

2001 DRAFTING REQUEST

Bill

Received: **01/10/2001**

Received By: **isagerro**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Blaine**

This file may be shown to any legislator: **NO**

Drafter: **isagerro**

May Contact:

Alt. Drafters:

Subject: **Public Assistance - med. assist.**

Extra Copies: **DAK**

Pre Topic:

DOA:.....Blaine -

Topic:

Transfer of MA eligibility administration from DWD to DHFS

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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2001 DRAFTING REQUEST

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Bill

Received: **09/20/2000**

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Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Blaine**

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May Contact:

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Subject: **Public Assistance - med. assist.**

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01-0458

DHFS

Department of Health and Family Services
2001-2003 Biennial Budget Statutory Language Request
September 12, 2000

Title: Transfer Medicaid Eligibility Administration from DWD to DHFS

Current Language

None.

Proposed Change

Provide non-statutory language that transfers Medicaid Eligibility Administration from DWD to DHFS.

(xx) MEDICAL ASSISTANCE ADMINISTRATION.

- (a) *Employe transfers.* There is transferred from the department of workforce development to the department of health and family services 20.0 FTE incumbent employes holding positions in the department of workforce development performing duties that are primarily related to medical assistance eligibility and GPR funding in the amount of \$30,660,100.
- (b) *Employe status.* Employes transferred under paragraph (a) have all of the rights and the same status under subchapter V of chapter 111 and chapter 230 of the statutes in the department of health and family services that they enjoyed in the department of workforce development immediately before the transfer. Notwithstanding section 230.28(4) of the statutes, no employe so transferred who has attained permanent status in class is required to serve a probationary period.
- (c) *Rules and orders.* All rules promulgated by the department of workforce development primarily related to medical assistance eligibility that are in effect on the effective date of this paragraph shall become rules of the department of health and family services and shall remain in effect until their specified expiration dates or until amended or repealed by the department of health and family services. All orders issued by the department of workforce development primarily related to medical assistance eligibility that are in effect on the effective date of this paragraph shall become orders of the department of health and family services and shall remain in effect until their specified expiration dates or until modified or rescinded by the department of health and family services.
- (d) *Assets and liabilities.* On the effective date of this paragraph, the assets and liabilities of the department of workforce development primarily related to medical assistance eligibility, as determined by the secretary of

administration, shall become assets and liabilities of the department of health and family services.

- (e) *Tangible personal property.* On the effective date of this paragraph, all tangible personal property, including records, of the department of workforce development that are primarily related to medical assistance eligibility, as determined by the secretary of administration, are transferred to the department of health and family services.
- (f) *Contracts.* All contracts entered into by the department of workforce development in effect on the effective date of this paragraph that are primarily related to medical assistance eligibility, as determined by the secretary of administration, remain in effect and are transferred to the department of health and family services. The department of health and family services shall carry out any obligations under such a contract until the contract is modified or rescinded by the department of health and family services to the extent allowed under the contract. Paragraph (f) does not apply to the income maintenance and W-2 agency contracts for local administration.
- (g) *Pending matters.* Any matter pending with the department of workforce development on the effective date of this paragraph that is primarily related to medical assistance eligibility, as determined by the secretary of administration, is transferred to the department of health and family services and all materials submitted to or actions taken by the department of workforce development with respect to the pending matter are considered as having been submitted to or taken by the department of health and family services.

Effect of the Change

This language transfers positions and funding related to Medicaid administration from the Department of Workforce Development to the Department of Health and Family Services.

Rationale for the Change

The Departments of Administration, Workforce Development and Health and Family Services have concluded that it is appropriate to transfer positions and funding related to Medicaid administration to the Department of Health and Family Services. Providing DHFS the ability to control and direct these resources will enable the State to comply with federal Medicaid requirements, meet State objectives with respect to Medicaid, and in general administer the Medicaid program more effectively.

Desired Effective Date: Upon passage.
Agency: DHFS

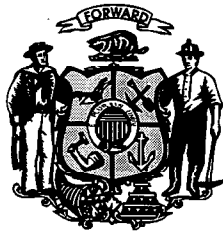
Agency Contact:
Phone:

Cindy Daggett
266-5380

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: September 28, 2000

To: Steve Miller, LRB

From: Robert Blaine, DOA

Subject: Budget Draft -- Department of Workforce Development (DWD) Division of Economic Support (DES) statutory language request regarding the transfer of Medical Assistance.

Attached is a statutory language request (**DIN 5604 -- "Transfer of Administration of Medicaid Functions to DHFS"**) which would eliminate the Department of Workforce Development's responsibility for the administration of Medical Assistance eligibility functions.

The Department of Health and Family Services (DHFS) and DWD have negotiated a transfer of this function out of DES and into DHFS. This request only involves statutes governing DWD and does not attempt to address changes to statutes governing DHFS. A similar language request from DHFS was submitted to your bureau on September 15, 2000.

If you or your staff have any questions, feel free to contact me at 266-8219 or through E-mail at robert.blaine@doa.state.wi.us.

STATUTORY MODIFICATIONS

Department of Workforce Development
2001-2003 Biennial Budget Request

* Position Number

DIN Number: 5604

Topic: Transfer of Administration of Medicaid Functions to DHFS

Description of Change:

To accomplish the permanent transfer of responsibilities for administration of the Medical Assistance (MA) program to DHFS, as provided in the memorandum of understanding (MOU) executed between the Departments of Workforce Development and Health and Family Services for FY 2000, the budget bill would presumably include nonstatutory provisions providing for the transfer of 20 FTE, including not more than 5 positions with incumbents, and providing for protection of the status of any such incumbents of positions transferred. Unlike the usual text of such non-statutory provisions, this provision should indicate that the 20 positions are those identified by DWD in its biennial budget submission, not positions "performing duties that are primarily related to medical assistance eligibility." Under the final terms negotiated by the agencies, the 20 FTEs identified by DWD were composed of positions from throughout the Department.

DOA and the Legislative Reference Bureau will need to conduct an extensive review of the statutes to accomplish the permanent transfer of responsibilities for administration of the Medical Assistance (MA) program to DHFS. This paper addresses changes implied by the funding transfer and identifies the need to review s.49.33, particularly as it defines the term "income maintenance program." No attempt has been made to identify all other changes that may be appropriate.

Changes Implied by Funding Transfer

As indicated in the DIN, to accomplish the permanent MA transfer, DWD has included in its budget recommendations reductions in four appropriations. No special budgetary provision is required to "transfer" these funds. The GPR and federal expenditure authority may simply be increased in appropriate DHFS appropriations; however, if existing appropriations are used, it may be necessary to amend them to broaden their purposes. DWD recommends that new appropriations be created for the funding transferred from its appropriations 344 and 355 [subcomponents of s.20.445 (3) (n), and (nL), respectively] for local MA administration, so that local agencies may clearly identify these amounts.

No changes are necessary in the definitions of the DWD appropriations from which the federal funds are being "transferred." However, it will be necessary to modify the definitions of the two GPR-funded appropriations [s.20.445 (3) (a) and (dz)] to reflect the intent to remove MA assistance functions from the purposes

for which they may be used. **Consistent with the MOU, any future GPR increases required to support MA functions are to be solely DHFS's responsibility.**

S.20.445 (3) (a), *General program operations*, should be modified to specify that the term "economic support" does not include (after the effective date provided for the transfer) administration of the medical assistance program, or to add a phrase stating "No moneys may be expended under this paragraph for administration of the medical assistance program after (the effective date provided for the transfer.)"

S.20.445 (3) (dz), *Wisconsin works and other public assistance administration and benefits*, should be modified to remove the reference to medical assistance eligibility determination. The cross-references to "payment distribution under s.49.33 (8)" may require modification, depending on the modifications made to s.49.33 generally to reflect the transfer of MA responsibilities. Similarly, the appropriation contains cross-references to s.49.33 (9) and s.49.197 (1m) and (4). The references within the appropriation language would not necessarily have to be modified but the cross-referenced program statutes should be updated to, in the case of s.49.33 (9), reflect the obsolescence of the AFDC program, and in the case of s.49.197 (1m) and (4) to delete references to both AFDC and MA.

Responsibilities for Income Maintenance Administration

S.49.33 (1) (b) currently defines the term "income maintenance program" to mean, AFDC, MA, W2, and the Food Stamp Program. S.49.33 (2) requires county departments to annually enter into a contract with DWD "detailing the reasonable cost of administering the income maintenance programs and the food stamp program...when so appointed by the department." In addition, s.49.33 (2) indicates that these contracts "control the distribution of payments" under certain specified DWD appropriations.

The s.49.33 (1) (b) definition of the term "income maintenance program" presents ambiguities due to the fact that, in some counties, private agencies, rather than counties, are responsible for the administration of the W2 program. As a result, the DWD recommends that the definition be amended as follows:

s.49.33 (1) (b) "Income maintenance program" means ~~aid to families with dependent children under s.49.19, Wisconsin works under ss.49.141 to 49.161, medical assistance under subch. IV of ch.49 or the food stamp program under 7 USC 2011 to 2029-~~ and may include Wisconsin works under ss.49.141 to 49.161.

Revise s. 49.33 (2) to add DHFS as a co-contractor with the DWD, such as specifying, "shall enter into a contract with the department and the department of health and family services." Add references to the appropriate DHFS appropriations.

Revise s.49.33 (8) to strike the reference to subchapter IV. (There is no reason DWD should be directed to reimburse counties for the administration of subchapter IV, which governs the responsibilities of DHFS as the state agency that sets Medicaid policy and regulates and pays medical providers).

Create new language (probably under s.49.33) to establish for the Department of Health and Family Services authority for contracting, funding, and supervision of the Medicaid program.

Justification:

As discussed in the DIN, DWD and DHFS have entered into an MOU to transfer responsibility for the administration of the Medicaid program to DHFS. In chapter 49, subchapter III, the responsibility for Income Maintenance is placed with DWD. Subchapter IV governs the responsibilities of DHFS as the state agency that sets Medicaid policy and regulates and pays medical providers.

With the anticipated creation of new DHFS Medicaid appropriations for Income Maintenance in the next biennial budget, the statutory language changes to delete Medicaid from subchapter III and new language implementing the creation of Medicaid Income Maintenance functions and responsibilities for DHFS is required. Without these clarifications, the statutes will not properly identify the DHFS functions and responsibilities for Income Maintenance administration of Medicaid.

Sager-Rosenthal, Ivy

From: Blaine, Robert
Sent: Tuesday, September 26, 2000 5:13 PM
To: Sager-Rosenthal, Ivy
Subject: Stat language request -- head's up

Ivy --

[REDACTED]

Under current law, DWD & DHFS share administration of the Medical Assistance (MA) program. DHFS handles all issues related to policy, while DWD administers the eligibility determination function for the program. That is, DWD contracts with county Income Maintenance (IM) agencies to determine persons eligibility for public assistance programs. These agencies use the state's CARES computer system to perform this function, and since CARES determines eligibility for a multitude of programs, including MA, and since this system is maintained by DWD, we've kept this administration responsibility with DWD despite the fact that DHFS is the primary agency in charge of MA.

In AB133, the Legislature enacted a provision to transfer all responsibilities for MA eligibility administration from DWD to DHFS. The bill also would have transferred administration of the CARES system to DHFS. This provision was vetoed by the Governor, but his veto message essentially stated that all of MA would eventually be housed at DHFS and that DOA had to study how to accomplish this. He specifically stated that CARES would stay at DWD. We spent all of last fiscal year working with both departments on a compromise transfer, and the plan is to institutionalize this agreement in the biennial budget.

If I remember correctly, the spill bill related to this provision was somewhat complicated. The final resolution of this issue will (hopefully) not go as far as the original legislative proposal, but the drafting could still get tricky. Anyway, this is the first of several communications I'm sure we'll be having. Just wanted to give you a heads up.

Robert

State Budget Office
Wisconsin Department of Administration
(608) 266-8219
robert.blaine@doa.state.wi.us

Sager-Rosenthal, Ivy

From: Blaine, Robert
Sent: Monday, October 02, 2000 2:42 PM
To: Sager-Rosenthal, Ivy
Cc: Mullikin, Melissa; Kraus, Jennifer; Justus, Sarah
Subject: RE: LRB-0458

Some very good questions -- a definite exercise for a noggin that likes to try and forget about a lot of these issues!

Let me start with some clarifications / distinctions that are not apparent in the requests. We usually think of "Income Maintenance" in three different ways:

- (1) Local agencies contracting with the state to determine individuals' eligibility for public assistance programs.
- (2) State administration activities, which include developing, maintaining & monitoring these local contracts, as well as providing some training to local agencies, fraud activities, and policy development and documentation with respect to the issue of eligibility.
- (3) State costs in developing & maintaining the CARES computer system -- the tool agencies use to perform eligibility determinations as well as the system by which the state keeps track of participants in various programs.

These stat language requests are attempting to institutionalize an agreement reached by both agencies to transfer the responsibility for MA eligibility to DHFS. While the administration requested the transfer, we basically left it to the agencies to work out the details. This flexibility is what will make this particular request somewhat complicated.

With those comments made, I will try and address your questions. I will have to follow through with you later on a couple of them. If any of my responses ramble too much, I apologize --feel free to give me a call if my comments are not clear.

-----Original Message-----

From: Sager-Rosenthal, Ivy
Sent: Monday, October 02, 2000 11:54 AM
To: Blaine, Robert; Mullikin, Melissa
Subject: LRB-0458

Robert and Melissa:

I reviewed the materials you both sent over re: the transfer of MA eligibility determinations. As of right now, I have the following questions:

1. The requests from DWD and DHFS mention transferring 20 FTE positions. DWD asks that 20 FTE positions, as identified by DWD, and not more than 5 with incumbents, be transferred. DHFS asks that 20 FTE positions with incumbents be transferred with no mention of DWD identifying the positions. Which instruction should I draft?

>> An MOU, agreed to by both departments, affecting SFY01 would have included transferring some incumbents to DHFS as a part of the transfer of MA eligibility. The two departments have gone back and forth on the exact number of incumbents, but the last I heard, there would be 5 incumbents & 15 vacancies transferred. The administration left it up to DWD to identify the specific position numbers, but to the extent that incumbents are being transferred, it has appeared that the two departments are working together to make sure the right incumbents are moved. The intent of the administration was, to the extent that vacancies are transferred, to give DWD the flexibility to identify which ones to move and to subsequently give DHFS the flexibility to reclassify those positions if their specific classes / titles did not match up with what DHFS needs to administer the program.

I will check on the current incumbent / vacancy split, as agreed to by both agencies. As to which instructions to draft -- DWD definitely has the authority to identify the vacancies. As for the incumbents -- my personal opinion is that they should be mutually agreed upon, but I don't know that the administration has taken a position on this. If I find out otherwise, I'll let you know.

2. I am concerned about the language in 49.33 relating to W-2. I do not understand how contracts entered under s. 49.33 reimburse counties for costs of administering W-2 when the county, I presume, contracts with DWD for these costs under W-2 in s. 49.143. Do the contracts with the county W-2 agencies under s. 49.143 not include costs of administration? The suggested language for 49.33 (1) (b) I don't believe clears up the ambiguities. What are the

appropriations for MA eligibility administration and what moneys these appropriations will include.

>> **The administration has assumed that MA eligibility will still be handled through the Income Maintenance contract with the counties; that is, DHFS was to become a co-signer of the IM contract with DWD. One of my concerns with DWD's request is that it would have eliminated MA from the definition of IM, which is not what the administration intended. The administration has insisted that both departments jointly administer IM -- DWD retaining primary responsibility for food stamps & child care, with DHFS assuming primary responsibility for MA.**

My understanding is that DHFS intends to use DWD to channel MA funding to the agencies. That is, the agencies would submit claims to DWD who would bill DHFS, and then DHFS would send the funds to DWD to reimburse the agencies.

I will confirm with DWD whether this is still the plan, and we will have to get back to you on whether or not DHFS needs new appropriations for this new responsibility.

These are all of my questions for now. If I haven't been clear or if you have concerns, please call me.

Thanks,
Ivy

Ivy G. Sager-Rosenthal
Legislative Attorney
Legislative Reference Bureau
P.O. Box 2037
Madison, WI 53701-2037
(608) 261-4455

Sager-Rosenthal, Ivy

From: Blaine, Robert
Sent: Monday, October 23, 2000 7:49 AM
To: Sager-Rosenthal, Ivy
Subject: FW: MA Transfer Questions

Importance: High

Here (finally) are some responses from DWD. Instead of filtering through them, I thought I would just forward the entire message. The first two issues below are budget issues that are not germane to the stat language, so feel free to skip them.

I haven't fully digested the information, though I will make one comment. DWD has expressed some concern about referencing the MOU in the stat language, namely that it would lock them into re-negotiating an MOU every year. I don't quite agree with their concerns -- first, I don't think that the language will require them to do this, and second, my guess is that they will have to re-negotiate the MOU *at least* biennially (if not annually) anyway. That is, the MOU they negotiated last summer will not last forever, if even for a year.

Let me know if you have any questions -- my guess is that there are a few places where DWD's input is contrary to mine and you will need some more input to draft the language. It may be a few days before I am able to dig back into this -- I have a child support briefing on Wed -- but I should be able to refocus on these issues soon.

