



# STATE OF WISCONSIN Assembly Journal

## Ninety-Fourth Regular Session

10:40 A.M.

THURSDAY, January 27, 2000

The Assembly met in the Assembly Chamber located in the State Capitol.

Representative Pettis in the chair.

The Assembly dispensed with the call of the roll.

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### AMENDMENTS OFFERED

Assembly substitute amendment 1 to **Assembly Bill 246** offered by committee on **Judiciary and Personal Privacy**.

Assembly amendment 1 to Assembly substitute amendment 1 to **Assembly Bill 246** offered by committee on **Judiciary and Personal Privacy**.

Assembly substitute amendment 1 to **Assembly Bill 504** offered by committee on **Rural Affairs and Forestry**.

Assembly amendment 1 to **Assembly Bill 603** offered by committee on **Corrections and the Courts**.

Assembly amendment 1 to **Assembly Bill 664** offered by committee on **Judiciary and Personal Privacy**.

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### MESSAGE FROM THE SENATE

By Donald J. Schneider, Senate Chief Clerk.

Mr. Speaker:

I am directed to inform you that the Senate has

Concurred in:

**Assembly Joint Resolution 48**  
**Assembly Bill 2**  
**Assembly Bill 226**  
**Assembly Bill 386**  
**Assembly Bill 521**

### REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Department of Administration  
Madison

January 24, 2000

To the Honorable, the Legislature:

This report is transmitted as required by sec. 20.002(11)(f), Wis. Stats. (for distribution to the appropriate standing committees under sec. 13.172(3), Wis. Stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of December 1999.

On December 1, 1999 the **Wisconsin Health Education Loan Repayment Fund** balance was -\$5 thousand. This shortfall increased to -\$6 thousand on December 6, 1999 and continued into the month of January. As of the date of this letter, it is expected to be resolved in the near future. This shortfall is due to the timing of revenues.

On December 1, 1999 the **Wisconsin Health Insurance Risk Sharing Plan Fund** balance was -\$59 thousand. This shortfall increased to -\$68 thousand on December 15, 1999, to -\$77 thousand on December 30, 1999, and continued into the month of January. As of the date of this letter, it is expected to be resolved in the near future. This shortfall is due to the timing of revenues.

The Wisconsin Health Education Loan Repayment Fund and Wisconsin Health Insurance Risk Sharing Plan Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority.

Sincerely,  
*GEORGE LIGHTBOURN*  
Secretary

Referred to committee on **Ways and Means**.

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**AGENCY REPORTS**

State of Wisconsin  
Legislative Audit Bureau  
Madison

January 27, 2000

To the Honorable, the Legislature:

We have completed an evaluation of county nursing home funding, as directed by the Joint Legislative Audit Committee. In fiscal year (FY) 1998-99, the State provided \$698.1 million in state and federal funds to care for Medical Assistance recipients requiring skilled care in 417 skilled nursing facilities, including 47 that are county-owned.

Administrators of county-owned facilities have expressed concern that current Medical Assistance funding is not sufficient to cover their costs. In FY 1998-99, 44 of the 47 facilities reported deficits, which totaled \$66.6 million. County officials argue these deficits were incurred, in part, because their facilities provide care to a disproportionate share of residents who present challenging behaviors in addition to their other medical needs and who are more costly to care for than other nursing home residents.

Based on our analysis, it appears that residents of county-owned facilities generally present more challenging behaviors than residents of privately owned facilities. For example, as part of the most recently completed facility certification survey, the percentage of residents reported to exhibit challenging behaviors was 41.9 percent in county-owned facilities, and 27.1 percent in privately owned facilities.

To address their concerns, county officials have suggested the State increase reimbursement through the Intergovernmental Transfer program, which provides direct supplemental

payments to county-owned facilities. County officials believe additional reimbursement is justified because the percentage of county losses funded by this program has declined each year since the program's creation, from 86.1 percent in FY 1993-94 to 55.7 percent in FY 1998-99.

If the Legislature believes additional funding is warranted, it has a number of options for increasing reimbursements to counties and other skilled nursing facilities that serve individuals exhibiting challenging behaviors. However, such increases would require the Legislature to appropriate additional general purpose revenue to fund program costs, may serve as a disincentive to controlling county nursing home costs, and may hamper efforts to increase the amount of care provided in less restrictive, community-based settings.

We appreciate the courtesy and cooperation extended to us by the Department of Health and Family Services and by the county officials and administrators of the nursing facilities we contacted during the course of the audit. The Department's response is Appendix IV.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor

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**ADJOURNMENT**

Representative Klusman moved that the Assembly stand adjourned until 10:00 A.M. on Tuesday, February 1.

The question was: Shall the Assembly stand adjourned?

Motion carried.

The Assembly stood adjourned.

10:41 A.M.