

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2561/P1dn
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January 2, 2002

Representative Johnsrud:

The drafting instructions I received were rather vague and I had to make several assumptions regarding how the 1987 statutory provisions should fit into current law. Thus, I have prepared this bill in preliminary form for your careful review. Specifically, please note the following:

1. Previously, the hospital rate-setting commission employed one staff director in the unclassified service. Do you want to include a staff director as well?
2. I am not sure how much you want to appropriate for the hospital rate-setting commission or for the capital expenditure review program so I have put zeros in the schedule entry. You may wish to discuss the appropriations with the Legislative Fiscal Bureau.
3. The members of the hospital rate-setting council serve for staggered four-year terms. Is this your intent? Also, the 1987 statutes specified that three members of the council be appointed by the Wisconsin Hospital Association. I believe the Wisconsin Hospital Association changed its name to the Wisconsin Health and Hospital Association so, under this draft, three members of the Wisconsin Health and Hospital Association must be appointed to the council. Is this okay?
4. Please review the financial requirements that must be submitted by a hospital under proposed section 150.625.
5. The 1985-86 statutes that you included as part of the drafting instructions require DHFS to administer the capital expenditure review program. As you know the program was repealed in 1987. In 1991, the capital expenditure review program was briefly revived, but instead of DHFS, a cost containment commission administered the program. I assumed that you wanted DHFS to administer the program. Several other modifications were made to the program in 1991 as well. You may wish to review subch. III of ch. 150 of the 1993-94 statutes to determine whether you want any of the provisions of the 1993-94 statutes to be incorporated into the bill. I would be happy to provide you with a copy of the 1993-94 provisions if you wish.
6. The bill does not include the moratorium on relocating hospitals or establishing new hospitals that was contained in s. 150.62 of the 1985 statutes. Is this your intent?

7. I do not understand the innovative medical technology exception under proposed s. 150.715. The provision permits a person to make a capital expenditure of more than \$500,000 if the person receives an innovative medical technology exception. The \$500,000 limit appears to be meaningless if, under proposed s. 150.71, a person is required to seek DHFS's approval only for capital expenditures over \$1,000,000. Perhaps the \$500,000 limit should be a \$1,000,000 limit?

8. Is the effective date what you want? Is the date specified in s. 150.612 (1) what you want?

Please feel free to contact me with any questions or concerns you may have.

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