-----Original Message-----

From: Mansfield, Mark
Sent: Sunday, October 22, 2000 9:00 PM
To: Blaine, Robert
Cc: Mullikin, Melissa; Buckwalter, Nancy; Ewers, Ginevra; McDonnell, Patrick; Smith, Thomas K - DWD BUDGET; Bates, James; Bergman, Mark; Justus, Sarah; Smith, Shawn; Zink, Sherwood; Bernstein, Howard
Subject: MA Transfer Questions
Importance: High

This is my attempt to catch up on your on your MA questions, including those in the chain below and separate questions. I'll let you decide which are relevant for drafting instructions. Hard to know where to start, but I guess I'll go mainly in order received:

From your "Budget Questions, Round One" document of 9-28:

1. You asked for SFY 00 MA expenditure data to compare to the SFY 99 amounts in the MOU.

As I noted verbally, I believe this is provided in the 301 breakdown that Mark B. provided at your request. If, however, you have any questions about it, give him a call. As I also noted, however, it is this agency's position that the provisions of the MOU are clear--both agencies agreed that the transfer to be made permanent in the biennial budget would be the precise GPR amounts indicated in the SFY 01 MOU, so actual SFY 00 amounts are relevant (for this issue) only to satisfy curiosity.

2. "Explain why new appropriations are needed (p.15.11)--are you suggesting that we create new alphas, new numerics within an existing alpha, etc.? Why do local agencies need to 'clearly identify these amounts'? My guess is that they are only concerned with their total allocation, not the split of this allocation between GPR, MA, FS, etc. What improvements in the administration of these funds/programs do you anticipate this change will achieve?"

The suggestion is specific to the local assistance amounts. As the budget paper states, the rationale is just so that local governments may more clearly identify the amounts in the budget that go to them. We don't have much to add to this except to say that in the process of the transfer there could be some confusion and this will assist in demonstrating that the state did not reduce IM. Are local governments more concerned only with their own aggregate allocations, perhaps. However, the associations that represent their collective interests are interested in the total amounts in the budget. The precise appropriation structure for DHFS appropriations is obviously of less direct concern of ours than to that agency, but clearly what we were referring to in terms of this perspective of having the amounts actually clear in the budget was a new, or at least distinct, alpha. The numerics are of no interest to anyone but folks like you that can use them to identify behind-the-scenes amounts. From that standpoint, the desire to have the MA amounts for local governments appear distinctly in

the budget would not be served if the alpha used contains more than one numeric.

What improvements in the administration of these funds/programs do we anticipate this change will achieve? Not much. The suggestion was intended less to help administer the program than to make the local funding more identifiable in the budget bill itself.

3. "Why are you proposing to delete the reference to Medical Assistance in the definition of Income Maintenance (p.15.12) if MA will continue to be a part of the IM contract?"

In some ways this is "the" question; it revolves around how one defines IM and the intended approach to contracting. Under current law, the definition under s.49.33 applies only to that section. Under s.49.33 (2) the contracts so defined, "control the distribution of payments" under certain specified DWD appropriations." We are giving some more thought to definitional approaches; however, we stated explicitly in the paper that these were merely suggestions and DOA and LRB would need to integrate certain things with DHFS's recommendations. For example, in the very next paragraph of the paper, we also suggested revising s.49.33 (2) to add DHFS as a co-contractor with DWD. If the intent is that both are parties to the same contract, perhaps the deletion of the reference to MA in the definition under s.49.33 is less consistent. However, if DHFS is supposed to have entirely separate contracting authority, it would be equally plausible to specify MA as being separate from IM; with a parallel section citing the distribution of MA funds under that authority, or even creating a separate definition of IM for that purpose (since this one is only for s.49.33), such as under subchapter IV. Such a statutory distinction (one definition of IM for medicaid and another for other programs) could still theoretically be invisible to local agencies if the contracting authority of both provisions were reflected in a joint agency contract. You could also use separate terms such as "Income maintenance for medicaid," and "income maintenance for food stamps and W2," defining them, rather than defining "income maintenance."

Questions from your 10-02 exchange with LRB below:

1. "The requests from DWD and DHFS mention transferring 20 FTE...DWD asks that 20...as identified by DWD, and not more than 5 with incumbents, be transferred. DHFS asks that 20 FTE...with incumbents be transferred with no mention of DWD identifying the positions. Which instructions should I draft?"

If you have not already done so, I think you may wish to clarify your response to the drafter below. You indicated that DWD has the authority to identify the vacancies, but it may not have been clear that this is not, "positions to be named later," the positions are actually identified in DWD's budget submission. I gave you a quick verbal explanation of this very soon after you sent this over but I guess I should ensure that it's covered: Our "not more than 5 with incumbents" request was based on our desire to adhere closely to the terms of the MOU. However, on this particular point, that should be adjusted to take into account what is actually happening and the uncertainties of the timing of budget passage. Specifically, under the terms of the MOU, DHFS hopes to fill some of the positions during SFY 01. However, in a biennial budget sense, what that means is that may fill some vacant position that will still be in DWD's position complement until the effective date of the biennial budget. As a result, it is not entirely predictable how many will be filled on the date they are transferred to DHFS (assuming the provision is enacted). Therefore, I think you will actually have to have nonstatutory language detailing the specific position numbers we submitted and applying to any incumbents of those particular positions on the effective date of the transfer, or some other way to have the language clearly reference those specific positions without knowing in advance how many may be occupied at the time, perhaps something like "not more than 20 positions, including any incumbents of the (specified) positions on or after July 25, 2000," (the effective date of the MOU).

2. The drafter asked for a better understanding of the issues in IM contracting and whether administration was included in the contracts. I think you actually answered this yourself, though as I indicated, we are still struggling with how best to capture these nuances in a definition without potential unintended consequences.

3. "Also regarding s.49.33, the request mentions eliminating reference to AFDC in 49.33 (9). Why not eliminate all of the references to AFDC throughout 49.33? The same for 49.197?"

I will put this question to DWD. My initial response is that DWD probably didn't have the time to look through all of its statutes and recommend the same adjustment in all sections with reference to AFDC. But, I will make sure that there is not a legal reason to keep the reference."

The part of your initial response that says we didn't have time is correct. It is also always a judgement call as to how much remedial clean up to include when including a budget provision in the general topic area, particularly in this case, since the MA transfer is not really a DWD initiative--as the request indicates--we assumed DOA and LRB would do a more thorough investigation of the statutes that needed to be changed to implement this. However, I have raised the question and found that there are a few places where there may, in fact, be a reason to keep an AFDC reference in current law. I believe you would be safe in deleting them from s.49.33. However, in discussion with DES, it was felt that perhaps some references in s.49.197 (fraud investigation) are still relevant. In addition, references to collecting past AFDC assigned to the state could be relevant. You may wish to focus only on deleting the obvious and necessary AFDC references just to be on the safe side.

4. Speaking of 49.197, should references to MA be deleted? If so, should DHFS be given the authority to investigate fraud, error reductions, etc? Also, s. 49.32 (7) (b) to (d) appears to be somewhat related to fraud investigation. Should this authority be transferred to DHFS?

>> This is another very good question, and my initial reaction is probably -- there is some more gray matter here. Some background may help explain.

To clarify for those not familiar with 49.197 (I'm cc'ing this to a few people), this is the section that deals with public assistance fraud. The fraud program is administered at both the local level (through contracts) and the state level. One concern the administration had with splitting the program is that, at the state administration level, we would lose some efficiencies in keeping the IM program entirely at DWD. That is, where before we had one fraud unit, one contract monitoring unit, one training unit, splitting the program would provide an impetus to create new, parallel units at DHFS. One strategy we employed in trying to prevent this from happening was not give DHFS enough positions to create these parallel units and thus encourage them to contract back with DWD for these services.

To the extent that DHFS does this, my guess is that they will negotiate an MOU with DWD for these services. Consequently, it would seem appropriate to transfer this responsibility to DHFS, and consequently allow them to delegate the function to other agencies (such as DWD).

It appears to me that the reference in s.49.197 (3), requiring us to conduct activities to reduce payment errors would not be relevant because, in contrast to investigation of fraud referenced in s.49.197 (which could be past or present), the direction to DWD under s.49.197 (3) to perform activities to reduce errors in various programs presumably refers to programs currently being administered by the department. I think the drafter has, however, discovered another statute here that would need to be modified one way or the other to indicate that DHFS would conduct activities to reduce MA errors, rather than DWD, or similar to other MA functions, perhaps authority to do or contract back to do. I did not receive a lot of feedback about this point, so much depends on really clarifying the administration's intent, provided that there is a mechanism to provide sufficient resources here to carry it out.

5. As I read this one, it seems largely a question for DHFS. We confess some uncertainties as to how the administration intended this to work; however, as to the part of your question repeated below, I would say it could be done that way--certainly it was our assumption that the "transfer" would mean the funding would be in DHFS's budget and we would bill them--the MOU states they are responsible for future cost increases above the amounts transferred, including certain specified cost-allocation-driven costs.

~~"My understanding is that DHFS intends to use DWD to channel MA funding to the agencies--That is, the agencies would submit claims to DWD who would bill DHFS, and then DHFS would send the funds to DWD to reimburse the agencies."~~

I will confirm with DWD whether this is still the plan, and we will have to get back to you on whether or not DHFS needs new appropriations for this new responsibility."

Question from LRB on 10-3 to which you responded 10-5, immediately below.

The question appears to relate to the transfer of physical assets. We are not aware of any that should be transferred. When budget, program, and personnel staff of both agencies met at DHFS 9-15-00, the question of transferring computers was mentioned, and both agencies agreed not to (we need ours and they want to provide ones consistent with DHFS standards). The inclusion of the term "primarily related to" appears to provide some flexibility.

Question in separate 10-4 e-mail, responding to LRB's question of 10-3.

LRB asks whether there is an MOU and wouldn't it be easier to reference it than to draft new language. The drafter suggests the following language, "DWD and DHFS shall enter into an MOU that specifies the responsibilities of the DWD and DHFS in administering the IMP. The MOU shall specify that DWD has primary responsibility for administering the IMP with respect to food stamps, W-2 and that DHFS has primary responsibility for administering the IMP with respect to MA." It would also indicate, "DWD and DHFS shall contract with counties as specified in the MOU." You responded that you liked the flexibility and, "it almost seems too simple. Your suggestion certainly seems to reflect the way things are working right now and the intention of the administration in having both departments jointly administer the IM program."

This does not work for DWD. Simplicity is generally good, but in this case, it will leave too many questions unresolved which both agencies thought would be clarified by the permanent resolution in this biennial budget. To the extent reference to the MOU is useful, (e.g. to specify the exact dollar amounts it indicates or, if you need to refer to positions occupied on or after the date it became effective), you have to refer to the SFY01 MOU. The language suggested above would appear to require the agencies to renegotiate one every year. While perhaps that would go more smoothly if neither funding nor FTE (the most contentious issues in the SFY 01 MOU) needed to be renegotiated in the future, it is still a prospect no one here wants to have to re-visit on an annual basis.

All for now. We are continuing to think about the IM definition. A new concern is that we not recommend an approach that, if it were rejected by the Legislature, could be interpreted as sending a message requiring a change in the current approach to contracting with W2 agencies and counties in favor of direct contracting only with counties. I do not think that is a problem with our suggested revision in the definition (deleting the reference to AFDC and to MA) since both current law and the proposed revision would contain the same references to W2, nevertheless, I thought I'd pass along that feedback.

-----Original Message-----

From: Blaine, Robert
Sent: Thursday, October 05, 2000 7:43 AM
To: Sager-Rosenthal, Ivy
Cc: Mullikin, Melissa; Mansfield, Mark; Justus, Sarah
Subject: RE: LRB-0458

This is a tough one. DHFS will (in theory) be contracting with DWD to administer some-- but not all--portions of MA eligibility, specifically those functions where there are efficiencies to keeping the function at one agency. Examples include training, contract monitoring & contract development. However, in receiving the 20.0 FTE from DWD, we are assuming that DHFS will begin to perform some of the MA functions which had supposedly been performed by DWD in the past. Examples of these functions include policy analysis, manual writing & printing, etc.

I have to assume that, to the extent that assets and such are affected by this transfer, they would be identified in the MOU that is in place. An obvious asset, which is in fact being transferred, is the GPR needed to fund the program. But if we start talking about physical property, the MOU is silent. With that said, I'm not aware of any problems this boilerplate language might present for DWD (i.e., if there is some "property" DWD needs to keep that would essentially be transferred due to this language). We will add this to the list of things to double check with DES.

Robert

-----Original Message-----

From: Sager-Rosenthal, Ivy
Sent: Tuesday, October 03, 2000 9:31 AM
To: Blaine, Robert; Mullikin, Melissa
Subject: RE: LRB-0458

Thanks for getting back to me so soon and in so much detail! Your answers are extremely helpful.

I have one small follow up question regarding transfer of assets, personal property and contracts. The DHFS request included boilerplate language for the transfer of a function

from one agency to another. This language includes nonstatutory language to transfer to the new agency the assets, personal property and contracts "primarily relating to" the function being transferred (in this case MA eligibility administration). From your comments yesterday, it doesn't appear to me that this language is necessary because DHFS will actually be contracting with DWD to administer MA eligibility. To do this, DWD will need to retain the assets, property, etc related to MA eligibility administration.

Am I correct?

-----Original Message-----

From: Blaine, Robert
Sent: Monday, October 02, 2000 2:42 PM
To: Sager-Rosenthal, Ivy
Cc: Mullikin, Melissa; Kraus, Jennifer; Justus, Sarah
Subject: RE: LRB-0458

Some very good questions -- a definite exercise for a noggin that likes to try and forget about a lot of these issues!

Let me start with some clarifications / distinctions that are not apparent in the requests. We usually think of "Income Maintenance" in three different ways:

- (1) Local agencies contracting with the state to determine individuals' eligibility for public assistance programs.
- (2) State administration activities, which include developing, maintaining & monitoring these local contracts, as well as providing some training to local agencies, fraud activities, and policy development and documentation with respect to the issue of eligibility.
- (3) State costs in developing & maintaining the CARES computer system -- the tool agencies use to perform eligibility determinations as well as the system by which the state keeps track of participants in various programs.

These stat language requests are attempting to institutionalize an agreement reached by both agencies to transfer the responsibility for MA eligibility to DHFS. While the administration requested the transfer, we basically left it to the agencies to work out the details. This flexibility is what will make this particular request somewhat complicated.

With those comments made, I will try and address your questions. I will have to follow through with you later on a couple of them. If any of my responses ramble too much, I apologize --feel free to give me a call if my comments are not clear.

-----Original Message-----

From: Sager-Rosenthal, Ivy
Sent: Monday, October 02, 2000 11:54 AM
To: Blaine, Robert; Mullikin, Melissa
Subject: LRB-0458

Robert and Melissa:

I reviewed the materials you both sent over re: the transfer of MA eligibility determinations. As of right now, I have the following questions:

1. The requests from DWD and DHFS mention transferring 20 FTE positions. DWD asks that 20 FTE positions, as identified by DWD, and not more than 5 with incumbents, be transferred. DHFS asks that 20 FTE positions with incumbents be transferred with no mention of DWD identifying the positions. Which instruction should I draft?

>> An MOU, agreed to by both departments, affecting SFY01 would have included transferring some incumbents to DHFS as a part of the transfer of MA eligibility. The two departments have gone back and forth on the exact number of incumbents, but the last I heard, there would be 5 incumbents & 15 vacancies transferred. The administration left it up to DWD to identify the specific position numbers, but to the extent that incumbents are being transferred, it has appeared that the two departments are working together to make sure the right incumbents are moved. The intent of the administration was, to the extent that vacancies are transferred, to give DWD the flexibility to identify which ones to move and to subsequently give DHFS the flexibility to reclassify those positions if their specific

classes / titles did not match up with what DHFS needs to administer the program.

I will check on the current incumbent / vacancy split, as agreed to by both agencies. As to which instructions to draft -- DWD definitely has the authority to identify the vacancies. As for the incumbents -- my personal opinion is that they should be mutually agreed upon, but I don't know that the administration has taken a position on this. If I find out otherwise, I'll let you know.

2. I am concerned about the language in 49.33 relating to W-2. I do not understand how contracts entered under s. 49.33 reimburse counties for costs of administering W-2 when the county, I presume, contracts with DWD for these costs under W-2 in s. 49.143. Do the contracts with the county W-2 agencies under s. 49.143 not include costs of administration? The suggested language for 49.33 (1) (b) I don't believe clears up the ambiguities. What are the portions of W-2 that these contracts (contracts in 49.33) cover?

>> Very good question -- you are probably correct in suggesting that DWD's request doesn't clear up ambiguities. As to the question of whether the contracts under 49.173 include costs of administration, they in fact do. And, these contracts should specifically allocate funding to W-2 agencies for purposes of determining eligibility for public assistance programs.

