \$788,700 GPR and \$1,068,400 FED in 2000-01 from the bill. This estimate assumes a 10% increase in utilization in 2000-01 as a result of the rate increase.

Patient Compliance

15. In general, MA recipients miss appointments at a greater rate than commercially-insured patients. High rates of missed appointments present a problem for dentists because missed appointments reduce revenue for dentists. Missed dental appointments have more significant consequences because most dentists own their own practice and are, in effect, small business owners, unlike most physicians who are salaried.

16. Missed appointments may be attributable, in part, to a lack of understanding among MA recipients about the importance of seeking dental care for their children, adhering to treatment regimes and showing up for appointments. Participants in the June, 1998, national MA oral health services conference convened a work group to consider strategies for addressing this barrier. Most of the recommended strategies relate to providing education and outreach services to MA recipients.

17. Among the conference participants, the most frequently cited strategies involved providing education to MA recipients about the importance of oral health for children and the parent's role in achieving it, how to access dental services, expectations and appropriate behavior in a dental office and the importance of keeping scheduled appointment. Suggested strategies included using professionals from welfare-to-work programs, WIC programs and other programs that provide services to the MA population to provide information on these issues. Other strategies identified by participants included funding a public awareness campaign that would be culturally sensitive, incorporate social marketing techniques and would include a positive view of dental service providers and working to integrate preventive dental services into school health programs.

18. Five years ago, the State of Washington developed a program called "Access to Baby and Child Dentistry" (ABCD). Under ABCD, children are eligible for fluoride varnish treatments and sealants in addition to the services usually covered under the state's MA program. In addition, families received instruction on good oral health habits. Outreach was conducted at health fairs, food banks, Head Start offices, immunization clinics, WIC agencies and other places where outreach could be effectively targeted toward MA parents. Parents also received instruction on providing 24-hour notice for cancelled appointments and other information about protocols in dental offices. In 1996, 42% of the ABCD children had at least one dental visit, compared to 14% of

children not enrolled in the program. The University of Washington is studying the total costs of the program, including outreach, transportation and dental services.

19. State level planning would be required in order to develop a successful dental outreach and education program for MA recipients in Wisconsin. This planning process could include representatives of various stakeholders, including DHFS, the Department of Public Instruction (DPI), the Department of Workforce Development (DWD), WDA, the Dental Hygienists Association, community-based health care providers, current or former MA recipients and other health advocates. A group that represents many of these stakeholders, Healthy Smiles for Wisconsin, is working on an initiative to improve the oral health of Wisconsin children through school and community partnerships. The initiative is funded through a grant from the U.S. Centers for Disease Control and Prevention.

20. The Committee could direct DHFS to build upon the Healthy Smiles for Wisconsin planning process to develop a dental outreach and education plan for MA recipients and dentists that would address MA patient compliance issues. The Committee could require the Department to submit this plan to the Governor and the appropriate legislative standing committees prior to the January 1, 2000. The plan could indicate how much funding would be required to support the plan on a statewide basis and whether federal temporary assistance for needy families (TANF) funding could support all or a portion of the parent education activities proposed in the plan and how much of the outreach component would be eligible for federal MA administrative matching funding.

MA Administrative and Paperwork Requirements

21. The final barrier to increased participation among dentists in the MA program, as identified by the WDA, relates to MA administrative and paperwork requirements. The WDA and DHFS have been working to resolve issues related to MA paperwork and administrative requirements. In response to concerns raised by the WDA, DHFS has: (a) revised the MA dental provider handbook; (b) revised MA dental prior authorization forms; (c) simplified the MA dental certification process; and (d) directed the MA fiscal agent to coordinate MA electronic dental billing with the ENVOY, a central billing clearing house used by many dentists. DHFS, WDA and the MA fiscal agent held seven dental workshops in May, 1998, to educate dental providers about these changes to the MA program and to provide an opportunity for dental providers to ask questions about the program. These meetings were held in Madison, Wausau, Milwaukee, Green Bay, Eau Claire, La Crosse and Ashland. In addition, DHFS has worked with WDA to make improvements to MA dental certification and billing procedures.

Dental Services to HMO Enrollees

22. Under the state's MA HMO program, HMOs are not responsible for providing dental services to MA enrollees, except HMOs that provide services to MA recipients in Milwaukee, Racine, Kenosha and Waukesha. HMOs in those four counties may elect to provide dental services to their MA HMO enrollees. All other MA HMO enrollees receive dental services on a fee-for-service basis. Approximately 29% of pregnant women and 56% of all other MA recipients in MA

HMOs are enrolled in HMOs that cover dental services. Dental service access does not appear to be better for individuals who receive dental services through MA HMOs. In 1996, approximately 19.7% of HMO enrollees received a dental exam per eligible year, compared to 30.5% of recipients who did not receive the services through the HMO in fee-for-service. In 1997, approximately 22.0% of HMO enrollees received a dental service, compared to 22.4% of MA recipients who received dental services in a fee-for-service basis.

23. DHFS pays HMOs a per member per month dental capitation rate on behalf of MA recipients, but individual HMOs determine the rates they pay to dentists. According to DHFS staff, rates paid by MA HMOs for dental services can be less than fee-for-service dental reimbursement rates. The dental service rate increase recommended by the Governor and any rate increases adopted by the Legislature would not affect rates paid on behalf of MA HMO enrollees. Consequently, the increase would not likely improve access for this population. If the Committee wanted all MA recipients to benefit from the rate increase, it could require DHFS to provide dental services for all MA HMO enrollees on a fee-for-service basis.

ALTERNATIVES TO BASE

Select one alternative from each of the following categories:

A. Reimbursement Rates

1. Provide \$625,200 GPR and \$892,200 FED in 1999-00 and \$1,347,600 GPR and \$1,940,300 FED in 2000-01 to adopt the Governor's recommendation, with technical modifications, to provide a 10% rate increase in 1999-00 and an additional rate increase in 2000-01, which would be based on increased utilization of dental services as described in Discussion Point 2.

<u>Alternative A1</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Base)	\$1,972,800	\$2,832,500	\$4,805,300
[Change to Bill]	-\$1,965,000	-\$2,775,900	-\$4,740,900]

2. Provide \$506,900 GPR and \$723,400 FED in 1999-00 and \$558,700 GPR and \$810,600 FED in 2000-01 to fund a 10% rate increase for dentists who participate in an incentive program and agree to provide services to at least 100 MA recipients per year, beginning in 1999-00.

<u>Alternative A2</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Base)	\$1,065,600	\$1,534,000	\$2,599,600
[Change to Bill]	-\$2,872,200	-\$4,074,400	-\$6,946,600]

3. Provide \$1,013,800 GPR and \$1,446,800 FED in 1999-00 and \$1,160,700 GPR and \$1,684,200 FED in 2000-01 to modify the Governor's recommendation by providing a 20% rate increase for dental services to dentists who participate in an incentive program and agree to provide

services to at least 100 MA recipients per year, beginning in 1999-00.

<u>Alternative A3</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Base)	\$2,174,500	\$3,130,000	\$5,305,500
[Change to Bill]	-\$1,763,300	-\$2,477,400	-\$4,240,700]

4. Provide \$1,423,600 GPR and \$2,031,600 FED in 1999-00 and \$1,923,800 GPR and \$2,791,400 FED in 2000-01 to increase reimbursement rates for MA dental services to 69% of calendar year 1998 UCC amounts.

