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DOA:.....Mullikin - Appropriation for intergovernmental transfer program funds

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current federal law, medical assistance (MA) is a jointly funded, federal-state program; federal funds (known as "federal financial participation") are provided to match state funds expended for MA. Public funds that are not federal funds, that are transferred to the state, and that are expended for MA purposes may be considered as the state's share in claiming federal financial participation.

This bill creates a separate, nonlapsible trust fund, designated as the MA trust fund, from moneys received as federal financial participation to match public moneys appropriated to the state as the state share of financial participation under the MA program. The moneys are appropriated to meet costs of MA and the operational costs of augmenting federal financial participation.

Under current law, DHFS may, in each fiscal year, distribute up to \$38,600,000 received as federal financial participation to supplement payments under MA in order to reduce operating deficits of county, city, village, or town nursing homes. DHFS must also distribute for this purpose additional moneys received as federal financial participation that were not anticipated before enactment of the biennial budget act or before enactment of other legislation that affects the appropriation of

for payments related to nursing homes

do not go

or certified by DHFS

1)

transferred

associated with

and 2) public moneys transferred to the state or certified by DHFS as the state's share of financial participation for payments to nursing homes under the MA program

such federal moneys. The distribution of these supplemental payments is made under a method that includes consideration of the size of a nursing home's operating deficit and an agreement by the affected county, city, town, or village to provide funds to match the federal moneys. DHFS must revise the method, for approval by JCF, if the federal department of health and human services approves a lesser amount of federal moneys for expenditure. If the federal department of health and human services disallows use of the federal moneys for the purpose of these supplemental payments, DHFS must reduce allocations to counties, and a city, town, or village that owns or operates a nursing home that has received funds must reimburse the county in which the city, town, or village is located.

~~This bill retroactively eliminates the program under which DHFS distributes federal moneys received as federal financial participation to supplement payments under MA to reduce operating deficits of county, city, town, or village nursing homes, effective on July 1, 2000.~~

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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1 SECTION 1. 20.435 (4) (w) of the statutes is created to read:
2 20.435 (4) (w) *Medical assistance trust fund*. From the medical assistance trust
3 fund, ^{as} a ~~sum~~ ^{continuing appropriation} sufficient for meeting costs of medical assistance administered under ss.
4 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5), 46.485, 49.45, ~~and~~ 49.472 (6) and
5 for costs ^{administrative} that are ~~exclusively~~ related to the ^{associated with} operational costs of augmenting the
6 amount of moneys received under 42 CFR 433.51.

49.665

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***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

LPS: Do not delete note

7 SECTION 2. 20.435 (8) (mm) of the statutes is amended to read:
8 20.435 (8) (mm) *Reimbursements from federal government*. All moneys
9 received from the federal government, other than moneys described under ss. 46.45
10 (2), 46.46, 49.45 (6u) and 49.49, that are intended to reimburse the state for
11 expenditures in previous fiscal years from general purpose revenue appropriations
12 whose purpose includes a requirement to match or secure federal funds and that

1 exceeded in those fiscal years the estimates reflected in the intentions of the
2 legislature and governor, as expressed by them in the budget determinations, and
3 the joint committee on finance, as expressed by the committee in any determinations,
4 and the estimates approved for expenditure by the secretary of administration under
5 s. 16.50 (2), for the purpose of paying federal disallowances, federal sanctions or
6 penalties and the costs of any corrective action affecting the department of health
7 and family services. Notwithstanding s. 20.001 (3) (c), at the end of each fiscal year,
8 the amount determined by the department of administration under s. 16.54 (12) (d)
9 shall lapse to the general fund.

10 SECTION 3. 25.17 (1) (jv) of the statutes is created to read:

11 25.17 (1) (jv) Medical assistance trust fund (s. 25.77);

12 SECTION 4. 25.77 of the statutes is created to read:

13 25.77 Medical assistance trust fund. There is created a separate
14 nonlapsible trust fund designated as the medical assistance trust fund, consisting
15 of all moneys received under 42 CFR 433.51 to match public moneys appropriated
16 to the state as the state share of financial participation.

17 SECTION 5. 46.27 (11) (c) 3. of the statutes is amended to read:

18 46.27 (11) (c) 3. Medical assistance reimbursement for services a county, a
19 private nonprofit agency or an aging unit with which the department contracts
20 provides under this subsection shall be made from the appropriations under s. 20.435
21 (4) (o) and (w) and (7) (b) and (bd).

22 SECTION 6. 46.27 (11) (c) 4. of the statutes is amended to read:

23 46.27 (11) (c) 4. The department may, from the ~~appropriation~~ appropriations
24 under s. 20.435 (4) (o) and (w), provide reimbursement for services provided under
25 this subsection by counties that are in excess of the current average annual per

1 person rate, as established by the department, and are less than or equal to the
2 average amount approved in the waiver received under par. (am).

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3 **SECTION 7.** 46.275 (5) (a) of the statutes is amended to read:

4 46.275 (5) (a) Medical assistance reimbursement for services a county, or the
5 department under sub. (3r), provides under this program is available from the
6 appropriations under s. 20.435 (4) (b) and, (o), and (w). If 2 or more counties jointly
7 contract to provide services under this program and the department approves the
8 contract, medical assistance reimbursement is also available for services provided
9 jointly by these counties.

10 **SECTION 8.** 46.275 (5) (c) of the statutes is amended to read:

11 46.275 (5) (c) The total allocation under s. 20.435 (4) (b) and, (o), and (w) to
12 counties and to the department under sub. (3r) for services provided under this
13 section may not exceed the amount approved by the federal department of health and
14 human services. A county may use funds received under this section only to provide
15 services to persons who meet the requirements under sub. (4) and may not use
16 unexpended funds received under this section to serve other developmentally
17 disabled persons residing in the county.

18 **SECTION 9.** ~~46.275 (5) (d) of the statutes is amended to read:~~

19 ~~46.275 (5) (d) The department may, from the ~~appropriation~~ appropriations
20 under s. 20.435 (4) (o) and (w), provide reimbursement for services provided under
21 this section by counties that are in excess of the current average annual per person
22 rate, as established by the department, and are less than the average amount
23 approved in the waiver received under sub. (2).~~

24 **SECTION 10.** 46.278 (6) (d) of the statutes is amended to read:

1 46.278 (6) (d) If a county makes available nonfederal funds equal to the state
2 share of service costs under the waiver received under sub. (3), the department may,
3 from the ~~appropriation~~ appropriations under s. 20.435 (4) (o) and (w), provide
4 reimbursement for services that the county provides under this section to persons
5 who are in addition to those who may be served under this section with funds from
6 the appropriation under s. 20.435 (4) (b).

7 **SECTION 11.** 46.283 (5) of the statutes is amended to read:

8 46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),
9 (bm) ~~and, (pa), (pa), and (w)~~ and (7) (b), (bd), and (md), the department may contract
10 with organizations that meet standards under sub. (3) for performance of the duties
11 under sub. (4) and shall distribute funds for services provided by resource centers.

12 **SECTION 12.** 46.284 (5) (a) of the statutes is amended to read:

13 46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g) ~~and,~~
14 (o), and (w) and (7) (b) and (bd), the department shall provide funding on a capitated
15 payment basis for the provision of services under this section. Notwithstanding s.
16 46.036 (3) and (5m), a care management organization that is under contract with the
17 department may expend the funds, consistent with this section, including providing
18 payment, on a capitated basis, to providers of services under the family care benefit.

19 **SECTION 13.** 49.15 (5m) (am) of the statutes is amended to read:

20 49.15 (5m) (am) Notwithstanding sub. (3) (e), from the appropriations under
21 s. 20.435 (4) (b) ~~and, (o), and (w)~~, the department shall distribute not more than
22 \$2,256,000 in each fiscal year, to provide supplemental funds to rural hospitals that,
23 as determined by the department, have high utilization of inpatient services by
24 patients whose care is provided from governmental sources, and to provide
25 supplemental funds to critical access hospitals, except that the department may not

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1 distribute funds to a rural hospital or to a critical access hospital to the extent that
2 the distribution would exceed any limitation under 42 USC 1396b (i) (3).

3 SECTION 14. 49.45 (5r) of the statutes is amended to read:

4 49.45 (5r) SUPPLEMENTAL PAYMENTS FOR HOSPITALS. From the appropriations
5 under s. 20.435 (4) (b) ~~and~~, (o), and (w), the department shall distribute not more than
6 \$2,451,000, beginning on July 1, 2000, as a supplemental payment to a hospital for
7 which medical assistance revenues were at least 8% of the hospital's total revenues
8 in the most recent fiscal year prior to the year of payment. The department shall
9 calculate a qualifying hospital's supplemental payment amount by multiplying the
10 total amount by the percentage obtained by dividing the hospital's total medical
11 assistance revenues in the most recent prior fiscal year by the total amount of
12 medical assistance revenues for all qualifying hospitals for that period.

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13 RESTORE TO PLAIN TEXT SECTION 15. 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

14 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this
15 subsection made under s. 20.435 (4) (b), (pa) ~~or~~ (o) shall, except as provided in pars.
16 (bg) ~~and~~ (bm) ~~and~~ (br), be determined according to a prospective payment system
17 updated annually by the department. The payment system shall implement
18 standards that are necessary and proper for providing patient care and that meet
19 quality and safety standards established under subch. II of ch. 50 and ch. 150. The
20 payment system shall reflect all of the following:

~~21 SECTION 16. 49.45 (6m) (br) of the statutes is repealed.~~

22 SECTION 17. 49.45 (6m) (k) of the statutes is amended to read:

23 49.45 (6m) (k) Notwithstanding pars. (ag) to (b), and (bp) ~~and~~ (br), the
24 department may participate in a demonstration project on case mix nursing home
25 reimbursement authorized under 42 USC 1315 (a) and may modify the payment

1 system under this section, on an experimental basis, as necessary for participation
2 in the demonstration project.