Here's the tricky part -- when we speak of local agencies "doing" eligibility determination, we usually mean a local worker using the CARES computer system to enter financial and non-financial information into the system and then querying the system to see what an individual is eligible for, whether it be MA, Food Stamps (FS), Child Care, W-2, or all of the above. We have to charge all of these programs for a portion of the cost of eligibility determination, while the CARES system (and thus the worker) does this all in one swoop. Consequently, the state needs a mechanism (i.e., cost allocation) to divide up these costs, and it makes the contracting process rather complicated.

Let me explain how ideally we would like to it work and how it actually does work. In an ideal world, a W-2 agency could determine eligibility for all programs. Federal law prevents us from doing this; it states that only public employees can determine eligibility for Food Stamps & MA. This creates a complexity in those counties where private firms administer W-2 -- namely in Milwaukee.

So, we send out IM contracts to all counties (to cover non-W-2 FS, MA & Child Care cases), and we send out W-2 contracts to W-2 agencies including an IM allocation for the W-2 cases. In regions where the IM agency is the same as the W-2 agency (i.e., both handled by the county human service department), the agency has a degree of flexibility in deciding to which contract to charge their costs related to eligibility determination. In regions where the W-2 agency is different from the IM agency, the W-2 agency is given funding to subcontract with the IM agency for these functions that it cannot perform.

I would suppose that what DWD is trying to accomplish is to recognize that, in those regions where the IM & W-2 agencies are the same, there is some flex between IM & W-2 contracts.

3. Also regarding 49.33, the request mentions eliminating reference to AFDC in 49.33 (9). Why not eliminate all of the references to AFDC throughout 49.33? The same for 49.197?

I will put this question to DWD. My initial response is that DWD probably didn't have the time to look through all of its statutes and recommend the same adjustment in all sections with reference to AFDC. But, I will make sure that there is not a legal reason to keep the reference.

4. Speaking of 49.197, should references to MA be deleted? If so, should DHFS be given the authority to investigate fraud, error reductions, etc? Also, s. 49.32 (7) (b) to (d) appears to be somewhat related to fraud investigation. Should this authority be transferred to DHFS?

>> This is another very good question, and my initial reaction is probably -- there is some more gray matter here. Some background may help explain.

To clarify for those not familiar with 49.197 (I'm cc'ing this to a few people), this is the section that deals with public assistance fraud. The fraud program is administered at

both the local level (through contracts) and the state level. One concern the administration had with splitting the program is that, at the state administration level, we would lose some efficiencies in keeping the IM program entirely at DWD. That is, where before we had one fraud unit, one contract monitoring unit, one training unit, splitting the program would provide an impetus to create new, parallel units at DHFS. One strategy we employed in trying to prevent this from happening was not give DHFS enough positions to create these parallel units and thus encourage them to contract back with DWD for these services.

To the extent that DHFS does this, my guess is that they will negotiate an MOU with DWD for these services. Consequently, it would seem appropriate to transfer this responsibility to DHFS, and consequently allow them to delegate the function to other agencies (such as DWD).

5. The language from DHFS does not include any statutory language on how the MA eligibility administration will be handled. Section 49.45 (2) (a) 3. does give general authority to "designate" MA eligibility to county agencies. This section does not, however, include language for reimbursement of costs or contracting. Does DHFS want to contract with counties for MA eligibility administration in a manner similar to 49.33? I need specifics on how DHFS wants to handle the administration. Also, I need to know if DHFS intends to create new appropriations or amend existing appropriations for MA eligibility administration and what moneys these appropriations will include.

>> The administration has assumed that MA eligibility will still be handled through the Income Maintenance contract with the counties; that is, DHFS was to become a co-signer of the IM contract with DWD. One of my concerns with DWD's request is that it would have eliminated MA from the definition of IM, which is not what the administration intended. The administration has insisted that both departments jointly administer IM -- DWD retaining primary responsibility for food stamps & child care, with DHFS assuming primary responsibility for MA.

My understanding is that DHFS intends to use DWD to channel MA funding to the agencies. That is, the agencies would submit claims to DWD who would bill DHFS, and then DHFS would send the funds to DWD to reimburse the agencies.

I will confirm with DWD whether this is still the plan, and we will have to get back to you on whether or not DHFS needs new appropriations for this new responsibility.

These are all of my questions for now. If I haven't been clear or if you have concerns, please call me.

Thanks,
Ivy

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Sager-Rosenthal, Ivy

From: Blaine, Robert
Sent: Friday, November 03, 2000 3:11 PM
To: Sager-Rosenthal, Ivy
Cc: Mullikin, Melissa; Kraus, Jennifer
Subject: RE: MA eligibility transfer

Isn't there some natural law that predicts over time, complicated things tend to break down into simpler structures? We may be defying a law of thermodynamics with this issue.

Currently, as you know, the position authority (and funding) for these 20 FTE reside in DWD. Through an MOU effective SFY01, DWD has agreed to transfer these positions to DHFS. While there are some incumbents identified, as this fiscal year proceeds, DHFS has the authority (through this MOU) to start filling these positions. Thus, there may be 5 identified incumbents today, but by the time the budget bill gets to the legislature, for example, we may have 10 incumbents and 10 vacancies or 15 incumbents and five vacancies, etc. How we treat this in the budget bill is beyond me. I will attach a document which shows the position numbers and names of the encumbrance.

As for the funding of the positions -- the funding is all over the place. DWD has opted (because -- ugh -- DOA said that they could) to transfer the equivalent of 20.0 FTE. Consequently, DWD has transferred some full positions and some fragments. And, the positions are coming from several divisions outside of DES including the Division of Workforce Excellence (fragments of 5 position numbers, equaling 0.74 FTE), Division of Vocational Rehabilitation (1.5 FTE), Unemployment Insurance (1.0 FTE), Administrative Services (1.5 FTE), Worker's Compensation (fragments of two positions, equaling 0.3 FTE).

I know that many of the DES positions are split funded between FED & GPR (often across 2-4 appropriations); I'm not so sure about the positions in other divisions. Here's what I will do -- I'll go into our Personnel system and pull the data related to the positions / fragments of positions that will be transferred. Then, I will identify which positions are GPR, which are FED, and which are split funded. I'm assuming you don't need precise percentages -- just an indication as to how the positions are funded.

Please don't hate us for making this so complicated!



DES positions.XLS

-----Original Message-----

From: Sager-Rosenthal, Ivy
Sent: Friday, November 03, 2000 2:12 PM
To: Blaine, Robert
Subject: RE: MA eligibility transfer

Yes, this does seem to only get more complicated. I understand this part of the funding scheme now and think I can draft something.

I do have another question. How are the transferred 20 FTE positions funded? I need to know whether these are GPR or PR positions so that the bill language will transfer the right positions. Also, have the 5 incumbent positions been identified? I know that the 20 positions are to be identified by DWD, but if at least the 5 incumbents are known, that would make the draft much easier.

Sorry to add this to the pile of questions. An answer next week is fine. Have a good weekend.
Ivy

-----Original Message-----

From: Blaine, Robert
Sent: Friday, November 03, 2000 2:02 PM
To: Sager-Rosenthal, Ivy
Cc: Mullikin, Melissa; Kraus, Jennifer
Subject: RE: MA eligibility transfer

Well, this only seems to get more complicated.

DHFS's budget request placed all of the funds into two existing appropriations -- 20.435 (4)(a) and 20.435 (4)(n). It appears, though, that these are ops appropriations and are thus not appropriate for local assistance costs (such as the local IM contracts). So, it appears that we will need to do two things: amend (4)(a) and (4)(n) to permit expenditures related to the administration of the IM program, both for DHFS administrative costs as well as for some services they will be purchasing from DWD. We will also (most likely) need to create new local assistance appropriations at DHFS (one GPR and one FED) to handle the county contracts.

It appears that both the department's would prefer to have DHFS directly reimburse the counties rather than to have the funds flow back through DWD, though both agencies are checking with their finance shops / accountants to make sure this is feasible. The tricky part is that counties will send their bills to DWD (though its automated payment system) who will then have to break up the costs. Then, some kind of transaction will have to occur so that DHFS is billed for their share. Whether DWD can bill DHFS on behalf of the counties and whether DHFS can pay the counties for a bill coming from DWD will need to be looked at. Unfortunately, all of the key players who can answer this are out until next week.

I will keep this issue on my "to do" list until we have a firmer answer.

-----Original Message-----

From: Sager-Rosenthal, Ivy
Sent: Thursday, November 02, 2000 3:42 PM
To: Blaine, Robert
Subject: MA eligibility transfer

Robert:

I still need confirmation on where the money to reimburse the counties for the MA eligibility part of the inc. maint. prgms. is coming from and where it's going.

I am going to have to create a DHFS appropriation or amend a current DHFS appropriation to include moneys to pay the MA eligibility portion of the contracts with the counties. I need to know what kind of appropriation to create or what appropriation to amend.

Next, where does this money go? We talked earlier about the money being transferred to DWD and then DWD reimbursing the money to the counties. Is this still the plan? Why go this route? Why not just have DHFS pay the money to the counties directly. DWD can still be the one to inform DHFS how much the counties must be reimbursed, but DHFS would simply pay the counties instead of going through the extra steps of transferring the money to DWD and then having DWD pay out the money.

Please let me know. I can draft a preliminary draft without including funding for the MA eligibility determinations, but if you can give me the information now, it will make it much easier for me to produce a draft.

Thanks, Ivy

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Per Robert Blawie ~~11/16/00~~

Alpha	Num	Type	Total FTE	B2s	Difference	Notes
1 (gb)	127	PR ✓	0.200	0.200	-	
1 (hd)	129	PR ✓	0.300	0.300	-	
1 (md)	145	PR-F	0.200	0.200	-	
1 (n)	151	PR-F	1.300	1.300	-	
1 (kc)	185	PR-S ✓	5.500	6.500	1.000	Position 23043 Funded out of 301, 344 & 390, NOT 185
3 (a)	301	GPR	4.750	4.500	(0.250)	185 problem plus position 307840 is only 0.5 FTE, NOT 1.0
3 (n)	344	PR-F	2.375	2.250	(0.125)	185 problem plus position 307840 is only 0.5 FTE, NOT 1.0
3 (pm)	359	PR-F	0.500	0.500	-	
3 (mc)	390	PR-F	2.875	2.750	(0.125)	185 problem plus position 307840 is only 0.5 FTE, NOT 1.0
5 (a)	502	GPR	0.320	0.320	0.001	Rounding
5 (n)	541	PR-F	1.181	1.180	(0.001)	Rounding
Total			19.500	20.000	0.500	

$$\begin{array}{r}
 8.18 \\
 7.00 \\
 \hline
 1.18 \\
 20.00 \\
 \hline
 21.18
 \end{array}$$

5

Sager-Rosenthal, Ivy

From: Daggett, Cynthia
Sent: Thursday, November 09, 2000 1:37 PM
To: Blaine, Robert
Cc: Mullikin, Melissa; Bergman, Mark; Mansfield, Mark; Sager-Rosenthal, Ivy
Subject: RE: Transfer of IM Administration Funds from DWD to DHFS

It is not our preference to send funds directly to the counties, but to send the funds to DWD for their distribution to counties through a joint contract.

>>> Blaine, Robert 11/09/00 01:10PM >>>
Thanks.

Given the language you have proposed, it appears that your preference is to reimburse the counties directly for their costs, rather than have the funds flow back through DWD. Have you had a chance to consult with DWD as to whether this strategy will work?

The reason I ask is that the counties will be sending their bills to DWD through CARS, who will then have to cost allocate the claims to divide the costs between MA, food stamps, etc. DWD will then have to send a bill to you for the MA share. I'm no accountant so I won't even pretend to understand how the payment systems can work. But, it seems strange to me that DHFS would pay a county for a bill DHFS received from DWD; my only frame of reference is how programs like Kinship Care & C-Supp work, with DWD reimbursing DHFS with TANF for their costs rather than DWD reimbursing service providers directly. It would seem like the same arrangement would be appropriate for IM / MA costs coming initially to DWD who then has to bill DHFS.

I'm not advocating one route or the other; my preference is for the arrangement that works and work efficiently. Your thoughts on this are appreciated.

-----Original Message-----

From: Daggett, Cynthia
Sent: Thursday, November 09, 2000 12:56 PM
To: Blaine, Robert
Cc: Bove, Fredi-Ellen
Subject: Transfer of IM Administration Funds from DWD to DHFS

You called about amending appropriation language in s.20.435(4)(a) and (n) to reflect the fact that some of the funds transferring from DWD to DHFS will go back to DWD and passed be on to counties. After considering any possible amendments to (4)(a) and (n), DHFS recommends instead the creation of two new appropriations--one GPR and one PRF that are local assistance and would have just the funds, \$21,590,900 GPR, that actually go to the counties. The rest of the \$30 million are operations funds, either operations within DHFS, DWD or funds that are paid to DOA or contractors.

DHFS recommend the following language: "(4)(bd) County Income Administration Funds. The amounts in the schedule to provide counties with funds for the administration of income maintenance. These funds may be administered through another state agency."

A similar federal appropriation would be needed as well.



DOA:.....Blaine - Transfer of MA eligibility administration from DWD to DHFS

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

DNOTE
Due
11/15/00
By Wed/PM

LPS: check auto refs.

DON'T
GEN. CAT.

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHFS administers the medical assistance (MA) program and DWD administers the food stamp program and the Wisconsin works (W-2) program. County departments of social services and county departments of human services determine the eligibility of individuals for all three programs. Under current law, DWD contracts with the county departments to reimburse the counties for the reasonable costs of determining this eligibility of individuals for each program. The amount that is reimbursed to each county department is calculated using a formula based on each county's workload and the amount of available state and federal moneys. DWD also is required to establish, by rule, standards of competency and training requirements for county workers who make the eligibility determinations and to submit annually a report to the appropriate standing committees of the legislature on funds recovered and paid out during the previous calendar year as a result of audit adjustments.

(county departments)

Also under current law, DWD is required to investigate suspected fraudulent activity on the part of individuals who receive food stamp benefits or MA benefits or who participate in the W-2 program and to reduce errors in the payment of benefits

under each program. Finally, in addition to the reimbursements made to counties for determining the eligibility of individuals for the MA, food stamp, and W-2 programs, DWD makes payments to each county and any federally recognized American Indian tribe administering the programs for the administrative costs of activities designed to reduce fraud and errors under each program.

This bill requires DWD and DHFS, jointly, to contract with county departments ~~of social services or county departments of human services~~ to administer the MA, food stamp, and W-2 programs. Under the bill, DWD continues to reimburse the county departments but the payments are funded, in part, by an appropriation to DHFS. The bill requires DWD and DHFS, jointly, to promulgate rules to establish standards of competency and training for county workers making the eligibility determinations for the food stamp, W-2, and MA programs. The bill also requires DWD and DHFS, jointly, to report annually to the appropriate standing committees of the legislature on funds recovered and paid out during the previous calendar year as a result of audit adjustments.

The bill also authorizes DHFS to contract with DWD to investigate possible fraud and to conduct payment error activities as part of DWD's current fraud investigation and error reduction activities. If DHFS does not contract with DWD, the bill requires DHFS to establish its own program to investigate possible fraud on the part of MA recipients and to reduce errors in the payments of MA. The bill continues to require DWD to investigate food stamp and W-2 fraud and to make payments to county departments and Indian tribes for costs of reducing fraud and errors in the food stamp and W-2 programs.

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) (a) of the statutes is amended to read:

2 20.435 (4) (a) *General program operations.* The amounts in the schedule for
3 general program operations, including health care financing regulation,
4 administration^v and field services ~~and~~ ^y medical assistance eligibility determinations
5 under s. 49.45 (2) (a) 3.

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) (bm) of the statutes is amended to read:

(I) } contract costs, insurer reports,
and resource centers

1 20.435 (4) (bm) *Medical assistance administration*. Biennially, the amounts
2 in the schedule to provide the state share of administrative contract costs for the
3 medical assistance program under ss. 49.45 and 49.665, other than payments to
4 counties under s. 49.33 (8), to reimburse insurers for their costs under s. 49.475, for
5 costs associated with outreach activities[✓] and for services of resource centers under
6 s. 46.283. No state positions may be funded in the department of health and family
7 services from this appropriation, except positions for the performance of duties
8 under a contract in effect before January 1, 1987, related to the administration of the
9 medical assistance program between the subunit of the department primarily
10 responsible for administering the medical assistance program and another subunit
11 of the department. Total administrative funding authorized for the program under
12 s. 49.665 may not exceed 10% of the amounts budgeted under pars. (bc) and (p).

→ Note: BUD

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. 77 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 323 a. 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.

13 **SECTION 3.** 20.435 (4) (bn) of the statutes is created to read:
14 20.435 (4) (bn) *Medical assistance administration; payments to counties*. The
15 amounts in the schedule for payments to counties under s. 49.33 (8) relating to the
16 administration of the medical assistance program.

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

17 **SECTION 4.** 20.435 (4) (nn) of the statutes is created to read:
18 20.435 (4) (nn) *Federal aid; payments to counties for medical assistance*

19 administration. All ~~state~~ moneys received from the federal government for
20 the costs of contracting for ~~the~~ ^{state} administration of the medical assistance program, other than

1 moneys received under par. (pa), for payments to counties under s. 49.33 (8) relating
 2 to ~~the~~ ^{ADMIN} administration of the medical assistance program.

