

2001 SENATE BILL 479

February 28, 2002 – Introduced by Senator M. MEYER, cosponsored by Representative JOHNSRUD. Referred to Committee on Health, Utilities, Veterans and Military Affairs.

1 **AN ACT to renumber and amend** 49.45 (6u) (ag); **to amend** 49.45 (6u) (title) and
2 49.45 (6u) (bm); and **to create** 49.45 (6u) (ag) 1. of the statutes; **relating to:**
3 payment of a medical assistance supplement to care management
4 organizations that contract with municipal nursing homes for the provision of
5 services to family care recipients.

Analysis by the Legislative Reference Bureau

Under current state law, county, city, village, or town (municipal) nursing homes receive, for care provided to medical assistance (MA) recipients, supplemental payments that are in addition to payments made under the MA nursing home reimbursement formula. These supplemental payments are made from federal medicaid moneys, with a matching requirement for the municipal nursing homes, or from a combination of federal medicaid moneys and MA trust fund moneys (which are derived from intergovernmental transfers), with no matching requirement.

Also under current state law, care management organizations, acting as prepaid health plans, purchase, on a capitated basis, nursing home services for family care recipients, who are eligible for MA.

Under a current federal regulation, a nursing home that provides MA services that are purchased by a health maintenance organization or a prepaid health plan may not be paid a MA supplement from another source.

This bill authorizes the department of health and family services (DHFS) to make supplemental MA payments of federal medicaid and MA trust fund moneys to

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care management organizations that contract with municipal nursing homes for the provision of services to family care recipients. The methodology used by DHFS for payment to the care management organizations must be specified in the state plan for MA services.

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.** 49.45 (6u) (title) of the statutes is amended to read:

2 49.45 **(6u)** (title) SUPPLEMENTAL PAYMENTS TO CERTAIN FACILITIES AND CARE
3 MANAGEMENT ORGANIZATIONS.

4 **SECTION 2.** 49.45 (6u) (ag) of the statutes, as created by 2001 Wisconsin Act 16,
5 is renumbered 49.45 (6u) (ag) (intro.) and amended to read:

6 49.45 **(6u)** (ag) (intro.) In this subsection, “facility”:

7 2. “Facility” has the meaning given in sub. (6m) (a) 3.

8 **SECTION 3.** 49.45 (6u) (ag) 1. of the statutes is created to read:

9 49.45 **(6u)** (ag) 1. “Care management organization” means a care management
10 organization, as defined in s. 46.2805 (1), that contracts under s. 46.284 (4) (d) for
11 provision of services with a facility that is established under s. 49.70 (2) or that is
12 owned and operated by a city, village, or town.

13 **SECTION 4.** 49.45 (6u) (bm) of the statutes, as created by 2001 Wisconsin Act
14 16, is amended to read:

15 49.45 **(6u)** (bm) In state fiscal years in which \$1 or more in federal financial
16 participation relating to facilities is received under 42 CFR 433.51, from the
17 appropriations under s. 20.435 (4) (o) and (w), for reduction of operating deficits, as
18 defined under criteria developed by the department, incurred by a facility that is
19 established under s. 49.70 (1) or that is owned and operated by a city, village, or town,

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1 the department may not distribute to these facilities and to care management
2 organizations more than \$77,100,000 in each fiscal year, as determined by the
3 department under a methodology as specified in the state plan for services under 42
4 USC 1396.

5 **SECTION 5. Effective date.**

6 (1) This act takes effect on July 1, 2002.

7 (END)