

1 **SECTION 1168m.** 46.485 (2g) (b) of the statutes is renumbered 46.485 (2g) (b)

2 1.

3 **SECTION 1169.** 46.485 (2g) (b) 2. of the statutes is created to read:

4 46.485 (2g) (b) 2. The county provides service coordination, as defined in s.
5 46.56 (1) (L), on behalf of a child with a serious emotional disturbance and the child's
6 family in the county.

7 **SECTION 1170.** 46.485 (3g) of the statutes is amended to read:

8 46.485 (3g) The amount that the department may transfer under sub. (2g) for
9 ~~a county~~ counties may not exceed the estimated state share of payments under s.
10 49.45, 49.46 or 49.47 for mental health care and treatment that is provided in
11 inpatient facilities for children with ~~a severe emotional disturbance who reside in the~~
12 ~~county~~ severe emotional disturbances.

13 **SECTION 1171.** 46.485 (3r) of the statutes is amended to read:

14 46.485 (3r) Funds ~~that a county does not encumber~~ from the appropriation
15 under s. 20.435 (7) (kb) that the department does not distribute to a county before
16 24 months after June 30 of the fiscal year in which the department allocated the
17 funds were distributed to the county under sub. (2g) lapse to the appropriation under
18 s. 20.435 (4) (b). A county may at any time expend funds that the department
19 distributes to the county, consistent with the requirements under sub. (3m).

20 **SECTION 1172.** 46.85 (1) of the statutes is amended to read:

21 46.85 (1) The department may establish and operate a ~~senior companion~~
22 ~~program~~ Senior Companion Program modeled after the federal ~~senior companion~~
23 ~~program~~ Senior Companion Program under 42 USC 5011 (b), in effect on April 30,
24 1980. If operated, the program shall engage the services of low-income persons aged
25 60 or over to provide supportive person-to-person assistance in health, education,

1 recreation, welfare and related fields to persons aged 60 or over with special needs
2 who reside in their own homes, and it may engage other persons aged 60 or older,
3 regardless of income, as volunteers in similar activities. The department may also
4 establish and operate a ~~retired senior volunteers program~~ Retired Senior Volunteer
5 Program modeled after the federal ~~retired senior volunteers program~~ Retired Senior
6 Volunteer Program under 42 USC 5001, in effect on April 30, 1980, to provide
7 voluntary services in a community. If operated, the program shall engage persons
8 aged ~~60~~ 55 or ~~over~~ older as volunteers.

9 **SECTION 1173.** 46.85 (3) of the statutes is repealed.

10 **SECTION 1174.** 46.85 (3m) (a) of the statutes is amended to read:

11 46.85 (3m) (a) From the appropriation under s. 20.435 (7) (dh), the department
12 shall provide a state supplement to federally funded ~~senior companion and retired~~
13 ~~senior volunteer program~~ Senior Companion Program and Retired Senior Volunteer
14 Program units that were in operation on December 1, 1988, and administered by
15 qualified public and non-profit private agencies.

16 **SECTION 1176.** 46.90 (4) (b) 2. a. of the statutes is repealed.

17 **SECTION 1177.** 46.90 (4) (b) 2. b. of the statutes is amended to read:

18 46.90 (4) (b) 2. b. Any employee ~~of an employer not described in subd. 2. a.~~ who
19 is discharged or otherwise discriminated against may file a complaint with the
20 department of workforce development under s. 106.54 (5).

21 **SECTION 1178.** 46.90 (4) (b) 2. c. of the statutes is amended to read:

22 46.90 (4) (b) 2. c. Any person not described in this subd. 2. a. ~~or~~ b. who is
23 retaliated or discriminated against in violation of subd. 1. may commence an action
24 in circuit court for damages incurred as a result of the violation.

25 **SECTION 1179.** 46.93 of the statutes is repealed.

1 **SECTION 1180.** 46.973 (3) of the statutes is amended to read:

2 46.973 (3) The department may accept, receive, administer, and expend any
3 money, material, or other gifts or grants of any description for purposes related to
4 those set forth in this section. Moneys and grants received under this section shall
5 be deposited with the ~~state treasurer~~ secretary of administration and shall be
6 credited to the department under s. 20.435 (2) (i) and expended by the department
7 or the state council on alcohol and other drug abuse for the purposes specified.

8 **SECTION 1183.** 46.997 (2) (b) of the statutes is amended to read:

9 46.997 (2) (b) The department of health and family services shall award the
10 grants under par. (a) on a competitive basis and according to request-for-proposal
11 procedures that the department of health and family services shall prescribe in
12 consultation with the department of workforce development, ~~the adolescent~~
13 ~~pregnancy prevention and pregnancy services board~~, local health departments, as
14 defined in s. 250.01 (4), and other providers of services to eligible persons. Those
15 request-for-proposal procedures shall include a requirement that a private agency
16 that applies for a grant under par. (a) include in its grant application proof that the
17 private agency has the cultural competency to provide services under the grant to
18 persons and families in the various cultures in the private agency's target population
19 and that cultural competency is incorporated in the private agency's policies,
20 administration, and practices. In awarding the grants under par. (a), the
21 department of health and family services shall consider the need for those grants to
22 be distributed both on a statewide basis and in the areas of the state with the greatest
23 need for 2nd-chance homes and the need to provide placements for children who are
24 voluntarily placed in a 2nd-chance home as well as for children who are placed in
25 a 2nd-chance home by court order.

1 **SECTION 1184.** 47.02 (6) (a) of the statutes is amended to read:

2 47.02 (6) (a) From the appropriation under s. 20.445 (5) (~~bm~~) (a), provide
3 financial aid to any person with a disability who is receiving vocational
4 rehabilitation training and who has no other source of aid.

5 **SECTION 1185.** 47.03 (4) (b) of the statutes is amended to read:

6 47.03 (4) (b) The department may charge a portion of the expenses of its
7 supervised business enterprise program to the net proceeds of each business
8 operating under the program. The department shall establish the procedure for
9 setting these charges by rule, with the participation of a committee of blind vendors
10 established under 20 USC 107b–1. The department shall deposit the moneys from
11 the charges made under this paragraph in the ~~appropriations~~ appropriation
12 accounts under ~~ss. 20.435 (7) (kd) and s. 20.445 (5) (h) and (he).~~

13 **SECTION 1186.** 47.03 (7) of the statutes is amended to read:

14 47.03 (7) If the department decides that a business under sub. (4) would not
15 be feasible and profitable in any state building, the department may contract with
16 vending machine operators to install vending machines in the building, giving
17 preference to blind operators of vending machines. The department may, under the
18 procedures established as required under sub. (4) (b), charge the net proceeds of each
19 business operating under this subsection. The department shall deposit the moneys
20 from the charges made under this subsection in the ~~appropriations~~ appropriation
21 account under s. 20.445 (5) (h) and (~~hd~~) and shall disburse the proceeds to provide
22 services to blind persons under sub. (4) in accordance with 20 USC 107 to 107f.

23 **SECTION 1187.** 47.03 (11) (e) of the statutes is amended to read:

24 47.03 (11) (e) The department shall distribute at least \$218,600 from the
25 appropriations in s. 20.445 (5) (~~bm~~) (a) and (~~na~~) (n) in each fiscal year for homecraft

1 services relating to the marketing and distribution of homecraft products for each
2 client who participates in the homecraft program.