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

3 SECTION 5. 20.435 (4) (pa) of the statutes is amended to read:

4 20.435 (4) (pa) *Federal aid; medical assistance contracts administration*. All
 5 federal moneys received for the federal share of the cost of contracting for payment
 6 and services administration and reporting, other than moneys received under par.
 7 (nn), to reimburse insurers for their costs under s. 49.475 and for services of resource
 8 centers under s. 46.283.

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), (e); 1981 c. 93 ss. 3 to 8, 180; 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.

9 SECTION 6. 20.445 (3) (dz) of the statutes is amended to read:

10 20.445 (3) (dz) *Wisconsin works and other public assistance administration and*
 11 *benefits*. The amounts in the schedule, less the amounts withheld under s. 49.143
 12 (3), for administration and benefit payments under Wisconsin works under ss.
 13 49.141 to 49.161, the learnfare program under s. 49.26, the work experience and job
 14 search program under s. 49.36 and the food stamp program under s. 49.124; for
 15 ~~payment distribution payments to counties~~ under s. 49.33 (8) for county
 16 ~~administration of public assistance benefits and medical assistance eligibility~~
 17 ~~determination~~ and for payments to American Indian tribes for administration of
 18 public assistance programs; ~~to provide state aid for county administered public~~
 19 ~~assistance programs for which reimbursement is provided under s. 49.33 (9);~~ and for
 20 funeral expenses under s. 49.30. Payments may be made from this appropriation to
 21 counties for fraud investigation and error reduction under s. 49.197 (1m) and (4).

1 Moneys appropriated under this paragraph may be used to match federal funds
2 received under par. (md). Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the
3 department may transfer funds between fiscal years under this paragraph. All funds
4 allocated by the department but not encumbered by December 31 of each year lapse
5 to the general fund on the next January 1 unless transferred to the next calendar
6 year by the joint committee on finance.

History: 1971 c. 125 ss. 156, 522 (1); 1971 c. 211, 215; 1971 c. 228 s. 44; 1971 c. 259; 1973 c. 90, 180, 243, 333; 1975 c. 39, 147, 224, 274, 344; 1975 c. 404 ss. 3, 10 (1); 1975 c. 405 ss. 3, 11 (1); 1977 c. 29, 48, 203, 418; 1979 c. 34 ss. 512 to 522, 2102 (25) (a); 1979 c. 189, 221, 309; 1979 c. 329 s. 25 (1); 1979 c. 350 ss. 3, 27 (6); 1979 c. 353, 355; 1981 c. 20, 36, 92, 93, 317, 325, 364; 1983 a. 8; 1983 a. 27 ss. 411 to 425; 1983 a. 98 ss. 1, 31; 1983 a. 192, 384, 388, 410; 1985 a. 17, 29, 153, 313, 332; 1987 a. 27; 1987 a. 38 ss. 2 to 4, 136; 1987 a. 399, 403; 1989 a. 31, 44, 64, 77, 254, 284, 359; 1991 a. 39 ss. 372c, 545r, 545t, 545v, 547, 548, 548g, 548m, 549, 549b, 549g, 549p; 1991 a. 85, 89, 269, 315; 1993 a. 16, 126, 243, 437, 491; 1995 a. 27 ss. 772mm, 772mn, 776p to 778b, 778L, 778n, 778q, 778v, 778z to 780m, 781m to 782p, 782u, 841, 842, 849, 850, 854, 855, 858c, 873 to 876, 878, 880, 890 to 896, 962 to 1014c, 9126 (19), 9130 (4); 1995 a. 113 s. 2t; 1995 a. 117, 201, 216, 225, 289; 1995 a. 404 ss. 4, 6 to 8, 10 to 17; 1997 a. 3; 1997 a. 27 ss. 610 to 642m, 722; 1997 a. 35, 38, 39, 105, 112, 191, 235, 236, 237, 252; 1999 a. 9 ss. 270, 458 to 478; 1999 a. 15, 32.

7 **SECTION 7. 20.445 (3) (L) of the statutes is amended to read:**

8 **20.445 (3) (L) *Welfare fraud and error reduction; state operations.*** From the
9 moneys received as the state's share of the recovery of overpayments and incorrect
10 payments under s. 49.191 (3) (c), 1997 stats., s. 49.195, 1997 stats., and ss. 49.125 (2),
11 and 49.497 (1), the amounts in the schedule for the department's activities to reduce
12 error and fraud in the food stamp, aid to families with dependent children, Wisconsin
13 ~~works program and medical assistance programs under s. 49.197.~~ ✓

History: 1971 c. 125 ss. 156, 522 (1); 1971 c. 211, 215; 1971 c. 228 s. 44; 1971 c. 259; 1973 c. 90, 180, 243, 333; 1975 c. 39, 147, 224, 274, 344; 1975 c. 404 ss. 3, 10 (1); 1975 c. 405 ss. 3, 11 (1); 1977 c. 29, 48, 203, 418; 1979 c. 34 ss. 512 to 522, 2102 (25) (a); 1979 c. 189, 221, 309; 1979 c. 329 s. 25 (1); 1979 c. 350 ss. 3, 27 (6); 1979 c. 353, 355; 1981 c. 20, 36, 92, 93, 317, 325, 364; 1983 a. 8; 1983 a. 27 ss. 411 to 425; 1983 a. 98 ss. 1, 31; 1983 a. 192, 384, 388, 410; 1985 a. 17, 29, 153, 313, 332; 1987 a. 27; 1987 a. 38 ss. 2 to 4, 136; 1987 a. 399, 403; 1989 a. 31, 44, 64, 77, 254, 284, 359; 1991 a. 39 ss. 372c, 545r, 545t, 545v, 547, 548, 548g, 548m, 549, 549b, 549g, 549p; 1991 a. 85, 89, 269, 315; 1993 a. 16, 126, 243, 437, 491; 1995 a. 27 ss. 772mm, 772mn, 776p to 778b, 778L, 778n, 778q, 778v, 778z to 780m, 781m to 782p, 782u, 841, 842, 849, 850, 854, 855, 858c, 873 to 876, 878, 880, 890 to 896, 962 to 1014c, 9126 (19), 9130 (4); 1995 a. 113 s. 2t; 1995 a. 117, 201, 216, 225, 289; 1995 a. 404 ss. 4, 6 to 8, 10 to 17; 1997 a. 3; 1997 a. 27 ss. 610 to 642m, 722; 1997 a. 35, 38, 39, 105, 112, 191, 235, 236, 237, 252; 1999 a. 9 ss. 270, 458 to 478; 1999 a. 15, 32.

14 **SECTION 8. 20.512 (1) (i) of the statutes is amended to read:**

15 **20.512 (1) (i) *Services to nonstate governmental units.*** The amounts in the
16 schedule for the purpose of funding personnel services to nonstate governmental
17 units under s. 230.05 (8), including services provided under ss. ~~49.33 (5) and s. 59.26~~ ✓
18 (8) (a). All moneys received from the sale of these services shall be credited to this
19 appropriation.

History: 1977 c. 196, 418; 1979 c. 34; 1981 c. 20; 1983 a. 27; 1985 a. 29; 1987 a. 27, 399; 1989 a. 31; 1991 a. 32, 39; 1995 a. 27, 201; 1997 a. 237; 1999 a. 9.

20 **SECTION 9. 46.22 (1) (d) of the statutes is repealed.**

1 SECTION 10. 46.22 (2) (b) of the statutes is amended to read:

2 46.22 (2) (b) Appoint the county social services director under sub. (3) subject
 3 to ~~s. 49.33 (4) to (7) and the rules promulgated thereunder~~ and subject to the approval
 4 of the county board of supervisors in a county with a single-county department of
 5 social services or the county boards of supervisors in counties with a multicounty
 6 department of social services.

History: 1971 c. 164, 218; 1973 c. 90 ss. 226, 560 (3); 1973 c. 147, 333; 1975 c. 39; 1975 c. 189 s. 99 (1), (2); 1975 c. 224 ss. 52p, 146m; 1975 c. 307, 422; 1975 c. 430 s. 78; 1977 c. 29 ss. 560, 1656 (18); 1977 c. 83 s. 26; 1977 c. 418, 449; 1979 c. 34, 221; 1981 c. 20 ss. 759 to 763m, 2202 (20) (j); 1981 c. 329; 1981 c. 390 s. 252; 1983 a. 27 s. 2202 (20); 1983 a. 190 s. 7; 1983 a. 192, 193, 447; 1985 a. 29, 120; 1985 a. 176 ss. 28, 30, 59 to 105; 1985 a. 332; 1987 a. 5, 27; 1989 a. 31, 107, 336, 359; 1991 a. 39, 274; 1993 a. 16; 1995 a. 27 ss. 2077 to 2111, 9126 (19), 9130 (4); 1995 a. 64, 77, 201, 289, 352, 404, 417; 1997 a. 3, 27, 35, 252; 1999 a. 9, 83.

7 SECTION 11. 46.22 (3m) (a) of the statutes is amended to read:

8 46.22 (3m) (a) In any county with a county executive or a county administrator
 9 which has established a single-county department of social services, the county
 10 executive or county administrator, ~~subject to s. 40.33 (4) to (7) and the rules~~
 11 ~~promulgated thereunder~~, shall appoint and supervise the county social services
 12 director. The appointment is subject to the confirmation of the county board of
 13 supervisors unless the county board of supervisors, by ordinance, elects to waive
 14 confirmation or unless the appointment is made under a civil service system
 15 competitive examination procedure established under s. 59.52 (8) or ch. 63.

History: 1971 c. 164, 218; 1973 c. 90 ss. 226, 560 (3); 1973 c. 147, 333; 1975 c. 39; 1975 c. 189 s. 99 (1), (2); 1975 c. 224 ss. 52p, 146m; 1975 c. 307, 422; 1975 c. 430 s. 78; 1977 c. 29 ss. 560, 1656 (18); 1977 c. 83 s. 26; 1977 c. 418, 449; 1979 c. 34, 221; 1981 c. 20 ss. 759 to 763m, 2202 (20) (j); 1981 c. 329; 1981 c. 390 s. 252; 1983 a. 27 s. 2202 (20); 1983 a. 190 s. 7; 1983 a. 192, 193, 447; 1985 a. 29, 120; 1985 a. 176 ss. 28, 30, 59 to 105; 1985 a. 332; 1987 a. 5, 27; 1989 a. 31, 107, 336, 359; 1991 a. 39, 274; 1993 a. 16; 1995 a. 27 ss. 2077 to 2111, 9126 (19), 9130 (4); 1995 a. 64, 77, 201, 289, 352, 404, 417; 1997 a. 3, 27, 35, 252; 1999 a. 9, 83.

16 SECTION 12. 49.197 (1m) of the statutes is amended to read:

17 49.197 (1m) FRAUD INVESTIGATION. From the appropriations under s. 20.445 (3)
 18 (dz), (L), (md), (n), (n) and (nL), the department shall establish a program to investigate
 19 suspected fraudulent activity on the part of recipients of ~~medical assistance under~~
 20 ~~subch. IV, aid to families with dependent children under s. 49.19 and food stamp~~
 21 benefits under the food stamp program under 7 USC 2011 to 2036 and on the part
 22 of participants in the Wisconsin works program under ss. 49.141 to 49.161, and, if

X

1 the department of health and family services contracts with the department under
 2 s. 49.45 (2) (b) 6., on the part of recipients of medical assistance under subch. IV. The
 3 department's activities under this subsection may include, but are not limited to,
 4 comparisons of information provided to the department by an applicant and
 5 information provided by the applicant to other federal, state, and local agencies,
 6 development of an advisory welfare investigation prosecution standard, and
 7 provision of funds to county departments under ss. 46.215, 46.22, and 46.23 and to
 8 Wisconsin works agencies to encourage activities to detect fraud. The department
 9 shall cooperate with district attorneys regarding fraud prosecutions.

History: 1985 a. 29, 176; 1987 a. 27, 413; 1989 a. 31; 1991 a. 39; 1995 a. 27, 289; 1997 a. 27, 35.

10 **SECTION 13.** 49.197 (3) of the statutes is amended to read:

11 **49.197 (3) STATE ERROR REDUCTION ACTIVITIES.** The department shall conduct
 12 activities to reduce payment errors in ~~medical assistance under subch. IV,~~ Wisconsin
 13 works under ss. 49.141 to 49.161, ~~aid to families with dependent children under s.~~
 14 ~~49.19~~ and the food stamp program under 7 USC 2011 to 2029 2036, and, if the
 15 department of health and family services contracts with the department under s.
 16 49.45 (2) (b) 6., the medical assistance program under subch. IV. The department
 17 shall fund the activities under this section from the appropriation under s. 20.445
 18 (3) (L).

History: 1985 a. 29, 176; 1987 a. 27, 413; 1989 a. 31; 1991 a. 39; 1995 a. 27, 289; 1997 a. 27, 35.

19 **SECTION 14.** 49.197 (4) of the statutes is amended to read:

20 **49.197 (4) COUNTY AND TRIBAL ERROR REDUCTION.** The department shall provide
 21 funds from the appropriations under s. 20.445 (3) (dz), (L), and (Lm) and federal
 22 matching funds from the appropriations under s. 20.445 (3) (md), (n), and (nL) to
 23 counties and governing bodies of federally recognized American Indian tribes
 24 administering ~~medical assistance under subch. IV,~~ aid to families with dependent

1 ~~children under s. 49.19 or~~ the food stamp program under 7 USC 2011 to ~~2029~~ 2036
2 or, if the department of health and family services contracts with the department
3 under s. 49.45 (2) (b) 6., the medical assistance program under subch. IV to offset
4 administrative costs of reducing payment errors in those programs.

History: 1985 a. 29, 176; 1987 a. 27, 413; 1989 a. 31; 1991 a. 39; 1995 a. 27, 289; 1997 a. 27, 35.

5 **SECTION 15.** 49.32 (2) (d) of the statutes is amended to read:

6 49.32 (2) (d) The department shall disburse from state or federal funds or both
7 the entire amount and charge the county for its share under s. 49.33 (8) and ~~(9)~~.

History: 1995 a. 27 ss. 2035 to 2037, 2276d, 2805 to 2809, 2927 to 2930, 3146 to 3149; 1995 a. 289, 361, 370, 404; 1997 a. 27, 35, 237, 252, 283.

8 **SECTION 16.** 49.32 (7) (a) of the statutes is amended to read:

9 49.32 (7) (a) The department shall conduct a program to periodically verify the
10 eligibility of recipients of aid to families with dependent children under s. 49.19 and
11 of participants in Wisconsin works under ss. 49.141 to 49.161 through a check of
12 school enrollment records of local school boards as provided in s. 118.125 (2) (i).

History: 1995 a. 27 ss. 2035 to 2037, 2276d, 2805 to 2809, 2927 to 2930, 3146 to 3149; 1995 a. 289, 361, 370, 404; 1997 a. 27, 35, 237, 252, 283.

13 **SECTION 17.** 49.32 (7) (b) of the statutes is amended to read:

14 49.32 (7) (b) The department shall conduct a program to periodically match the
15 records of recipients of ~~medical assistance under s. 49.46, 49.468 or 49.47,~~ aid to
16 families with dependent children under s. 49.19 and food stamp benefits under the
17 food stamp program under 7 USC 2011 to ~~2029~~ 2036 and, if the department of health
18 and family services contracts with the department under s. 49.45 (2) (b) 6., recipients
19 of medical assistance under subch. IV with the records of recipients under those
20 programs in other states. If an agreement with the other states can be obtained,
21 matches with records of states contiguous to this state shall be conducted at least
22 annually.

History: 1995 a. 27 ss. 2035 to 2037, 2276d, 2805 to 2809, 2927 to 2930, 3146 to 3149; 1995 a. 289, 361, 370, 404; 1997 a. 27, 35, 237, 252, 283.

23 **SECTION 18.** 49.32 (7) (c) of the statutes is amended to read:

1 49.32 (7) (c) The department shall conduct a program to periodically match the
2 address records of recipients of ~~medical assistance under s. 49.46, 49.468 or 49.47,~~
3 ~~aid to families with dependent children under s. 49.19 and~~ food stamp benefits under
4 the food stamp program under 7 USC 2011 to 2029 2036 and, if the department of
5 health and family services contracts with the department under s. 49.45 (2) (b) 6.,
6 recipients of medical assistance under subch. IV to verify residency and to identify
7 recipients receiving duplicate or fraudulent payments.

8 History: 1995 a. 27 ss. 2035 to 2037, 2276d, 2805 to 2809, 2927 to 2930, 3146 to 3149; 1995 a. 289, 361, 370, 404; 1997 a. 27, 35, 237, 252, 283.

8 **SECTION 19.** 49.32 (7) (d) of the statutes is amended to read:

9 49.32 (7) (d) The department, with assistance from the department of
10 corrections, shall conduct a program to periodically match the records of persons
11 confined in state correctional facilities with the records of recipients of ~~medical~~
12 ~~assistance under s. 49.46, 49.468 or 49.47, aid to families with dependent children~~
13 ~~under s. 49.19 and~~ food stamp benefits under the food stamp program under 7 USC
14 2011 to ~~2029~~ 2036 and, if the department of health and family services contracts with
15 the department under s. 49.45 (2) (b) 6., recipients of medical assistance under subch.
16 IV to identify recipients who may be ineligible for benefits.