<u>Alternative A4</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Base)	\$3,347,400	\$4,823,000	\$8,170,400
[Change to Bill]	-\$590,300	-\$785,400	-\$1,375,700]

5. Maintain current law.

<u>Alternative A5</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
999-01 FUNDING (Change to Base)	\$0	\$0	\$0
[Change to Bill]	-\$3,937,800	-\$5,608,400	-\$9,546,200]

B. Patient Compliance

1. Direct DIIFS to develop a dental outreach and education plan for MA recipients and dentists that would address MA patient compliance issues. Direct DHFS to develop this plan in consultation with representatives of various stakeholders, including DPL, DWD, WDA, state dental and dental hygiene schools, community health care providers, MA recipients and other health care advocates. Require DHFS to submit this plan to the Governor and the appropriate legislative standing committees by January 1, 2000. Finally, specify that DHFS would include a fiscal estimate for implementing the plan on a statewide basis and information regarding components of the plan that would be eligible for TANF funding or federal MA administrative matching funds as part of the proposal.

2. Maintain current law.

C. Dental Services to HMO Enrollees

1. Require DHFS to provide dental services for all MA HMO enrollees on a fee-for-services basis. In addition, increase funding in the bill to reflect increased fee-for-service expenditures based on one of the following alternatives:

Fee-For-Services Rate Increase Costs for Current HMO Dental Recipients

	<u>1999-00</u>		<u>2000-01</u>	
	<u>GPR</u>	<u>FED</u>	<u>GPR</u>	<u>FED</u>
a. Governor's Recommendation	\$65,400	\$93,300	\$133,500	\$193,700
b. 10% Incentive Program	49,800	71,000	50,800	73,700
c. 20% Incentive Program	99,500	142,000	105,500	153,000
d. 69% of Charges	137,900	196,700	150,200	217,900

2. Maintain current law.

Prepared by: Amie T. Goldman



Legislative Fiscal Bureau

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June 1, 1999

Joint Committee on Finance

Paper #487

Medicaid Eligibility (DHFS -- Medical Assistance)

CURRENT LAW

Under current law, all individuals in families that would have received aid to families with dependent children (AFDC) payments under financial and non-financial eligibility requirements in effect on July 16, 1996, and other AFDC-related groups are eligible for medical assistance (MA) coverage. In calendar year 1998, the average family income for a four-person family qualifying for MA under AFDC-related MA eligibility criteria was approximately 56% of the federal poverty level (FPL). Individuals in families that meet these AFDC-related criteria are subject to an asset test. Families with cash assets in excess of \$1,000 and/or car equity value in excess of \$1,500 are not eligible for MA coverage under AFDC-related criteria.

Pregnant women and children under the age of six that do not meet AFDC-related MA eligibility criteria, but live in families with income up to 185% of the FPL are eligible for MA coverage. Children between the ages of six and 18 who live in families with income below 100% of the FPL are also eligible for MA coverage. These groups of pregnant women and children are often referred to as "healthy start" eligibles. Healthy start eligibles do not have to meet an asset test in order to be eligible for MA coverage.

GOVERNOR

No provision.

DISCUSSION POINTS

1. Under BadgerCare, the state's insurance program for low-income, uninsured families, families with income below 185% of the FPL are eligible for health insurance coverage that is identical to the coverage available under the MA program. There is no asset test for the BadgerCare program. However, under federal law, all individuals in families that apply for BadgerCare must be tested for MA eligibility. Therefore, the BadgerCare application requires a

family to report asset information. If a family or members of a family were to meet all financial and non-financial AFDC-related MA eligibility criteria, except that they report assets in excess of the AFDC-related limit, the family would not be required to complete the asset verification process and would automatically be tested for healthy start-related MA eligibility or BadgerCare eligibility. Families that meet AFDC-related MA eligibility criteria and report assets below the MA limit would be required to provide documentation to verify their assets in order to confirm that the family or members of the family would be eligible for MA .

2. The purpose of having an asset test for health care programs is to ensure that individuals who have access to resources that could be used to support health care expenditures use those resources before qualifying for state or federally supported assistance. Under current law, a family of four with net income of approximately \$9,200 would be subject to the AFDC-related MA asset test, but a family of four with net income of \$30,400 would not be subject to the asset test in order to qualify for MA or BadgerCare.

3. It is assumed that as one's income increases, so does one's likelihood of having assets. Therefore, it could be argued that individuals who qualify under the healthy start and BadgerCare income eligibility guidelines would be more likely to have assets that could be used to support health care expenditures than individuals who meet AFDC-related income eligibility criteria. If, as a matter of policy, the state determines that it is appropriate to prohibit families that have access to resources that could be used to support health care expenditures from enrolling in state and federally supported health insurance programs, the state should apply an asset test to all individuals applying for those programs, not just those (lower income) individuals who may qualify for MA under the AFDC-related income eligibility criteria. MA funding to cover these children is provided in the MA base budget.

4. The AFDC-related MA asset limit is \$1,000 of cash assets and \$1,500 of car equity value. It is expected that many of the families applying for BadgerCare would include one or more working adults. In recognition of the fact that many individuals use a car, rather than public transportation to commute to work, the state established an asset limit for the Wisconsin Works (W-2) program that was higher than the AFDC asset limit. In order to qualify for W-2, families may not have cash assets in excess of \$2,500 or car equity value in excess of \$10,000. In its 1999-01 budget request, DHFS recommended increasing the AFDC-related asset test to the same level as the W-2 program.

5. Requiring all families that meet healthy-start related MA eligibility criteria and BadgerCare eligibility criteria to meet the W-2 asset would likely significantly reduce the number of individuals eligible for these programs. However, because there is virtually no data available on the assets of low-income individuals, it is not possible to accurately estimate the effect this requirement would have on total MA expenditures, although it would result in savings to the state. The Committee could require that all families who meet AFDC-related and healthy started-related MA eligibility criteria and BadgerCare eligibility criteria meet the W-2 asset test.

6. Alternatively, the Committee could eliminate the asset test for AFDC-related MA eligibility. The asset verification process has been identified as a barrier to MA enrollment by health

care providers, MA recipients, health care policy experts and others. The Center on Budget and Policy Priorities recommends eliminating the asset test in determining MA eligibility for pregnant women and children in order to simplify the application process, minimize verification burdens on applicants and reduce administrative costs associated with processing applications. Only ten states require an asset test for pregnant women and children and only 14 of 53 states and territories have an asset test for their state children's health insurance program. BadgerCare is Wisconsin's state children's health insurance program.

7. Eliminating the asset test is not expected to increase state expenditures for health care services for low-income individuals and may reduce county administrative costs. Currently, children who fail the AFDC-related MA asset test are tested for MA eligibility under healthy start criteria. Because the income threshold under the healthy start criteria is higher than the income threshold under AFDC and there is no asset test under the healthy-start criteria, all of these children should qualify for MA under healthy start and be enrolled in the program. There is no fiscal effect to the state when a child is enrolled in MA under healthy start, rather than AFDC-related criteria.

8. Currently, non-pregnant adults in families who would qualify for MA under AFDC-related criteria, except for the asset test, are generally not eligible for MA under other eligibility criteria. However, these adults would all qualify for health care coverage under BadgerCare as long as they did not have access to employer-sponsored insurance. These adults have been included in the estimates of low-income, uninsured parents that would be eligible for BadgerCare. Therefore, the costs of providing health care services to these parents is budgeted under BadgerCare. If the asset test were eliminated, these families would be enrolled in MA, rather than BadgerCare. Under the bill, funding for BadgerCare adults is budgeted in the MA appropriation, so it would not matter from a budgeting perspective if these adults were enrolled in MA or BadgerCare.

