

2001 DRAFTING REQUEST

Senate Amendment (SA-AB274)

Received: 05/23/2001

Received By: **kenneda**

Wanted: As time permits

Identical to LRB:

For: **Robert Cowles (608) 266-0484**

By/Representing: **Jennifer (aide)**

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

Drafter: **kenneda**

May Contact:

Addl. Drafters:

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

Extra Copies: **ISR**

Submit via email: **NO**

Requester's email:

Pre Topic:

No specific pre topic given

Topic:

Create MA appropriation for use of moneys from the medical assistance trust fund

Instructions:

Same as budget bill (20.435 (4) (w))

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>
/?	kenneda 05/27/2001	hhagen 05/28/2001		_____			
/1			jfrantze 05/29/2001	_____	lrb_docadmin 05/29/2001	lrb_docadmin 05/29/2001	

FE Sent For:

2001 DRAFTING REQUEST

Senate Amendment (SA-AB274)

Received: **05/23/2001**

Received By: **kenneda**

Wanted: **As time permits**

Identical to LRB:

For: **Robert Cowles (608) 266-0484**

By/Representing: **Jennifer (aide)**

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

Drafter: **kenneda**

May Contact:

Addl. Drafters:

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

Extra Copies: **ISR**

Submit via email: **NO**

Requester's email:

Pre Topic:

No specific pre topic given

Topic:

Create MA appropriation for use of moneys from the medical assistance trust fund

Instructions:

Same as budget bill (20.435 (4) (w))

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>
1?	kenneda	1, hmk 5/28/01	<i>[Signature]</i>	<i>[Signature]</i> 3/29			

FE Sent For:

<END>

2001

Date (time) needed

5/29 (TUES.)

LRBa 0560/1

AMENDMENT

D-NOTE

DAK: hmk

See form AMENDMENTS — COMPONENTS & ITEMS.

S AMENDMENT

~~TO S A AMENDMENT (LRBa 21)~~

~~TO S A SUBSTITUTE AMENDMENT (LRBs)~~

TO 2001 SB SJR SR AB AJR AR 274 (LRB-)

At the locations indicated, amend the bill as follows:

(fill ONLY if "engrossed" or "as shown by")

#. Page 1, line 3: delete "and" and substitute a comma.

#. Page 1, line 4: after "fund" insert "and making appropriations".

#. Page 2, line 1: before that line insert:

#. Page , line :

#. Page , line :

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

This bill as of July 1, 2000, retroactively eliminates, in the program to supplement MA payments to reduce operating deficits of county, city, village, or town nursing homes, the requirement that DHFS distribute for this purpose additional, unanticipated moneys received as federal financial participation and increases, to up to \$40,100,000, the amount of federal financial participation that may be distributed. Further, the bill specifies amounts that may be distributed, beginning in state fiscal year 2001-02, depending on whether or not federal financial participation in the amount of at least \$115,200,000 is received.

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 ^{lg} SECTION ~~2.~~ 20.435 (4) ^(o) of the statutes is amended to read:

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

6 ^{lm} SECTION ~~2.~~ 20.435 (4) (w) of the statutes is created to read:

7 20.435 (4) (w) *Medical assistance trust fund.* From the medical assistance trust
8 fund, all moneys received for meeting costs of medical assistance administered under
9 ss. 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5), 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. ^{CS} ^(B) ^{CS} ^(B)
 #. Page 2, line 1: delete "Section 1" and substitute "Section 1r".

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20:005, stats.

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

4 25.17 (1) (jv) Medical assistance trust fund (s. 25.77);

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

6 **25.77 Medical assistance trust fund.** There is created a separate
 7 nonlapsible trust fund designated as the medical assistance trust fund, consisting
 8 of all of the following:

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

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

#. Page 2, line 12: after that line insert:

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

18 ^(2b) 46.27 (9) (a) The department may select up to 5 counties that volunteer to
 19 participate in a pilot project under which they will receive certain funds allocated for
 20 long-term care. The department shall allocate a level of funds to these counties
 21 equal to the amount that would otherwise be paid under s. 20.435 (4) (b) or (w) to
 22 nursing homes for providing care because of increased utilization of nursing home
 23 services, as estimated by the department. In estimating these levels, the department

1 shall exclude any increased utilization of services provided by state centers for the
2 developmentally disabled. The department shall calculate these amounts on a
3 calendar year basis under sub. (10). ^(2c)

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

5 46.27 (10) (a) 1. The department shall determine for each county participating
6 in the pilot project under sub. (9) a funding level of state medical assistance
7 expenditures to be received by the county. This level shall equal the amount that the
8 department determines would otherwise be paid under s. 20.435 (4) (b) or (w) because
9 of increased utilization of nursing home services, as estimated by the department.