17 History: 1995 a. 27 ss. 2035 to 2037, 2276d, 2805 to 2809, 2927 to 2930, 3146 to 3149; 1995 a. 289, 361, 370, 404; 1997 a. 27, 35, 237, 252, 283.

17 **SECTION 20.** 49.33 (1) (b) of the statutes is amended to read:

18 49.33 (1) (b) "Income maintenance program" means ~~aid to families with~~
19 ~~dependent children under s. 49.19, the~~ Wisconsin works program under ss. 49.141
20 to 49.161, the medical assistance program under subch. IV of ~~ch. 49~~ or the food stamp
21 program under 7 USC 2011 to ~~2029~~ 2036.

22 History: 1995 a. 27 ss. 2041 to 2049, 2933 to 2936, 3084 to 3087, 3130; 1995 a. 289, 417; 1997 a. 27.

22 **SECTION 21.** 49.33 (2) of the statutes is repealed and recreated to read:

23 49.33 (2) **CONTRACTS.** Annually, the department and the department of health
24 and family services shall, jointly, contract with county departments under ss. 46.215,

1 46.22 and 46.23 to administer the income maintenance programs and to reimburse
 2 counties ^{for} the reasonable cost of administering the income maintenance programs.

History: 1995 a. 27 ss. 2041 to 2049, 2933 to 2936, 3084 to 3087, 3130; 1995 a. 289, 417; 1997 a. 27.

3 SECTION 22. 49.33 (3) of the statutes is amended to read:

4 49.33 (3) RULES. The department and the department of health and family
 5 services, jointly, shall promulgate rules establishing standards of competency,
 6 including training requirements, for income maintenance workers.

History: 1995 a. 27 ss. 2041 to 2049, 2933 to 2936, 3084 to 3087, 3130; 1995 a. 289, 417; 1997 a. 27.

7 SECTION 23. 49.33 (4) of the statutes is repealed.

✓
20562 (KX)
20587 (KX)

8 SECTION 24. 49.33 (5) of the statutes is repealed.

9 SECTION 25. 49.33 (6) of the statutes is repealed.

10 SECTION 26. 49.33 (7) of the statutes is repealed.

11 SECTION 27. 49.33 (8) (a) of the statutes is amended to read:

12 49.33 (8) (a) The From the appropriation accounts under ss. 20.445 (3) (dz),
 13 (kx), (md), and (nL) and subject to par. (b), the department shall reimburse each
 14 county that contracts with the department and the department of health and family
 15 services under sub. (2) for reasonable costs of income maintenance relating to the
 16 administration of the programs under this subchapter and subch. IV according to
 17 administering the income maintenance programs. The amount of each
 18 reimbursement paid under this paragraph shall be calculated using a formula based
 19 on workload within the limits of available state and federal funds under s. 20.445 (3)
 20 (dz), (md), and (nL) by contract under s. 49.33 (2). The amount of reimbursement
 21 calculated under this paragraph and par. (b) is in addition to any reimbursement
 22 provided to a county for fraud and error reduction under s. 49.197 (1m) and (4).

(KX)

History: 1995 a. 27 ss. 2041 to 2049, 2933 to 2936, 3084 to 3087, 3130; 1995 a. 289, 417; 1997 a. 27.

23 SECTION 28. 49.33 (8) (b) of the statutes is amended to read:

1 49.33 (8) (b) The department may adjust the amounts determined under par.
2 (a) for workload changes and computer network activities performed by counties and
3 may reduce the amount of any reimbursement if federal reimbursement is withheld
4 due to audits, quality control samples, or program reviews.

History: 1995 a. 27 ss. 2041 to 2049, 2933 to 2936, 3084 to 3087, 3130; 1995 a. 289, 417; 1997 a. 27.

5 **SECTION 29.** 49.33 (9) of the statutes is repealed.

6 **SECTION 30.** 49.33 (10) (a) of the statutes is amended to read:

7 49.33 (10) (a) The county treasurer and each director of a county department
8 under s. 46.215, 46.22^v or 46.23 shall certify monthly under oath to the department
9 in such manner as the department prescribes the claim of the county for state
10 reimbursement under ~~subs. sub. (8) and (9)~~ ^v and (a). The department shall review
11 each claim of reimbursement and, if the department approves such the claim it, the
12 department shall certify to the department of administration for reimbursement to
13 the county for amounts due under these subsections sub. (8) (a) and payment claimed
14 to be made to the counties monthly. The department may make advance payments
15 prior to the beginning of each month equal to one-twelfth of the contracted amount.

History: 1995 a. 27 ss. 2041 to 2049, 2933 to 2936, 3084 to 3087, 3130; 1995 a. 289, 417; 1997 a. 27.

16 **SECTION 31.** 49.33 (10) (b) of the statutes is amended to read:

17 49.33 (10) (b) To facilitate prompt reimbursement^v, the certificate of the
18 department may be based on the certified statements of the county officers filed
19 under par. (a). Funds recovered from audit adjustments from a prior fiscal year may
20 be included in subsequent certifications only to pay counties owed funds as a result
21 of any audit adjustment. By September 30 annually, the department and the
22 department of health and family services, jointly, shall submit a report to the

1 appropriate standing committees under s. 13.172 (3) on funds recovered and paid out
2 during the previous calendar year as a result of audit adjustments.

3 **History:** 1995 a. 27 ss. 2041 to 2049, 2933 to 2936, 3084 to 3087, 3130; 1995 a. 289, 417; 1997 a. 27.

3 **SECTION 32.** 49.45 (2) (a) 3. of the statutes is amended to read:

4 49.45 (2) (a) 3. Determine the eligibility of persons for medical assistance,
5 rehabilitative[✓] and social services under ss. 49.16, 49.46[✓] and 49.47 and rules and
6 policies adopted by the department and ~~may~~ shall, under a contract under s. 49.33
7 (2), designate this function to the county department under s. 46.215, 46.22[✓] or 46.23
8 or, to the extent permitted by federal law or a waiver ^{the} from federal secretary of health
9 and human services ^{to} a Wisconsin works agency.

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.

10 **SECTION 33.** 49.45 (2) (a) 3m. of the statutes is created to read:

11 49.45 (2) (a) 3m. If the department does not contract with the department of
12 workforce development under par. (b) 6., establish a program to investigate
13 suspected fraudulent activity on the part of recipients of medical assistance and
14 establish a program to reduce errors in the payments of medical assistance.

15 **SECTION 34.** 49.45 (2) (b) 6. of the statutes is created to read:

16 49.45 (2) (b) 6. Contract with the department of workforce development to
17 investigate suspected fraudulent activity on the part of medical assistance recipients
18 and to reduce errors in the payments of medical assistance under s. 49.197.

19 **SECTION 35.** 49.45 (40) of the statutes is amended to read:

20 49.45 (40) PERIODIC RECORD MATCHES. ~~The~~ If the department contracts with the
21 department of workforce development under sub. (2) (b) 6., the department shall

1 cooperate with the department of workforce development in matching records of
2 medical assistance recipients under s. 49.32 (7).

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. 2/ 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.

3 **SECTION 36.** 59.22 (2) (c) 2. of the statutes is amended to read:

4 59.22 (2) (c) 2. No action of the board may be contrary to or in derogation of the
5 ~~rules of the department of health and family services under s. 49.33 (4) to (7) relating~~
6 ~~to employees administering old age assistance, aid to families with dependent~~
7 ~~children, aid to the blind and aid to totally and permanently disabled persons or ss.~~
8 63.01 to 63.17.

History: 1973 c. 118; 1977 c. 372; 1981 c. 317; 1987 a. 181; 1989 a. 48, 107; 1991 a. 316; 1995 a. 27 ss. 3287, 9126 (19); 1995 a. 201 ss. 257 to 260; Stats. 1995 s. 59.22; 1995 a. 225 s. 146; 1997 a. 35; 1999 a. 83.

9 **SECTION 37.** 230.45 (1) (e) of the statutes is repealed.

10 **SECTION 38.** 230.45 (3) of the statutes is amended to read:

11 230.45 (3) The commission shall promulgate rules establishing a schedule of
12 filing fees to be paid by any person who files an appeal under sub. (1) (c) ~~or (e)~~ or s.
13 230.44 (1) (a) or (b) with the commission on or after the effective date of the rules
14 promulgated under this subsection. Fees paid under this subsection shall be
15 deposited in the general fund as general purpose revenue – earned.

History: 1977 c. 196; 1979 c. 221; 1981 c. 334 s. 25 (2); 1981 c. 360, 1983 a. 27, 398, 409; 1987 a. 140, 331; 1987 a. 403 s. 256; 1989 a. 50 s. 259; 1991 a. 39; 1993 a. 16; 1995 a. 27; 1997 a. 131, 216; 1999 a. 176.

16 **SECTION 9158. Nonstatutory provisions; workforce development.**

17 (1) TRANSFER OF MEDICAL ASSISTANCE ELIGIBILITY DETERMINATIONS.

18 (a) *Transfer of positions and employees.*

19 1. On the effective date of this ~~paragraph~~ ^{subdivision}, 8.18 FTE FED positions in the
20 department of workforce development, and the incumbent employees holding those
21 positions, are transferred to the department of health and family services.

subdivision

1 2. On the effective date of this ~~paragraph~~^{subdivision}, 7.0 FTE PR positions in the
2 department of workforce development, and the incumbent employees holding those
3 positions, are transferred to the department of health and family services.

4 3. On the effective date of this ~~paragraph~~^{subdivision}, 4.82 FTE GPR positions in the
5 department of workforce development, and the incumbent employees holding those
6 positions, are transferred to the department of health and family services.

a.r.

7 4. The departments of workforce development and health and family services
8 shall jointly determine the employees to be transferred under subdivisions 1., 2., and
9 3. and shall jointly develop a plan for the orderly transfer thereof. In the event of any
10 disagreement between the departments, the secretary of administration shall
11 resolve the dispute and shall develop a plan for the orderly transfer thereof.

12 (b) *Employee status.* Employees transferred under paragraph (a) ^{a.r.} have all the
13 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
14 statutes in the ~~employment commission~~^{department of health and family services} that they enjoyed in the ~~employment~~
15 ~~relations commission~~^{department of workforce development} immediately before the transfer. Notwithstanding section
16 230.28 (4) of the statutes, no employee so transferred who has attained permanent
17 status in class is required to serve a probationary period.

SECTION 9358. Initial applicability; workforce development.

19 (1) **MEDICAL ASSISTANCE ELIGIBILITY DETERMINATIONS.** The treatment of sections
20 49.33 (1) (b), (2), (8) (a) and (b), and (10) (a) and (b) of the statutes first applies to
21 contracts entered into, extended, modified, or renewed on the effective date of this
22 subsection.

(END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0458/1dn

ISR *King*

November 10, 2000

Robert Blaine and Melissa Mullikin:

Please review this bill carefully to make sure ^{that} it achieves your intent. Specifically, please note the following:

1. The bill does not include any requirements or funding for the proposed DHFS MA fraud investigation and error reduction programs. OK?
2. Because I eliminated any reference to the AFDC program in s. 49.33, I also had to amend or repeal several other sections of the statutes, including those sections related to the merit system for income maintenance workers administering AFDC. Please review these changes to make sure ^{that} they achieve your intent. Note that I repealed s. 49.33 (9) instead of just striking the reference to AFDC because the reference to funeral expenses is redundant. Section 49.30 (2) already requires DWD to make the payments to counties for funeral expenses.
3. I also eliminated any reference to AFDC in ss. 49.197 and 49.32 because it is my understanding that DWD no longer investigates AFDC fraud.
4. You may want to consider including a delayed effective date for the transfer to allow the departments time to implement the changes to the programs.

If you have any questions, please feel free to contact me.

Ivy G. Sager-Rosenthal
Legislative Attorney
Phone: (608) 261-4455
E-mail: ivy.sager-rosenthal@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0458/1dn
ISR:kmg:jf

November 15, 2000

Robert Blaine and Melissa Mullikin:

Please review this bill carefully to make sure that it achieves your intent. Specifically, please note the following:



1. The bill does not include any requirements or funding for the proposed DHFS MA fraud investigation and error reduction programs. OK?
2. Because I eliminated any reference to the AFDC program in s. 49.33, I also had to amend or repeal several other sections of the statutes, including those sections related to the merit system for income maintenance workers administering AFDC. Please review these changes to make sure that they achieve your intent. Note that I repealed s. 49.33 (9) instead of just striking the reference to AFDC because the reference to funeral expenses is redundant. Section 49.30 (2) already requires DWD to make the payments to counties for funeral expenses.
3. I also eliminated any reference to AFDC in ss. 49.197 and 49.32 because it is my understanding that DWD no longer investigates AFDC fraud.
4. You may want to consider including a delayed effective date for the transfer to allow the departments time to implement the changes to the programs.

If you have any questions, please feel free to contact me.

Ivy G. Sager-Rosenthal
Legislative Attorney
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Sager-Rosenthal, Ivy

From: Blaine, Robert
Sent: Friday, December 22, 2000 11:23 AM
To: Sager-Rosenthal, Ivy
Subject: Language



Also, as we discussed, we would like to add a non-statutory provision to the draft . The basic idea is the Governor wants DWD to study moving food stamps to DHFS, including the funds and positions that would need to be transferred, the impacts on the CARES system, and the impacts on the local service delivery system. This provision would say something like:

MA transfer draft

"The department (of workforce development) shall study the impact of moving the food stamps program to the department of health and human services, identifying the resources which would need to be transferred, the effects on the CARES eligibility system, and the impacts on the local service delivery system. This study should provide a cost estimate for the transfer, and be submitted to the Governor by December 31, 2001."

I realize this is still kind of fuzzy. Give me a call if you would like to discuss further.

Robert Blaine

State Budget Office
Wisconsin Department of Administration
(608) 266-8219
robert.blaine@doa.state.wi.us

Sager-Rosenthal, Ivy

From: Blaine, Robert
Sent: Monday, December 04, 2000 9:41 AM
To: Sager-Rosenthal, Ivy
Cc: Mullikin, Melissa
Subject: MA transfer

Attached are some of DWD's initial comments on the draft. I have added some additional comments to theirs. I will also forward comments from DHFS. In short, I don't see any widely divergent comments from the departments. Both have suggested, though, that we meet to discuss the draft. At this point, I think there are only a few issues to discuss and have asked both departments to continue to share comments with us as they come up. We still haven't decided whether such a meeting would be productive.

Robert



DWD MA

language--Rob comments....

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Wisconsin Department of Administration
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Comments on LRB-0458/1
Transfer of MA to DHFS from DWD

Here are some preliminary comments based on a brief analysis of the draft.
Thank you for the opportunity.

Notes:

1. We do believe it is appropriate for DHFS to have an appropriation from which to either subcontract back to DWD for MA fraud or to create their own fraud unit for this purpose.

DHFS concurs with this comment.

- Need appropriation, type, let me know
Along with... sub to sub(2)?

2. We are concerned that sections 49.33(4)(5)(6)(7) and (8) might refer not just to the training requirements and merit selection etc for AFDC workers, but also for FS and MA workers. We need to retain these requirements for MA and FS workers. Thus, these sections should only be deleted if they pertain to AFDC only.

DHFS concurs with this comment.

* Then we need to revise them
* Rules are promulgated under (3) would contain these reg's

3. The assumption on note #3 is incorrect. DWD does still investigate and collect AFDC fraud and overpayments. We go back as far as 1982 and suspect there is another potential \$200 million in AFDC fraud and overpayments still left uncollected. Sections 49.195, 49.197 and 49.32 references to AFDC should be maintained.

DHFS concurs with this comment.

OK fine but lang needs to be changed?

4. The suggestion for a delayed effective date is one we will discuss with DHFS.

Comments on the Analysis and Related Language:

- DWD currently administers MA, the transfer refers to DHFS assuming responsibility for MA administration.

This refers to the first sentence of the drafter's comments. DWD administers MA eligibility, and DHFS administers everything else (policy, provider reimbursement, etc.). DWD does not (as their comment suggests) administer the entire MA program.

* There is a problem w/ current law b/c DHFS is required to adm. MA or determine eligibility

49.45(2)(a)3.

- Currently, DWD contracts with counties, W-2 agencies and tribes for MA administration. W-2 agencies with non-public employees subcontract with counties to facilitate the eligibility determinations for MA and FS.

W-2 counties can't do MA determinations - nowhere does it say that W-2 agencies or tribes for these Ks. - The lang says counties under —, never tribes

?? →

K lang in W-2

DWD currently provides supplements in the W-2 contracts for IM-related costs. In instances where the W-2 agency is different from the county human service agency, the W-2 agency uses that contract supplement to "purchase" eligibility services from the county.

- We do not understand the necessity of the last sentence in the first paragraph.

- This is current law. That was changed in the draft.

This is tied to another point, made below, where DWD asks why fraud has been "isolated" in the draft / comments.