If the Committee modifies the Governor's recommendations and budgets funding for BadgerCare adults in a separate appropriation, the Department could, if necessary, request a transfer of funding from the BadgerCare appropriation to the MA appropriation under s. 13.10 of the statutes to support the costs of providing MA coverage to these adults.

9. In summary, eliminating the asset test for AFDC-related MA eligibles would likely reduce administrative costs because county income maintenance workers would spend less time processing applications and verifying asset information. Eliminating the asset test would also simplify the MA and BadgerCare application process for applying families. Under current law, families with very low income are expected to utilize virtually all of their resources before qualifying for MA coverage, while families with relatively higher income can retain all of their assets for BadgerCare coverage. Consequently, eliminating the asset test for AFDC-related MA applicants, or establishing an asset test for BadgerCare or healthy start MA applicants would result in a more equitable and consistent state policy.

ALTERNATIVES TO BASE

1. Create an asset test for healthy-start related MA eligibility and the BadgerCare program and increase the AFDC-related MA asset test by specifying that in order to be eligible for MA under AFDC or healthy-start related criteria or to be eligible for BadgerCare, an individual may not have cash assets in excess of \$2,500 or car equity value in excess of \$10,000.
2. Eliminate the asset test for AFDC-related MA eligibility.
3. Maintain current law.

Prepared by: Amie T. Goldman

6/9 From Annie Goldman:

① Re Item e.: Use:

In fy 1999-01, DHFS may not discount the average wholesale price of pharmaceuticals provided under s. 49.45 to ma recipients by more than 10%.

if DHFS reimburses for those pharmaceuticals under a formula that takes into account the average whole sale price, and DHFS may not reduce the pharmacy dispensing fee.

② Re Item f.: Do not include rates in stat. language, just delete Gov. language.

Questions for Annie Goldman: Richard Megra

- ① For "o", is there a difference between "the enhanced reimb. rate" and "the enhanced rate under this provision"? - Explain? No
(see p. 599, budget) ~~Is~~ Is one limited by the other? No

For Annie Goldman

- ② For "h" Are these critical access hospitals? ^(No) (-0264/2)
What Gov. provisions? - No Gov. provisions

\$1,000,000	1,427,000
(4)(b)	(4)(o)



(5007) (D-NOTE)
State of Wisconsin
 1999 - 2000 LEGISLATURE

LRBb0483/1
 TAY&DAK.....
 WLj
 Rmk

LFB:.....Goldman – Multiple medical assistance changes

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

- 1 At the locations indicated, amend the bill as follows:
- 2 **1.** Page 599, line 3: delete that line and substitute:
- 3 “2. a. The enhanced reimbursement rate under ~~this paragraph~~ subd. 1. a. and
- 4 b. shall be”.
- 5 **2.** Page 599, line 8: after that line insert:
- 6 “SECTION 1067b. 46.278 (6) (e) 1. c. of the statutes is created to read:
- 7 46.278 (6) (e) 1. c. An intermediate care facility for the mentally retarded that
- 8 has a plan of closure or significant reduction in capacity approved by the department
- 9 and that intends to close or significantly reduce its capacity within 60 months.
- 10 SECTION 1067c. 46.278 (⁶~~7~~) (e) 2. b. of the statutes is created to read:

6
 6

1 46.278 (7) (e) 2. b. The enhanced reimbursement rate under subd. 1. c. shall
 2 be 90% of the enhanced reimbursement rate under this subdivision 2. a.”

3 3. Page 735, line 1: delete lines 1 to 23. ✓

4 4. Page 736, line 6: delete lines 6 to 12. ✓

5 5. Page 736, line 13: before that line insert:

6 “SECTION 1427g. 49.45 (39) (a) 1. of the statutes is amended to read:

7 49.45 (39) (a) 1. “School” means a public school described under s. 115.01 (1)

8 or a charter school, as defined in s. 115.001 (1), or the Wisconsin School for the
 9 Visually Handicapped. It includes school-operated early childhood programs for
 10 developmentally delayed and disabled 4-year-old and 5-year-old children.

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107, 112, 183, 212, 246, 269, 333, 336, 437, 446, 469; 1995 a. 20, 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293.

11 SECTION 1427h. 49.45 (39) (am) of the statutes is amended to read:

12 49.45 (39) (am) *Plan amendment*. No later than September 30, 1995, the
 13 department shall submit to the federal department of health and human services an
 14 amendment to the state medical assistance plan to permit the application of pars. (b)

15 to and (c). If the amendment to the state plan is approved, school districts and
 16 cooperative educational service agencies and the department of public instruction on

17 behalf of the Wisconsin school for the Visually Handicapped claim reimbursement
 18 under pars. (b) to and (c). Paragraphs (b) to and (c) do not apply unless the

19 amendment to the state plan is approved and in effect. The department shall submit
 20 to the federal department of health and human services an amendment to the state

1 plan if necessary to permit the application of pars. (b) and (c) to the Wisconsin School
2 for the Visually Handicapped.

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107, 112, 183, 212, 246, 269, 335, 356, 437, 446, 469; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293.

3 **SECTION 1427i. 49.45 (39) (b) of the statutes is amended to read:**

4 **49.45 (39) (b) *Payment for school medical services.*** If a school district or a
5 cooperative educational service agency elects to provide school medical services and
6 meets all requirements under par. (c), the department shall reimburse the school
7 district or the cooperative educational service agency for 60% of the federal share of
8 allowable charges for the school medical services that it provides and for allowable
9 administrative costs. If the Wisconsin School for the Visually Handicapped elects to
10 provide school medical services and meets all requirements under par. (c), the
11 department shall reimburse the department of public instruction for 60% of the
12 federal share of allowable charges for the school medical services that the Wisconsin
13 School for the Visually Handicapped provides and for allowable administrative costs.
14 The department shall promulgate rules establishing a methodology for making
15 reimbursements under this paragraph. All other expenses for the school medical
16 services provided by a school district or a cooperative educational service agency
17 shall be paid for by the school district or the cooperative educational service agency
18 with funds received from state or local taxes. The school district or the Wisconsin
19 School for the Visually Handicapped or the cooperative educational service agency
20 shall comply with all requirements of the federal department of health and human
21 services for receiving federal financial participation.”.

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107,

112, 183, 212, 246, 269, 335, 356, 437, 446, 469; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293.

1 **6.** Page 738, line 20: after that line insert:

2 “SECTION 1433t. 49.46 (1) (a) 1m. of the statutes is amended to read:

3 49.46 (1) (a) 1m. Any pregnant woman who meets the ~~resource and income~~

4 limits under s. 49.19 (4) ~~(bm)~~ and (es) and whose pregnancy is medically verified.

5 Eligibility continues to the last day of the month in which the 60th day after the last

6 day of the pregnancy falls.”

History: 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237.

7 “SECTION 1433u. 49.46 (1) (a) 12. of the statutes is amended to read:

8 49.46 (1) (a) 12. Any child not described under subd. 1. who is under 19 years

9 of age and who meets the ~~resource and income~~ limits under s. 49.19 (4) ~~(es)~~.”

History: 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237.

10 **7.** Page 739, line 3: after that line insert:

11 “SECTION 1434t. 49.46 (2) (b) 1. (intro.) of the statutes is amended to read:

12 49.46 (2) (b) 1. (intro.) Dentists’ services, which, except as provided in s. 49.45

13 (24g), shall be provided on a fee-for-service basis and limited to basic services within

14 each of the following categories:”

History: 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237.