3 **SECTION 18.** 49.45 (6t) (intro.) of the statutes is amended to read:

4 49.45 (6t) COUNTY DEPARTMENT AND LOCAL HEALTH DEPARTMENT OPERATING
5 DEFICIT REDUCTION. (intro.) From the ~~appropriation~~ appropriations under s. 20.435
6 (4) (o) and (w), for reduction of operating deficits, as defined under criteria developed
7 by the department, incurred by a county department under s. 46.215, 46.22, 46.23,
8 or 51.42 or by a local health department, as defined in s. 250.01 (4), for services
9 provided under s. 49.46 (2) (a) 4, d. and (b) 6, f., j., k., and L., 9., and 15., for case
10 management services under s. 49.46 (2) (b) 12. and for mental health day treatment
11 services for minors provided under the authorization under 42 USC 1396d (r) (5), the
12 department shall allocate up to \$4,500,000 in each fiscal year to these county
13 departments, or local health departments as determined by the department, and
14 shall perform all of the following:

15 **SECTION 19.** 49.45 (6t) (d) of the statutes is amended to read:

16 49.45 (6t) (d) If the federal department of health and human services approves
17 for state expenditure in a fiscal year amounts under s. 20.435 (4) (o) and (w) that
18 result in a lesser allocation amount than that allocated under this subsection or
19 disallows use of the allocation of federal medicaid funds under par. (c), reduce
20 allocations under this subsection and distribute on a prorated basis, as determined
21 by the department.

22 ~~Section 20. 49.45 (6u) of the statutes is repealed.~~

23 **SECTION 21.** 49.45 (6v) (b) of the statutes is amended to read:

24 49.45 (6v) (b) The department shall, each year, submit to the joint committee
25 on finance a report for the previous fiscal year, except for the 1997-98 fiscal year, that

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1 provides information on the utilization of beds by recipients of medical assistance in
2 facilities and a discussion and detailed projection of the likely balances,
3 expenditures, encumbrances and carry over of currently appropriated amounts in
4 the appropriation accounts under s. 20.435 (4) (b) ~~and, (o), and (w).~~

5 **SECTION 22.** ~~49.45 (6w) (intro.) of the statutes is amended to read:~~

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

13 **SECTION 23.** ~~49.45 (6w) (d) of the statutes is amended to read:~~

14 ~~49.45 (6w) (d) If the federal department of health and human services approves~~
15 ~~for state expenditure in a fiscal year amounts under s. 20.435 (4) (o) and (w) that~~
16 ~~result in a lesser allocation amount than that allocated under this subsection or~~
17 ~~disallows use of the allocation of federal medicaid funds under par. (c), reduce~~
18 ~~allocations under this subsection and distribute on a prorated basis, as determined~~
19 ~~by the department.~~

20 **SECTION 24.** ~~49.45 (6x) (d) of the statutes is amended to read:~~

21 ~~49.45 (6x) (d) If the federal department of health and human services approves~~
22 ~~for state expenditure in any state fiscal year amounts under s. 20.435 (4) (o) and (w)~~
23 ~~that result in a lesser distribution amount than that distributed under this~~
24 ~~subsection or disallows use of federal medicaid funds under par. (a), the department~~
25 ~~of health and family services shall reduce the distributions under this subsection.~~

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1 **SECTION 25.** 49.45 (6y) (a) of the statutes is amended to read:

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

12 **SECTION 26.** 49.45 (6y) (am) of the statutes is amended to read:

13 49.45 (6y) (am) Notwithstanding sub. (3) (e), from the appropriations under s.
14 20.435 (4) (b), (h) ~~and, (o), and (w)~~, the department shall distribute funding in each
15 fiscal year to provide supplemental payments to hospitals that enter into contracts
16 under s. 49.02 (2) with a county having a population of 500,000 or more to provide
17 health care services funded by a relief block grant, as determined by the department,
18 for hospital services that are not in excess of the hospitals' customary charges for the
19 services, as limited under 42 USC 1396b (i) (3).

20 **SECTION 27.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

21 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriations
22 under s. 20.435 (4) (b) ~~and, (o), and (w)~~, the department shall distribute funding in
23 each fiscal year to supplement payment for services to hospitals that enter into a
24 contract under s. 49.02 (2) to provide health care services funded by a relief block
25 grant under this chapter, if the department determines that the hospitals serve a

1 disproportionate number of low-income patients with special needs. If no medical
2 relief block grant under this chapter is awarded or if the allocation of funds to such
3 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
4 may distribute funds to hospitals that have not entered into a contract under s. 49.02
5 (2). The department may not distribute funds under this subsection to the extent
6 that the distribution would do any of the following:

7 SECTION 28. 49.45 (8) (b) of the statutes is amended to read:

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

13 SECTION 29. 49.45 (24m) (intro.) of the statutes is amended to read:

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

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19 SECTION 9123. Effective dates; health and family services.

20 (1) SUPPLEMENTAL MEDICAL ASSISTANCE PAYMENTS TO NURSING HOMES. The
21 ~~treatment~~ of sections ~~20.435 (8) (mm) and 49.45 (6m) (ag) (intro.), (br), and (k) and~~
22 ~~(6u)~~ of the statutes takes effect retroactively to ~~July 1, 2000~~

23 (intro.) (END)

January 1, 2001

amendment

D-NOTE

49.45

LPS: →

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Further inserts
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INSERT A

This bill retroactively eliminates, in the program to supplement MA payments to reduce operating deficits of county, city, village, or town nursing homes, the requirement that DHFS distribute for this purpose additional, unanticipated moneys received as federal financial participation, effective January 1, 2001.

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1 SECTION 1. 20.435 (4) (o) of the statutes is amended to read:
2 20.435 (4) (o) *Federal aid; medical assistance*. All federal moneys received for
3 meeting costs of medical assistance administered under ss. 46.284 (5), 49.45 and
4 49.665, to be used for those purposes and for transfer to the medical assistance trust
5 fund, for those purposes.

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186.

6 SECTION 2. 20.435 (4) (w) of the statutes is created to read:
7 20.435 (4) (w) *Medical assistance trust fund*. From the medical assistance trust
8 fund, all moneys received for meeting costs of medical assistance administered under
9 ss. 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5), 46.485, 49.45, 49.472 (6), and
10 49.665 and for administrative costs associated with augmenting the amount of
11 federal moneys received under 42 CFR 433.51. Notwithstanding s. 20.002 (1), the
12 department may transfer from this appropriation to the appropriation under sub. (7)
13 (kb) funds ~~in the amount of~~ for the purposes specified in s. 46.485.
14 Notwithstanding s. 20.002 (1), the department may credit or deposit into this
15 appropriation and may transfer between fiscal years funds that it transfers from the
16 appropriation under sub. (7) (kb) ~~for the purposes~~ specified in s. 46.485 (3).
17 Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the department may transfer from

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1 this appropriation to the appropriation account under sub. (7) (bd) funds in the
2 amount and for the purposes specified in s. 49.45 (6v).

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3 **SECTION 3.** 20.435 (7) (bd) of the statutes is amended to read:

4 20.435 (7) (bd) *Community options program; pilot projects; family care benefit.*

5 The amounts in the schedule for assessments, case planning, services,
6 administration and risk reserve escrow accounts under s. 46.27, for pilot projects
7 under s. 46.271 (1), to fund services provided by resource centers under s. 46.283 (5),
8 for services under the family care benefit under s. 46.284 (5) and for the payment of
9 premiums under s. 49.472 (5). If the department transfers funds to this
10 appropriation from the appropriation account under sub. (4) (b) or (w), the amounts
11 in the schedule for the fiscal year for which the transfer is made are increased by the
12 amount of the transfer for the purposes specified in s. 49.45 (6v). Notwithstanding
13 ss. 20.001 (3) (a) and 20.002 (1), the department may under this paragraph transfer
14 moneys between fiscal years. Except for moneys authorized for transfer under this
15 appropriation or under s. 46.27 (7) (fm) or (g), all moneys under this appropriation
16 that are allocated under s. 46.27 and are not spent or encumbered by counties or by
17 the department by December 31 of each year shall lapse to the general fund on the
18 succeeding January 1 unless transferred to the next calendar year by the joint
19 committee on finance.

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256, 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186.

20 **SECTION 4.** 20.435 (7) (kb) of the statutes is amended to read:

1 20.435 (7) (kb) *Severely emotionally disturbed children.* As a continuing
 2 appropriation, all moneys transferred from the appropriation under sub. (4) (b) or (w)
 3 to this appropriation to provide, under s. 46.485, mental health care and treatment
 4 and community-based mental health services for severely emotionally disturbed
 5 children. Notwithstanding s. 20.002 (1), the department of health and family
 6 services may transfer from this appropriation to the ~~appropriation~~ appropriations
 7 under sub. (4) (b) and (w) funds as specified in s. 46.485 (3r).

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186.

INSERT 4-2

8 **SECTION 5.** 25.77 of the statutes is created to read:

9 **25.77 Medical assistance trust fund.** There is created a separate
 10 nonlapsible trust fund designated as the medical assistance trust fund, consisting
 11 of all of the following:

12 (1) All federal moneys received, including moneys that the department of health
 13 and family services may transfer from the appropriation under s. 20.435 (4) (o), that
 14 are related to payments under s. 49.45 (6m) and are based on public funds that are
 15 transferred or certified under 42 CFR 433.51 (b) and used as the non-federal share
 16 of medical assistance funding.

17 (2) All public funds that are related to payments under s. 49.45 (6m) and that
 18 are transferred or certified under 42 CFR 433.51 (b) and used as the non-federal
 19 share of medical assistance funding.

20 **SECTION 6.** 46.27 (9) (a) of the statutes is amended to read:

(1) B
(2) B

1 46.27 (9) (a) The department may select up to 5 counties that volunteer to
 2 participate in a pilot project under which they will receive certain funds allocated for
 3 long-term care. The department shall allocate a level of funds to these counties
 4 equal to the amount that would otherwise be paid under s. 20.435 (4) (b) or (w) to
 5 nursing homes for providing care because of increased utilization of nursing home
 6 services, as estimated by the department. In estimating these levels, the department
 7 shall exclude any increased utilization of services provided by state centers for the
 8 developmentally disabled. The department shall calculate these amounts on a
 9 calendar year basis under sub. (10).