- We are concerned that the analysis would lead a reader to believe that it is DWDs intent that DHFS jointly administer W-2 and FS. This is not the case. DHFS will be a co-administrator of the IM contract (MA and child care) and only the MA portion of the W-2 and FS contract ("W-2 and Related Programs".) Outside of the coordination between the two departments, DHFS has no formal administrative role in the administration of W-2 or FS.

Then the stat. (and) needs to be changed to specify this is all they are going to do, & now the analysis reflects what the bill does

Perhaps a different way of phrasing this is to state "This bill requires DWD and DHFS, jointly, to administer the Income Maintenance program..." IM is the eligibility portion of the W-2, FS & MA contracts / programs, and is really what will be jointly administered. The only problem with this is that DWD is trying to change the definition of IM to exclude MA (which I don't agree with) -- if that definition were changed in such a way, my suggested language wouldn't work.

- It is also not DWDs intent, nor it is reflected in the current Memorandum of Understanding between DWD and DHFS to transfer MA, that DHFS has any joint responsibility to promulgate rules with respect to the training for Income Maintenance workers or to report to the Legislature on audit findings.

OK

DHFS commented: "DHFS would prefer that DWD continue to be responsible for this function, rather than having two agencies involved in the promulgation of these rules. We expect to define how DHFS will participate in this process in the updated MOU between the two departments."

- DWD currently has the Income Maintenance Training Rule in effect (DWD 17).
- We question why the drafter seems to isolate fraud and not other administrative activities as those being specifically transferred. It is the intent of the MOU that DHFS also assume responsibility for other general administrative activities such as contracting, staffing the technical assistance call center, and contract monitoring and training, etc although DHFS will

- It isn't, but under current law this is specific and thus needs to be addressed.

assume responsibility for some functions by subcontracting back to DWD for their fulfillment.

I have asked DWD what other sections / functions should be identified? My guess is that fraud is explicitly discussed in the language because there is specific statutory language regarding fraud that is affected by the transfer. I've asked DWD to elaborate on whether there are similar statutory references to the Call Center, contract monitoring, etc.? If there are not such references (which I don't think there are), I see no reason to add all the details of the MOU to the drafter's comments..

Yes.
Thanks.

- It is not only MA eligibility determinations that are being transferred to DHFS, the transfer affects all of MA administration.

I'm not sure what their point is here (and I've asked for clarification). It has been my understanding that, after the policy functions were transferred back to DHFS, the eligibility side is all that's left at DWD.

- We believe a more thorough discussion of the definition of income maintenance might be worthwhile. It might clarify the statutes to create a "public assistance eligibility worker" for MA and FS and to reference the definition of a Financial and Employment Planner (FEP) in the DWD rule. It is our intent that the training rules apply to both types of workers.

DHFS concurs with this comment. Who knows where this will take us. The administration's intent in agreeing to this transfer is that the two departments will jointly administer the IM contract, which seems to presume that MA will still be included in the IM definition. As for their above suggestion, I don't have any initial problems with it (though I haven't given it a ton of thought).

- We need to continue to reimburse agencies for funerals under 49.33(9).

DHFS concurs.

** As I explained in the D-Note, s. 49.30(2) already requires DWD to do this from the appropriation.
If it should be paid out of TANF appropriation, then we should add it, but there is no reason to have it twice. In fact now, it's conflicting.*

DHFS Comments on LRB-0458/1
Transfer of MA to DHFS from DWD
12-1-00

Here are some preliminary comments based on our analysis of the draft. We request that a meeting be set up for DWD, DHFS and DOA staff to walk through the proposed changes, after you have had a chance to review the comments from DWD and DHFS, to assure that we are accomplishing what we all intend with these changes.

Thank you for the opportunity to review the draft.

Notes:

1. We agree with DWD's comment that it is appropriate for DHFS to have an appropriation from which to either subcontract back to DWD for MA fraud or to create our own fraud unit. We need to identify the funds and source of funds for this purpose.
2. On the training issues, we agree with DWD that the proposed changes to sections 49.33(4)(5)(6)(7) and (8) might refer not just to the training requirements and merit selection etc for AFDC workers, but also for FS and MA workers. We need to retain these requirements for MA and FS workers. Thus, these sections should only be deleted if they pertain to AFDC only.
3. As noted by DWD, there is a need to keep a reference to AFDC-related fraud.
4. We recommend that the effective date be July 1, 2001. If that is a problem, another option is the first of the month following the month the bill is effective. This would be a good topic to include in a joint meeting once we have agreement on the changes made in this bill.

Comments on the Analysis and Related Language:

- The analysis section does need to reflect that W-2 agencies also handle some MA functions under the terms of the current W-2 contracts.
- In terms of the responsibility to promulgate rules for training of workers, DHFS would prefer that DWD continue to be responsible for this function, rather than having two agencies involved in the promulgation of these rules. We expect to define how DHFS will participate in this process in the updated MOU between the two agencies.
- The language in the comment section about fraud investigations is ok because it provides flexibility to both agencies to negotiate an agreement for these functions.

- We agree with DWD that it is advisable to have a discussion of the definition of IM administration, especially as it relates to Medicaid administration.
- We also agree with DWD's comment that DWD will continue to reimburse agencies for funerals under 49.33(9).

Chapter 20 revisions

These seem to work assuming the corresponding changes in Chapter 49.

Chapter 49 revisions

On page 9, section 27 of the proposed language for 49.33 (8) (a), we suggest the addition of references to DFHS appropriations in this section, specifically 20.435(4) (bn) and (4) (nn), and a sentence to indicate that the payments to counties for Medicaid administration will be made either directly or through another state agency, to clarify that the appropriation can be used to make payments to another agency as a way to accomplish the intent.

Nonstatutory provisions

Transfer of positions and employees

- The draft transfers 8.18 FTE FED positions, 7.0 FTE PR positions and 4.82 FTE GPR positions from the Department of Workforce Development to DHFS. The language should be changed to indicate that the 7.0 FTE PR positions are transferred and converted to 5.18 GPR and 1.82 FED. This language would be consistent with the agreement to transfer 20.0 FTE to DHFS of which 10.0 are GPR and 10.0 FTE are FED in DHFS.

Standard transfer language was dropped from the draft regarding Rules and orders, Assets and liabilities, Tangible personal property, ~~Contracts~~ and pending matters. We believe this language needs to be added back.

Sager-Rosenthal, Ivy

From: Blaine, Robert
Sent: Sunday, January 07, 2001 2:49 PM
To: Sager-Rosenthal, Ivy
Subject: RE: MA transfer stat language

Sorry to see work sucked you in today as well. I can only react to a couple of your questions -- the rest we'll have to wait and hear from DWD.

-----Original Message-----

From: Sager-Rosenthal, Ivy
Sent: Sunday, January 07, 2001 11:53 AM
To: Blaine, Robert
Subject: RE: MA transfer stat language

Robert:

From what I understand, DWD is concerned that the merit system still needs to apply to MA and FS workers. I then propose amending (4) to require DWD to promulgate rules for the establishment and maintenance of personnel standards for MA and FS. I also propose amending (5) to read:

(5) Personnel examinations. Statewide examinations to ascertain qualifications of applicants in any county department administering aid to families with dependent children MA and FS shall be given

MY GUESS IS THAT THEY WON'T BE TOO THRILLED ABOUT THIS IDEA (THOUGH I'M NOT SURE IF THERE'S A GOOD ALTERNATIVE). IN ADDITION TO THE WORKLOAD ATTACHED TO THE RULEMAKING PROCESS, PRESUMABLY BOTH DEPARTMENTS WOULD HAVE TO WORK ON THE RULES WHICH WOULD ADD TO THE AMOUNT OF TIME IT WOULD TAKE. ADD IN THE FACT THAT FOOD STAMPS MAY BE FOLLOWING MA BACK TO DHFS PRETTY SOON, DWD MAY SEE THIS AS WORK WHICH IT WON'T REALLY BENEFIT FROM.

Then I think there is no need to repeal or amend (6) and (7). What does DWD propose to do about s. 59.22 (2) (c) 2? This section also does not mention MA or FS. Should this be amended to include MA and FS?

GOOD QUESTION. WE'LL SEE WHAT THEY SAY.

Also, (8) is already in the draft and, as far as I know, wasn't going to be deleted anyway.

Are the positions currently transferred in the draft ok?

Finally, should 49.30 (2) be amended to include (3) (md)?

YES. WHILE (MD) FUNDS ARE USED TO FUND ONLY A SMALL PART OF BURIAL COSTS, THEY ARE USED (OR ARE SUPPOSEDLY USED).

SPEAKING OF FUNDING. PRESUMABLY, DWD WILL BE RECEIVING MA FUNDS FROM DHFS TO BOTH PAY FOR THE CONTRACTS WITH THE LOCALS AS WELL AS TO PAY FOR SOME CONTRACTING COSTS DHFS HAS CONTRACTED WITH DWD FOR. DO YOU THINK THAT THESE PR-S FUNDS COULD BE RECEIVED IN 20.445 (3) (KX), (KY) AND / OR (KZ)? OR DO WE NEED TO CREATE NEW APPROPRIATIONS AT DWD TO RECEIVE THESE FUNDS?

Thanks,
Ivy

-----Original Message-----

From: Smith, Shawn
Sent: Friday, January 05, 2001 2:33 PM
To: Blaine, Robert
Cc: Sager-Rosenthal, Ivy
Subject: RE: MA transfer stat language

Yes, we would like to keep 4,5,6, and 7 amended to include FS and MA.

Sager-Rosenthal, Ivy

From: Blainé, Robert
Sent: Tuesday, January 09, 2001 11:12 AM
To: Sager-Rosenthal, Ivy
Subject: FW: MA transfer stat language

You're going to love this....

It came through while we were on the phone! DES has deferred to Howard's interpretation on our merit system discussion.

-----Original Message-----

From: Bernstein, Howard
Sent: Tuesday, January 09, 2001 10:55 AM
To: Smith, Shawn; Blainé, Robert; McDonnell, Patrick; Mansfield, Mark
Cc: Reynolds, Dianne; Rowin, Mary C.; Zynda, Richard
Subject: RE: MA transfer stat language

I'm sorry that I didn't get into this discussion sooner, but we should **not** create new references to merit system employees in the statutes. All references to merit system employees in sec. 49.33 relate only to AFDC and should be repealed.

We do not want to adapt this language to FS because it talks about the state directly supervising county recruitment and hiring, which we do not do and don't want to start doing. (I assume that the answer is the same for MA but it would be a good idea to verify with DHFS.)

The existing language on Food Stamps does not expressly mention merit system employees, but the statutes are clear that we are to comply with the requirements of the federal program unless we get a waiver (sec. 49.143(2)(d) and (e)). The federal regulations for FS state that eligibility determinations must be made by public merit system employees; we comply with this by using county civil service employees under the IM contracts.

The situation is the same for MA - nothing express in the statute except that the state is clearly required to comply with federal requirements, and the federal requirements do include eligibility determination by merit system employees.

So go ahead and repeal, we are OK with FS and MA under other provisions.

-----Original Message-----

From: Smith, Shawn
Sent: Monday, January 08, 2001 10:15 AM
To: Blainé, Robert; McDonnell, Patrick; Mansfield, Mark
Cc: Reynolds, Dianne; Rowin, Mary C.; Zynda, Richard; Bernstein, Howard
Subject: RE: MA transfer stat language

Robert-

This is getting beyond my area of expertise, so I am hoping the cc's will help me out, but here are my comments:

I don't know how appropriate it is for DWD alone to establish rules related to the merit system for FS/MA workers with DHFS now administering MA. I don't know what the right answer to this might be save for the language to relate to "Department policies and procedures developed in conjunction with DHFS" as opposed to rules.

The proposals for 5, 6, and 7 make sense to me.

Shawn

-----Original Message-----

From: Blaine, Robert
Sent: Sunday, January 07, 2001 2:03 PM
To: Smith, Shawn; McDonnell, Patrick; Mansfield, Mark
Subject: FW: MA transfer stat language

Any thoughts?

-----Original Message-----

From: Sager-Rosenthal, Ivy
Sent: Sunday, January 07, 2001 11:53 AM
To: Blaine, Robert
Subject: RE: MA transfer stat language

Robert:

From what I understand, DWD is concerned that the merit system still needs to apply to MA and FS workers. I then propose amending (4) to require DWD to promulgate rules for the establishment and maintenance of personnel standards for MA and FS. I also propose amending (5) to read:

(5) Personnel examinations. Statewide examinations to ascertain qualifications of applicants in any county department administering aid to families with dependent children MA and FS shall be given

Then I think there is no need to repeal or amend (6) and (7). What does DWD propose to do about s. 59.22 (2) (c) 2? This section also does not mention MA or FS. Should this be amended to include MA and FS?

Also, (8) is already in the draft and, as far as I know, wasn't going to be deleted anyway.

Are the positions currently transferred in the draft ok?

Finally, should 49.30 (2) be amended to include (3) (md)?

Thanks,
Ivy

-----Original Message-----

From: Smith, Shawn
Sent: Friday, January 05, 2001 2:33 PM
To: Blaine, Robert
Cc: Sager-Rosenthal, Ivy
Subject: RE: MA transfer stat language

Yes, we would like to keep 4,5,6, and 7 amended to include FS and MA.

Yes, we would like to keep 8.

Shawn

-----Original Message-----

From: Blaine, Robert
Sent: Friday, January 05, 2001 2:17 PM
To: Smith, Shawn
Cc: Sager-Rosenthal, Ivy
Subject: RE: MA transfer stat language

Let me clarify two things.

1. You want to keep 49.33(4), but presumably amend it to include FS & MA and delete AFDC.
2. You want to keep (8)

Also, there hasn't been discussion of moving 49.33 to subchapter IV.

If you wouldn't mind, please cc Ivy on your reply.

-----Original Message-----

From: Smith, Shawn
Sent: Friday, January 05, 2001 2:01 PM
To: Blaine, Robert
Cc: Mansfield, Mark; McDonnell, Patrick; Konrath, Nadine; Bernstein, Howard; Reynolds, Dianne
Subject: RE: MA transfer stat language

Robert-

Here are our thoughts on this:

We agree that (4)(5)(6) and (7) relate to AFDC only and thus might not be necessary, however, we do not know if the provisions for merit recruitment and selection for FS and MA purposes appears anywhere else in the stats. These sections appear to deliberately omit MA and FS and we don't know if that is intentional or not. We only know that merit recruitment and selection also applies to MA and FS. Since there has also been talk about modifying the definition of IM, we think we might need to specifically keep the merit recruitment and selection sections as being pertinent to FS and MA administration (i.e. their eligibility workers need to be "public employees" as defined by merit recruitment and selection also), but perhaps Howard can help us on this?

Also, our IM training rule does not speak to anything related to merit recruitment and selection referenced in subsection (3).

Also, we definitely need to keep subsection (8) because that gives us the authority to reimburse for FS and MA, it does not apply to AFDC only.

P.S. Has there been any decision about moving 49.33 (relevant sections) to subchapter 4 as a part of this exercise?

We agree with your second bullet that eliminating the reference to AFDC is appropriate.

We also agreed that the funeral subsections appear to be redundant with the exception of the 49.33 subsection including a reference to appropriation (md).

We do not have any reason for a delayed effective date. The current MOU says the agreement expires on the effective date of the MA provisions of the budget.

Hope this helps-

Shawn and Pat

-----Original Message-----

From: Blaine, Robert
Sent: Wednesday, January 03, 2001 3:30 PM
To: Smith, Shawn; Mansfield, Mark; McDonnell, Patrick
Subject: MA transfer stat language

Well, I dusted this file off and am digging back into the state language for the MA transfer. Sorry it has taken me this long to get back to you on these items. I've been talking with the drafter about your comments and we wanted to follow up on several points.

- The drafter had proposed repealing sections 49.33 (4), (5), (6), (7), & (8), but you were concerned that these sections might apply to food stamps. Two points: first, after reviewing the sections, they seem to refer specifically to AFDC; if the department wants these sections to apply to FS & MA workers, we would need to amend the sections accordingly. Second, the drafter has argued that 49.33 (3) may give the department enough coverage so that you wouldn't need to worry if these other sections were deleted.
-
- The drafter had proposed eliminating references to AFDC in 49.197. I agree that the reference in (1m), which refers to fraud, should be kept, but it is unclear whether the references in (3) and (4) need to stay. (3) deals with activities to

reduce payment errors; since there are no more AFDC payments, the reference seems unnecessary. (4) deals with payments to locals for their administrative costs incurred while working to reduce errors. Again, since counties are not working to reduce AFDC payment errors any more, the reference seems unnecessary. Do you agree?

-
- Your last comment is that DWD needs to continue reimbursing agencies for funerals under 49.33 (9). One of the reasons the drafter deleted this section is that it seemed to be redundant. S. 49.30 (2) appears to do the same thing as 49.33 (9). Can you explain the difference and thus the need to have the reference in both sections?
-
- In your comments, you also mentioned discussing the effective date of the provision with DHFS. They've proposed July 1, 2001, or the first of the month following the bill's effective date (if the budget is passed late). I don't see a reason for a delayed effective date, but let me know if there is such a reason.