3 **SECTION 1188.** 48.275 (2) (d) of the statutes is amended to read:

4 48.275 (2) (d) 1. In a county having a population of less than 500,000,
5 reimbursement payments shall be made to the clerk of courts of the county where the
6 proceedings took place. Each payment shall be transmitted to the county treasurer,
7 who shall deposit 25% of the amount paid for state–provided counsel in the county
8 treasury and transmit the remainder to the ~~state treasurer~~ secretary of
9 administration. Payments transmitted to the ~~state treasurer~~ secretary of
10 administration shall be deposited in the general fund and credited to the
11 appropriation account under s. 20.550 (1) (L). The county treasurer shall deposit
12 100% of the amount paid for county–provided counsel in the county treasury.

13 2. In a county having a population of 500,000 or more, reimbursement
14 payments shall be made to the clerk of courts of the county where the proceedings
15 took place. Each payment shall be transmitted to the ~~state treasurer~~ secretary of
16 administration, who shall deposit the amount paid in the general fund and credit
17 25% of the amount paid to the appropriation account under s. 20.435 (3) (gx) and the
18 remainder to the appropriation account under s. 20.550 (1) (L).

19 **SECTION 1189.** 48.715 (3) (a) 3. of the statutes is amended to read:

20 48.715 (3) (a) 3. A person against whom the department has assessed a
21 forfeiture shall pay that forfeiture to the department within 10 days after receipt of
22 notice of the assessment or, if that person contests that assessment under s. 48.72,
23 within 10 days after receipt of the final decision after exhaustion of administrative
24 review or, if that person petitions for judicial review under ch. 227, within 10 days
25 after receipt of the final decision after exhaustion of judicial review. The department

1 shall remit all forfeitures paid under this subdivision to the ~~state treasurer~~ secretary
2 of administration for deposit in the school fund.

3 **SECTION 1189g.** 48.981 (1) (b) of the statutes is amended to read:

4 48.981 (1) (b) “Community placement” means probation; extended supervision;
5 parole; aftercare; conditional transfer into the community under s. 51.35 (1);
6 conditional transfer or discharge under s. 51.37 (9); placement in a Type 2 child
7 caring institution or a Type 2 secured correctional facility authorized under s.
8 938.539 (5); conditional release under s. 971.17; supervised release under s. 980.06
9 or 980.08; participation in the community residential confinement program under
10 s. 301.046, the halfway house program under s. 301.0465, the intensive sanctions
11 program under s. 301.048, the corrective sanctions program under s. 938.533, the
12 intensive supervision program under s. 938.534 or the serious juvenile offender
13 program under s. 938.538; or any other placement of an adult or juvenile offender in
14 the community under the custody or supervision of the department of corrections, the
15 department of health and family services, a county department under s. 46.215,
16 46.22, 46.23, 51.42 or 51.437 or any other person under contract with the department
17 of corrections, the department of health and family services or a county department
18 under s. 46.215, 46.22, 46.23, 51.42 or 51.437 to exercise custody or supervision over
19 the offender.

20 **SECTION 1189r.** 48.981 (1) (b) of the statutes, as affected by 2003 Wisconsin Act
21 (this act), is amended to read:

22 48.981 (1) (b) “Community placement” means probation; extended supervision;
23 parole; aftercare; conditional transfer into the community under s. 51.35 (1);
24 conditional transfer or discharge under s. 51.37 (9); placement in a Type 2 child
25 caring institution or a Type 2 secured correctional facility authorized under s.

1 938.539 (5); conditional release under s. 971.17; supervised release under s. 980.06
2 or 980.08; participation in the community residential confinement program under
3 s. 301.046, ~~the halfway house program under s. 301.0465~~, the intensive sanctions
4 program under s. 301.048, the corrective sanctions program under s. 938.533, the
5 intensive supervision program under s. 938.534 or the serious juvenile offender
6 program under s. 938.538; or any other placement of an adult or juvenile offender in
7 the community under the custody or supervision of the department of corrections, the
8 department of health and family services, a county department under s. 46.215,
9 46.22, 46.23, 51.42 or 51.437 or any other person under contract with the department
10 of corrections, the department of health and family services or a county department
11 under s. 46.215, 46.22, 46.23, 51.42 or 51.437 to exercise custody or supervision over
12 the offender.

13 **SECTION 1190.** 48.985 (2) of the statutes is amended to read:

14 48.985 (2) COMMUNITY SOCIAL AND MENTAL HYGIENE SERVICES. From the
15 appropriation under s. 20.435 (7) (o), the department shall distribute not more than
16 ~~\$3,964,400~~ \$3,809,600 in each fiscal year of the moneys received under 42 USC 620
17 to 626 to county departments under ss. 46.215, 46.22, and 46.23 for the provision or
18 purchase of child welfare projects and services, for services to children and families,
19 for services to the expectant mothers of unborn children, and for family-based child
20 welfare services.

21 **SECTION 1194.** 49.138 (1m) (intro.) of the statutes is amended to read:

22 49.138 (1m) (intro.) The department shall implement a program of emergency
23 assistance to needy persons in cases of fire, flood, natural disaster, homelessness or
24 impending homelessness, or energy crisis. The department shall establish the
25 maximum amount of aid to be granted, except for cases of energy crisis, per family

1 member based on the funding available under s. 20.445 (3) (~~de~~) (dz) and (md). The
2 department need not establish the maximum amount by rule under ch. 227. The
3 department shall publish the maximum amount and annual changes to it in the
4 Wisconsin administrative register. Emergency assistance provided to needy persons
5 under this section in cases of fire, flood, natural disaster, or energy crisis may only
6 be provided to a needy person once in a 12-month period. Emergency assistance
7 provided to needy persons under this section in cases of homelessness or impending
8 homelessness may be used only to obtain or retain a permanent living
9 accommodation and, except as provided in sub. (2), may only be provided to a needy
10 person once in a 36-month period. For the purposes of this section, a family is
11 considered to be homeless, or to be facing impending homelessness, if any of the
12 following applies:

13 **SECTION 1223m.** 49.147 (1m) of the statutes is renumbered 49.147 (1m) (b) and
14 amended to read:

15 49.147 (1m) (b) ~~Upon determining~~ If the Wisconsin Works agency determines
16 that the appropriate placement for an individual is in unsubsidized employment or
17 a trial job, ~~the Wisconsin works agency shall conduct an educational needs~~
18 ~~assessment of the individual. If the Wisconsin works agency determines~~ and that the
19 individual needs and wishes to pursue basic education, including a course of study
20 meeting the standards established under s. 115.29 (4) (a) for the granting of a
21 declaration of equivalency of high school graduation, ~~and if the individual wishes to~~
22 ~~pursue basic education, the Wisconsin works agency shall include basic education in~~
23 ~~an employability plan developed for the individual. The Wisconsin works~~ Works
24 agency shall pay for the basic education services identified in the employability plan
25 developed for the individual.

1 **SECTION 1223p.** 49.147 (1m) (a) of the statutes is created to read:

2 49.147 (1m) (a) A Wisconsin Works agency shall conduct an educational needs
3 assessment of each individual who applies for a Wisconsin Works employment
4 position. If the individual and the Wisconsin Works agency determine that the
5 individual needs, or would benefit from, education or training activities, including
6 a course of study meeting the standards established under s. 115.29 (4) (a) for the
7 granting of a declaration of equivalency of high school graduation, and if the
8 Wisconsin Works agency determines that the individual is eligible for a Wisconsin
9 Works employment position, the Wisconsin Works agency shall include education or
10 training activities in any employability plan developed for the individual.