15 **8.** Page 753, line 14: delete that line and substitute:

16 “49.665 (4) ^t(a) 1. a. Except as provided in subd. 1. b., the department shall

17 establish a”

18 **9.** Page 753, line 18: after that line insert:

19 “49.665 (4) ^t(a) 1. b. The department may not lower the maximum income level

20 for initial eligibility unless the department first submits to the joint committee on

21 finance its plans for lowering the maximum income level and the committee

1 approves the plan. If, within 14 days after submitting the plan to the joint committee
 2 on finance, the cochairpersons of the committee do not notify the secretary that the
 3 committee has scheduled a meeting for the purpose of reviewing the plan, the plan
 4 is considered approved by the committee.”

5 **10.** Page 1408, line 15: after that line insert:

6 **NON**
STATS ⁸ⁿ
7 ~~(8)~~ LIMITATION ON REDUCTION OF REIMBURSEMENT FOR PHARMACEUTICAL DRUGS.

7 During the 1999–01 fiscal biennium, the department of health and family services
 8 may not discount the average wholesale price of pharmaceutical drugs provided
 9 under section 49.45[✓] of the statutes to medical assistance recipients by more than 10%
 10 if the department reimburses for those pharmaceuticals under a formula that takes
 11 into account the average wholesale price, and the department may not reduce
 12 pharmacy dispensing fees.

13 **NON**
STATS ^{8p}
14 ~~(8)~~ HOSPITAL SUPPLEMENT FOR UNCOMPENSATED CARE. In fiscal year 1999–2000,
 15 the department of health and family services shall provide \$1,000,000 from the
 16 appropriation account under section 20.435 (4) (b)[✓] of the statutes and \$1,427,000
 17 from the appropriation account under section 20.435 (4) (o)[✓] of the statutes as a
 18 supplementary payment to hospitals in Wisconsin that experienced an increase of
 19 at least 25% in uncompensated care during the period from January 1, 1997, to
 20 December 31, 1998. The department shall calculate a qualifying hospital's
 21 supplementary payment amount by multiplying the total amount by the percentage
 22 obtained by dividing the hospital's total uncompensated care from January 1, 1997,
 23 to December 31, 1998, by the total uncompensated care for all qualifying hospitals
 24 for that period.”

NON
STATS

806

1 (?) DENTAL OUTREACH AND EDUCATION. The department of health and family
 2 services shall develop a dental outreach and education plan for medical assistance
 3 recipients to educate recipients on the importance of oral health for children and the
 4 parent's role in achieving it, how to access dental services, expectations and
 5 appropriate behavior in a dental office and the importance of keeping scheduled
 6 appointments. The department of health and family ^{services} shall develop the plan in
 7 consultation with the department of public instruction, the department of workforce
 8 development, the Wisconsin dental association, state dental and dental hygiene
 9 schools, community health care providers, medical assistance recipients and health
 10 care advocates. Not later than January 1, 2000, the department of health and family
 11 services shall submit the plan to the governor and to the appropriate standing
 12 committees of the legislature in the manner provided under section 13¹72 (3)[✓] of the
 13 statutes. The department of health and family services shall include with the plan
 14 a fiscal estimate for implementing the plan on a statewide basis, identifying those
 15 components of the plan that would be eligible for funding under federal temporary
 16 assistance for needy families block grant funding or federal medical assistance
 17 administrative matching funds.”.

(END)

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

LRBb0483/1dn
TAY&DAK.../.....

WJ

Amie Goldman and Richard Megna:

Just for your information, the first paragraph of item ^{and} j of motion 997 has been drafted as LRBb0496 and the second paragraph of item j, item 1 have been drafted as LRBb0496.

Tina A. Yacker
Legislative Attorney
Phone: (608) 261-6927
E-mail: Tina.Yacker@legis.state.wi.us

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

LRBb0483/1dn
TAY:wj:km

June 11, 1999

Amie Goldman and Richard Megna:

Just for your information, the first paragraph of item j of motion 997 has been drafted as LRBb0496 and the second paragraph of item j and item l have been drafted as LRBb0496.

Tina A. Yacker
Legislative Attorney
Phone: (608) 261-6927
E-mail: Tina.Yacker@legis.state.wi.us



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0483/12
TAY&DAK:wlj:km

kmf

LFB:.....Goldman – Multiple medical assistance changes

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 599, line 3: delete that line and substitute:

3 “2. a. The enhanced reimbursement rate under this paragraph subd. 1. a. and
4 b. shall be”.

5 **2.** Page 599, line 8: after that line insert:

6 **“SECTION 1067b.** 46.278 (6) (e) 1. c. of the statutes is created to read:

7 46.278 (6) (e) 1. c. An intermediate care facility for the mentally retarded that
8 has a plan of closure or significant reduction in capacity approved by the department
9 and that intends to close or significantly reduce its capacity within 60 months.

10 **SECTION 1067c.** 46.278 (6) (e) 2. b. of the statutes is created to read:

1 46.278 (6) (e) 2. b. The enhanced reimbursement rate under subd. 1. c. shall
2 be 90% of the enhanced reimbursement rate under this subd. 2. a.”.

3 **3.** Page 735, line 1: delete lines 1 to 23.

4 **4.** Page 736, line 6: delete lines 6 to 12.

5 **5.** Page 736, line 13: before that line insert:

6 “**SECTION 1427g.** 49.45 (39) (a) 1. of the statutes is amended to read:

7 49.45 (39) (a) 1. “School” means a public school described under s. 115.01 (1)
8 ~~or~~, a charter school, as defined in s. 115.001 (1), or the Wisconsin School for the
9 Visually Handicapped. It includes school-operated early childhood programs for
10 developmentally delayed and disabled 4-year-old and 5-year-old children.

11 **SECTION 1427h.** 49.45 (39) (am) of the statutes is amended to read:

12 49.45 (39) (am) *Plan amendment.* No later than September 30, 1995, the
13 department shall submit to the federal department of health and human services an
14 amendment to the state medical assistance plan to permit the application of pars. (b)
15 ~~to~~ and (c). If the amendment to the state plan is approved, school districts ~~and~~,
16 cooperative educational service agencies and the department of public instruction on
17 behalf of the Wisconsin School for the Visually Handicapped claim reimbursement
18 under pars. (b) ~~to~~ and (c). Paragraphs (b) ~~to~~ and (c) do not apply unless the
19 amendment to the state plan is approved and in effect. The department shall submit
20 to the federal department of health and human services an amendment to the state
21 plan if necessary to permit the application of pars. (b) and (c) to the Wisconsin School
22 for the Visually Handicapped.

23 **SECTION 1427i.** 49.45 (39) (b) of the statutes is amended to read:

1 49.45 (39) (b) *Payment for school medical services.* If a school district or a
2 cooperative educational service agency elects to provide school medical services and
3 meets all requirements under par. (c), the department shall reimburse the school
4 district or the cooperative educational service agency for 60% of the federal share of
5 allowable charges for the school medical services that it provides and for allowable
6 administrative costs. If the Wisconsin School for the Visually Handicapped elects to
7 provide school medical services and meets all requirements under par. (c), the
8 department shall reimburse the department of public instruction for 60% of the
9 federal share of allowable charges for the school medical services that the Wisconsin
10 School for the Visually Handicapped provides and for allowable administrative costs.
11 The department shall promulgate rules establishing a methodology for making
12 reimbursements under this paragraph. All other expenses for the school medical
13 services provided by a school district or a cooperative educational service agency
14 shall be paid for by the school district or the cooperative educational service agency
15 with funds received from state or local taxes. The school district, the Wisconsin
16 School for the Visually Handicapped or the cooperative educational service agency
17 shall comply with all requirements of the federal department of health and human
18 services for receiving federal financial participation.”.