10 SECTION ~~7~~. ^(2d) 46.275 (5) (a) of the statutes is amended to read:

11 46.275 (5) (a) Medical assistance reimbursement for services a county, or the
12 department under sub. (3r), provides under this program is available from the
13 appropriations under s. 20.435 (4) (b) and, (o), and (w). If 2 or more counties jointly
14 contract to provide services under this program and the department approves the
15 contract, medical assistance reimbursement is also available for services provided
16 jointly by these counties. ^(2e)

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

18 46.275 (5) (c) The total allocation under s. 20.435 (4) (b) and, (o), and (w) to
19 counties and to the department under sub. (3r) for services provided under this
20 section may not exceed the amount approved by the federal department of health and
21 human services. A county may use funds received under this section only to provide
22 services to persons who meet the requirements under sub. (4) and may not use
23 unexpended funds received under this section to serve other developmentally
24 disabled persons residing in the county. ^(2f)

25 SECTION ~~9~~. 46.278 (6) (d) of the statutes is amended to read:

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

7 SECTION ~~19~~ 46.283 (5) of the statutes is amended to read:

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

12 SECTION ~~19~~ 49.45 (5m) (am) of the statutes is amended to read:

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

21 SECTION ~~19~~ 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

22 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this
23 subsection made under s. 20.435 (4) (b), (pa) ~~or~~, (o), or (w) shall, except as provided
24 in pars. (bg), (bm), and (br), be determined according to a prospective payment
25 system updated annually by the department. The payment system shall implement

1 standards that are necessary and proper for providing patient care and that meet
2 quality and safety standards established under subch. II of ch. 50 and ch. 150. The
3 payment system shall reflect all of the following:

4 **SECTION 13.** ^{2K} 49.45 (6u) of the statutes, as affected by 2001 Wisconsin Act ...
5 (this act), is renumbered 49.45 (6u) (am), and 49.45 (6u) (am) (intro.) and 2. (intro.)
6 and b., 3., 4., 5. and 6., as renumbered, are amended to read:

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

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

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

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

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

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

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

16 **SECTION 14.** 49.45 (6u) (intro.) of the statutes is amended to read:

17 **49.45 (6u) SUPPLEMENTAL PAYMENTS TO CERTAIN FACILITIES.** (intro.)
18 Notwithstanding sub. (6m), from the appropriation under s. 20.435 (4) (o), for
19 reduction of operating deficits, as defined under criteria developed by the
20 department, incurred by a facility, as defined under sub. (6m) (a) 3., that is
21 established under s. 49.70 (1) or that is owned and operated by a city, village or town,
22 the department may not distribute to these facilities more than \$38,600,000
23 \$40,100,000 in each fiscal year, as determined by the department, ~~except that the~~
24 ~~department shall also distribute for this same purpose from the appropriation under~~
25 ~~s. 20.435 (4) (o) any additional federal medical assistance moneys that were not~~

1 ~~anticipated before enactment of the biennial budget act or other legislation affecting~~
 2 ~~s. 20.435 (4) (a). The total amount that a county certifies under this subsection may~~
 3 ~~not exceed 100% of otherwise-unreimbursed care. In distributing funds under this~~
 4 ~~subsection, the department shall perform all of the following:~~

#. Page 3, line 14: after that line insert:

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

(3d)

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

7 (a) 3.

(3e)

8 **SECTION 16.** 49.45 (6u) (bm) of the statutes is created to read:

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

17 **SECTION 17.** 49.45 (6x) (a) of the statutes is amended to read:

(3A)

18 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriations under s.
 19 20.435 (4) (b) and, (o), and (w), the department shall distribute not more than
 20 \$4,748,000 in each fiscal year, to provide funds to an essential access city hospital,
 21 except that the department may not allocate funds to an essential access city hospital
 22 to the extent that the allocation would exceed any limitation under 42 USC 1396b

23 (i) (3).

(3a)

24 **SECTION 18.** 49.45 (6y) (a) of the statutes is amended to read:

1 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the appropriations under s.
2 20.435 (4) (b) ~~and, (o), and (w)~~, the department shall distribute funding in each fiscal
3 year to provide supplemental payment to hospitals that enter into a contract under
4 s. 49.02 (2) to provide health care services funded by a relief block grant, as
5 determined by the department, for hospital services that are not in excess of the
6 hospitals' customary charges for the services, as limited under 42 USC 1396b (i) (3).
7 If no relief block grant is awarded under this chapter or if the allocation of funds to
8 such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the
9 department may distribute funds to hospitals that have not entered into a contract
10 under s. 49.02 (2). 3w

11 **SECTION 18.** 49.45 (6y) (am) of the statutes is amended to read:

12 49.45 (6y) (am) Notwithstanding sub. (3) (e), from the appropriations under s.
13 20.435 (4) (b), (h) ~~and, (o), and (w)~~, the department shall distribute funding in each
14 fiscal year to provide supplemental payments to hospitals that enter into contracts
15 under s. 49.02 (2) with a county having a population of 500,000 or more to provide
16 health care services funded by a relief block grant, as determined by the department,
17 for hospital services that are not in excess of the hospitals' customary charges for the
18 services, as limited under 42 USC 1396b (i) (3).