11 **SECTION 1224.** 49.147 (6) (c) of the statutes is amended to read:

12 49.147 (6) (c) *Distribution and administration.* From the appropriations under
13 s. 20.445 (3) (e) (dz), (jL), and (md), the department shall distribute funds for job
14 access loans to a Wisconsin works Works agency, which shall administer the loans
15 in accordance with rules promulgated by the department.

16 **SECTION 1225.** 49.147 (6) (cm) of the statutes is created to read:

17 49.147 (6) (cm) *Collection of delinquent repayments.* 1. The department of
18 workforce development may, in the manner provided in s. 49.85, collect job access
19 loan repayments that are delinquent under the terms of a repayment agreement.
20 The department of workforce development shall credit all delinquent repayments
21 collected by the department of revenue as a setoff under s. 71.93 to the appropriation
22 account under s. 20.445 (3) (jL). Use of the process under s. 49.85 does not preclude
23 the department of workforce development from collecting delinquent repayments
24 through other legal means.

1 2. Subdivision 1. applies to delinquent repayments existing on or after the
2 effective date of this subdivision [revisor inserts date], regardless of when the loan
3 was made or when the delinquency accrued.

4 **SECTION 1242.** 49.155 (1g) (b) of the statutes is amended to read:

5 49.155 (1g) (b) From the appropriation under s. 20.445 (3) (mc), distribute
6 ~~\$44,955,200~~ \$7,593,500 in fiscal year ~~2001–02~~ 2003–04 and ~~\$27,977,500~~ \$7,597,300
7 in fiscal year ~~2002–03~~ for the purposes of providing technical assistance for child care
8 providers, 2004–05 for administering the child care program under this section and
9 for grants under s. 49.136 (2) for the start-up and expansion of child day care
10 services, for child day care start-up and expansion planning, for grants under s.
11 49.134 (2) for child day care resource and referral services, for grants under s. 49.137
12 (3) to assist child care providers in meeting the quality of care standards established
13 under sub. (1d), for a system of rates or a program of grants, as provided under sub.
14 (1d), for reimbursement of child care providers that meet those quality of care
15 standards, for grants under s. 49.137 (2) and (4m), for a child care scholarship and
16 bonus program, for safe child care activities, and for administration of the
17 department's office of child care, and for contracts under s. 49.137 (4) to improve the
18 quality of child day care services in this state.

19 **SECTION 1243.** 49.155 (1g) (c) of the statutes is amended to read:

20 49.155 (1g) (c) From the appropriation account under s. 20.445 (3) (mc),
21 transfer ~~\$4,549,500~~ \$4,440,600 in fiscal year ~~2001–02~~ 2003–04 and ~~\$4,733,700~~
22 \$4,507,900 in fiscal year ~~2002–03~~ 2004–05 to the appropriation account under s.
23 20.435 (3) (kx).

24 **SECTION 1244.** 49.155 (1g) (d) of the statutes is repealed.

25 **SECTION 1247.** 49.1635 (1) of the statutes is amended to read:

1 49.1635 (1) To the extent permitted under federal law and subject to sub. (2),
2 from the appropriation under s. 20.445 (3) (md) the department shall may distribute
3 funds to the Wisconsin Trust Account Foundation in an amount equal up to the
4 amount received by the foundation from private donations, but not to exceed
5 \$100,000 in each a fiscal year. Except as provided in sub. (4), funds distributed under
6 this subsection may be used only for the provision of legal services to individuals who
7 are eligible for temporary assistance for needy families under 42 USC 601 et seq. and
8 whose incomes are at or below 200% of the poverty line.

9 **SECTION 1248.** 49.167 (1) (intro.) of the statutes is amended to read:

10 49.167 (1) (intro.) The department shall may award grants to counties, tribal
11 governing bodies, and private entities to provide community-based alcohol and
12 other drug abuse treatment programs that are targeted at individuals who have a
13 family income of not more than 200% of the poverty line and who are eligible for
14 temporary assistance for needy families under 42 USC 601 et seq. and that do all of
15 the following:

16 **SECTION 1249.** 49.167 (2) (intro.) of the statutes is amended to read:

17 49.167 (2) (intro.) The department shall do all of the following with respect to
18 the any grants awarded under par. (a):

19 **SECTION 1250.** 49.169 (2) of the statutes is amended to read:

20 49.169 (2) The department shall may award ~~not more than \$1,404,100 in~~
21 grants to qualified applicants for the provision of literacy training to individuals who
22 are eligible for temporary assistance for needy families under 42 USC 601 et. et seq.

23 **SECTION 1251.** 49.169 (4) of the statutes is amended to read:

24 49.169 (4) The department, in consultation with the technical college system
25 board, the department of public instruction, and the governor's office, shall develop

1 written criteria to be used to evaluate the any grant proposals and to allocate the any
2 grants under this section among the successful grant applicants.

3 **SECTION 1251m.** 49.173 of the statutes is repealed.

4 **SECTION 1252.** 49.175 (1) (intro.) of the statutes is amended to read:

5 49.175 (1) ALLOCATION OF FUNDS. (intro.) Except as provided in sub. (2), within
6 the limits of the appropriations under s. 20.445 (3) (a), (cm), (~~de~~), (dz), (e), (jL), (k),
7 (~~kx~~), (L), (mc), (md), (nL), (~~pm~~), and (~~ps~~) (s), the department shall allocate the
8 following amounts for the following purposes:

9 **SECTION 1253.** 49.175 (1) (a) of the statutes is amended to read:

10 49.175 (1) (a) *Wisconsin works Works benefits.* For Wisconsin works Works
11 benefits provided under contracts having a term that begins on January 1, 2000
12 2002, and ends on December 31, ~~2001~~ 2003, ~~\$24,654,800~~ \$33,219,700 in fiscal year
13 ~~2001–02~~ 2003–04; and for Wisconsin works Works benefits provided under contracts
14 having a term that begins on January 1, ~~2002~~ 2004, and ends on December 31, 2003
15 2005, ~~\$24,654,800~~ \$33,219,700 in fiscal year ~~2001–02~~ 2003–04 and ~~\$49,309,600~~
16 \$66,439,400 in fiscal year ~~2002–03~~ 2004–05.

17 **SECTION 1254.** 49.175 (1) (b) of the statutes is amended to read:

18 49.175 (1) (b) *Wisconsin works Works administration and ancillary services.*
19 For administration of Wisconsin works and program services under Wisconsin works
20 Works performed under contracts under s. 49.143 having a term that begins on
21 January 1, ~~2000~~ 2002, and ends on December 31, ~~2001~~, ~~\$63,269,900~~ 2003,
22 \$10,582,800 in fiscal year ~~2001–02~~ 2003–04; and for administration of Wisconsin
23 works and program services under Wisconsin works Works performed under
24 contracts under s. 49.143 having a term that begins on January 1, ~~2002~~ 2004, and

1 ends on December 31, 2003, ~~\$49,610,800~~ 2005, \$10,582,900 in fiscal year ~~2001–02~~
2 ~~2003–04~~ and ~~\$99,221,600~~ \$21,165,700 in fiscal year ~~2002–03~~ 2004–05.