19 **6.** Page 738, line 20: after that line insert:

20 “**SECTION 1433t.** 49.46 (1) (a) 1m. of the statutes is amended to read:

21 49.46 (1) (a) 1m. Any pregnant woman who meets the resource and income
22 limits under s. 49.19 (4) ~~(bm)~~ and (es) and whose pregnancy is medically verified.
23 Eligibility continues to the last day of the month in which the 60th day after the last
24 day of the pregnancy falls.

1 **SECTION 1433u.** 49.46 (1) (a) 12. of the statutes is amended to read:

2 49.46 (1) (a) 12. Any child not described under subd. 1. who is under 19 years
3 of age and who meets the resource and income limits under s. 49.19 (4) (es).”.

4 **7.** Page 739, line 3: after that line insert:

5 **“SECTION 1434t.** 49.46 (2) (b) 1. (intro.) of the statutes is amended to read:

6 49.46 (2) (b) 1. (intro.) Dentists’ services, which, except as provided in s. 49.45
7 (24g), shall be provided on a fee-for-service basis and limited to basic services within
8 each of the following categories:”.

9 **8.** Page 753, line 14: delete that line and substitute:

10 “49.665 (4) (at) 1. a. Except as provided in subd. 1. b., the department shall
11 establish a”.

12 **9.** Page 753, line 18: after that line insert:

13 “b. The department may not lower the maximum income level for initial
14 eligibility unless the department first submits to the joint committee on finance its
15 plans for lowering the maximum income level and the committee approves the plan.
16 If, within 14 days after submitting the plan to the joint committee on finance, the
17 cochairpersons of the committee do not notify the secretary that the committee has
18 scheduled a meeting for the purpose of reviewing the plan, the plan is considered
19 approved by the committee.”.

20 **10.** Page 1408, line 15: after that line insert:

21 “(8n) LIMITATION ON REDUCTION OF REIMBURSEMENT FOR PHARMACEUTICAL DRUGS.
22 During the 1999–01 fiscal biennium, the department of health and family services
23 may not discount the average wholesale price of pharmaceutical drugs provided
24 under section 49.45 of the statutes to medical assistance recipients by more than 10%

*and except for dentists' services provided pursuant to a federal waiver
attained the age of 65, to individuals who have*

1 if the department reimburses for those pharmaceuticals under a formula that takes
2 into account the average wholesale price, and the department may not reduce
3 pharmacy dispensing fees.

4 (8p) HOSPITAL SUPPLEMENT FOR UNCOMPENSATED CARE. In fiscal year 1999–2000,
5 the department of health and family services shall provide \$1,000,000 from the
6 appropriation account under section 20.435 (4) (b) of the statutes and \$1,427,000
7 from the appropriation account under section 20.435 (4) (o) of the statutes as a
8 supplementary payment to hospitals in Wisconsin that experienced an increase of
9 at least 25% in uncompensated care during the period from January 1, 1997, to
10 December 31, 1998. The department shall calculate a qualifying hospital's
11 supplementary payment amount by multiplying the total amount by the percentage
12 obtained by dividing the hospital's total uncompensated care from January 1, 1997,
13 to December 31, 1998, by the total uncompensated care for all qualifying hospitals
14 for that period.

15 (8q) DENTAL OUTREACH AND EDUCATION. The department of health and family
16 services shall develop a dental outreach and education plan for medical assistance
17 recipients to educate recipients on the importance of oral health for children and the
18 parent's role in achieving it, how to access dental services, expectations and
19 appropriate behavior in a dental office and the importance of keeping scheduled
20 appointments. The department of health and family services shall develop the plan
21 in consultation with the department of public instruction, the department of
22 workforce development, the Wisconsin dental association, state dental and dental
23 hygiene schools, community health care providers, medical assistance recipients and
24 health care advocates. Not later than January 1, 2000, the department of health and
25 family services shall submit the plan to the governor and to the appropriate standing

dentists and

1 committees of the legislature in the manner provided under section 13.172 (3) of the
2 statutes. The department of health and family services shall include with the plan
3 a fiscal estimate for implementing the plan on a statewide basis, identifying those
4 components of the plan that would be eligible for funding under federal temporary
5 assistance for needy families block grant funding or federal medical assistance
6 administrative matching funds.”

7 (END)

6/11 From Amie Goldman: Redraft 0483/1

- ① Add the Wisconsin School for the Deaf
- ② In (Sp) change \$1,427,000 to \$1,422,900

SOON - 2nd edit 6/13

1999 - 2000 LEGISLATURE

D. NOTE

LRBb0483/3
TAY&DAK:wjl:ksh

JG

LFB:.....Goldman - Multiple medical assistance changes

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 1. Page 599, line 3: delete that line and substitute:

3 *← plain quotation mark*
"2. a. The enhanced reimbursement rate under ~~this paragraph~~ subd. 1. a. and
4 b. shall be".

5 2. Page 599, line 8: after that line insert:

6 "SECTION 1067b. 46.278 (6) (e) 1. c. of the statutes is created to read:

7 46.278 (6) (e) 1. c. An intermediate care facility for the mentally retarded that
8 has a plan of closure or significant reduction in capacity approved by the department
9 and that intends to close or significantly reduce its capacity within 60 months.

10 SECTION 1067c. 46.278 (6) (e) 2. b. of the statutes is created to read:

1 46.278 (6) (e) 2. b. The enhanced reimbursement rate under subd. 1. c. shall
2 be 90% of the enhanced reimbursement rate under this subd. 2. a.”

3 3. Page 735, line 1: delete lines 1 to 23.

4 4. Page 736, line 6: delete lines 6 to 12.

5 5. Page 736, line 13: before that line insert:

6 “SECTION 1427g. 49.45 (39) (a) 1. of the statutes is amended to read:

7 49.45 (39) (a) 1. “School” means a public school described under s. 115.01 (1)

8 ~~or~~, a charter school, as defined in s. 115.001 (1), ~~or~~ the Wisconsin School for the

9 Visually Handicapped. It includes school-operated early childhood programs for
10 developmentally delayed and disabled 4-year-old and 5-year-old children.

11 SECTION 1427h. 49.45 (39) (am) of the statutes is amended to read:

12 49.45 (39) (am) *Plan amendment*. No later than September 30, 1995, the
13 department shall submit to the federal department of health and human services an
14 amendment to the state medical assistance plan to permit the application of pars. (b)
15 ~~to~~ and (c). If the amendment to the state plan is approved, school districts ~~and~~,
16 cooperative educational service agencies and the department of public instruction on
17 behalf of the Wisconsin School for the Visually Handicapped claim reimbursement

18 under pars. (b) ~~to~~ and (c). Paragraphs (b) ~~to~~ and (c) do not apply unless the
19 amendment to the state plan is approved and in effect. The department shall submit
20 to the federal department of health and human services an amendment to the state
21 plan if necessary to permit the application of pars. (b) and (c) to the Wisconsin School
22 for the Visually Handicapped.