History: 1981 c. 20; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 192, 239; 1985 a. 29 ss. 876s to 896am, 3200 (56); 1985 a. 120, 176; 1987 a. 27, 399; 1989 a. 31, 77, 336, 359; 1991 a. 32, 39, 235, 274; 1993 a. 16, 27, 437; 1995 a. 27; 1997 a. 13, 27, 39, 79, 237; 1999 a. 9, 63.

10 **SECTION 7. 46.27 (10) (a) 1. of the statutes is amended to read:**

11 46.27 (10) (a) 1. The department shall determine for each county participating
 12 in the pilot project under sub. (9) a funding level of state medical assistance
 13 expenditures to be received by the county. This level shall equal the amount that the
 14 department determines would otherwise be paid under s. 20.435 (4) (b) or (w) because
 15 of increased utilization of nursing home services, as estimated by the department.

History: 1981 c. 20; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 192, 239; 1985 a. 29 ss. 876s to 896am, 3200 (56); 1985 a. 120, 176; 1987 a. 27, 399; 1989 a. 31, 77, 336, 359; 1991 a. 32, 39, 235, 274; 1993 a. 16, 27, 437; 1995 a. 27; 1997 a. 13, 27, 39, 79, 237; 1999 a. 9, 63.

INSERT 5-18

16 **SECTION 8. 46.485 (2g) (intro.) of the statutes is amended to read:**

17 46.485 (2g) (intro.) From the appropriation under s. 20.435 (4) (b) or (w), the
 18 department may in each fiscal year transfer funds to the appropriation under s.
 19 20.435 (7) (kb) for distribution under this section, and from the appropriation under
 20 s. 20.435 (7) (mb), the department may not distribute more than \$1,330,500 in each
 21 fiscal year to applying counties in this state that meet all of the following
 22 requirements, as determined by the department:

History: 1989 a. 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27; 1997 a. 27; 1999 a. 9.

1 SECTION 9. 46.485 (3r) of the statutes is amended to read:

2 46.485 (3r) Funds that a county does not encumber before 24 months after
3 June 30 of the fiscal year in which the funds were distributed under sub. (2g) lapse,
4 in the amounts determined by the department, to the appropriation appropriations
5 under s. 20.435 (4) (b) and (w).

History: 1989 a. 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27; 1997 a. 27; 1999 a. 9.

INSERT 7-22

6 SECTION 10. 49.45 (6u) (intro.) of the statutes is amended to read:

7 49.45 (6u) SUPPLEMENTAL PAYMENTS TO CERTAIN FACILITIES. (intro.)
8 Notwithstanding sub. (6m), from the appropriation under s. 20.435 (4) (o), for
9 reduction of operating deficits, as defined under criteria developed by the
10 department, incurred by a facility, as defined under sub. (6m) (a) 3., that is
11 established under s. 49.70 (1) or that is owned and operated by a city, village or town,
12 the department may not distribute to these facilities more than \$38,600,000 in each
13 fiscal year, as determined by the department, ~~except that the department shall also~~
14 ~~distribute for this same purpose from the appropriation under s. 20.435 (4) (o) any~~
15 ~~additional federal medical assistance moneys that were not anticipated before~~
16 ~~enactment of the biennial budget act or other legislation affecting s. 20.435 (4) (o).~~
17 The total amount that a county certifies under this subsection may not exceed 100%
18 of otherwise unreimbursed care. In distributing funds under this subsection, the
19 department shall perform all of the following:

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. 1302g to 1403, 3683; 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; 1999 a. 9, 63, 103, 180, 185.

20 SECTION 11. 49.45 (6u) of the statutes, as affected by 2001 Wisconsin Act ...

21 (this act), is renumbered 49.45 (6u) (am), and 49.45 (6u) (am) (intro.), 2. (intro.), 3.,
22 5. and 6., as renumbered, are amended to read:

4.) remove comma

and b.

2. b. Agreement by the county in which is located the facility established under s. 49.70 (1) and agreement by the city, village or town that owns and operates the facility that the applicable county, city, village or town shall provide funds to match federal medical assistance funds under this subsection paragraph 49.45 (6u) (am) (intro.) Notwithstanding sub. (6m), in state fiscal years in

which less than \$115,200,000 in federal financial participation relating to facilities

~~is received under 42 CFR 433.51, from the appropriation under s. 20.435 (4) (o), for~~

reduction of operating deficits, as defined under criteria developed the methodology

used by the department in December, 2000, incurred by a facility, as defined under

~~sub. (6m) (a) 3.~~, that is established under s. 49.70 (1) or that is owned and operated

by a city, village, or town, the department may not distribute to these facilities more

than \$38,600,000 in each fiscal year, as determined by the department. The total

amount that a county certifies under this subsection may not exceed 100% of

otherwise-unreimbursed care. In distributing funds under this subsection, the

department shall perform all of the following:

2. (intro.) Based on the amount estimated available under par. (a) subd. 1.,

develop a method to distribute this allocation to the individual facilities that have

incurred operating deficits that shall include:

3. Distribute the allocation under the distribution method that is developed,

unless a county has failed to comply with par. (b) ~~2m~~ subd. 2. ~~cm.~~ lom

5. If the federal department of health and human services approves for state

expenditure in a fiscal year amounts under s. 20.435 (4) (o) that result in a lesser

allocation amount than that allocated under this subsection paragraph, submit a

revision of the method developed under par. (b) subd. 2. for approval by the joint

committee on finance in that state fiscal year.

4. If the federal department of health and human services

approves for state expenditure in a fiscal year amounts under

s. 20.435 (4)(o) that result in a lesser allocation amount

than that allocated under this ~~subsection~~ paragraph, allocate

not more than the lesser amount so approved by the federal department of health and human services.

Retrieve from folio and strike/score as shown

Retrieve from folio and strike & score as shown

matching funds under this subsection paragraph

strike comma

strike

lom

SECTION 49.45 (6u) (ag)

In this subsection, "facility" has the meaning given in sub. (6m) (a) 3.

1 6. If the federal department of health and human services disallows use of the
2 allocation of matching federal medical assistance funds distributed under par. (e)
3 subd. 3, apply the requirements under sub. (6m) (br).

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. 989, 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; 1999 a. 9, 63, 103, 180, 185.

4 SECTION 12. 49.45 (6u) (bm) of the statutes is created to read:

5 49.45 (6u) (bm) In state fiscal years in which \$115,200,000 or more in federal
6 financial participation relating to facilities is received under 42 CFR 433.51, from the
7 appropriations under s. 20.435 (4) (w) and (o) for reduction of operating deficits, as
8 defined under criteria developed by the department, incurred by a facility ~~as defined~~
9 ~~under sub. (6m) (a) 3~~, that is established under s. 49.70 (1) or that is owned and
10 operated by a city, village, or town, the department may not distribute to these
11 facilities more than \$77,100,000 in each fiscal year, as determined by the department
12 under a methodology as specified in the state plan for services under 42 USC 1396.

INSERT 10-18

13 SECTION 13. 49.472 (6) (a) of the statutes is amended to read:

14 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation under s.
15 20.435 (4) (b) or (w), the department shall, on the part of an individual who is eligible
16 for medical assistance under sub. (3), pay premiums for or purchase individual
17 coverage offered by the individual's employer if the department determines that
18 paying the premiums for or purchasing the coverage will not be more costly than
19 providing medical assistance.

History: 1999 a. 9, 185.

20 SECTION 14. 49.472 (6) (b) of the statutes is amended to read:

21 49.472 (6) (b) If federal financial participation is available, from the
22 appropriation under s. 20.435 (4) (b) or (w), the department may pay medicare Part

1 A and Part B premiums for individuals who are eligible for medicare and for medical
2 assistance under sub. (3).

3 History: 1999 a. 9, 185.

3 **SECTION 15.** 49.665 (4) (at) 1. a. of the statutes is amended to read:

4 49.665 (4) (at) 1. a. Except as provided in subd. 1. b., the department shall
5 establish a lower maximum income level for the initial eligibility determination if
6 funding under s. 20.435 (4) (bc), (jz) and , (p), and (w) is insufficient to accommodate
7 the projected enrollment levels for the health care program under this section. The
8 adjustment may not be greater than necessary to ensure sufficient funding.

9 History: 1997 a. 27, 237; 1999 a. 9.

9 **SECTION 16.** 49.665 (4) (at) 2. of the statutes is amended to read:

10 49.665 (4) (at) 2. If, after the department has established a lower maximum
11 income level under subd. 1., projections indicate that funding under s. 20.435 (4) (bc),
12 (jz) and , (p) and (w) is sufficient to raise the level, the department shall, by state plan
13 amendment, raise the maximum income level for initial eligibility, but not to exceed
14 185% of the poverty line.

History: 1997 a. 27, 237; 1999 a. 9.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1627/P2dn

DAK.kmg:pg
S
cjs

To Jennifer Kraus, Melissa Mullikin, and Fredi Bove, et al.:

1. Please review my changes to s. 49.45 (6u), stats. I drafted your proposed language to modify "operating deficits" concerning the methodology used by the department in December, 2000, only in s. 49.45 (6u) (am) (intro.); since the (intro.) controls the rest of the paragraph, it was unnecessary to add this modifier to "operating deficits" elsewhere in the paragraph. Also, I was unsure whether, in this draft, you now wish to change the \$38,600,000 figure to \$40,100,000; I left it alone for now. ✓ ✓
2. I have retained the effective date section for the change to s. 49.45 (6u) (intro.), stats., that involves the Ourada amendment; I believe it is a better practice to refer to an explicit effective date rather than to the medicaid plan, because the period of effectiveness of a medicaid plan is not particularly well known to the Legislature or to others.

Please let me know if I may give you further assistance with the draft.

Debora A. Kennedy
Managing Attorney
Phone: (608) 266-0137
E-mail: debora.kennedy@legis.state.wi.us

Section #. 46.278 (6) (d) of the statutes is amended to read:

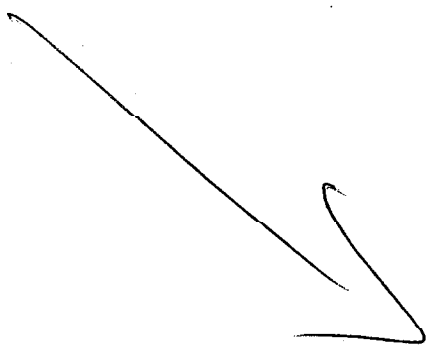
46.278 (6) (d) If a county makes available nonfederal funds equal to the state share of service costs under the waiver received under sub. (3), the department may, from the appropriation under s. 20.435 (4) (o), provide reimbursement for services that the county provides under this section to persons who are in addition to those who may be served under this section with funds from the appropriation under s. 20.435 (4) (b). or (w)

History: 1987 a. 27, 186; 1989 a. 31; 1991 a. 269; 1993 a. 16; 1995 a. 27; 1997 a. 27; 1999 a. 9.