3 **SECTION 1255.** 49.175 (1) (c) of the statutes is amended to read:

4 49.175 (1) (c) *Performance bonuses.* For the payment of performance bonuses
5 to Wisconsin ~~works~~ Works agencies that have entered into contracts under s. 49.143
6 having a term that begins on January 1, ~~2000~~ 2002, and that ends on
7 December 31, ~~2001, \$12,820,800~~ 2003, \$0 in fiscal year ~~2001–02~~ 2003–04.

8 **SECTION 1256.** 49.175 (1) (d) of the statutes is repealed.

9 **SECTION 1257.** 49.175 (1) (e) of the statutes is repealed.

10 **SECTION 1258.** 49.175 (1) (f) of the statutes is created to read:

11 49.175 (1) (f) *Wisconsin Works ancillary services.* For program services under
12 Wisconsin Works, including transportation assistance for individuals who are
13 eligible to receive temporary assistance for needy families under 42 USC 601 et seq.,
14 provided under contracts under s. 49.143 having a term that begins on January 1,
15 2002, and ends on December 31, 2003, \$27,803,300 in fiscal year 2003–04; and for
16 program services under Wisconsin Works, including transportation assistance for
17 individuals who are eligible to receive temporary assistance for needy families under
18 42 USC 601 et seq., education and training, mentoring, and other services provided
19 under contracts under s. 49.143 having a term that begins on January 1, 2004, and
20 ends on December 31, 2005, \$27,803,300 in fiscal year 2003–04 and \$55,606,600 in
21 fiscal year 2004–05.

22 **SECTION 1259.** 49.175 (1) (g) of the statutes is amended to read:

23 49.175 (1) (g) *State administration of public assistance programs.* For state
24 administration of public assistance programs, ~~\$24,680,700 in fiscal year 2001–02~~
25 ~~and \$24,693,200~~ \$18,484,600 in each fiscal year ~~2002–03~~.

1 **SECTION 1260.** 49.175 (1) (h) of the statutes is repealed.

2 **SECTION 1261.** 49.175 (1) (i) of the statutes is amended to read:

3 49.175 (1) (i) *Emergency assistance.* For emergency assistance under s. 49.138,
4 ~~\$3,300,000~~ \$4,500,000 in each fiscal year.

5 **SECTION 1262.** 49.175 (1) (j) of the statutes is repealed.

6 **SECTION 1263.** 49.175 (1) (n) of the statutes is amended to read:

7 49.175 (1) (n) *Job access loans.* For job access loans under s. 49.147 (6),
8 ~~\$600,000~~ \$200,000 in each fiscal year.

9 **SECTION 1265.** 49.175 (1) (p) of the statutes is amended to read:

10 49.175 (1) (p) *Direct child care services.* For direct child care services under s.
11 49.155, ~~\$274,500,000~~ \$298,640,600 in fiscal year ~~2001–02~~ 2003–04 and
12 ~~\$305,550,000~~ \$308,040,600 in fiscal year ~~2002–03~~ 2004–05.

13 **SECTION 1266.** 49.175 (1) (q) of the statutes is amended to read:

14 49.175 (1) (q) *Indirect child care services.* For indirect child care services under
15 s. 49.155 (1g), ~~\$24,293,900~~ \$9,559,400 in fiscal year ~~2001–02~~ 2003–04 and
16 ~~\$15,458,000~~ \$9,626,700 in fiscal year ~~2002–03~~ 2004–05.

17 **SECTION 1267.** 49.175 (1) (qm) of the statutes is amended to read:

18 49.175 (1) (qm) *Local pass-through grant program.* For the local pass-through
19 grant program under s. 49.137 (4m), ~~\$25,210,800~~ \$2,475,100 in fiscal year ~~2001–02~~
20 2003–04 and ~~\$17,253,200~~ \$2,478,500 in fiscal year ~~2002–03~~ 2004–05.

21 **SECTION 1268.** 49.175 (1) (r) of the statutes is amended to read:

22 49.175 (1) (r) *Early childhood excellence initiative.* For grants under s. 49.1375,
23 ~~\$11,395,900~~ in fiscal year ~~2001–02~~ and ~~\$2,750,000~~ \$2,500,000 in each fiscal year
24 ~~2002–03~~.

25 **SECTION 1269c.** 49.175 (1) (u) of the statutes is repealed.

1 **SECTION 1270.** 49.175 (1) (v) of the statutes is repealed.

2 **SECTION 1271.** 49.175 (1) (y) of the statutes is repealed.

3 **SECTION 1272.** 49.175 (1) (z) of the statutes is amended to read:

4 49.175 (1) (z) *Community youth grant Grants to the Boys and Girls Clubs of*
5 *America.* For a competitive grant program administered by the department grants
6 *to the Wisconsin Chapter of the Boys and Girls Clubs of America* to fund programs
7 that improve social, academic, and employment skills of youth who are eligible to
8 receive temporary assistance for needy families under 42 USC 601 et seq.,
9 ~~\$7,829,700 in fiscal year 2001–02~~ and \$300,000 in each fiscal year 2002–03.

10 **SECTION 1272g.** 49.175 (1) (zc) of the statutes is created to read:

11 49.175 (1) (zc) *Southeast Asian recreation programs.* For grants to an
12 organization that provides summer and after-school recreation programs for
13 children and families of Southeast Asian origin, \$100,000 in each fiscal year.

14 **SECTION 1273.** 49.175 (1) (zd) of the statutes is repealed.

15 **SECTION 1274.** 49.175 (1) (ze) 1. of the statutes is amended to read:

16 49.175 (1) (ze) 1. ‘Kinship care and long-term kinship care assistance.’ For the
17 kinship care and long-term kinship care programs under s. 48.57 (3m), (3n), and
18 (3p), ~~\$24,852,600~~ \$24,122,200 in each fiscal year.

19 **SECTION 1275.** 49.175 (1) (ze) 2. of the statutes is amended to read:

20 49.175 (1) (ze) 2. ‘Children of recipients of supplemental security income.’ For
21 payments made under s. 49.775 for the support of the dependent children of
22 recipients of supplemental security income, ~~\$20,145,000~~ \$26,397,200 in fiscal year
23 ~~2001–02 2003–04~~ and ~~\$19,796,000~~ \$29,175,100 in fiscal year ~~2002–03~~ 2004–05.

24 **SECTION 1276.** 49.175 (1) (ze) 6. of the statutes is repealed.

25 **SECTION 1277c.** 49.175 (1) (ze) 7. of the statutes is amended to read:

1 49.175 (1) (ze) 7. ‘Adolescent Brighter Futures and tribal adolescent services
2 and pregnancy prevention programs.’ For adolescent services substance abuse and
3 pregnancy prevention programs under ss. ~~46.93~~, 46.99, and 46.995, ~~\$1,816,500~~
4 \$1,367,100 in each fiscal year.

5 **SECTION 1278.** 49.175 (1) (ze) 8. of the statutes is amended to read:

6 49.175 (1) (ze) 8. ‘Domestic abuse services grants.’ For the domestic abuse
7 services grants under s. 46.95 (2), ~~\$1,000,000~~ \$750,000 in each fiscal year.

8 **SECTION 1279.** 49.175 (1) (ze) 9. of the statutes is repealed.

9 **SECTION 1279f.** 49.175 (1) (ze) 10m. of the statutes is amended to read:

10 49.175 (1) (ze) 10m. ‘Safety services.’ For services provided in counties having
11 a population of 500,000 or more to ensure the safety of children who the department
12 of health and family services determines may remain at home if appropriate services
13 are provided, ~~\$7,094,100~~ \$7,045,500 in each fiscal year.