23 SECTION 1427i. 49.45 (39) (b) of the statutes is amended to read:

Handwritten notes in circles with checkmarks:
1. "or the Wisconsin School for the Deaf" (circled, checkmark)
2. "and the Wisconsin School for the Deaf" (circled, checkmark)

or the Wisconsin School for the Deaf ✓

1 49.45 (39) (b) *Payment for school medical services.* If a school district or a
 2 cooperative educational service agency elects to provide school medical services and
 3 meets all requirements under par. (c), the department shall reimburse the school
 4 district or the cooperative educational service agency for 60% of the federal share of
 5 allowable charges for the school medical services that it provides and for allowable
 6 administrative costs. If the Wisconsin School for the Visually Handicapped elects to
 7 provide school medical services and meets all requirements under par. (c), the
 8 department shall reimburse the department of public instruction for 60% of the
 9 federal share of allowable charges for the school medical services that the Wisconsin
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 11 The department shall promulgate rules establishing a methodology for making
 12 reimbursements under this paragraph. All other expenses for the school medical
 13 services provided by a school district or a cooperative educational service agency
 14 shall be paid for by the school district or the cooperative educational service agency
 15 with funds received from state or local taxes. The school district, the Wisconsin
 16 School for the Visually Handicapped or the cooperative educational service agency
 17 shall comply with all requirements of the federal department of health and human
 18 services for receiving federal financial participation." ✓

, the Wisconsin School for the Deaf ✓

19 **6.** Page 738, line 20: after that line insert:
 20 “**SECTION 1433t.** 49.46 (1) (a) 1m. of the statutes is amended to read:
 21 49.46 (1) (a) 1m. Any pregnant woman who meets the ~~resource~~ and income
 22 limits under s. 49.19 (4) ~~(bm)~~ and (es) and whose pregnancy is medically verified.
 23 Eligibility continues to the last day of the month in which the 60th day after the last
 24 day of the pregnancy falls.

1 **SECTION 1433u.** 49.46 (1) (a) 12. of the statutes is amended to read:

2 49.46 (1) (a) 12. Any child not described under subd. 1. who is under 19 years
3 of age and who meets the resource and income limits under s. 49.19 (4) (es).”.

4 **7.** Page 739, line 3: after that line insert:

5 “**SECTION 1434t.** 49.46 (2) (b) 1. (intro.) of the statutes is amended to read:

6 49.46 (2) (b) 1. (intro.) Dentists’ services, which, except as provided in s. 49.45
7 (24g), and except for dentists’ services provided pursuant to a federal waiver to
8 individuals who have attained the age of 65, shall be provided on a fee-for-service
9 basis and limited to basic services within each of the following categories:”.

10 **8.** Page 753, line 14: delete that line and substitute:

11 “49.665 (4) (at) 1. a. Except as provided in subd. 1. b., the department shall
12 establish a”.

13 **9.** Page 753, line 18: after that line insert:

14 “b. The department may not lower the maximum income level for initial
15 eligibility unless the department first submits to the joint committee on finance its
16 plans for lowering the maximum income level and the committee approves the plan.
17 If, within 14 days after submitting the plan to the joint committee on finance, the
18 cochairpersons of the committee do not notify the secretary that the committee has
19 scheduled a meeting for the purpose of reviewing the plan, the plan is considered
20 approved by the committee.”.

21 **10.** Page 1408, line 15: after that line insert:

22 “(8n) **LIMITATION ON REDUCTION OF REIMBURSEMENT FOR PHARMACEUTICAL DRUGS.**
23 During the 1999–01 fiscal biennium, the department of health and family services
24 may not discount the average wholesale price of pharmaceutical drugs provided

1 under section 49.45 of the statutes to medical assistance recipients by more than 10%
2 if the department reimburses for those pharmaceuticals under a formula that takes
3 into account the average wholesale price, and the department may not reduce
4 pharmacy dispensing fees.

✓ \$1,422,900

5 (8p) HOSPITAL SUPPLEMENT FOR UNCOMPENSATED CARE. In fiscal year 1999–2000,
6 the department of health and family services shall provide \$1,000,000 from the
7 appropriation account under section 20.435 (4) (b) of the statutes and ~~\$1,422,900~~
8 from the appropriation account under section 20.435 (4) (o) of the statutes as a
9 supplementary payment to hospitals in Wisconsin that experienced an increase of
10 at least 25% in uncompensated care during the period from January 1, 1997, to
11 December 31, 1998. The department shall calculate a qualifying hospital's
12 supplementary payment amount by multiplying the total amount by the percentage
13 obtained by dividing the hospital's total uncompensated care from January 1, 1997,
14 to December 31, 1998, by the total uncompensated care for all qualifying hospitals
15 for that period.

16 (8q) DENTAL OUTREACH AND EDUCATION. The department of health and family
17 services shall develop a dental outreach and education plan for dentists and medical
18 assistance recipients to educate recipients on the importance of oral health for
19 children and the parent's role in achieving it, how to access dental services,
20 expectations and appropriate behavior in a dental office and the importance of
21 keeping scheduled appointments. The department of health and family services
22 shall develop the plan in consultation with the department of public instruction, the
23 department of workforce development, the Wisconsin dental association, state
24 dental and dental hygiene schools, community health care providers, medical
25 assistance recipients and health care advocates. Not later than January 1, 2000, the

1 department of health and family services shall submit the plan to the governor and
2 to the appropriate standing committees of the legislature in the manner provided
3 under section 13.172 (3) of the statutes. The department of health and family
4 services shall include with the plan a fiscal estimate for implementing the plan on
5 a statewide basis, identifying those components of the plan that would be eligible for
6 funding under federal temporary assistance for needy families block grant funding
7 or federal medical assistance administrative matching funds.”.

8

(END)

D-NOTE

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

LRBb0483/3dn
TAY&DAK:wlj:ksh

L+JLG

To Amie Goldman:

This redraft changes the figure in SECTION 9123 (8p) and adds medical assistance reimbursement for the Wisconsin School for the Deaf.

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

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

LRBb0483/3dn
TAY&DAK:wlj&jlg:ch

June 13, 1999

To Amie Goldman:

This redraft changes the figure in SECTION 9123 (8p) and adds medical assistance reimbursement for the Wisconsin School for the Deaf.

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

SUN or by 9:00 a.m. MON

1999 - 2000 LEGISLATURE

LRBb0483/4

D-NOTE

TAY&DAK:wlj&jlg:cb

cm4

LFB:.....Goldman – Multiple medical assistance changes

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 1. Page 599, line 3: delete that line and substitute:

3 "2. a. The enhanced reimbursement rate under ~~this paragraph~~ subd. 1. a. and
4 b. shall be".

5 2. Page 599, line 8: after that line insert:

6 "SECTION 1067b. 46.278 (6) (e) 1. c. of the statutes is created to read:

7 46.278 (6) (e) 1. c. An intermediate care facility for the mentally retarded that
8 has a plan of closure or significant reduction in capacity approved by the department
9 and that intends to close or significantly reduce its capacity within 60 months.

10 SECTION 1067c. 46.278 (6) (e) 2. b. of the statutes is created to read:

1 46.278 (6) (e) 2. b. The enhanced reimbursement rate under subd. 1. c. shall
2 be 90% of the enhanced reimbursement rate under this subd. 2. a.”.

3 **3.** Page 735, line 1: delete lines 1 to 23.

4 **4.** Page 736, line 6: delete lines 6 to 12.