Robert Blaine

State Budget Office
Wisconsin Department of Administration
(608) 266-8219
robert.blaine@doa.state.wi.us

-1939/11

RMR

DOA:.....Blaine - Transfer of MA eligibility administration from DWD to DHFS

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

NOTE

If possible, DOA would like by 11/10/00 Am. Thanks, DJE

0458/2

DON'T GEN. CAT.

1 AN ACT relating to: the budget

Analysts by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law,

the medical assistance (MA), food stamp, and Wisconsin works (W-2)

Under current law, DHFS administers the medical assistance (MA) program and DWD administers the food stamp program and the Wisconsin works (W-2) program. County departments of social services and county departments of human services (county departments) determine the eligibility of individuals for all three programs. Under current law, DWD contracts with the county departments to reimburse the counties for the reasonable costs of determining the eligibility of individuals for each program. The amount that is reimbursed to each county department is calculated using a formula based on each county's workload and the amount of available state and federal moneys. DWD also is required to establish, by rule, standards of competency and training requirements for county workers who make the eligibility determinations and to submit a report annually to the appropriate standing committees of the legislature on funds recovered and paid out during the previous calendar year as a result of audit adjustments.

Also under current law, DWD is required to investigate suspected fraudulent activity on the part of individuals who receive food stamp benefits or MA benefits or who participate in the W-2 program and to reduce errors in the payment of benefits.

Under current law, DWD administers the food stamp program, W-2 program, and the eligibility determination aspect of the MA program. DHFS administers all other aspects of the MA program.

LPS:7

MINE this entire paragraph (continues on next page) to Insert A to pg. 2.

aspect

under each program. Finally, in addition to the reimbursements made to counties for determining the eligibility of individuals for the MA, food stamp, and W-2 programs, DWD makes payments to each county and any federally recognized American Indian tribe administering the programs for the administrative costs of activities designed to reduce fraud and errors under each program.

reimburse the county departments for the reasonable costs of determining the eligibility of individuals for the MA program.

This bill requires DWD and DHFS, jointly, to contract with county departments to ~~administer the MA, food stamp, and W-2 programs.~~ Under the bill, DWD continues to ~~reimburse~~ the county departments but the payments are funded, in part, by an appropriation to DHFS. The bill requires DWD and DHFS, jointly, to promulgate rules to establish standards of competency and training for county workers making the eligibility determinations for the food stamp, W-2, and MA programs. The bill also requires DWD and DHFS, jointly, to report annually to the appropriate standing committees of the legislature on funds recovered and paid out during the previous calendar year as a result of audit adjustments.

make the payment for reimbursement to

The bill also authorizes DHFS to contract with DWD to investigate possible fraud and to conduct payment error activities as part of DWD's current fraud investigation and error reduction activities. If DHFS does not contract with DWD, the bill requires DHFS to establish its own program to investigate possible fraud on the part of MA recipients and to reduce errors in the payments of MA. The bill continues to require DWD to investigate food stamp and W-2 fraud and to make payments to county departments and Indian tribes for costs of reducing fraud and errors in the food stamp and W-2 programs.

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

Insert A & from pp. 1-2

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

1 **SECTION 1.** 20.435 (4) (a) of the statutes is amended to read:
 2 20.435 (4) (a) *General program operations.* The amounts in the schedule for
 3 general program operations, including health care financing regulation,
 4 administration, and field services and medical assistance eligibility determinations
 5 under s. 49.45 (2) (a) 3.

6 **SECTION 2.** 20.435 (4) (bm) of the statutes is amended to read:
 7 20.435 (4) (bm) *Medical assistance administration; contract costs, insurer*
 8 *reports, and resource centers.* Biennially, the amounts in the schedule to provide the
 9 state share of administrative contract costs for the medical assistance program

1 under ss. 49.45 and 49.665, other than payments to counties under s. 49.33 (8), to
2 reimburse insurers for their costs under s. 49.475, for costs associated with outreach
3 activities, and for services of resource centers under s. 46.283. No state positions may
4 be funded in the department of health and family services from this appropriation,
5 except positions for the performance of duties under a contract in effect before
6 January 1, 1987, related to the administration of the medical assistance program
7 between the subunit of the department primarily responsible for administering the
8 medical assistance program and another subunit of the department. Total
9 administrative funding authorized for the program under s. 49.665 may not exceed
10 10% of the amounts budgeted under pars. (bc) and (p).

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

11 **SECTION 3.** 20.435 (4) (bn) of the statutes is created to read:

12 20.435 (4) (bn) *Medical assistance administration; payments to counties.* The
13 amounts in the schedule for payments to counties under s. 49.33 (8) relating to the
14 administration of the medical assistance program.

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

15 **SECTION 4.** 20.435 (4) (nn) of the statutes is created to read:

16 20.435 (4) (nn) *Federal aid; payments to counties for medical assistance*
17 *administration.* All moneys received from the federal government for the costs of
18 contracting for the administration of the medical assistance program, other than
19 moneys received under par. (pa), for payments to counties under s. 49.33 (8) relating
20 to the administration of the medical assistance program.

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

21 **SECTION 5.** 20.435 (4) (pa) of the statutes is amended to read:

1 20.435 (4) (pa) *Federal aid; medical assistance contracts administration*. All
2 federal moneys received for the federal share of the cost of contracting for payment
3 and services administration and reporting, other than moneys received under par.
4 (nn), to reimburse insurers for their costs under s. 49.475 and for services of resource
5 centers under s. 46.283.

6 **SECTION 6.** 20.445 (3) (dz) of the statutes is amended to read:

7 20.445 (3) (dz) *Wisconsin works and other public assistance administration and*
8 *benefits*. The amounts in the schedule, less the amounts withheld under s. 49.143
9 (3), for administration and benefit payments under Wisconsin works under ss.
10 49.141 to 49.161, the learnfare program under s. 49.26, the work experience and job
11 search program under s. 49.36, and the food stamp program under s. 49.124; for
12 ~~payment distribution~~ payments to counties under s. 49.33 (8) ~~for county~~
13 ~~administration of public assistance benefits and medical assistance eligibility~~
14 ~~determination~~ and for payments to American Indian tribes for administration of
15 public assistance programs; ~~to provide state aid for county administered public~~
16 ~~assistance programs for which reimbursement is provided under s. 49.33 (9); and for~~
17 funeral expenses under s. 49.30. Payments may be made from this appropriation to
18 counties for fraud investigation and error reduction under s. 49.197 (1m) and (4).
19 Moneys appropriated under this paragraph may be used to match federal funds
20 received under par. (md). Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the
21 department may transfer funds between fiscal years under this paragraph. All funds
22 allocated by the department but not encumbered by December 31 of each year lapse
23 to the general fund on the next January 1 unless transferred to the next calendar
24 year by the joint committee on finance.

25 **SECTION 7.** 20.445 (3) (L) of the statutes is amended to read:

1 20.445 (3) (L) *Welfare fraud and error reduction; state operations.* From the
2 moneys received as the state's share of the recovery of overpayments and incorrect
3 payments under s. 49.191 (3) (c), 1997 stats., s. 49.195, 1997 stats., and ss. 49.125 (2),
4 and 49.497 (1), the amounts in the schedule for the department's activities to reduce
5 error and fraud in the food stamp, aid to families with dependent children, Wisconsin
6 works program and medical assistance programs under s. 49.197.

7 **SECTION 8.** 20.512 (1) (i) of the statutes is amended to read:

8 20.512 (1) (i) *Services to nonstate governmental units.* The amounts in the
9 schedule for the purpose of funding personnel services to nonstate governmental
10 units under s. 230.05 (8), including services provided under ~~ss. 49.33 (5) and s. 59.26~~
11 (8) (a). All moneys received from the sale of these services shall be credited to this
12 appropriation.

13 **SECTION 9.** 46.22 (1) (d) of the statutes is repealed.

14 **SECTION 10.** 46.22 (2) (b) of the statutes is amended to read:

15 46.22 (2) (b) Appoint the county social services director under sub. (3) ~~subject~~
16 ~~to s. 49.33 (4) to (7) and the rules promulgated thereunder and~~ subject to the approval
17 of the county board of supervisors in a county with a single-county department of
18 social services or the county boards of supervisors in counties with a multicounty
19 department of social services.

20 **SECTION 11.** 46.22 (3m) (a) of the statutes is amended to read:

21 46.22 (3m) (a) In any county with a county executive or a county administrator
22 which has established a single-county department of social services, the county
23 executive or county administrator, ~~subject to s. 49.33 (4) to (7) and the rules~~
24 ~~promulgated thereunder,~~ shall appoint and supervise the county social services
25 director. The appointment is subject to the confirmation of the county board of

1 supervisors unless the county board of supervisors, by ordinance, elects to waive
2 confirmation or unless the appointment is made under a civil service system
3 competitive examination procedure established under s. 59.52 (8) or ch. 63.

4 **SECTION 12.** 49.197 (1m) of the statutes is amended to read:

5 49.197 (1m) FRAUD INVESTIGATION. From the appropriations under s. 20.445 (3)
6 (dz), (L), (md), (n), and (nL), the department shall establish a program to investigate
7 suspected fraudulent activity on the part of recipients of medical assistance under
8 subch. IV, aid to families with dependent children under s. 49.19 and food stamp
9 benefits under the food stamp program under 7 USC 2011 to 2036 and, on the part
10 of participants in the Wisconsin works program under ss. 49.141 to 49.161, and, if
11 the department of health and family services contracts with the department under
12 s. 49.45 (2) (b) 6., on the part of recipients of medical assistance under subch. IV. The
13 department's activities under this subsection may include, but are not limited to,
14 comparisons of information provided to the department by an applicant and
15 information provided by the applicant to other federal, state, and local agencies,
16 development of an advisory welfare investigation prosecution standard, and
17 provision of funds to county departments under ss. 46.215, 46.22, and 46.23 and to
18 Wisconsin works agencies to encourage activities to detect fraud. The department
19 shall cooperate with district attorneys regarding fraud prosecutions.

20 **SECTION 13.** 49.197 (3) of the statutes is amended to read:

21 49.197 (3) STATE ERROR REDUCTION ACTIVITIES. The department shall conduct
22 activities to reduce payment errors in ~~medical assistance under subch. IV, Wisconsin~~
23 ~~works under ss. 49.141 to 49.161, aid to families with dependent children under s.~~
24 ~~49.19 and the food stamp program under 7 USC 2011 to 2029 2036, and, if the~~
25 department of health and family services contracts with the department under s.

1 49.45 (2) (b) 6., the medical assistance program under subch. IV. The department
2 shall fund the activities under this section from the appropriation under s. 20.445
3 (3) (L).

4 **SECTION 14.** 49.197 (4) of the statutes is amended to read:

5 49.197 (4) COUNTY AND TRIBAL ERROR REDUCTION. The department shall provide
6 funds from the appropriations under s. 20.445 (3) (dz), (L), and (Lm) and federal
7 matching funds from the appropriations under s. 20.445 (3) (md), (n), and (nL) to
8 counties and governing bodies of federally recognized American Indian tribes
9 administering ~~medical assistance under subch. IV, aid to families with dependent~~
10 ~~children under s. 49.19~~ or the food stamp program under 7 USC 2011 to 2029 2036
11 or, if the department of health and family services contracts with the department
12 under s. 49.45 (2) (b) 6., the medical assistance program under subch. IV to offset
13 administrative costs of reducing payment errors in those programs.

14 **SECTION 15.** 49.32 (2) (d) of the statutes is amended to read:

15 49.32 (2) (d) The department shall disburse from state or federal funds or both
16 the entire amount and charge the county for its share under s. 49.33 (8) and (9).

17 **SECTION 16.** 49.32 (7) (a) of the statutes is amended to read:

18 49.32 (7) (a) The department shall conduct a program to periodically verify the
19 eligibility of recipients of aid to families with dependent children under s. 49.19 and
20 of participants in Wisconsin works under ss. 49.141 to 49.161 through a check of
21 school enrollment records of local school boards as provided in s. 118.125 (2) (i).

22 **SECTION 17.** 49.32 (7) (b) of the statutes is amended to read:

23 49.32 (7) (b) The department shall conduct a program to periodically match the
24 records of recipients of medical assistance under s. 49.46, 49.468 or 49.47, aid to
25 families with dependent children under s. 49.19 and food stamp benefits under the

Insert
7-13

~~SECTION 16. 49.32 (7) (a) of the statutes is amended to read:
49.32 (7) (a) The department shall conduct a program to periodically verify the
eligibility of recipients of aid to families with dependent children under s. 49.19 and
of participants in Wisconsin works under ss. 49.141 to 49.161 through a check of
school enrollment records of local school boards as provided in s. 118.125 (2) (i).~~

24
25

plain

plain

1 food stamp program under 7 USC 2011 to ~~2029~~ 2036 and, if the department of health
2 and family services contracts with the department under s. 49.45 (2) (b) 6., recipients
3 of medical assistance under subch. IV with the records of recipients under those
4 programs in other states. If an agreement with the other states can be obtained,
5 matches with records of states contiguous to this state shall be conducted at least
6 annually.

7 **SECTION 18.** 49.32 (7) (c) of the statutes is amended to read:

8 49.32 (7) (c) The department shall conduct a program to periodically match the
9 address records of recipients of ~~medical assistance under s. 49.46, 49.468 or 49.47,~~
10 aid to families with dependent children under s. 49.19 and ^{plain} food stamp benefits under
11 the food stamp program under 7 USC 2011 to ~~2029~~ 2036 and, if the department of
12 health and family services contracts with the department under s. 49.45 (2) (b) 6.,
13 recipients of medical assistance under subch. IV to verify residency and to identify
14 recipients receiving duplicate or fraudulent payments.

15 **SECTION 19.** 49.32 (7) (d) of the statutes is amended to read:

16 49.32 (7) (d) The department, with assistance from the department of
17 corrections, shall conduct a program to periodically match the records of persons
18 confined in state correctional facilities with the records of recipients of medical
19 assistance under s. 49.46, 49.468 or 49.47, ^{plain} aid to families with dependent children
20 under s. 49.19 and ^{plain} food stamp benefits under the food stamp program under 7 USC
21 2011 to ~~2029~~ 2036 and, if the department of health and family services contracts with
22 the department under s. 49.45 (2) (b) 6., recipients of medical assistance under subch.
23 IV to identify recipients who may be ineligible for benefits.

24 **SECTION 20.** 49.33 (1) (b) of the statutes is amended to read:

1 49.33 (1) (b) "Income maintenance program" means aid to families with
2 dependent children under s. 49.19, the Wisconsin works program under ss. 49.141
3 to 49.161, the medical assistance program under subch. IV of ch. 49, or the food stamp
4 program under 7 USC 2011 to 2029 2036.

5 SECTION 21. 49.33 (2) of the statutes is repealed and recreated to read:

6 49.33 (2) CONTRACTS. ^(a) Annually, the department and the department of health
7 and family services shall, jointly, contract with county departments under ss. 46.215,

8 46.22, and 46.23 to administer the income maintenance programs and to reimburse
the county departments

9 ~~programs~~ for the reasonable cost of administering the ~~income maintenance programs~~ ^{medical assistance program under subch. IV}

10 SECTION 22. 49.33 (3) of the statutes is amended to read.

11 49.33 (3) RULES. The department and the department of health and family
12 services, jointly, shall promulgate rules establishing standards of competency,
13 including training requirements, for income maintenance workers.

14 SECTION 23. 49.33 (4) of the statutes is repealed.

15 SECTION 24. 49.33 (5) of the statutes is repealed.

16 SECTION 25. 49.33 (6) of the statutes is repealed.

17 SECTION 26. 49.33 (7) of the statutes is repealed.

18 SECTION 27. 49.33 (8) (a) of the statutes is amended to read:

19 49.33 (8) (a) The ~~From~~ the appropriation accounts under ss. 20.445 (3) (d),
20 (kx), (md), and (nL) and subject to par. (b), the department shall reimburse each

21 county that contracts with the department and the department of health and family
22 services under sub. (2) ^(a) for reasonable costs of income maintenance relating to the

23 administration of the programs under this subchapter and subch. IV according to
24 administering the income maintenance programs. ^{other than the medical assistance program under subch. IV} The amount of each

25 reimbursement paid under this paragraph shall be calculated using a formula based

medical assistance program under subch. IV and that contracts with the department under sub. (2)(b) for the reasonable costs of administering

^(b) Annually, the department shall contact with county departments under ss. 46.215, 46.22, and 46.23 to reimburse the county departments for the reasonable cost of administering income maintenance programs, other than the medical assistance program under subch. IV.

1 on workload within the limits of available state and federal funds under s. 20.445 (3)
2 (dz), ~~(kx)~~, (md), and (nL) by contract under s. 49.33 (2). The amount of
3 reimbursement calculated under this paragraph and par. (b) is in addition to any
4 reimbursement provided to a county for fraud and error reduction under s. 49.197
5 (1m) and (4).

6 **SECTION 28.** 49.33 (8) (b) of the statutes is amended to read:

7 49.33 (8) (b) The department may adjust the amounts determined under par.
8 (a) for workload changes and computer network activities performed by counties and
9 may reduce the amount of any reimbursement if federal reimbursement is withheld
10 due to audits, quality control samples, or program reviews.

11 **SECTION 29.** 49.33 (9) of the statutes is repealed.