14 **SECTION 1280.** 49.175 (1) (ze) 12. of the statutes is created to read:

15 49.175 (1) (ze) 12. ‘Milwaukee and statewide child welfare administration.’ For
16 the costs associated with the Milwaukee child welfare information system and the
17 Wisconsin statewide automated child welfare information system, \$1,695,700 in
18 fiscal year 2003–04 and \$1,741,300 in fiscal year 2004–05.

19 **SECTION 1281.** 49.175 (1) (zf) of the statutes is repealed.

20 **SECTION 1282.** 49.175 (1) (zg) of the statutes is repealed.

21 **SECTION 1283.** 49.175 (1) (zh) of the statutes is amended to read:

22 49.175 (1) (zh) *Taxable years 1999 and thereafter.* For the transfer of moneys
23 from the appropriation account under s. 20.445 (3) (md) to the appropriation account
24 under s. 20.835 (2) (kf) for the earned income tax credit, ~~\$51,244,500~~ \$57,892,000 in

1 fiscal year ~~2001–02~~ 2003–04 and \$55,160,000 \$59,532,000 in fiscal year ~~2002–03~~
2 2004–05.

3 **SECTION 1284.** 49.175 (1) (zj) of the statutes is amended to read:

4 49.175 (1) (zj) ~~Head start~~ Start. For the transfer of moneys to the department
5 of public instruction for ~~head start~~ Head Start agencies, ~~\$3,712,500~~ \$3,500,000 in
6 each fiscal year.

7 **SECTION 1285.** 49.175 (1) (zk) of the statutes is repealed.

8 **SECTION 1286.** 49.179 of the statutes is repealed.

9 **SECTION 1287.** 49.19 (3) (b) of the statutes is amended to read:

10 49.19 (3) (b) If the county department under s. 46.215 or 46.22 finds a person
11 eligible for aid under this section, that county department shall, on a form to be
12 prescribed by the department, direct the payment of such aid by order upon the ~~state~~
13 ~~treasurer~~ secretary of administration. Payment of aid shall be made monthly, based
14 on a calendar month or fiscal month as defined by the department; except that the
15 director of the county department may, in his or her discretion for the purpose of
16 protecting the public, direct that the monthly allowance be paid in accordance with
17 sub. (5) (c).

18 **SECTION 1288.** 49.19 (5) (d) of the statutes is amended to read:

19 49.19 (5) (d) The department shall reimburse the county for the funeral, burial,
20 and cemetery expenses of a dependent child or the child's parents as provided in s.
21 ~~49.30~~ 49.785.

22 **SECTION 1289.** 49.19 (14) (b) of the statutes is amended to read:

23 49.19 (14) (b) If the ~~state treasurer~~ secretary of administration is unable to
24 issue a replacement check or draft requested under par. (a) because the original has
25 been paid, the department shall promptly authorize the issuance of a replacement

1 check or draft. If the ~~state treasurer~~ secretary of administration recovers the amount
2 of the original check or draft that amount shall be returned to the department. If the
3 ~~state treasurer~~ secretary of administration is unable to obtain recovery, the
4 department may pursue recovery.

5 **SECTION 1294.** 49.22 (7m) of the statutes is amended to read:

6 49.22 (7m) The department may contract with or employ a collection agency
7 or other person to enforce a support obligation of a parent who is delinquent in
8 making support payments and may contract with or employ an attorney to appear
9 in an action in state or federal court to enforce such an obligation. To pay for the
10 department's administrative costs of implementing this subsection, the department
11 may charge a fee to counties, ~~retain up to 50% of any incentive payment made to this~~
12 ~~state under 42 USC 658 for a collection under this subsection, and retain~~ use federal
13 matching funds or funds retained by the department under s. 49.24 (2) (c), or use up
14 to 30% of this state's share of a collection made under this subsection on behalf of a
15 recipient of aid to families with dependent children or a recipient of kinship care
16 payments under s. 48.57 (3m) or long-term kinship care payments under s. 48.57
17 (3n).

18 **SECTION 1296c.** 49.24 (2) (b) of the statutes is repealed and recreated to read:

19 49.24 (2) (b) Subject to the incentive payments limit specified in par. (a), the
20 department shall distribute to counties, in accordance with the formula established
21 under par. (a), all of the following:

22 1. Of the amount of federal child support incentive payments awarded to the
23 state for federal fiscal year 2002, the amount awarded if that amount is less than
24 \$12,340,000, or \$12,340,000 plus 50% of the amount awarded that exceeds
25 \$12,340,000.

1 2. Of the amount of federal child support incentive payments awarded to the
2 state for each federal fiscal year after federal fiscal year 2002, the amount awarded
3 if that amount is less than \$12,340,000, or \$12,340,000 plus 30% of the amount
4 awarded that exceeds \$12,340,000.

5 3. All federal matching funds associated with the amounts distributed under
6 subds. 1. and 2.

7 **SECTION 1296e.** 49.24 (2) (c) of the statutes is created to read:

8 49.24 (2) (c) The department may retain 50% of the amount of federal child
9 support incentive payments awarded to the state for federal fiscal year 2002 that
10 exceeds \$12,340,000, and may retain 70% of the amount of federal child support
11 incentive payments awarded to the state for each federal fiscal year after federal
12 fiscal year 2002 that exceeds \$12,340,000, to be used to pay the costs of the
13 department's activities under ss. 49.22 and 49.227 and costs related to receiving and
14 disbursing support and support-related payments.

15 **SECTION 1296g.** 49.24 (2) (d) of the statutes is created to read:

16 49.24 (2) (d) If the amount of federal child support incentive payments awarded
17 to the state for a federal fiscal year is less than \$12,340,000, the total of payments
18 distributed to counties under par. (b) and sub. (1) for that federal fiscal year may not
19 exceed \$12,340,000.

20 **SECTION 1298.** 49.24 (3) of the statutes is amended to read:

21 49.24 (3) A county that receives any state child support incentive payment
22 under sub. (1) or any federal child support incentive payment under sub. (2) may use
23 the funds only to pay costs under its child support program under s. 49.22.

24 **SECTION 1302.** 49.30 of the statutes is renumbered 49.785, and 49.785 (2), as
25 renumbered, is amended to read:

1 49.785 (2) From the ~~appropriations under s. 20.445 (3) (dz) and (md)~~
2 appropriation under s. 20.435 (4) (bn), the department shall reimburse a county or
3 applicable tribal governing body or organization for any amount that the county or
4 applicable tribal governing body or organization is required to pay under sub. (1).
5 From the ~~appropriations under s. 20.445 (3) (dz) and (md)~~ appropriation under s.
6 20.435 (4) (bn), the department shall reimburse a county or applicable tribal
7 governing body or organization for cemetery expenses or for funeral and burial
8 expenses for persons described under sub. (1) that the county or applicable tribal
9 governing body or organization is not required to pay under subs. (1) and (1m) only
10 if the department approves the reimbursement due to unusual circumstances.

11 **SECTION 1303.** 49.32 (2) (d) of the statutes is repealed.