Section #. 49.45 (6v) (c) of the statutes is amended to read:

49.45 (6v) (c) If the report specified in par. (b) indicates that utilization of beds by recipients of medical assistance in facilities is less than estimates for that utilization reflected in the intentions of the joint committee on finance, legislature and governor, as expressed by them in the budget determinations, the department shall include a proposal to transfer moneys from the appropriation under s. 20.435 (4) (b) ^{or (w)} to the appropriation under s. 20.435 (7) (bd) for the purpose of increasing funding for the community options program under s. 46.27. The amount proposed for transfer may not reduce the balance in the appropriation account under s. 20.435 (4) (b) ^{or (w)} below an amount necessary to ensure that that appropriation account will end the current fiscal year or the current fiscal biennium with a positive balance. The secretary shall transfer the amount identified under the proposal.

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; 1999 a. 9, 63, 103, 180, 185.



Section #. 49.45 (6x) (a) of the statutes is amended to read:

ADD

and (w),

49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriations under s. 20.435 (4) (b) ~~and~~ ^{and} (o) the department shall distribute not more than \$4,748,000 in each fiscal year, to provide funds to an essential access city hospital, except that the department may not allocate funds to an essential access city hospital to the extent that the allocation would exceed any limitation under 42 USC 1396b (i) (3).

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; 1999 a. 9, 63, 103, 180, 185.

*End of
INS 9-1*

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1627/P2dn

DAK:cjs:km

January 15, 2001

To Jennifer Kraus, Melissa Mullikin, and Fredi Bove, et al.:

1. Please review my changes to s. 49.45 (6u), stats. I drafted your proposed language to modify "operating deficits" concerning the methodology used by the department in December, 2000, only in s. 49.45 (6u) (am) (intro.); since the (intro.) controls the rest of the paragraph, it was unnecessary to add this modifier to "operating deficits" elsewhere in the paragraph. Also, I was unsure whether, in this draft, you now wish to change the \$38,600,000 figure to \$40,100,000; I left it alone for now.
2. I have retained the effective date section for the change to s. 49.45 (6u) (intro.), stats., that involves the Ourada amendment; I believe it is a better practice to refer to an explicit effective date rather than to the medicaid plan, because the period of effectiveness of a medicaid plan is not particularly well known to the Legislature or to others.

Please let me know if I may give you further assistance with the draft.

Debora A. Kennedy
Managing Attorney
Phone: (608) 266-0137
E-mail: debora.kennedy@legis.state.wi.us



(SOON - In edit 1/22)
State of Wisconsin
 2001 - 2002 LEGISLATURE
 D-NOTE

LRB-1627/103
 DAK: [unclear] cjs:km
 remove period
 P3
 E/KMG

DOA: Mullikin - Appropriation for intergovernmental transfer program funds

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT *D. NOT SEN*; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current federal law, medical assistance (MA) is a jointly funded, federal-state program; federal funds (known as "federal financial participation") are provided to match state funds expended for MA. Public funds that are not federal funds, that are transferred to the state, and that are expended for MA purposes may be considered as the state's share in claiming federal financial participation.

This bill creates a separate, nonlapsible trust fund, designated as the MA trust fund, from: 1) moneys received as federal financial participation to match public moneys transferred to the state or certified by DHFS as the state share of financial participation for payments related to nursing homes under the MA program; and 2) public moneys transferred to the state or certified by DHFS as the state share of financial participation for payments related to nursing homes under the MA program. The moneys are appropriated to meet costs of MA and the administrative costs associated with augmenting federal financial participation.

Under current law, DHFS may, in each fiscal year, distribute up to \$38,600,000 received as federal financial participation to supplement payments under MA in order to reduce operating deficits of county, city, village, or town nursing homes.

DHFS must also distribute for this purpose additional moneys received as federal financial participation that were not anticipated before enactment of the biennial budget act or before enactment of other legislation that affects the appropriation of such federal moneys. The distribution of these supplemental payments is made under a method that includes consideration of the size of a nursing home's operating deficit and an agreement by the affected county, city, town, or village to provide funds to match the federal moneys. DHFS must revise the method, for approval by JCF, if the federal department of health and human services approves a lesser amount of federal moneys for expenditure. If the federal department of health and human services disallows use of the federal moneys for the purpose of these supplemental payments, DHFS must reduce allocations to counties, and a city, town, or village that owns or operates a nursing home that has received funds must reimburse the county in which the city, town, or village is located.

This bill retroactively eliminates, in the program to supplement MA payments to reduce operating deficits of county, city, village, or town nursing homes, the requirement that DHFS distribute for this purpose additional, unanticipated moneys received as federal financial participation, effective January 1, 2001.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.435 (4) (o) of the statutes is amended to read:

2 20.435 (4) (o) *Federal aid; medical assistance.* All federal moneys received for
3 meeting costs of medical assistance administered under ss. 46.284 (5), 49.45 and
4 49.665, to be used for those purposes and for transfer to the medical assistance trust
5 fund, for those purposes.

6 **SECTION 2.** 20.435 (4) (w) of the statutes is created to read:

7 20.435 (4) (w) *Medical assistance trust fund.* From the medical assistance trust
8 fund, all moneys received for meeting costs of medical assistance administered under
9 ss. 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5), 46.485, 49.45, 49.472 (6), and
10 49.665 and for administrative costs associated with augmenting the amount of
11 federal moneys received under 42 CFR 433.51. Notwithstanding s. 20.002 (1), the
12 department may transfer from this appropriation to the appropriation under sub. (7)

1 (kb) funds for the purposes specified in s. 46.485. Notwithstanding s. 20.002 (1), the
2 department may credit or deposit into this appropriation and may transfer between
3 fiscal years funds that it transfers from the appropriation under sub. (7) (kb) as
4 specified in s. 46.485 (3r). Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the
5 department may transfer from this appropriation to the appropriation account
6 under sub. (7) (bd) funds in the amount and for the purposes specified in s. 49.45 (6v).

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 SECTION 3. 20.435 (7) (bd) of the statutes is amended to read:

8 20.435 (7) (bd) *Community options program; pilot projects; family care benefit.*

9 The amounts in the schedule for assessments, case planning, services,
10 administration and risk reserve escrow accounts under s. 46.27, for pilot projects
11 under s. 46.271 (1), to fund services provided by resource centers under s. 46.283 (5),
12 for services under the family care benefit under s. 46.284 (5) and for the payment of
13 premiums under s. 49.472 (5). If the department transfers funds to this
14 appropriation from the appropriation account under sub. (4) (b) or (w), the amounts
15 in the schedule for the fiscal year for which the transfer is made are increased by the
16 amount of the transfer for the purposes specified in s. 49.45 (6v). Notwithstanding
17 ss. 20.001 (3) (a) and 20.002 (1), the department may under this paragraph transfer
18 moneys between fiscal years. Except for moneys authorized for transfer under this
19 appropriation or under s. 46.27 (7) (fm) or (g), all moneys under this appropriation
20 that are allocated under s. 46.27 and are not spent or encumbered by counties or by
21 the department by December 31 of each year shall lapse to the general fund on the
22 succeeding January 1 unless transferred to the next calendar year by the joint
23 committee on finance.

1 **SECTION 4.** 20.435 (7) (kb) of the statutes is amended to read:

2 20.435 (7) (kb) *Severely emotionally disturbed children.* As a continuing
3 appropriation, all moneys transferred from the appropriation under sub. (4) (b) or (w)
4 to this appropriation to provide, under s. 46.485, mental health care and treatment
5 and community-based mental health services for severely emotionally disturbed
6 children. Notwithstanding s. 20.002 (1), the department of health and family
7 services may transfer from this appropriation to the ~~appropriation~~ appropriations
8 under sub. (4) (b) and (w) funds as specified in s. 46.485 (3r).

9 **SECTION 5.** 25.17 (1) (jv) of the statutes is created to read:

10 25.17 (1) (jv) Medical assistance trust fund (s. 25.77);

11 **SECTION 6.** 25.77 of the statutes is created to read:

12 **25.77 Medical assistance trust fund.** There is created a separate
13 nonlapsible trust fund designated as the medical assistance trust fund, consisting
14 of all of the following:

15 (1) All federal moneys received, including moneys that the department of
16 health and family services may transfer from the appropriation under s. 20.435 (4)
17 (o), that are related to payments under s. 49.45 (6m) and are based on public funds
18 that are transferred or certified under 42 CFR 433.51 (b) and used as the non-federal
19 share of medical assistance funding.

20 (2) All public funds that are related to payments under s. 49.45 (6m) and that
21 are transferred or certified under 42 CFR 433.51 (b) and used as the non-federal
22 share of medical assistance funding.

23 **SECTION 7.** 46.27 (9) (a) of the statutes is amended to read:

24 46.27 (9) (a) The department may select up to 5 counties that volunteer to
25 participate in a pilot project under which they will receive certain funds allocated for

1 long-term care. The department shall allocate a level of funds to these counties
2 equal to the amount that would otherwise be paid under s. 20.435 (4) (b) or (w) to
3 nursing homes for providing care because of increased utilization of nursing home
4 services, as estimated by the department. In estimating these levels, the department
5 shall exclude any increased utilization of services provided by state centers for the
6 developmentally disabled. The department shall calculate these amounts on a
7 calendar year basis under sub. (10).

8 **SECTION 8.** 46.27 (10) (a) 1. of the statutes is amended to read:

9 46.27 (10) (a) 1. The department shall determine for each county participating
10 in the pilot project under sub. (9) a funding level of state medical assistance
11 expenditures to be received by the county. This level shall equal the amount that the
12 department determines would otherwise be paid under s. 20.435 (4) (b) or (w) because
13 of increased utilization of nursing home services, as estimated by the department.

