

**SENATE AMENDMENT 2,
TO 2001 ASSEMBLY BILL 274**

June 5, 2001 – Offered by Senator COWLES.

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

2 **1.** Page 1, line 3: delete “and” and substitute a comma.

3 **2.** Page 1, line 4: after “fund” insert “, and making appropriations”.

4 **3.** Page 2, line 1: before that line insert:

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

6 20.435 (4) (o) *Federal aid; medical assistance.* All federal moneys received for
7 meeting costs of medical assistance administered under ss. 46.284 (5), 49.45 and
8 49.665, to be used for those purposes and for transfer to the medical assistance trust
9 fund, for those purposes.

10 **SECTION 1m.** 20.435 (4) (w) of the statutes is created to read:

11 20.435 (4) (w) *Medical assistance trust fund.* From the medical assistance trust
12 fund, all moneys received for meeting costs of medical assistance administered under
13 ss. 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5), 49.45, 49.472 (6), and 49.665

1 and for administrative costs associated with augmenting the amount of federal
2 moneys received under 42 CFR 433.51.”.

3 **4.** Page 2, line 1: delete “**SECTION 1**” and substitute “**SECTION 1r**”.

4 **5.** Page 2, line 12: after that line insert:

5 “**SECTION 2b.** 46.27 (9) (a) of the statutes is amended to read:

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

15 **SECTION 2c.** 46.27 (10) (a) 1. of the statutes is amended to read:

16 46.27 **(10)** (a) 1. The department shall determine for each county participating
17 in the pilot project under sub. (9) a funding level of state medical assistance
18 expenditures to be received by the county. This level shall equal the amount that the
19 department determines would otherwise be paid under s. 20.435 (4) (b) or (w) because
20 of increased utilization of nursing home services, as estimated by the department.

21 **SECTION 2d.** 46.275 (5) (a) of the statutes is amended to read:

22 46.275 **(5)** (a) Medical assistance reimbursement for services a county, or the
23 department under sub. (3r), provides under this program is available from the
24 appropriations under s. 20.435 (4) (b) ~~and, (o), and (w)~~. If 2 or more counties jointly

1 contract to provide services under this program and the department approves the
2 contract, medical assistance reimbursement is also available for services provided
3 jointly by these counties.

4 **SECTION 2e.** 46.275 (5) (c) of the statutes is amended to read:

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

12 **SECTION 2f.** 46.278 (6) (d) of the statutes is amended to read:

13 46.278 (6) (d) If a county makes available nonfederal funds equal to the state
14 share of service costs under the waiver received under sub. (3), the department may,
15 from the appropriation under s. 20.435 (4) (o), provide reimbursement for services
16 that the county provides under this section to persons who are in addition to those
17 who may be served under this section with funds from the appropriation under s.
18 20.435 (4) (b) ~~or~~ (w).

19 **SECTION 2g.** 46.283 (5) of the statutes is amended to read:

20 46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),
21 (bm) ~~and~~, (pa), and (w) and (7) (b), (bd), and (md), the department may contract with
22 organizations that meet standards under sub. (3) for performance of the duties under
23 sub. (4) and shall distribute funds for services provided by resource centers.

24 **SECTION 2h.** 46.284 (5) (a) of the statutes is amended to read:

1 46.284 **(5)** (a) From the appropriation accounts under s. 20.435 (4) (b), (g) and,
2 (o), and (w) and (7) (b) and (bd), the department shall provide funding on a capitated
3 payment basis for the provision of services under this section. Notwithstanding s.
4 46.036 (3) and (5m), a care management organization that is under contract with the
5 department may expend the funds, consistent with this section, including providing
6 payment, on a capitated basis, to providers of services under the family care benefit.

7 **SECTION 2i.** 49.45 (5m) (am) of the statutes is amended to read:

8 49.45 **(5m)** (am) Notwithstanding sub. (3) (e), from the appropriations under
9 s. 20.435 (4) (b) and (o), and (w), the department shall distribute not more than
10 \$2,256,000 in each fiscal year, to provide supplemental funds to rural hospitals that,
11 as determined by the department, have high utilization of inpatient services by
12 patients whose care is provided from governmental sources, and to provide
13 supplemental funds to critical access hospitals, except that the department may not
14 distribute funds to a rural hospital or to a critical access hospital to the extent that
15 the distribution would exceed any limitation under 42 USC 1396b (i) (3).

16 **SECTION 2j.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

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

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

4 49.45 **(6u)** (am) (intro.) Notwithstanding sub. (6m), in state fiscal years in
5 which less than \$115,200,000 in federal financial participation relating to facilities
6 is received under 42 CFR 433.51, from the appropriation appropriations under s.
7 20.435 (4) (o) and (w), for reduction of operating deficits, as defined under criteria
8 developed the methodology used by the department in December, 2000, incurred by
9 a facility, ~~as defined under sub. (6m) (a) 3.,~~ that is established under s. 49.70 (1) or
10 that is owned and operated by a city, village, or town, the department may not
11 distribute to these facilities more than ~~\$40,100,000~~ \$37,100,000 in each fiscal year,
12 as determined by the department. The total amount that a county certifies under
13 this subsection may not exceed 100% of otherwise-unreimbursed care. In
14 distributing funds under this subsection, the department shall perform all of the
15 following:

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

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

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

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

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

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

14 **6.** Page 3, line 14: after that line insert:

15 “**SECTION 3d.** 49.45 (6u) (ag) of the statutes is created to read:

16 49.45 **(6u)** (ag) In this subsection, “facility” has the meaning given in sub. (6m)
17 (a) 3.