12 **SECTION 1308.** 49.33 of the statutes is renumbered 49.78, and 49.78 (1) (b), (2),
13 (4), (7), (8) (a) and (10), as renumbered, are amended to read:

14 49.78 (1) (b) “Income maintenance program” means the ~~medical assistance~~
15 Medical Assistance program under subch. IV of ch. 49, the ~~badger care~~ Badger Care
16 health care program under s. 49.665, ~~or~~ the food stamp program under 7 USC 2011
17 to 2036, or the cemetery, funeral, and burial expenses program under s. 49.785.

18 (2) **CONTRACTS.** Annually, the department ~~of health and family services~~ shall
19 contract with county departments under ss. 46.215, 46.22, and 46.23, and may
20 contract with tribal governing bodies, to reimburse the county departments and
21 tribal governing bodies for the reasonable cost of administering income maintenance
22 programs.

23 (4) **RULES; MERIT SYSTEM.** The department of workforce development shall
24 promulgate rules for the efficient administration of aid to families with dependent
25 children in agreement with the requirement for federal aid, including the

1 establishment and maintenance of personnel standards on a merit basis. The
2 provisions of this section relating to personnel standards on a merit basis supersede
3 any inconsistent provisions of any law relating to county personnel. This subsection
4 shall not be construed to invalidate the provisions of s. 46.22 (1) (d).

5 (7) COUNTY PERSONNEL SYSTEMS. Pursuant to rules promulgated under sub. (4),
6 the department of workforce development where requested by the county shall
7 delegate to that county, without restriction because of enumeration, any or all of the
8 department's department of workforce development's authority under sub. (4) to
9 establish and maintain personnel standards including salary levels.

10 (8) (a) From the appropriation accounts under s. 20.435 (4) (bn) and (nn) and
11 subject to par. (b), the department ~~of health and family services~~ shall reimburse each
12 county and tribal governing body that contracts with the department under sub. (2)
13 for reasonable costs of administering the income maintenance programs. The
14 amount of each reimbursement paid under this paragraph shall be calculated using
15 a formula based on workload within the limits of available state and federal funds
16 under s. 20.435 (4) (bn) and (nn) by contract under ~~s. 49.33~~ sub. (2). The amount of
17 reimbursement calculated under this paragraph and par. (b) is in addition to any
18 reimbursement provided to a county or tribal governing body for fraud and error
19 reduction under s. 49.197 (1m) and (4).

20 (10) COUNTY CERTIFICATION. (a) Each county treasurer and director of a county
21 department under s. 46.215, 46.22, or 46.23 and each tribal governing body shall
22 certify monthly under oath to the department ~~of health and family services~~ in such
23 manner as the department ~~of health and family services~~ prescribes the claim of the
24 county for state reimbursement under sub. (8) (a). The department ~~of health and~~
25 ~~family services~~ shall review each claim of reimbursement and, if the department of

1 ~~health and family services~~ approves the claim, the department of ~~health and family~~
2 ~~services~~ shall certify to the department of administration for reimbursement to the
3 county for amounts due under sub. (8) (a) and payment claimed to be made to the
4 counties monthly. The department of ~~health and family services~~ may make advance
5 payments prior to the beginning of each month equal to one-twelfth of the contracted
6 amount.

7 (b) To facilitate prompt reimbursement the certificate of the department of
8 ~~health and family services~~ may be based on the certified statements of the county
9 officers or tribal governing body executives filed under par. (a). Funds recovered
10 from audit adjustments from a prior fiscal year may be included in subsequent
11 certifications only to pay counties owed funds as a result of any audit adjustment.
12 By September 30 annually, the department of ~~health and family services~~ shall
13 submit a report to the appropriate standing committees under s. 13.172 (3) on funds
14 recovered and paid out during the previous calendar year as a result of audit
15 adjustments.

16 **SECTION 1310.** 49.45 (2) (a) 3. of the statutes is amended to read:

17 49.45 (2) (a) 3. Determine the eligibility of persons for medical assistance,
18 rehabilitative, and social services under ss. 49.46, 49.468, and 49.47 and rules and
19 policies adopted by the department and shall may, under a contract under s. ~~49.33~~
20 ~~49.78~~ (2), designate delegate all, or any portion, of this function to the county
21 department under s. 46.215, 46.22, or 46.23 or a tribal governing body.

22 **SECTION 1311.** 49.45 (2) (a) 17. of the statutes is amended to read:

23 49.45 (2) (a) 17. Notify the governor, the joint committee on legislative
24 organization, the joint committee on finance and appropriate standing committees,
25 as determined by the presiding officer of each house, if the appropriation accounts

1 under s. 20.435 (4) (b) is and (gp) are insufficient to provide the state share of medical
2 assistance.

3 **SECTION 1312n.** 49.45 (2) (a) 26. of the statutes is created to read:

4 49.45 (2) (a) 26. For recipients of Medical Assistance who are eligible for the
5 Supplemental Security Income Program under 42 USC 1382 to 1383f, who are not
6 eligible under s. 49.468, who are not minors, and who are required to be enrolled in
7 managed care plans, annually do all of the following:

8 a. Consult with advocacy groups and managed care organizations in
9 determining the types of services required by the recipients, particularly those with
10 problems related to mental illness or alcohol or other drug abuse; and in determining
11 the capitation rates for managed care plan contracts, so as to ensure that the services
12 required are available to the recipients.

13 b. Submit the proposed contracts for managed care plans for the recipients to
14 the appropriate standing committees of the legislature for review before offering the
15 contracts to managed care organizations for bidding.

16 **SECTION 1313.** 49.45 (3) (a) of the statutes is amended to read:

17 49.45 (3) (a) Reimbursement shall be made to each county department under
18 ss. 46.215, 46.22, and 46.23 for ~~the~~ any administrative services performed in the
19 ~~medical-assistance~~ Medical Assistance program on the basis of s. ~~49.33~~ 49.78 (8). For
20 purposes of reimbursement under this paragraph, assessments completed under s.
21 46.27 (6) (a) are administrative services performed in the ~~medical-assistance~~ Medical
22 Assistance program.

23 **SECTION 1314.** 49.45 (3) (am) of the statutes is repealed.

24 **SECTION 1315.** 49.45 (5) (b) 1. (intro.) of the statutes is amended to read:

1 49.45 (5) (b) 1. (intro.) Upon receipt of a timely petition under par. (a) the
2 department shall give the applicant or recipient reasonable notice and opportunity
3 for a fair hearing. The department may make such additional investigation as it
4 considers necessary. Notice of the hearing shall be given to the applicant or recipient
5 and to the county clerk or, if a Wisconsin works agency, if a county department under
6 s. 46.215, 46.22, or 46.23 is responsible for making the medical assistance
7 determination, the Wisconsin works agency to the county clerk of the county. The
8 county or the Wisconsin works agency may be represented at such hearing. The
9 department shall render its decision as soon as possible after the hearing and shall
10 send a certified copy of its decision to the applicant or recipient, to the county clerk,
11 and to the any county officer or the Wisconsin works agency charged with
12 administration of the medical assistance Medical Assistance program. The decision
13 of the department shall have the same effect as an order of the a county officer or the
14 Wisconsin works agency charged with the administration of the medical assistance
15 Medical Assistance program. The decision shall be final, but may be revoked or
16 modified as altered conditions may require. The department shall deny a petition
17 for a hearing or shall refuse to grant relief if:

18 **SECTION 1316.** 49.45 (5) (b) 2. (intro.) of the statutes is amended to read:

19 49.45 (5) (b) 2. (intro.) If a recipient requests a hearing within the timely notice
20 period specified in 42 CFR 431.231 (c), medical assistance coverage shall not be
21 suspended, reduced, or discontinued until a decision is rendered after the hearing
22 but medical assistance payments made pending the hearing decision may be
23 recovered by the department if the contested decision or failure to act is upheld. The
24 department shall promptly notify the county department or, if a Wisconsin works
25 agency If a county department is responsible for making the medical assistance

1 determination, the ~~Wisconsin works agency~~ department shall notify the county
2 department of the county in which the recipient resides that the recipient has
3 requested a hearing. Medical assistance coverage shall be suspended, reduced, or
4 discontinued if:

5 **SECTION 1318.** 49.45 (5m) (am) of the statutes is amended to read:

6 49.45 **(5m)** (am) Notwithstanding sub. (3) (e), from the ~~appropriations~~
7 appropriation accounts under s. 20.435 (4) (b), (gp), (o), and (w), the department shall
8 distribute not more than \$2,256,000 in each fiscal year, to provide supplemental
9 funds to rural hospitals that, as determined by the department, have high utilization
10 of inpatient services by patients whose care is provided from governmental sources,
11 and to provide supplemental funds to critical access hospitals, except that the
12 department may not distribute funds to a rural hospital or to a critical access hospital
13 to the extent that the distribution would exceed any limitation under 42 USC 1396b
14 (i) (3).

15 **SECTION 1320.** 49.45 (6b) of the statutes is amended to read:

16 49.45 **(6b)** CENTERS FOR THE DEVELOPMENTALLY DISABLED. From the
17 appropriation under s. 20.435 (2) (gk), the department may reimburse the cost of
18 services provided by the centers for the developmentally disabled. Reimbursement
19 to the centers for the developmentally disabled shall be reduced following each
20 placement made under s. 46.275 that involves a relocation from a center for the
21 developmentally disabled, by ~~\$200 per day, beginning in fiscal year 2001–02, and by~~
22 ~~\$225 per day, beginning in fiscal year 2002–03, and by \$325 per day, beginning in~~
23 fiscal year 2004–05.

24 **SECTION 1321.** 49.45 (6c) (a) 6m. of the statutes is created to read:

1 49.45 (6c) (a) 6m. “Intermediate facility” has the meaning given in s. 46.279
2 (1) (a).

3 **SECTION 1322.** 49.45 (6c) (b) of the statutes is amended to read:

4 49.45 (6c) (b) *Preadmission screening.* Except as provided in par. (e), ~~beginning~~
5 ~~on August 9, 1989,~~ every individual who applies for admission to a facility or to an
6 institution for mental diseases shall be screened to determine if the individual has
7 developmental disability or mental illness. ~~Beginning on August 9, 1989, the~~ The
8 department or an entity to which the department has delegated authority shall
9 screen every individual who has been identified as having a developmental disability
10 or mental illness to determine if the individual needs facility care. If the individual
11 is determined to need facility care, the department or an entity to which the
12 department has delegated authority shall also assess the individual to determine if
13 he or she requires active treatment for developmental disability or active treatment
14 for mental illness. If the department or entity determines that the individual
15 requires active treatment for developmental disability, the department or entity
16 shall determine whether the level of care required by the individual that is provided
17 by a facility could be provided safely in an intermediate facility or under a plan that
18 is developed under s. 46.279 (4).

19 **SECTION 1323.** 49.45 (6c) (c) (intro.) of the statutes is amended to read:

20 49.45 (6c) (c) *Resident review.* (intro.) Except as provided in par. (e), the
21 department or an entity to which the department has delegated authority shall
22 review every resident of a facility or institution for mental diseases who has a
23 developmental disability or mental illness and who has experienced a significant
24 change in his or her physical or mental condition to determine if ~~any~~ all of the
25 following ~~applies~~:

1 **SECTION 1324.** 49.45 (6c) (c) 1. of the statutes is amended to read:

2 49.45 (6c) (c) 1. ~~The Whether the~~ resident needs facility care.

3 **SECTION 1325.** 49.45 (6c) (c) 2. of the statutes is amended to read:

4 49.45 (6c) (c) 2. ~~The Whether the~~ resident requires active treatment for
5 developmental disability or active treatment for mental illness.

6 **SECTION 1326.** 49.45 (6c) (c) 3. of the statutes is created to read:

7 49.45 (6c) (c) 3. If the department or entity determines under subd. 1. that the
8 resident needs facility care and under subd. 2. that the resident requires active
9 treatment for developmental disability, whether the level of care required by the
10 resident that is provided by a facility could be provided safely in an intermediate
11 facility or under a plan that is developed under s. 46.279 (4).

12 **SECTION 1327.** 49.45 (6m) (a) 4. of the statutes is repealed.

13 **SECTION 1328.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

14 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this
15 subsection made under s. 20.435 (4) (b), (~~gp~~), (pa), (o), (w), or (wm) shall, except as
16 provided in pars. (bg), (bm), and (br), be determined according to a prospective
17 payment system updated annually by the department. The payment system shall
18 implement standards that are necessary and proper for providing patient care and
19 that meet quality and safety standards established under subch. II of ch. 50 and ch.
20 150. The payment system shall reflect all of the following:

21 **SECTION 1329.** 49.45 (6m) (ag) 2. of the statutes is amended to read:

22 49.45 (6m) (ag) 2. Standards Except as provided in subd. 3r., standards
23 established by the department that shall be based upon allowable costs incurred by
24 facilities in the state as available from information submitted under par. (c) 3. and
25 compiled by the department.

1 **SECTION 1330.** 49.45 (6m) (ag) 3m. of the statutes is amended to read:

2 49.45 **(6m)** (ag) 3m. For each state fiscal year 1999–2000, rates that shall be
3 set by the department based on information from cost reports for the 1998 most
4 recently completed fiscal year of the facility and ~~for state fiscal year 2000–01, rates~~
5 ~~that shall be set by the department based on information from cost reports for the~~
6 ~~1999 fiscal year of the facility.~~

7 **SECTION 1331.** 49.45 (6m) (ag) 3m. of the statutes, as affected by 2003
8 Wisconsin Act (this act), is amended to read:

9 49.45 **(6m)** (ag) 3m. For each state fiscal year, rates that shall be set by the
10 department based on information from cost reports for costs specified under par. (am)
11 1. bm., 4., 5m., and 6. for the most recently completed fiscal year of the facility.

12 **SECTION 1332.** 49.45 (6m) (ag) 3r. of the statutes is created to read:

13 49.45 **(6m)** (ag) 3r. Flat-rate payment, as determined by the department, for
14 costs specified under par. (am) 1. a. and 2.

15 **SECTION 1333.** 49.45 (6m) (ag) 3r. of the statutes, as created by 2003 Wisconsin
16 Act (this act), is amended to read:

17 49.45 **(6m)** (ag) 3r. Flat-rate payment, ~~as determined by the department,~~ for
18 all costs specified under par. (am) 1. a. and 2.

19 **SECTION 1333d.** 49.45 (6m) (ag) 8. of the statutes is created to read:

20 49.45 **(6m)** (ag) 8. Maintenance of the identical proportion of payment for direct
21 care costs, as specified in par. (am) 1., to total payment for all costs specified in par.
22 (am) as that made in state fiscal year 2002–03.