19 **SECTION 20.** 3i 49.45 (6z) (a) (intro.) of the statutes is amended to read:

20 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriations
21 under s. 20.435 (4) (b) ~~and, (o), and (w)~~, the department shall distribute funding in
22 each fiscal year to supplement payment for services to hospitals that enter into a
23 contract under s. 49.02 (2) to provide health care services funded by a relief block
24 grant under this chapter, if the department determines that the hospitals serve a
25 disproportionate number of low-income patients with special needs. If no medical

1 relief block grant under this chapter is awarded or if the allocation of funds to such
2 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
3 may distribute funds to hospitals that have not entered into a contract under s. 49.02
4 (2). The department may not distribute funds under this subsection to the extent
5 that the distribution would do any of the following:

6 **SECTION 21.** ³¹ 49.45 (8) (b) of the statutes is amended to read:

7 49.45 (8) (b) Reimbursement under s. 20.435 (4) (b) and, (o), and (w) for home
8 health services provided by a certified home health agency or independent nurse
9 shall be made at the home health agency's or nurse's usual and customary fee per
10 patient care visit, subject to a maximum allowable fee per patient care visit that is
11 established under par. (c).

12 **SECTION 22.** ^{3R} 49.45 (24m) (intro.) of the statutes is amended to read:

13 49.45 (24m) HOME HEALTH CARE AND PERSONAL CARE PILOT PROGRAM. (intro.)
14 From the appropriations under s. 20.435 (4) (b) and, (o), and (w), in order to test the
15 feasibility of instituting a system of reimbursement for providers of home health care
16 and personal care services for medical assistance recipients that is based on
17 competitive bidding, ~~the department shall:~~

18 **SECTION 23.** ^{3L} 49.472 (6) (a) of the statutes is amended to read:

19 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation under s.
20 20.435 (4) (b) or (w), the department shall, on the part of an individual who is eligible
21 for medical assistance under sub. (3), pay premiums for or purchase individual
22 coverage offered by the individual's employer if the department determines that
23 paying the premiums for or purchasing the coverage will not be more costly than
24 providing medical assistance.

25 **SECTION 24.** ^{3m} 49.472 (6) (b) of the statutes is amended to read:

1 49.472 (6) (b) If federal financial participation is available, from the
2 appropriation under s. 20.435 (4) (b) or (w), the department may pay medicare Part
3 A and Part B premiums for individuals who are eligible for medicare and for medical
4 assistance under sub. (3). 3u

5 SECTION ~~25~~ 49.665 (4) (at) 1. a. of the statutes is amended to read:

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

11 SECTION ~~26~~ 3p 49.665 (4) (at) 2. of the statutes is amended to read:

12 49.665 (4) (at) 2. If, after the department has established a lower maximum
13 income level under subd. 1., projections indicate that funding under s. 20.435 (4) (bc),
14 (jz) ~~and, (p), and (w)~~ is sufficient to raise the level, the department shall, by state plan
15 amendment, raise the maximum income level for initial eligibility, but not to exceed
16 185% of the poverty line. "

17 SECTION ~~9423~~. ~~Effective dates; health and family services.~~

18 (1) ~~SUPPLEMENTAL MEDICAL ASSISTANCE PAYMENTS TO NURSING HOMES.~~ The
19 amendment of section ~~49.15~~ (6u) (intro.) of the statutes takes effect retroactively to
20 July 1, 2000.

21 #. Page 3, line 18: delete "(intro.)" (by Section 3).
(END)

D-NOTE

2h

Section # 46.284 (5) (a) of the statutes is amended to read:

and (w)

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

History: 1999 a. 9.

End of
INS 5-11

D-NOTE
Date

205601
DAK:hmk

To Senator Coules:

Please note that

in this draft I have inserted the treatment of s. 49.45 (low) in 2001 SB-55 (the biennial budget bill) in addition to treatment that is currently in 2001 Assembly Bill 274. If you have any questions, please do not hesitate to call.

DAK

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBa0560/1dn
DAK:hmh:jf

May 29, 2001

To Senator Cowles:

Please note that in this draft I have inserted the treatment of s. 49.45 (6u) in 2001 SB-55 (the biennial budget bill) in addition to treatment that is currently in 2001 Assembly Bill 274. If you have any questions, please do not hesitate to call.

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