14 **SECTION 9.** 46.275 (5) (a) of the statutes is amended to read:

15 46.275 (5) (a) Medical assistance reimbursement for services a county, or the
16 department under sub. (3r), provides under this program is available from the
17 appropriations under s. 20.435 (4) (b) and, (o), and (w). If 2 or more counties jointly
18 contract to provide services under this program and the department approves the
19 contract, medical assistance reimbursement is also available for services provided
20 jointly by these counties.

21 **SECTION 10.** 46.275 (5) (c) of the statutes is amended to read:

22 46.275 (5) (c) The total allocation under s. 20.435 (4) (b) and, (o), and (w) to
23 counties and to the department under sub. (3r) for services provided under this
24 section may not exceed the amount approved by the federal department of health and
25 human services. A county may use funds received under this section only to provide

1 services to persons who meet the requirements under sub. (4) and may not use
2 unexpended funds received under this section to serve other developmentally
3 disabled persons residing in the county.

4 SECTION 11. 46.278 (6) (d) of the statutes is amended to read:

5 46.278 (6) (d) If a county makes available nonfederal funds equal to the state
6 share of service costs under the waiver received under sub. (3), the department may,
7 from the appropriation under s. 20.435 (4) (o), provide reimbursement for services
8 that the county provides under this section to persons who are in addition to those
9 who may be served under this section with funds from the appropriation under s.
10 20.435 (4) (b) or (w).

11 SECTION 12. 46.283 (5) of the statutes is amended to read:

12 46.283 (5) ~~FUNDING~~ From the appropriation accounts under s. 20.435 (4) (b),
13 (bm) ~~and (pa)~~ and (w) and (7) (b), (bd), and (md), the department may contract
14 with organizations that meet standards under sub. (3) for performance of the duties
15 under sub. (4) and shall distribute funds for services provided by resource centers.

16 SECTION 13. 46.284 (5) (a) of the statutes is amended to read:

17 46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g) and
18 (o), and (w) and (7) (b) and (bd), the department shall provide funding on a capitated
19 payment basis for the provision of services under this section. Notwithstanding s.
20 46.036 (3) and (5m), a care management organization that is under contract with the
21 department may expend the funds, consistent with this section, including providing
22 payment, on a capitated basis, to providers of services under the family care benefit.

23 SECTION 14. 46.485 (2g) (intro.) of the statutes is amended to read:

24 46.485 (2g) (intro.) From the appropriation under s. 20.435 (4) (b) or (w), the
25 department may in each fiscal year transfer funds to the appropriation under s.

LPS: make it so that this material reads like this:
and ^ (pa) ^ and (w) plain

1 20.435 (7) (kb) for distribution under this section, and from the appropriation under
2 s. 20.435 (7) (mb), the department may not distribute more than \$1,330,500 in each
3 fiscal year to applying counties in this state that meet all of the following
4 requirements, as determined by the department:

5 **SECTION 15.** 46.485 (3r) of the statutes is amended to read:

6 46.485 (3r) Funds that a county does not encumber before 24 months after
7 June 30 of the fiscal year in which the funds were distributed under sub. (2g) lapse,
8 in the amounts determined by the department, to the appropriation appropriations
9 under s. 20.435 (4) (b) and (w).

10 **SECTION 16.** 49.45 (5m) (am) of the statutes is amended to read:

11 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriations under
12 s. 20.435 (4) (b) and, (o), and (w), the department shall distribute not more than
13 \$2,256,000 in each fiscal year, to provide supplemental funds to rural hospitals that,
14 as determined by the department, have high utilization of inpatient services by
15 patients whose care is provided from governmental sources, and to provide
16 supplemental funds to critical access hospitals, except that the department may not
17 distribute funds to a rural hospital or to a critical access hospital to the extent that
18 the distribution would exceed any limitation under 42 USC 1396b (i) (3).

19 **SECTION 17.** 49.45 (5r) of the statutes is amended to read:

20 49.45 (5r) SUPPLEMENTAL PAYMENTS FOR HOSPITALS. From the appropriations
21 under s. 20.435 (4) (b) and, (o), and (w), the department shall distribute not more than
22 \$2,451,000, beginning on July 1, 2000, as a supplemental payment to a hospital for
23 which medical assistance revenues were at least 8% of the hospital's total revenues
24 in the most recent fiscal year prior to the year of payment. The department shall
25 calculate a qualifying hospital's supplemental payment amount by multiplying the

1 total amount by the percentage obtained by dividing the hospital's total medical
2 assistance revenues in the most recent prior fiscal year by the total amount of
3 medical assistance revenues for all qualifying hospitals for that period.

4 **SECTION 18.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

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

12 **SECTION 19.** 49.45 (6u) (intro.) of the statutes is amended to read:

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

→ *not; out of order*



1 SECTION 20. 49.45 (6u) of the statutes, as affected by 2001 Wisconsin Act
2 (this act), is renumbered 49.45 (6u) (am), and 49.45 (6u) (am) (intro.), 2. (intro.) and
3 b., 3., 4., 5. and 6., as renumbered, are amended to read:

4 49.45 (6u) (am) (intro.) Notwithstanding sub. (6m), in state fiscal years in
5 which less than \$115,200,000 in federal financial participation relating to facilities
6 is received under 42 CFR 433.51, from the appropriation under s. 20.435 (4) (o), for
7 reduction of operating deficits, as defined under ~~criteria developed~~ the methodology
8 used by the department in December, 2000, incurred by a facility, ~~as defined under~~
9 ~~sub. (6m) (a) 3.~~, that is established under s. 49.70 (1) or that is owned and operated
10 by a city, village, or town, the department may not distribute to these facilities more
11 than \$38,600,000 in each fiscal year, as determined by the department. The total
12 amount that a county certifies under this subsection may not exceed 100% of
13 otherwise-unreimbursed care. In distributing funds under this subsection, the
14 department shall perform all of the following:

15 2. (intro.) Based on the amount estimated available under ~~par. (a)~~ subd. 1.,
16 develop a method to distribute this allocation to the individual facilities that have
17 incurred operating deficits that shall include:

18 2 b. Agreement by the county in which is located the facility established under
19 s. 49.70 (1) and agreement by the city, village, or town that owns and operates the
20 facility that the applicable county, city, village, or town shall provide funds to match
21 federal medical assistance matching funds under this subsection paragraph.

22 3. Distribute the allocation under the distribution method that is developed,
23 unless a county has failed to comply with ~~par. (b) 2.~~ subd. 2. b.

24 4. If the federal department of health and human services approves for state
25 expenditure in a fiscal year amounts under s. 20.435 (4) (o) that result in a lesser

Handwritten marks and circled numbers 18 and 2.

1 allocation amount than that allocated under this ~~subsection~~ paragraph, allocate not
2 more than the lesser amount so approved by the federal department of health and
3 human services.

4 5. If the federal department of health and human services approves for state
5 expenditure in a fiscal year amounts under s. 20.435 (4) (o) that result in a lesser
6 allocation amount than that allocated under this ~~subsection~~ paragraph, submit a
7 revision of the method developed under ~~par. (b)~~ subd. 2. for approval by the joint
8 committee on finance in that state fiscal year.

9 6. If the federal department of health and human services disallows use of the
10 allocation of matching federal medical assistance funds distributed under ~~par. (e)~~
11 subd. 3. apply the requirements under sub. (6m) (br).

12 *← insert scored period*
SECTION 21. 49.45 (6u) (ag) of the statutes is created to read:

13 49.45 (6u) (ag) In this subsection, "facility" has the meaning given in sub. (6m)

14 (a) 3.

15 SECTION 22. 49.45 (6u) (bm) of the statutes is created to read:

16 49.45 (6u) (bm) In state fiscal years in which \$115,200,000 or more in federal
17 financial participation relating to facilities is received under 42 CFR 433.51, from the
18 appropriations under s. 20.435 (4) (o) and (w), for reduction of operating deficits, as
19 defined under criteria developed by the department, incurred by a facility that is
20 established under s. 49.70 (1) or that is owned and operated by a city, village, or town,
21 the department may not distribute to these facilities more than \$77,100,000 in each
22 fiscal year, as determined by the department under a methodology as specified in the
23 state plan for services under 42 USC 1396.

24 SECTION 23. 49.45 (6v) (b) of the statutes is amended to read:

1 49.45 (6v) (b) The department shall, each year, submit to the joint committee
2 on finance a report for the previous fiscal year, except for the 1997–98 fiscal year, that
3 provides information on the utilization of beds by recipients of medical assistance in
4 facilities and a discussion and detailed projection of the likely balances,
5 expenditures, encumbrances and carry over of currently appropriated amounts in
6 the appropriation accounts under s. 20.435 (4) (b) ~~and, (o), and (w)~~.

7 **SECTION 24.** 49.45 (6v) (c) of the statutes is amended to read:

8 49.45 (6v) (c) If the report specified in par. (b) indicates that utilization of beds
9 by recipients of medical assistance in facilities is less than estimates for that
10 utilization reflected in the intentions of the joint committee on finance, legislature
11 and governor, as expressed by them in the budget determinations, the department
12 shall include a proposal to transfer moneys from the appropriation under s. 20.435
13 (4) (b) ~~or (w)~~ to the appropriation under s. 20.435 (7) (bd) for the purpose of increasing
14 funding for the community options program under s. 46.27. The amount proposed
15 for transfer may not reduce the balance in the appropriation account under s. 20.435
16 (4) (b) ~~or (w)~~ below an amount necessary to ensure that that appropriation account
17 will end the current fiscal year or the current fiscal biennium with a positive balance.
18 The secretary shall transfer the amount identified under the proposal.

19 **SECTION 25.** 49.45 (6x) (a) of the statutes is amended to read:

20 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriations under s.
21 20.435 (4) (b) ~~and, (o), and (w)~~, the department shall distribute not more than
22 \$4,748,000 in each fiscal year, to provide funds to an essential access city hospital,
23 except that the department may not allocate funds to an essential access city hospital
24 to the extent that the allocation would exceed any limitation under 42 USC 1396b
25 (i) (3).