12 **SECTION 30.** 49.33 (10) (a) of the statutes is amended to read:

13 49.33 (10) (a) The county treasurer and each director of a county department
14 under s. 46.215, 46.22, or 46.23 shall certify monthly under oath to the department
15 in such manner as the department prescribes the claim of the county for state
16 reimbursement under ~~subs. sub. (8) and (9) and (a)~~. The department shall review
17 each claim of reimbursement and, if the department approves such the claim it, the
18 department shall certify to the department of administration for reimbursement to
19 the county for amounts due under these subsections sub. (8) (a) and payment claimed
20 to be made to the counties monthly. The department may make advance payments
21 prior to the beginning of each month equal to one-twelfth of the contracted amount.

22 **SECTION 31.** ~~49.33 (10) (b) of the statutes is amended to read:~~

23 ~~49.33 (10) (b) To facilitate prompt reimbursement, the certificate of the~~
24 ~~department may be based on the certified statements of the county officers filed~~
25 ~~under par. (a). Funds recovered from audit adjustments from a prior fiscal year may~~

1 be included in subsequent certifications only to pay counties owed funds as a result
2 of any audit adjustment. By September 30 annually, the department and the
3 department of health and family services, jointly, shall submit a report to the
4 appropriate standing committees under s. 13.172 (3) on funds recovered and paid out
5 during the previous calendar year as a result of audit adjustments.

6 **SECTION 32.** 49.45 (2) (a) 3. of the statutes is amended to read:

7 49.45 (2) (a) 3. Determine the eligibility of persons for medical assistance,
8 rehabilitative, and social services under ss. 49.46, 49.468, and 49.47 and rules and
9 policies adopted by the department and ~~may shall, under a contract under s. 49.33~~
10 ^(a) (2), designate this function to the county department under s. 46.215, 46.22, or 46.23
11 or, to the extent permitted by federal law or a waiver from the federal secretary of
12 health and human services, to a Wisconsin works agency.

13 **SECTION 33.** 49.45 (2) (a) 3m. of the statutes is created to read:

14 49.45 (2) (a) 3m. If the department does not contract with the department of
15 workforce development under par. (b) 6., establish a program to investigate
16 suspected fraudulent activity on the part of recipients of medical assistance and
17 establish a program to reduce errors in the payments of medical assistance.

18 **SECTION 34.** 49.45 (2) (b) 6. of the statutes is created to read:

19 49.45 (2) (b) 6. Contract with the department of workforce development to
20 investigate suspected fraudulent activity on the part of medical assistance recipients
21 and to reduce errors in the payments of medical assistance under s. 49.197.

22 **SECTION 35.** 49.45 (40) of the statutes is amended to read:

23 49.45 (40) PERIODIC RECORD MATCHES. The If the department contracts with the
24 department of workforce development under sub. (2) (b) 6., the department shall

1 cooperate with the department of workforce development in matching records of
2 medical assistance recipients under s. 49.32 (7).

3 **SECTION 36.** 59.22 (2) (c) 2. of the statutes is amended to read:

4 59.22 (2) (c) 2. No action of the board may be contrary to or in derogation of the
5 ~~rules of the department of health and family services under s. 49.33 (4) to (7) relating~~
6 ~~to employees administering old-age assistance, aid to families with dependent~~
7 ~~children, aid to the blind and aid to totally and permanently disabled persons or ss.~~
8 63.01 to 63.17.

9 **SECTION 37.** 230.45 (1) (e) of the statutes is repealed.

10 **SECTION 38.** 230.45 (3) of the statutes is amended to read:

11 230.45 (3) The commission shall promulgate rules establishing a schedule of
12 filing fees to be paid by any person who files an appeal under sub. (1) (c) ~~or (e)~~ or s.
13 230.44 (1) (a) or (b) with the commission on or after the effective date of the rules
14 promulgated under this subsection. Fees paid under this subsection shall be
15 deposited in the general fund as general purpose revenue – earned.

16 **SECTION 9158. Nonstatutory provisions; workforce development.**

17 (1) TRANSFER OF MEDICAL ASSISTANCE ELIGIBILITY DETERMINATIONS.

18 (a) *Transfer of positions and employees.*

19 1. On the effective date of this subdivision, 8.18 FTE FED positions in the
20 department of workforce development, and the incumbent employees holding those
21 positions, are transferred to the department of health and family services.

22 2. On the effective date of this subdivision, 7.0 FTE PR positions in the
23 department of workforce development, and the incumbent employees holding those
24 positions, are transferred to the department of health and family services.

1 3. On the effective date of this subdivision, 4.82 FTE GPR positions in the
2 department of workforce development, and the incumbent employees holding those
3 positions, are transferred to the department of health and family services.

4 4. The departments of workforce development and health and family services
5 shall jointly determine the employees to be transferred under subdivisions 1., 2., and
6 3. and shall jointly develop a plan for the orderly transfer thereof. In the event of any
7 disagreement between the departments, the secretary of administration shall
8 resolve the dispute and shall develop a plan for the orderly transfer thereof.

9 (b) *Employee status.* Employees transferred under paragraph (a) have all the
10 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
11 statutes in the department of health and family services that they enjoyed in the
12 department of workforce development immediately before the transfer.
13 Notwithstanding section 230.28 (4) of the statutes, no employee so transferred who
14 has attained permanent status in class is required to serve a probationary period.

✓
Insert
13-14 →

15 **SECTION 9358. Initial applicability; workforce development.**

16 (1) **MEDICAL ASSISTANCE ELIGIBILITY DETERMINATIONS.** The treatment of section
17 49.33 (1) (b), (2), (8) (a) and (b), and (10) (a) ~~AAA~~ of the statutes first applies to
18 contracts entered into, extended, modified, or renewed on the effective date of this
19 subsection.

20 **(END)**

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0458/2ins
ISR:.....

✓
Insert 7-13

SECTION 1. 49.30 (2) of the statutes is amended to read:

49.30 (2) From the ~~appropriation~~ appropriations under ~~(s.)~~ ^{plain} ~~(ss.)~~ 20.445 (3) (dz) and [✓] (md), the department shall reimburse a county or applicable tribal governing body or organization for any amount that the county or applicable tribal governing body or organization is required to pay under sub. (1). From the ~~appropriation~~ appropriations under ~~(s.)~~ ^{plain} ~~(ss.)~~ 20.445 (3) (dz) and [✓] (md), the department shall reimburse a county or applicable tribal governing body or organization for cemetery expenses or for funeral and burial expenses for persons described under sub. (1) that the county or applicable tribal governing body or organization is not required to pay under subs. (1) and (1m) only if the department approves the reimbursement due to unusual circumstances.

History: 1973 c. 147, 333; 1975 c. 39, 224; 1979 c. 206; 1981 c. 20; 1985 a. 29, 176, 332; 1989 a. 31, 239; 1995 a. 27, 289; 1997 a. 27; 1999 a. 9.

Insert 13-14

(2) STUDY OF TRANSFERRING THE FOOD STAMP PROGRAM. The department of workforce development shall study the impacts of transferring the food stamp program under section 49.124[✓] of the statutes to the department of health and family services, including the resources that would be transferred and the effects of the transfer on the client assistance for reemployment and economic support computer system and the local service delivery system. The department of workforce development shall submit a report on the results of the study to the governor no later than December 31, 2001.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0458/2dn

ISR:.....
king

January 9, 2001

Robert Blaine:

Please review this draft carefully to make sure ^{that} it achieves your intent. I made the following changes to the draft:

1. I changed the language in s. 49.33 (2) to clarify that DHFS will be a party to the IM contracts only as they relate to MA.
2. I added a requirement that DWD study the transfer of the food stamp program to DIIFS.
3. I added the appropriation under s. 20.485 (3) (md) to the appropriations from which DWD may pay funeral expenses under s. 49.30 (2).
4. Sections 49.197 (1m) and 49.32 (7) now refer to the AFDC program.
4. Finally, under the draft, DHFS is no longer responsible for promulgating rules with DWD under s. 49.33 (3) and for submitting the audit report to the legislature under s. 49.33 (10). OK? (b)

Note that the draft does not contain funding for a fraud program for DHFS.

If you have any questions, please do not hesitate to contact me.

Ivy G. Sager-Rosenthal
Legislative Attorney
Phone: (608) 261-4455
E-mail: ivy.sager-rosenthal@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1939/1dn
ISR:king:cl

January 10, 2001

Robert Blaine:

Please review this draft carefully to make sure that it achieves your intent. I made the following changes to the draft:

1. I changed the language in s. 49.33 (2) to clarify that DHFS will be a party to the IM contracts only as they relate to MA.
2. I added a requirement that DWD study the transfer of the food stamp program to DHFS.
3. I added the appropriation under s. 20.445 (3) (md) to the appropriations from which DWD may pay funeral expenses under s. 49.30 (2).
4. Sections 49.197 (1m) and 49.32 (7) now refer to the AFDC program.
5. Finally, under the draft, DHFS is no longer responsible for promulgating rules with DWD under s. 49.33 (3) and for submitting the audit report to the legislature under s. 49.33 (10) (b). OK?

Note that the draft does not contain funding for a fraud program for DHFS.

If you have any questions, please do not hesitate to contact me.

Ivy G. Sager-Rosenthal
Legislative Attorney
Phone: (608) 261-4455
E-mail: ivy.sager-rosenthal@legis.state.wi.us

Sager-Rosenthal, Ivy

From: Blaine, Robert
Sent: Thursday, January 11, 2001 3:32 PM
To: Sager-Rosenthal, Ivy
Subject: FW: MA transfer and appropriations



maeligappns.xls

I guess I should have commented on this when I sent it the first time.

She's right that DOA / the Gov. approved converting these positions so that DHFS would have 10 GPR and 10 FED positions. Thus, if this could be addressed in the draft, I'd appreciate it.

-----Original Message-----

From: Daggett, Cynthia
Sent: Thursday, January 11, 2001 2:53 PM
To: Blaine, Robert
Cc: Bove, Fredi-Ellen; Dunkel, Donna; Wood, Susan; Kraus, Jennifer; Mullikin, Melissa
Subject: Re: MA transfer and appropriations

The attached table shows how the funds break out between the existing (4)(a) and the new (4)(bn) and (4)(n) and the new (4)(nn). The amounts are consistent with the original DOA plan.

My concern with positions is in the nonstatutory language under Section 9158. The positions coming from DWD are 8.18 FTE FED, 7.0 FTE PR and 4.82 FTE GPR. The positions needed in DHFS are 10.00 FTE FED and 10.00 FTE GPR.

>>> Blaine, Robert 01/11/01 02:02PM >>>
Cindy --

Could you also give us an indication of what funds should go into what appropriations? Your budget request assumes all the GPR will go into (4)(a) and all the FED into (4)(n). Can you break down for us how you want the funds appropriated?

Thanks,
Robert

State Budget Office
Wisconsin Department of Administration
(608) 266-8219
robert.blaine@doa.state.wi.us

that are created under

Sager-Rosenthal, Ivy

From: Blaine, Robert
Sent: Friday, January 12, 2001 9:03 AM
To: Sager-Rosenthal, Ivy
Cc: Smith, Shawn
Subject: RE: FW: LRB Draft: 01-1939/1 Transfer of MA eligibility administration from DWD to DHFS

Ivy --

Shawn is right, in that a county determines W-2 eligibility only if it is also the W-2 agency. In Milwaukee, the W-2 agency (not the county) determines MA eligibility. Perhaps the easiest thing to do is change the first sentence of your first analysis paragraph:

"Under current law, county departments of social services and county departments of human services (county departments) determine the eligibility of individuals for the medical assistance (MA) and food stamp programs."

I suppose you could add another sentence which specifies that W-2 agencies do W-2 eligibility, but I'm not sure that is necessary.

-----Original Message-----

From: Smith, Shawn
Sent: Friday, January 12, 2001 8:55 AM
To: Blaine, Robert; Wood, Susan
Cc: Sager-Rosenthal, Ivy; McDonnell, Patrick
Subject: RE: FW: LRB Draft: 01-1939/1 Transfer of MA eligibility administration from DWD to DHFS

The only thing outside of all these heady issues I discovered in reviewing the language was that the analysis at least still seemingly restricts eligibility determination for FS, MA and W-2 to counties only. This is incorrect. W-2 agencies and tribes also are subcontractors currently for MA, FS and W-2 and related programs. Perhaps this is covered by definition, but I just wanted to be absolutely sure.

Shawn

-----Original Message-----

From: **Blaine, Robert**
Sent: Friday, January 12, 2001 7:54 AM
To: Wood, Susan
Cc: Sager-Rosenthal, Ivy
Subject: RE: FW: LRB Draft: 01-1939/1 Transfer of MA eligibility administration from DWD to DHFS

Susan,

Thanks for the comments. Given the fact that we have to have all stat language finalized by COB today, I'm not sure if we have time to make many more changes, but we'll see what we can do.

As for your comments:

1) we had not planned to add back the language about transfers of assets, etc. I asked Cindy Dagget twice last week why you needed this language and received no response. If you can explain specifically what you need transferred, and why it would not be transferred without the language, I would appreciate it.

2) This is something the Governor wanted done which came up during briefings.

3) On the current law summary, I tend to disagree with you that the last budget transferred MA eligibility to DHFS. The budget bill only required DOA to study the resources devoted to MA eligibility which were at DWD. The MOU transferred the function during SFY01, and this budget bill is what actually institutionalizes the transfer. When you look at current law from a statutory perspective, DWD still has this responsibility (hence the change).

Second, on the issue of DHFS being a co-signer of the W-2 contracts -- I think this is reflected by the fact that DHFS maintains responsibilities for IM with respect to MA. DHFS is a co-signer of the W-2 contract only with respect to the IM portion of that contract. I will discuss this issue with the drafter, though.

Third, on the issue of 49.45(6m)(br)1. You'll have to forgive me (my brain's a little fried), but I'm not exactly clear what the issue is here and why it needs to be addressed in this draft. I'm also not clear how this language should be changed. If you could offer more detail, I would appreciate it.

Thanks again,
Robert

-----Original Message-----

From: Wood, Susan

Sent: Thursday, January 11, 2001 5:30 PM

To: Blaine, Robert

Cc: Bove, Fredi-Ellen; Daggett, Cynthia; Malofsky, Shelley; Bormett, Michael; Boroniec, Priscilla; Mansfield, Mark; McDonnell, Patrick; Smith, Shawn

Subject: Re: FW: LRB Draft: 01-1939/1 Transfer of MA eligibility administration from DWD to DHFS

Hi Robert

thanks for the chance to review this draft
I know that Cindy Daggett has worked out with you the resolution of two issues relating to the position transfer and appropriations and will be sending final comments to you by the end of today on those issues.

I have three issues to raise:

1. On the non-stat language regarding position transfers, I assume that you are adding back in the standard language about transferring rules and orders, assets and liabilities, tangible personal property, contracts and pending matters to DHFS. This will not have occurred by the effective date of the bill. We have not tried to make these changes by MOU, with the understanding that they have to be done by the Legislature and will be done via the budget bill

2. Study of transferring the food stamp program - also in non-stat. language

this was a surprise to us - will you please provide background to DHFS on this

3. the responsibilities for contracting for local administration

I don't think this is clear yet - this is our expectation of what needs to be reflected in the statutes...

first, the opening paragraph to the analysis section of the draft language includes the statement "...Under current law, DWD administersthe eligibility determination aspect of the MA program."

This is incorrect

the last budget transferred responsibility for this function to DHFS

this budget bill will transfer the resources to do so and clarify the respective responsibilities of the two departments

In addition, under the existing MOU agreement between DHFS and DWD, which is intended to be confirmed in this rewrite of Ch 49, DHFS is a co-signer of IM contracts with counties and tribes, and is also a co-signer of the W-2 contract because these contracts cover Medicaid eligibility determination and administration for a big part of the Medicaid caseload.

This does not seem to be captured in the current version of Ch. 49

One other area, identified by Shelley Malofsky of DHFS Office of Legal Counsel, is 49.45(6m)(br)1.

This states that if the feds disallow related to some reasons for some nursing homes, then DHFS is to reduce county allocations under some appropriations and DHFS is to direct DWD to reduce allocations under different appropriations.

It would be excellent if you and Ivy could also check this out and clear it up..

Thanks again for the opportunity to comment.

- > Blaine, Robert 01/10/01 01:41PM >>>

This is the latest draft of the MA transfer language. I will need any comments / suggests ASAP. Our office is operating under the assumption that all state language drafts must be finalized by COB Friday, thus I would need feedback by COB Thursday at the latest. I'm sorry for the short timeline.

The drafter has asked that we look again at the sections related to the positions that are transferring to make sure they reflect our intent. It also isn't clear if all the appropriation language is okay.

Thanks for your help.

-----Original Message-----

From: Haugen, Caroline

Sent: Wednesday, January 10, 2001 1:38 PM

To: Blaine, Robert

Cc: Kraus, Jennifer; Currier, Dawn; Hanaman, Cathlene; Haugen, Caroline

Subject: LRB Draft: 01-1939/1 Transfer of MA eligibility administration from DWD to DHFS

Following is the PDF version of draft 01-1939/1.