5 **5.** Page 736, line 13: before that line insert:

6 “SECTION 1427g. 49.45 (39) (a) 1. of the statutes is amended to read:

7 49.45 (39) (a) 1. “School” means a public school described under s. 115.01 (1)
8 ~~or~~, a charter school, as defined in s. 115.001 (1), the Wisconsin School for the Visually
9 Handicapped or the Wisconsin School for the Deaf. It includes school–operated early
10 childhood programs for developmentally delayed and disabled 4–year–old and
11 5–year–old children.

12 SECTION 1427h. 49.45 (39) (am) of the statutes is amended to read:

13 49.45 (39) (am) *Plan amendment*. No later than September 30, 1995, the
14 department shall submit to the federal department of health and human services an
15 amendment to the state medical assistance plan to permit the application of pars. (b)
16 ~~to~~ and (c). If the amendment to the state plan is approved, school districts ~~and~~,
17 cooperative educational service agencies and the department of public instruction on
18 behalf of the Wisconsin School for the Visually Handicapped and the Wisconsin
19 School for the Deaf claim reimbursement under pars. (b) ~~to~~ and (c). Paragraphs (b)
20 ~~to~~ and (c) do not apply unless the amendment to the state plan is approved and in
21 effect. The department shall submit to the federal department of health and human
22 services an amendment to the state plan if necessary to permit the application of
23 pars. (b) and (c) to the Wisconsin School for the Visually Handicapped and the
24 Wisconsin School for the Deaf.

1 **SECTION 1427i.** 49.45 (39) (b) of the statutes is amended to read:

2 49.45 **(39)** (b) *Payment for school medical services.* If a school district or a
3 cooperative educational service agency elects to provide school medical services and
4 meets all requirements under par. (c), the department shall reimburse the school
5 district or the cooperative educational service agency for 60% of the federal share of
6 allowable charges for the school medical services that it provides and for allowable
7 administrative costs. If the Wisconsin School for the Visually Handicapped or the
8 Wisconsin School for the Deaf elects to provide school medical services and meets all
9 requirements under par. (c), the department shall reimburse the department of
10 public instruction for 60% of the federal share of allowable charges for the school
11 medical services that the Wisconsin School for the Visually Handicapped or the
12 Wisconsin School for the Deaf provides and for allowable administrative costs. The
13 department shall promulgate rules establishing a methodology for making
14 reimbursements under this paragraph. All other expenses for the school medical
15 services provided by a school district or a cooperative educational service agency
16 shall be paid for by the school district or the cooperative educational service agency
17 with funds received from state or local taxes. The school district, the Wisconsin
18 School for the Visually Handicapped, the Wisconsin School for the Deaf or the
19 cooperative educational service agency shall comply with all requirements of the
20 federal department of health and human services for receiving federal financial
21 participation.”.

22 **6.** Page 738, line 20: after that line insert:

23 “**SECTION 1433t.** 49.46 (1) (a) 1m. of the statutes is amended to read:

1 49.46 (1) (a) 1m. Any pregnant woman who meets the resource and income
2 limits under s. 49.19 (4) ~~(bm)~~ and (es) and whose pregnancy is medically verified.
3 Eligibility continues to the last day of the month in which the 60th day after the last
4 day of the pregnancy falls.

5 **SECTION 1433u.** 49.46 (1) (a) 12. of the statutes is amended to read:

6 49.46 (1) (a) 12. Any child not described under subd. 1. who is under 19 years
7 of age and who meets the resource and income limits under s. 49.19 (4) (es).”.

8 **7.** Page 739, line 3: after that line insert:

9 “**SECTION 1434t.** 49.46 (2) (b) 1. (intro.) of the statutes is amended to read:

10 49.46 (2) (b) 1. (intro.) Dentists’ services, which, except as provided in s. 49.45
11 (24g), and except for dentists’ services provided pursuant to a federal waiver to
12 individuals who have attained the age of 65, shall be provided on a fee-for-service
13 basis and limited to basic services within each of the following categories:”.

14 **8.** Page 753, line 14: delete that line and substitute:

15 “49.665 (4) (at) 1. a. Except as provided in subd. 1. b., the department shall
16 establish a”.

17 **9.** Page 753, line 18: after that line insert:

18 “b. The department may not lower the maximum income level for initial
19 eligibility unless the department first submits to the joint committee on finance its
20 plans for lowering the maximum income level and the committee approves the plan.
21 If, within 14 days after submitting the plan to the joint committee on finance, the
22 cochairpersons of the committee do not notify the secretary that the committee has
23 scheduled a meeting for the purpose of reviewing the plan, the plan is considered
24 approved by the committee.”.

1

10. Page 1408, line 15: after that line insert:

2

(9n) ~~(9b)~~ LIMITATION ON REDUCTION OF REIMBURSEMENT FOR PHARMACEUTICAL DRUGS.

3

During the 1999-~~01~~ fiscal biennium, the department of health and family services may not discount the average wholesale price of pharmaceutical drugs provided under section 49.45 of the statutes to medical assistance recipients by more than 10% if the department reimburses for those pharmaceuticals under a formula that takes into account the average wholesale price, and the department may not reduce pharmacy dispensing fees.

9

(9p) HOSPITAL SUPPLEMENT FOR UNCOMPENSATED CARE. In fiscal year 1999-2000, the department of health and family services shall provide \$1,000,000 from the appropriation ~~section~~ under section 20.435 (4) (b) of the statutes and \$1,422,900 from the appropriation ~~section~~ under section 20.435 (4) (a) of the statutes as a supplementary payment to hospitals in Wisconsin that experienced an increase of at least 25% in uncompensated care during the period from January 1, 1997, to December 31, 1998. The department shall calculate a qualifying hospital's supplementary payment amount by multiplying the total amount by the percentage obtained by dividing the hospital's total uncompensated care from January 1, 1997, to December 31, 1998, by the total uncompensated care for all qualifying hospitals for that period.

20

(9q) DENTAL OUTREACH AND EDUCATION. The department of health and family services shall develop a dental outreach and education plan for dentists and medical assistance recipients to educate recipients on the importance of oral health for children and the parent's role in achieving it, how to access dental services, expectations and appropriate behavior in a dental office and the importance of

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1 keeping scheduled appointments. The department of health and family services
2 shall develop the plan in consultation with the department of public instruction, the
3 department of workforce development, the Wisconsin dental association, state
4 dental and dental hygiene schools, community health care providers, medical
5 assistance recipients and health care advocates. Not later than January 1, 2000, the
6 department of health and family services shall submit the plan to the governor and
7 to the appropriate standing committees of the legislature in the manner provided
8 under section 13.172 (3) of the statutes. The department of health and family
9 services shall include with the plan a fiscal estimate for implementing the plan on
10 a statewide basis, identifying those components of the plan that would be eligible for
11 funding under federal temporary assistance for needy families block grant funding
12 or federal medical assistance administrative matching funds.”.

13 (END)

D-NOTE

D-NOTE

To Amie Goldman and Richard Megna:

This redraft makes very minor technical changes in

SECTION 9123 (9n) and (9p).

DAK

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

LRBb0483/4dn
DAK:wlj&jlg:ch

June 21, 1999

To Amie Goldman and Richard Megna:

This redraft makes very minor, technical changes in SECTION 9123 (9n) and (9p).

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



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0483/4
TAY&DAK:wlj&jlg:ch

LFB:.....Goldman - Multiple medical assistance changes

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 1. Page 599, line 3: delete that line and substitute:

3 "2. a. The enhanced reimbursement rate under ~~this paragraph~~ subd. 1. a. and
4 b. shall be".