1 **SECTION 26.** 49.45 (6y) (a) of the statutes is amended to read:

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

12 **SECTION 27.** 49.45 (6y) (am) of the statutes is amended to read:

13 49.45 (6y) (am) Notwithstanding sub. (3) (e), from the appropriations under s.
14 20.435 (4) (b), (h) and, (o), and (w), the department shall distribute funding in each
15 fiscal year to provide supplemental payments to hospitals that enter into contracts
16 under s. 49.02 (2) with a county having a population of 500,000 or more to provide
17 health care services funded by a relief block grant, as determined by the department,
18 for hospital services that are not in excess of the hospitals' customary charges for the
19 services, as limited under 42 USC 1396b (i) (3).

20 **SECTION 28.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

21 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriations
22 under s. 20.435 (4) (b) and, (o), and (w), the department shall distribute funding in
23 each fiscal year to supplement payment for services to hospitals that enter into a
24 contract under s. 49.02 (2) to provide health care services funded by a relief block
25 grant under this chapter, if the department determines that the hospitals serve a

1 disproportionate number of low-income patients with special needs. If no medical
2 relief block grant under this chapter is awarded or if the allocation of funds to such
3 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
4 may distribute funds to hospitals that have not entered into a contract under s. 49.02
5 (2). The department may not distribute funds under this subsection to the extent
6 that the distribution would do any of the following:

7 SECTION 29. 49.45 (8) (b) of the statutes is amended to read:

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

13 SECTION 30. 49.45 (24m) (intro.) of the statutes is amended to read:

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

19 SECTION 31. 49.472 (6) (a) of the statutes is amended to read:

20 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation under s.
21 20.435 (4) (b) ~~or (w)~~, the department shall, on the part of an individual who is eligible
22 for medical assistance under sub. (3), pay premiums for or purchase individual
23 coverage offered by the individual's employer if the department determines that
24 paying the premiums for or purchasing the coverage will not be more costly than
25 providing medical assistance.

1 SECTION 32. 49.472 (6) (b) of the statutes is amended to read:

2 49.472 (6) (b) If federal financial participation is available, from the
3 appropriation under s. 20.435 (4) (b) or (w), the department may pay medicare Part
4 A and Part B premiums for individuals who are eligible for medicare and for medical
5 assistance under sub. (3).

6 SECTION 33. 49.665 (4) (at) 1. a. of the statutes is amended to read:

7 49.665 (4) (at) 1. a. Except as provided in subd. 1. b., the department shall
8 establish a lower maximum income level for the initial eligibility determination if
9 funding under s. 20.435 (4) (bc), (jz) and ^{close up} (p) and (w) is insufficient to accommodate
10 the projected enrollment levels for the health care program under this section. The
11 adjustment may not be greater than necessary to ensure sufficient funding.

12 SECTION 34. 49.665 (4) (at) 2. of the statutes is amended to read:

13 49.665 (4) (at) 2. If, after the department has established a lower maximum
14 income level under subd. 1., projections indicate that funding under s. 20.435 (4) (bc),
15 (jz) and ^{close up} (p) and (w) is sufficient to raise the level, the department shall, by state plan
16 amendment, raise the maximum income level for initial eligibility, but not to exceed
17 185% of the poverty line.

18 SECTION 9423. Effective dates; health and family services.

19 (1) SUPPLEMENTAL MEDICAL ASSISTANCE PAYMENTS TO NURSING HOMES. The
20 amendment of section 49.45 (6u) (intro.) of the statutes takes effect retroactively to
21 January 1, 2001.

22 (END)

D-NOTE

D-NOTE

DAK:cjs:

To Jennifer Kraus, Melissa Mullikin, and
Fredie Bove, et al.:

#

This redraft makes several minor
technical corrections; ^(it makes) no substantive changes.

DAK

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

LRB-1627/P3dn
DAK:cjs:km

January 22, 2001

To Jennifer Kraus, Melissa Mullikin, and Fredi Bove, et al.:

This redraft makes several minor technical corrections; it makes no substantive change.

Debora A. Kennedy
Managing Attorney
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E-mail: debora.kennedy@legis.state.wi.us

Kennedy, Debora

From: Mullikin, Melissa
Sent: Tuesday, January 23, 2001 11:08 AM
To: Kennedy, Debora
Subject: Comments on 1627/P2

Debora,

Attached are DOA and DHFS comments on LRB draft 1627/P2. Please note that these are changes to /P2, not the most recent draft /P3. These comments were compiled prior to receipt of that most recent draft.

Thanks much,
Melissa



igt stat lang comments
P2.doc

Melissa Mullikin
Executive Policy and Budget Analyst
State Budget Office
267-7980

**Department of Health and Family Services
Office of Strategic Finance**

PO Box 7850
Madison WI 53707-7850
Phone (608) 266-3816
Fax (608) 267-0358

Date: January 17, 2001
To: Debora Kennedy
From: Jennifer Kraus
Subject: DOA/DHFS Comments on LRB-1627/P2: Appropriation for IGT

Thank you for the opportunity to comment on LRB-1627/P2. These comments were compiled prior to receipt of LRB-1627/P3.

Drafter's Notes

1. In Section 19, the \$38,600,000 should be changed to \$40,100,000. This is to reflect the fact that in FY01 we intend to provide the counties the money they would have received if the provision in s.49.45 (6u) known as the Ourada amendment was in effect in FY01. As a result, the total payment to counties in FY01 is \$40,100,000. In addition, the \$38,600,000 should be changed to \$37,100,000 in Section 20.

General Comments

✓ 1. Use of funding in appropriation 20.435 (4)(w): As noted in our January 12 memo, we intend that funding in the new appropriation 20.435 (4)(w) be available for use in all MA programs. Upon further discussion and analysis, we realized that the Severely Emotionally Disturbed program, which is defined in s.46.485 and funded from appropriation 20.435 (7)(kb), is not an MA program. Rather, it is a program entirely funded by state GPR. For this reason appropriation 20.435 (4)(w) would not be an appropriate funding source for the program. Our comments below reflect this new approach. We apologize for giving you incorrect instructions in the January 12 memo.

✓ 2. Effective Date: Under the current draft, Section 19 amends s.49.45 (6u) to eliminate the "Ourada amendment", but provide counties the amount of funding in FY01 that they would have received if the Ourada amendment had been in effect. Given this approach, we concluded (after considerable internal discussion) that the appropriate effective date for Section 19 is July 2000 rather than January 2001. Our conclusion is that under Section 19 as currently constructed the fact that the Department made a payment to counties in December 2000 under the current s.49.45 (6u) no longer creates a problem with a July 2000 effective date. Our comments below reflect this new approach.

Comments on Draft

Section 2:

- Eliminate s.46.485 (the SED program) in line 9 and the second and third sentences, which allow the transfer of funds to the SED program, for the reason stated under General Comments #1
- Eliminate the final sentence, which allows the transfer of funds to the COP appropriation based on the nursing home utilization report completed by the Department.

Explanation: Some or all of the funds transferred from s.20.435 (4)(b) (the GPR funding for MA) into the COP appropriation pursuant to the nursing home utilization report are used for COP-Regular, which is a 100% GPR-funded program, and not an MA program. For this reason, s. 20.435 (4)(w) is not an appropriate funding source for the transfer of funds into COP.

Section 3:

- No need to amend this provision for the reason stated under Explanation in Section 2 above.

Section 4:

- No need to amend this provision for the reason stated in General Comments #1.

Section 6:

- No; add → and federal*
- In lines 21-22, ~~delete~~ "and used as the non-federal share of medical assistance funding."

Explanation: As noted in our January 12 memo, the Trust Fund will receive the total amount of funds transferred from the counties. This total is equal to the non-federal and federal amount of the payment to nursing homes.

Sections 14 and 15

Do not amend for the reason given in General Comments #1.

Section 19 20

- In line 18, change "\$38,600,000" to "40,100,000" for the reasons given in response to Drafter's Note 1.

Section 20 19

- In line 6, p.9 and line 5, p.10, please add after s. 20.435(4)(o) "and ~~(w)~~(w)" to reflect the fact that appropriation s.20.435 (4)(w) is a funding source for payments under 49.45 (6u).

Also, strike "\$40,100,000" and underscore "\$37,100,000"

Sections 23 and 24:

- Do not amend for the reason stated under Explanation under Section 2.

Section 9423:

- In line 21, change retroactive effective date from January 1, 2001 to July 1, 2000 for the reasons given in General Comments #2.

Thank you for your assistance on this statutory language draft.



SOON - In edit 1/24

State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-1627-31

DAK:cjs&kmg:ks

+jd

DOA:.....Mullikin – Appropriation for intergovernmental transfer program funds

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

Don't gen

1

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

✓ and federal

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current federal law, medical assistance (MA) is a jointly funded, federal-state program; federal funds (known as "federal financial participation") are provided to match state funds expended for MA. Public funds that are not federal funds, that are transferred to the state, and that are expended for MA purposes may be considered as the state's share in claiming federal financial participation.

This bill creates a separate, nonlapsible trust fund, designated as the MA trust fund, from: 1) moneys received as federal financial participation to match public moneys transferred to the state or certified by DHFS as the state share of financial participation for payments related to nursing homes under the MA program; and 2) public moneys transferred to the state or certified by DHFS as the state share of financial participation for payments related to nursing homes under the MA program. The moneys are appropriated to meet costs of MA and the administrative costs associated with augmenting federal financial participation.

Under current law, DHFS may, in each fiscal year, distribute up to \$38,600,000 received as federal financial participation to supplement payments under MA in order to reduce operating deficits of county, city, village, or town nursing homes.

as of July 1, 2000,

DHFS must also distribute for this purpose additional moneys received as federal financial participation that were not anticipated before enactment of the biennial budget act or before enactment of other legislation that affects the appropriation of such federal moneys. The distribution of these supplemental payments is made under a method that includes consideration of the size of a nursing home's operating deficit and an agreement by the affected county, city, town, or village to provide funds to match the federal moneys. DHFS must revise the method, for approval by JCF, if the federal department of health and human services approves a lesser amount of federal moneys for expenditure. If the federal department of health and human services disallows use of the federal moneys for the purpose of these supplemental payments, DHFS must reduce allocations to counties, and a city, town, or village that owns or operates a nursing home that has received funds must reimburse the county in which the city, town, or village is located.

