

2003 SENATE BILL 484

February 24, 2004 – Introduced by Senators SCHULTZ and LASSA, cosponsored by Representatives MCCORMICK, HINES, LADWIG and HAHN. Referred to Committee on Health, Children, Families, Aging and Long Term Care.

1 **AN ACT to amend** 49.45 (2) (b) 2. of the statutes; **relating to:** contracts for
2 services under Medical Assistance.

Analysis by the Legislative Reference Bureau

Currently, the Department of Health and Family Services may contract with any organization to administer Medical Assistance (MA) benefits, including prepaid health care.

This bill requires that any contract that includes provision of prepaid health care benefits require that prepaid MA payments be made on an actuarially sound basis that is consistent with federal law.

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:

3 **SECTION 1.** 49.45 (2) (b) 2. of the statutes is amended to read:
4 49.45 (2) (b) 2. Contract with any organization whether or not organized for
5 profit to administer, in full or in part, the benefits under ~~the medical assistance~~
6 ~~program~~ Medical Assistance including prepaid health care. Any contract that

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1 includes provision of prepaid health care benefits shall require that prepaid
2 payments to the organization be made on an actuarially sound basis that is
3 consistent with 42 USC 1396b (m) (2) (A) (iii). The department shall accept bids on
4 contracts for administrative services and services evaluating ~~the medical assistance~~
5 ~~program~~ Medical Assistance as provided in ch. 16, but may accept the contract
6 deemed most advantageous for claims processing services; or contract with any
7 insurer authorized under the insurance code of this state to insure the program in
8 full or in part and on behalf of the department. The department shall submit a report
9 each December 31 to the governor, the joint committee on finance and the chief clerk
10 of each house of the legislature, for distribution to the appropriate standing
11 committees under s. 13.172 (3), regarding the effectiveness of the management
12 information system for monitoring and analyzing medical assistance expenditures.

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(END)