18 **SECTION 3e.** 49.45 (6u) (bm) of the statutes is created to read:

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

1 fiscal year, as determined by the department under a methodology as specified in the
2 state plan for services under 42 USC 1396.

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

4 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriations under s.
5 20.435 (4) (b) ~~and, (o), and (w)~~, the department shall distribute not more than
6 \$4,748,000 in each fiscal year, to provide funds to an essential access city hospital,
7 except that the department may not allocate funds to an essential access city hospital
8 to the extent that the allocation would exceed any limitation under 42 USC 1396b
9 (i) (3).

10 **SECTION 3g.** 49.45 (6y) (a) of the statutes is amended to read:

11 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the appropriations under s.
12 20.435 (4) (b) ~~and, (o), and (w)~~, the department shall distribute funding in each fiscal
13 year to provide supplemental payment to hospitals that enter into a contract under
14 s. 49.02 (2) to provide health care services funded by a relief block grant, as
15 determined by the department, for hospital services that are not in excess of the
16 hospitals' customary charges for the services, as limited under 42 USC 1396b (i) (3).
17 If no relief block grant is awarded under this chapter or if the allocation of funds to
18 such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the
19 department may distribute funds to hospitals that have not entered into a contract
20 under s. 49.02 (2).

21 **SECTION 3h.** 49.45 (6y) (am) of the statutes is amended to read:

22 49.45 (6y) (am) Notwithstanding sub. (3) (e), from the appropriations under s.
23 20.435 (4) (b), (h) ~~and, (o), and (w)~~, the department shall distribute funding in each
24 fiscal year to provide supplemental payments to hospitals that enter into contracts
25 under s. 49.02 (2) with a county having a population of 500,000 or more to provide

1 health care services funded by a relief block grant, as determined by the department,
2 for hospital services that are not in excess of the hospitals' customary charges for the
3 services, as limited under 42 USC 1396b (i) (3).

4 **SECTION 3i.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

5 49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriations
6 under s. 20.435 (4) (b) ~~and, (o), and (w)~~, the department shall distribute funding in
7 each fiscal year to supplement payment for services to hospitals that enter into a
8 contract under s. 49.02 (2) to provide health care services funded by a relief block
9 grant under this chapter, if the department determines that the hospitals serve a
10 disproportionate number of low-income patients with special needs. If no medical
11 relief block grant under this chapter is awarded or if the allocation of funds to such
12 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
13 may distribute funds to hospitals that have not entered into a contract under s. 49.02
14 (2). The department may not distribute funds under this subsection to the extent
15 that the distribution would do any of the following:

16 **SECTION 3j.** 49.45 (8) (b) of the statutes is amended to read:

17 49.45 **(8)** (b) Reimbursement under s. 20.435 (4) (b) ~~and, (o), and (w)~~ for home
18 health services provided by a certified home health agency or independent nurse
19 shall be made at the home health agency's or nurse's usual and customary fee per
20 patient care visit, subject to a maximum allowable fee per patient care visit that is
21 established under par. (c).

22 **SECTION 3k.** 49.45 (24m) (intro.) of the statutes is amended to read:

23 49.45 **(24m)** HOME HEALTH CARE AND PERSONAL CARE PILOT PROGRAM. (intro.)
24 From the appropriations under s. 20.435 (4) (b) ~~and, (o), and (w)~~, in order to test the
25 feasibility of instituting a system of reimbursement for providers of home health care

1 and personal care services for medical assistance recipients that is based on
2 competitive bidding, the department shall:

3 **SECTION 3L.** 49.472 (6) (a) of the statutes is amended to read:

4 49.472 **(6)** (a) Notwithstanding sub. (4) (a) 3., from the appropriation under s.
5 20.435 (4) (b) or (w), the department shall, on the part of an individual who is eligible
6 for medical assistance under sub. (3), pay premiums for or purchase individual
7 coverage offered by the individual's employer if the department determines that
8 paying the premiums for or purchasing the coverage will not be more costly than
9 providing medical assistance.

10 **SECTION 3m.** 49.472 (6) (b) of the statutes is amended to read:

11 49.472 **(6)** (b) If federal financial participation is available, from the
12 appropriation under s. 20.435 (4) (b) or (w), the department may pay medicare Part
13 A and Part B premiums for individuals who are eligible for medicare and for medical
14 assistance under sub. (3).

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

16 49.665 **(4)** (at) 1. a. Except as provided in subd. 1. b., the department shall
17 establish a lower maximum income level for the initial eligibility determination if
18 funding under s. 20.435 (4) (bc), (jz) ~~and, (p), and (w)~~ is insufficient to accommodate
19 the projected enrollment levels for the health care program under this section. The
20 adjustment may not be greater than necessary to ensure sufficient funding.

21 **SECTION 13p.** 49.665 (4) (at) 2. of the statutes is amended to read:

22 49.665 **(4)** (at) 2. If, after the department has established a lower maximum
23 income level under subd. 1., projections indicate that funding under s. 20.435 (4) (bc),
24 (jz) ~~and, (p), and (w)~~ is sufficient to raise the level, the department shall, by state plan

1 amendment, raise the maximum income level for initial eligibility, but not to exceed
2 185% of the poverty line.”.

3 **7.** Page 3, line 18: delete “(intro.)”.

4 **(END)**