This bill retroactively eliminates, in the program to supplement MA payments to reduce operating deficits of county, city, village, or town nursing homes, the requirement that DHFS distribute for this purpose additional, unanticipated moneys received as federal financial participation, ~~effective January 1, 2001.~~ INSERT A ✓

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.435 (4) (o) of the statutes is amended to read:

2 20.435 (4) (o) *Federal aid; medical assistance.* All federal moneys received for
3 meeting costs of medical assistance administered under ss. 46.284 (5), 49.45 and
4 49.665, to be used for those purposes and for transfer to the medical assistance trust
5 fund, for those purposes.

6 **SECTION 2.** 20.435 (4) (w) of the statutes is created to read:

7 20.435 (4) (w) *Medical assistance trust fund.* From the medical assistance trust
8 fund, all moneys received for meeting costs of medical assistance administered under
9 ss. 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5), ~~46.284~~, 49.45, 49.472 (6), and
10 49.665 and for administrative costs associated with augmenting the amount of
11 federal moneys received under 42 CFR 433.51. Notwithstanding s. 20.002 (1), the

12 department may transfer from this appropriation to the appropriation under sub. (7)

1 (kb) funds for the purposes specified in s. 46.485. Notwithstanding s. 20.002 (1), the
2 department may credit or deposit into this appropriation and may transfer between
3 fiscal years funds that it transfers from the appropriation under sub. (7) (kb) as
4 specified in s. 46.485 (3r). Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the
5 department may transfer from this appropriation to the appropriation account
6 under sub. (7) (bd) funds in the amount and for the purposes specified in s. 49.45 (6v).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 3.** 20.435 (7) (bd) of the statutes is amended to read:
8 20.435 (7) (bd) *Community options program; pilot projects; family care benefit.*
9 The amounts in the schedule for assessments, case planning, services,
10 administration and risk reserve escrow accounts under s. 46.27, for pilot projects
11 under s. 46.271 (1), to fund services provided by resource centers under s. 46.283 (5),
12 for services under the family care benefit under s. 46.284 (5) and for the payment of
13 premiums under s. 49.472 (5). If the department transfers funds to this
14 appropriation from the appropriation account under sub. (4) (b) or (w), the amounts
15 in the schedule for the fiscal year for which the transfer is made are increased by the
16 amount of the transfer for the purposes specified in s. 49.45 (6v). Notwithstanding
17 ss. 20.001 (3) (a) and 20.002 (1), the department may under this paragraph transfer
18 moneys between fiscal years. Except for moneys authorized for transfer under this
19 appropriation or under s. 46.27 (7) (fm) or (g), all moneys under this appropriation
20 that are allocated under s. 46.27 and are not spent or encumbered by counties or by
21 the department by December 31 of each year shall lapse to the general fund on the
22 succeeding January 1 unless transferred to the next calendar year by the joint
23 committee on finance.

1 **SECTION 4.** 20.435 (7) (kb) of the statutes is amended to read:

2 20.435 (7) (kb) ~~Severely emotionally disturbed children.~~ As a continuing
3 appropriation, all moneys transferred from the appropriation under sub. (4) (b) or (w)
4 to this appropriation to provide, under s. 46.485, mental health care and treatment
5 and community-based mental health services for severely emotionally disturbed
6 children. Notwithstanding s. 20.002 (1), the department of health and family
7 services may transfer from this appropriation to the ~~appropriation~~ appropriations
8 under sub. (4) (b) and (w) funds as specified in s. 46.485 (3r).

9 **SECTION 5.** 25.17 (1) (jv) of the statutes is created to read:

10 25.17 (1) (jv) Medical assistance trust fund (s. 25.77);

11 **SECTION 6.** 25.77 of the statutes is created to read:

12 **25.77 Medical assistance trust fund.** There is created a separate
13 nonlapsible trust fund designated as the medical assistance trust fund, consisting
14 of all of the following:

15 (1) All federal moneys received, including moneys that the department of
16 health and family services may transfer from the appropriation under s. 20.435 (4)
17 (o), that are related to payments under s. 49.45 (6m) and are based on public funds
18 that are transferred or certified under 42 CFR 433.51 (b) and used as the non-federal
19 share of medical assistance funding.

20 (2) All public funds that are related to payments under s. 49.45 (6m) and that
21 are transferred or certified under 42 CFR 433.51 (b) and used as the non-federal
22 share of medical assistance funding. and federal ✓

23 **SECTION 7.** 46.27 (9) (a) of the statutes is amended to read:

24 46.27 (9) (a) The department may select up to 5 counties that volunteer to
25 participate in a pilot project under which they will receive certain funds allocated for

1 long-term care. The department shall allocate a level of funds to these counties
2 equal to the amount that would otherwise be paid under s. 20.435 (4) (b) or (w) to
3 nursing homes for providing care because of increased utilization of nursing home
4 services, as estimated by the department. In estimating these levels, the department
5 shall exclude any increased utilization of services provided by state centers for the
6 developmentally disabled. The department shall calculate these amounts on a
7 calendar year basis under sub. (10).

8 **SECTION 8.** 46.27 (10) (a) 1. of the statutes is amended to read:

9 46.27 (10) (a) 1. The department shall determine for each county participating
10 in the pilot project under sub. (9) a funding level of state medical assistance
11 expenditures to be received by the county. This level shall equal the amount that the
12 department determines would otherwise be paid under s. 20.435 (4) (b) or (w) because
13 of increased utilization of nursing home services, as estimated by the department.

14 **SECTION 9.** 46.275 (5) (a) of the statutes is amended to read:

15 46.275 (5) (a) Medical assistance reimbursement for services a county, or the
16 department under sub. (3r), provides under this program is available from the
17 appropriations under s. 20.435 (4) (b) and, (o), and (w). If 2 or more counties jointly
18 contract to provide services under this program and the department approves the
19 contract, medical assistance reimbursement is also available for services provided
20 jointly by these counties.

21 **SECTION 10.** 46.275 (5) (c) of the statutes is amended to read:

22 46.275 (5) (c) The total allocation under s. 20.435 (4) (b) and, (o), and (w) to
23 counties and to the department under sub. (3r) for services provided under this
24 section may not exceed the amount approved by the federal department of health and
25 human services. A county may use funds received under this section only to provide

1 services to persons who meet the requirements under sub. (4) and may not use
2 unexpended funds received under this section to serve other developmentally
3 disabled persons residing in the county.

4 **SECTION 11.** 46.278 (6) (d) of the statutes is amended to read:

5 46.278 (6) (d) If a county makes available nonfederal funds equal to the state
6 share of service costs under the waiver received under sub. (3), the department may,
7 from the appropriation under s. 20.435 (4) (o), provide reimbursement for services
8 that the county provides under this section to persons who are in addition to those
9 who may be served under this section with funds from the appropriation under s.
10 20.435 (4) (b) or (w).

11 **SECTION 12.** 46.283 (5) of the statutes is amended to read:

12 46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),
13 (bm) ~~and~~, (pa), and (w) and (7) (b), (bd), and (md), the department may contract with
14 organizations that meet standards under sub. (3) for performance of the duties under
15 sub. (4) and shall distribute funds for services provided by resource centers.

16 **SECTION 13.** 46.284 (5) (a) of the statutes is amended to read:

17 46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g) ~~and~~,
18 (o), and (w) and (7) (b) and (bd), the department shall provide funding on a capitated
19 payment basis for the provision of services under this section. Notwithstanding s.
20 46.036 (3) and (5m), a care management organization that is under contract with the
21 department may expend the funds, consistent with this section, including providing
22 payment, on a capitated basis, to providers of services under the family care benefit.

23 ~~**SECTION 14.** 46.485 (2g) (intro.) of the statutes is amended to read:~~

24 ~~46.485 (2g) (intro.) From the appropriation under s. 20.435 (4) (b) or (w), the~~
25 ~~department may in each fiscal year transfer funds to the appropriation under s.~~

1 20.435 (7) (kb) for distribution under this section, and from the appropriation under
2 s. 20.435 (7) (mb), the department may not distribute more than \$1,330,500 in each
3 fiscal year to applying counties in this state that meet all of the following
4 requirements, as determined by the department:

5 **SECTION 15.** 46.485 (3r) of the statutes is amended to read:

6 46.485 (3r) Funds that a county does not encumber before 24 months after
7 June 30 of the fiscal year in which the funds were distributed under sub. (2g) lapse,
8 in the amounts determined by the department, to the appropriation appropriations
9 under s. 20.435 (4) (b) and (w).

10 **SECTION 16.** 49.45 (5m) (am) of the statutes is amended to read:

11 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriations under
12 s. 20.435 (4) (b) and, (o), and (w), the department shall distribute not more than
13 \$2,256,000 in each fiscal year, to provide supplemental funds to rural hospitals that,
14 as determined by the department, have high utilization of inpatient services by
15 patients whose care is provided from governmental sources, and to provide
16 supplemental funds to critical access hospitals, except that the department may not
17 distribute funds to a rural hospital or to a critical access hospital to the extent that
18 the distribution would exceed any limitation under 42 USC 1396b (i) (3).

19 **SECTION 17.** 49.45 (5r) of the statutes is amended to read:

20 49.45 (5r) SUPPLEMENTAL PAYMENTS FOR HOSPITALS. From the appropriations
21 under s. 20.435 (4) (b) and, (o), and (w), the department shall distribute not more than
22 \$2,451,000, beginning on July 1, 2000, as a supplemental payment to a hospital for
23 which medical assistance revenues were at least 8% of the hospital's total revenues
24 in the most recent fiscal year prior to the year of payment. The department shall
25 calculate a qualifying hospital's supplemental payment amount by multiplying the

1 total amount by the percentage obtained by dividing the hospital's total medical
2 assistance revenues in the most recent prior fiscal year by the total amount of
3 medical assistance revenues for all qualifying hospitals for that period.

4 **SECTION 18.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

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

12 **SECTION 19.** 49.45 (6u) of the statutes, as affected by 2001 Wisconsin Act ...