5 2. Page 599, line 8: after that line insert:

6 "SECTION 1067b. 46.278 (6) (e) 1. c. of the statutes is created to read:

7 46.278 (6) (e) 1. c. An intermediate care facility for the mentally retarded that
8 has a plan of closure or significant reduction in capacity approved by the department
9 and that intends to close or significantly reduce its capacity within 60 months.

10 SECTION 1067c. 46.278 (6) (e) 2. b. of the statutes is created to read:

1 46.278 (6) (e) 2. b. The enhanced reimbursement rate under subd. 1. c. shall
2 be 90% of the enhanced reimbursement rate under this subd. 2. a.”.

3 **3.** Page 735, line 1: delete lines 1 to 23.

4 **4.** Page 736, line 6: delete lines 6 to 12.

5 **5.** Page 736, line 13: before that line insert:

6 “**SECTION 1427g.** 49.45 (39) (a) 1. of the statutes is amended to read:

7 49.45 (39) (a) 1. “School” means a public school described under s. 115.01 (1)
8 ~~or~~, a charter school, as defined in s. 115.001 (1), the Wisconsin School for the Visually
9 Handicapped or the Wisconsin School for the Deaf. It includes school-operated early
10 childhood programs for developmentally delayed and disabled 4-year-old and
11 5-year-old children.

12 **SECTION 1427h.** 49.45 (39) (am) of the statutes is amended to read:

13 49.45 (39) (am) *Plan amendment.* No later than September 30, 1995, the
14 department shall submit to the federal department of health and human services an
15 amendment to the state medical assistance plan to permit the application of pars. (b)
16 ~~to~~ and (c). If the amendment to the state plan is approved, school districts ~~and~~,
17 cooperative educational service agencies and the department of public instruction on
18 behalf of the Wisconsin School for the Visually Handicapped and the Wisconsin
19 School for the Deaf claim reimbursement under pars. (b) ~~to~~ and (c). Paragraphs (b)
20 ~~to~~ and (c) do not apply unless the amendment to the state plan is approved and in
21 effect. The department shall submit to the federal department of health and human
22 services an amendment to the state plan if necessary to permit the application of
23 pars. (b) and (c) to the Wisconsin School for the Visually Handicapped and the
24 Wisconsin School for the Deaf.

1 **SECTION 1427i.** 49.45 (39) (b) of the statutes is amended to read:

2 49.45 (39) (b) *Payment for school medical services.* If a school district or a
3 cooperative educational service agency elects to provide school medical services and
4 meets all requirements under par. (c), the department shall reimburse the school
5 district or the cooperative educational service agency for 60% of the federal share of
6 allowable charges for the school medical services that it provides and for allowable
7 administrative costs. If the Wisconsin School for the Visually Handicapped or the
8 Wisconsin School for the Deaf elects to provide school medical services and meets all
9 requirements under par. (c), the department shall reimburse the department of
10 public instruction for 60% of the federal share of allowable charges for the school
11 medical services that the Wisconsin School for the Visually Handicapped or the
12 Wisconsin School for the Deaf provides and for allowable administrative costs. The
13 department shall promulgate rules establishing a methodology for making
14 reimbursements under this paragraph. All other expenses for the school medical
15 services provided by a school district or a cooperative educational service agency
16 shall be paid for by the school district or the cooperative educational service agency
17 with funds received from state or local taxes. The school district, the Wisconsin
18 School for the Visually Handicapped, the Wisconsin School for the Deaf or the
19 cooperative educational service agency shall comply with all requirements of the
20 federal department of health and human services for receiving federal financial
21 participation.”.

22 **6.** Page 738, line 20: after that line insert:

23 **“SECTION 1433t.** 49.46 (1) (a) 1m. of the statutes is amended to read:

1 49.46 (1) (a) 1m. Any pregnant woman who meets the resource and income
2 limits under s. 49.19 (4) ~~(bm)~~ and (es) and whose pregnancy is medically verified.
3 Eligibility continues to the last day of the month in which the 60th day after the last
4 day of the pregnancy falls.

5 **SECTION 1433u.** 49.46 (1) (a) 12. of the statutes is amended to read:

6 49.46 (1) (a) 12. Any child not described under subd. 1. who is under 19 years
7 of age and who meets the resource and income limits under s. 49.19 (4) (es).”

8 **7.** Page 739, line 3: after that line insert:

9 **“SECTION 1434t.** 49.46 (2) (b) 1. (intro.) of the statutes is amended to read:

10 49.46 (2) (b) 1. (intro.) Dentists’ services, which, except as provided in s. 49.45
11 (24g), and except for dentists’ services provided pursuant to a federal waiver to
12 individuals who have attained the age of 65, shall be provided on a fee-for-service
13 basis and limited to basic services within each of the following categories:”.

14 **8.** Page 753, line 14: delete that line and substitute:

15 “49.665 (4) (at) 1. a. Except as provided in subd. 1. b., the department shall
16 establish a”.

17 **9.** Page 753, line 18: after that line insert:

18 “b. The department may not lower the maximum income level for initial
19 eligibility unless the department first submits to the joint committee on finance its
20 plans for lowering the maximum income level and the committee approves the plan.
21 If, within 14 days after submitting the plan to the joint committee on finance, the
22 cochairpersons of the committee do not notify the secretary that the committee has
23 scheduled a meeting for the purpose of reviewing the plan, the plan is considered
24 approved by the committee.”.

1 **10.** Page 1408, line 15: after that line insert:

2 “(9n) LIMITATION ON REDUCTION OF REIMBURSEMENT FOR PHARMACEUTICAL DRUGS.
3 During the 1999–2001 fiscal biennium, the department of health and family services
4 may not discount the average wholesale price of pharmaceutical drugs provided
5 under section 49.45 of the statutes to medical assistance recipients by more than 10%
6 if the department reimburses for those pharmaceuticals under a formula that takes
7 into account the average wholesale price, and the department may not reduce
8 pharmacy dispensing fees.

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10 the department of health and family services shall provide \$1,000,000 from the
11 appropriation under section 20.435 (4) (b) of the statutes and \$1,422,900 from the
12 appropriation under section 20.435 (4) (o) of the statutes as a supplementary
13 payment to hospitals in Wisconsin that experienced an increase of at least 25% in
14 uncompensated care during the period from January 1, 1997, to December 31, 1998.
15 The department shall calculate a qualifying hospital’s supplementary payment
16 amount by multiplying the total amount by the percentage obtained by dividing the
17 hospital’s total uncompensated care from January 1, 1997, to December 31, 1998, by
18 the total uncompensated care for all qualifying hospitals for that period.

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21 assistance recipients to educate recipients on the importance of oral health for
22 children and the parent’s role in achieving it, how to access dental services,
23 expectations and appropriate behavior in a dental office and the importance of
24 keeping scheduled appointments. The department of health and family services

1 shall develop the plan in consultation with the department of public instruction, the
2 department of workforce development, the Wisconsin dental association, state
3 dental and dental hygiene schools, community health care providers, medical
4 assistance recipients and health care advocates. Not later than January 1, 2000, the
5 department of health and family services shall submit the plan to the governor and
6 to the appropriate standing committees of the legislature in the manner provided
7 under section 13.172 (3) of the statutes. The department of health and family
8 services shall include with the plan a fiscal estimate for implementing the plan on
9 a statewide basis, identifying those components of the plan that would be eligible for
10 funding under federal temporary assistance for needy families block grant funding
11 or federal medical assistance administrative matching funds.”.

12

(END)