13 (this act), is renumbered 49.45 (6u) (am), and 49.45 (6u) (am) (intro.), 2. (intro.) and
14 b., 3., 4., 5. and 6., as renumbered, are amended to read:

15 49.45 (6u) (am) (intro.) Notwithstanding sub. (6m) in state fiscal years in
16 which less than \$115,200,000 in federal financial participation relating to facilities
17 is received under 42 CFR 433.51, from the ~~appropriation~~ under s. 20.435 (4) (o), for and
18 reduction of operating deficits, as defined under ~~criteria developed~~ the methodology (w)
19 used by the department in December, 2000, incurred by a facility, as defined under
20 sub. (6m) (a) 3., that is established under s. 49.70 (1) or that is owned and operated
21 by a city, village, or town, the department may not distribute to these facilities more
22 than ~~\$38,000,000~~ in each fiscal year, as determined by the department. The total
23 amount that a county certifies under this subsection may not exceed 100% of
24 otherwise-unreimbursed care. In distributing funds under this subsection, the
25 department shall perform all of the following:

\$40,100,000 \$37,100,000

1 2. (intro.) Based on the amount estimated available under ~~par. (a)~~ subd. 1.,
2 develop a method to distribute this allocation to the individual facilities that have
3 incurred operating deficits that shall include:

4 b. Agreement by the county in which is located the facility established under
5 s. 49.70 (1) and agreement by the city, village, or town that owns and operates the
6 facility that the applicable county, city, village, or town shall provide funds to match
7 federal medical assistance matching funds under this ~~subsection~~ paragraph.

8 3. Distribute the allocation under the distribution method that is developed,
9 unless a county has failed to comply with ~~par. (b) 2m~~ subd. 2. bm.

10 4. If the federal department of health and human services approves for state
11 expenditure in a fiscal year amounts under s. 20.435 (4) (o) that result in a lesser
12 allocation amount than that allocated under this ~~subsection~~ paragraph, allocate not
13 more than the lesser amount so approved by the federal department of health and
14 human services.

15 5. If the federal department of health and human services approves for state
16 expenditure in a fiscal year amounts under s. 20.435 (4) (o) that result in a lesser
17 allocation amount than that allocated under this ~~subsection~~ paragraph, submit a
18 revision of the method developed under ~~par. (b)~~ subd. 2. for approval by the joint
19 committee on finance in that state fiscal year.

20 6. If the federal department of health and human services disallows use of the
21 allocation of matching federal medical assistance funds distributed under ~~par. (c)~~
22 subd. 3., apply the requirements under sub. (6m) (br).

23 **SECTION 20.** 49.45 (6u) (intro.) of the statutes is amended to read:

24 **49.45 (6u) SUPPLEMENTAL PAYMENTS TO CERTAIN FACILITIES.** (intro.)

25 Notwithstanding sub. (6m), from the appropriation under s. 20.435 (4) (o), for

✓
\$40,100,000

1 reduction of operating deficits, as defined under criteria developed by the
2 department, incurred by a facility, as defined under sub. (6m) (a) 3., that is
3 established under s. 49.70 (1) or that is owned and operated by a city, village or town,
4 the department may not distribute to these facilities more than \$38,600,000 in each
5 fiscal year, as determined by the department, ~~except that the department shall also~~
6 ~~distribute for this same purpose from the appropriation under s. 20.435 (4) (o) any~~
7 ~~additional federal medical assistance moneys that were not anticipated before~~
8 ~~enactment of the biennial budget act or other legislation affecting s. 20.435 (4) (o).~~
9 The total amount that a county certifies under this subsection may not exceed 100%
10 of otherwise-unreimbursed care. In distributing funds under this subsection, the
11 department shall perform all of the following:

12 **SECTION 21.** 49.45 (6u) (ag) of the statutes is created to read:

13 49.45 (6u) (ag) In this subsection, "facility" has the meaning given in sub. (6m)

14 (a) 3.

15 **SECTION 22.** 49.45 (6u) (bm) of the statutes is created to read:

16 49.45 (6u) (bm) In state fiscal years in which \$115,200,000 or more in federal
17 financial participation relating to facilities is received under 42 CFR 433.51, from the
18 appropriations under s. 20.435 (4) (o) and (w), for reduction of operating deficits, as
19 defined under criteria developed by the department, incurred by a facility that is
20 established under s. 49.70 (1) or that is owned and operated by a city, village, or town,
21 the department may not distribute to these facilities more than \$77,100,000 in each
22 fiscal year, as determined by the department under a methodology as specified in the
23 state plan for services under 42 USC 1396.

24 ~~**SECTION 23.** 49.45 (6v) (b) of the statutes is amended to read:~~

1 49.45 (6v) (b) The department shall, each year, submit to the joint committee
2 on finance a report for the previous fiscal year, except for the 1997-98 fiscal year, that
3 provides information on the utilization of beds by recipients of medical assistance in
4 facilities and a discussion and detailed projection of the likely balances,
5 expenditures, encumbrances and carry over of currently appropriated amounts in
6 the appropriation accounts under s. 20.435 (4) (b) ~~and, (o), and (w).~~

7 **SECTION 24.** 49.45 (6v) (c) of the statutes is amended to read:

8 49.45 (6v) (c) If the report specified in par. (b) indicates that utilization of beds
9 by recipients of medical assistance in facilities is less than estimates for that
10 utilization reflected in the intentions of the joint committee on finance, legislature
11 and governor, as expressed by them in the budget determinations, the department
12 shall include a proposal to transfer moneys from the appropriation under s. 20.435
13 (4) (b) ~~or (w)~~ to the appropriation under s. 20.435 (7) (bd) for the purpose of increasing
14 funding for the community options program under s. 46.27. The amount proposed
15 for transfer may not reduce the balance in the appropriation account under s. 20.435
16 (4) (b) ~~or (w)~~ below an amount necessary to ensure that that appropriation account
17 will end the current fiscal year or the current fiscal biennium with a positive balance.
18 The secretary shall transfer the amount identified under the proposal.

19 **SECTION 25.** 49.45 (6x) (a) of the statutes is amended to read:

20 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriations under s.
21 20.435 (4) (b) ~~and, (o), and (w)~~, the department shall distribute not more than
22 \$4,748,000 in each fiscal year, to provide funds to an essential access city hospital,
23 except that the department may not allocate funds to an essential access city hospital
24 to the extent that the allocation would exceed any limitation under 42 USC 1396b
25 (i) (3).

1 **SECTION 26.** 49.45 (6y) (a) of the statutes is amended to read:

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

12 **SECTION 27.** 49.45 (6y) (am) of the statutes is amended to read:

13 49.45 **(6y)** (am) Notwithstanding sub. (3) (e), from the appropriations under s.
14 20.435 (4) (b), (h) ~~and, (o), and (w)~~, the department shall distribute funding in each
15 fiscal year to provide supplemental payments to hospitals that enter into contracts
16 under s. 49.02 (2) with a county having a population of 500,000 or more to provide
17 health care services funded by a relief block grant, as determined by the department,
18 for hospital services that are not in excess of the hospitals' customary charges for the
19 services, as limited under 42 USC 1396b (i) (3).

20 **SECTION 28.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

21 49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriations
22 under s. 20.435 (4) (b) ~~and, (o), and (w)~~, the department shall distribute funding in
23 each fiscal year to supplement payment for services to hospitals that enter into a
24 contract under s. 49.02 (2) to provide health care services funded by a relief block
25 grant under this chapter, if the department determines that the hospitals serve a

1 disproportionate number of low-income patients with special needs. If no medical
2 relief block grant under this chapter is awarded or if the allocation of funds to such
3 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
4 may distribute funds to hospitals that have not entered into a contract under s. 49.02
5 (2). The department may not distribute funds under this subsection to the extent
6 that the distribution would do any of the following:

7 **SECTION 29.** 49.45 (8) (b) of the statutes is amended to read:

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

13 **SECTION 30.** 49.45 (24m) (intro.) of the statutes is amended to read:

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

19 **SECTION 31.** 49.472 (6) (a) of the statutes is amended to read:

20 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation under s.
21 20.435 (4) (b) ~~or (w)~~, the department shall, on the part of an individual who is eligible
22 for medical assistance under sub. (3), pay premiums for or purchase individual
23 coverage offered by the individual's employer if the department determines that
24 paying the premiums for or purchasing the coverage will not be more costly than
25 providing medical assistance.

SECTION 32

1 **SECTION 32.** 49.472 (6) (b) of the statutes is amended to read:

2 49.472 (6) (b) If federal financial participation is available, from the
3 appropriation under s. 20.435 (4) (b) or (w), the department may pay medicare Part
4 A and Part B premiums for individuals who are eligible for medicare and for medical
5 assistance under sub. (3).

6 **SECTION 33.** 49.665 (4) (at) 1. a. of the statutes is amended to read:

7 49.665 (4) (at) 1. a. Except as provided in subd. 1. b., the department shall
8 establish a lower maximum income level for the initial eligibility determination if
9 funding under s. 20.435 (4) (bc), (jz) and, (p), and (w) is insufficient to accommodate
10 the projected enrollment levels for the health care program under this section. The
11 adjustment may not be greater than necessary to ensure sufficient funding.

12 **SECTION 34.** 49.665 (4) (at) 2. of the statutes is amended to read:

13 49.665 (4) (at) 2. If, after the department has established a lower maximum
14 income level under subd. 1., projections indicate that funding under s. 20.435 (4) (bc),
15 (jz) and, (p), and (w) is sufficient to raise the level, the department shall, by state plan
16 amendment, raise the maximum income level for initial eligibility, but not to exceed
17 185% of the poverty line.

18 **SECTION 9423. Effective dates; health and family services.**

19 (1) SUPPLEMENTAL MEDICAL ASSISTANCE PAYMENTS TO NURSING HOMES. The
20 amendment of section 49.45 (6u) (intro.) of the statutes takes effect retroactively to

(21) ~~January 1, 2001.~~

22

(END)

July 1, 2000 ✓

INSERT A

and increases, to up to \$40,100,000, the amount
of federal financial participation that may be
distributed. Further, the bill specifies amounts

that may be distributed, beginning in state fiscal

2001-
year ~~01-02~~, depending on whether or not federal

financial participation in the amount of at least

\$115,200,000 is received

NO
#