23 **SECTION 1334.** 49.45 (6m) (am) 1. a. of the statutes is amended to read:

24 49.45 **(6m)** (am) 1. a. Personal comfort supplies; medical supplies;
25 over-the-counter drugs; and nonbillable services of a ward clerk, activity person,

1 recreation person, social worker, volunteer coordinator, teacher for residents aged 22
2 and older, vocational counselor for residents aged 22 and older, religious person,
3 therapy aide, therapy assistant, and counselor on resident living.

4 **SECTION 1335.** 49.45 (6m) (am) 1. b. of the statutes is repealed.

5 **SECTION 1336.** 49.45 (6m) (am) 1. bm. of the statutes is created to read:

6 49.45 (6m) (am) 1. bm. Nonbillable services of a registered nurse, licensed
7 practical nurse and nurse's assistant.

8 **SECTION 1337.** 49.45 (6m) (am) 1. d. of the statutes is repealed.

9 **SECTION 1338.** 49.45 (6m) (am) 1. e. of the statutes is repealed.

10 **SECTION 1339.** 49.45 (6m) (am) 3. (intro.) of the statutes is renumbered 49.45
11 (6m) (am) 2. c. and amended to read:

12 49.45 (6m) (am) 2. c. Allowable fuel and utility costs, including the facility
13 expenses that the department determines are allowable for the provision of:
14 electrical service, water and sewer services, and heat.

15 **SECTION 1340.** 49.45 (6m) (am) 3. a. of the statutes is repealed.

16 **SECTION 1341.** 49.45 (6m) (am) 3. b. of the statutes is repealed.

17 **SECTION 1342.** 49.45 (6m) (am) 3. c. of the statutes is repealed.

18 **SECTION 1343.** 49.45 (6m) (am) 4. of the statutes is amended to read:

19 49.45 (6m) (am) 4. ~~Net property~~ Property tax or allowable municipal service
20 costs ~~incurred paid~~ by the owner of the facility for the facility.

21 **SECTION 1344.** 49.45 (6m) (am) 5. of the statutes is renumbered 49.45 (6m) (am)
22 2. d.

23 **SECTION 1346d.** 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

24 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
25 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily

1 serve the developmentally disabled, that take into account direct care costs for a
2 sample of all of those facilities in this state and separate standards for payment of
3 allowable direct care costs, for facilities that primarily serve the developmentally
4 disabled, that take into account direct care costs for a sample of all of those facilities
5 in this state. The standards shall be adjusted by the department for regional labor
6 cost variations. For facilities in Douglas, Pierce, and St. Croix counties, the
7 department shall perform the adjustment by use of the wage index that is used by
8 the federal department of health and human services for hospital reimbursement
9 under 42 USC 1395 to 1395ggg.

10 **SECTION 1347.** 49.45 (6m) (ar) 2. (intro.) and 2. a. of the statutes are
11 consolidated, renumbered 49.45 (6m) (ar) 2. and amended to read:

12 49.45 (6m) (ar) 2. For support service costs: ~~2. a. The, the~~ department shall
13 establish one or more standards for the payment of support service costs that take
14 into account support service costs for a sample of all facilities within the state.

15 **SECTION 1348.** 49.45 (6m) (ar) 2. b. of the statutes is repealed.

16 **SECTION 1349.** 49.45 (6m) (ar) 2. d. of the statutes is repealed.

17 **SECTION 1350.** 49.45 (6m) (ar) 3. of the statutes is repealed.

18 **SECTION 1351.** 49.45 (6m) (ar) 5. of the statutes is repealed.

19 **SECTION 1352.** 49.45 (6m) (av) 1. of the statutes is renumbered 49.45 (6m) (av)
20 and amended to read:

21 49.45 (6m) (av) The department shall calculate a payment rate for a facility by
22 applying the criteria set forth under pars. (ag) 1. to 5. and 7., (am) 1. ~~to 5.~~ bm., 4., 5m.
23 and 6., and (ar) 1. ~~to 5., 4., and 6.~~ to information from cost reports submitted by the
24 facility, as affected by any adjustment for ancillary services and materials under par.
25 (b).

1 **SECTION 1353.** 49.45 (6m) (av) 2. of the statutes is repealed.

2 **SECTION 1354.** 49.45 (6m) (av) 3. of the statutes is repealed.

3 **SECTION 1355.** 49.45 (6m) (av) 4. of the statutes is repealed.

4 **SECTION 1356.** 49.45 (6m) (av) 5. of the statutes is repealed.

5 **SECTION 1357.** 49.45 (6m) (av) 5m. of the statutes is repealed.

6 **SECTION 1358.** 49.45 (6m) (av) 6. of the statutes is repealed.

7 **SECTION 1359.** 49.45 (6m) (bc) of the statutes is repealed.

8 **SECTION 1360.** 49.45 (6t) of the statutes, as affected by 2001 Wisconsin Act 16,
9 is renumbered 49.45 (6t) (a), and 49.45 (6t) (a) 2. (intro.), 3. and 4., as renumbered,
10 are amended to read:

11 49.45 (6t) (a) 2. (intro.) Based on the amount estimated to be available under
12 ~~par. (a) subd. 1.~~, develop a method, which need not be promulgated as rules under
13 ch. 227, to distribute this allocation to the individual county departments under s.
14 46.215, 46.22, 46.23 or 51.42 or to local health departments that have incurred
15 operating deficits that shall include all of the following:

16 3. Except as provided in ~~par. (d) subd. 4.~~, distribute the allocation under the
17 distribution method that is developed.

18 4. If the federal department of health and human services approves for state
19 expenditure in a fiscal year amounts under s. 20.435 (4) (o) that result in a lesser
20 allocation amount than that allocated under this subsection or disallows use of the
21 allocation of federal medicaid funds under ~~par. (e) subd. 3.~~, reduce allocations under
22 this subsection and distribute on a prorated basis, as determined by the department.

23 **SECTION 1361.** 49.45 (6t) (b) of the statutes is created to read:

24 49.45 (6t) (b) If 2003 Wisconsin Act (this act), section 9124 (8) (a) applies,
25 this subsection does not apply.

1 **SECTION 1362.** 49.45 (6tt) of the statutes is created to read:

2 49.45 (6tt) DISTRIBUTIONS TO COUNTY DEPARTMENTS AND LOCAL HEALTH
3 DEPARTMENTS. From the appropriation under s. 20.435 (4) (w), the department may
4 in each fiscal year distribute moneys to county departments under s. 46.215, 46.22,
5 46.23, or 51.42 or to local health departments, as defined in s. 250.01 (4), under a plan
6 developed by the department.

7 **SECTION 1363.** 49.45 (6u) (am) (intro.) of the statutes is amended to read:

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

20 **SECTION 1364.** 49.45 (6u) (bm) of the statutes is repealed.

21 **SECTION 1365.** 49.45 (6v) (b) of the statutes is amended to read:

22 49.45 (6v) (b) The department shall, each year, submit to the joint committee
23 on finance a report for the previous fiscal year, except for the 1997–98 fiscal year, that
24 provides information on the utilization of beds by recipients of medical assistance in
25 facilities and a discussion and detailed projection of the likely balances,

1 expenditures, encumbrances and carry over of currently appropriated amounts in
2 the appropriation accounts under s. 20.435 (4) (b), (gp), and (o).

3 **SECTION 1366.** 49.45 (6x) (a) of the statutes is amended to read:

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

10 **SECTION 1367.** 49.45 (6y) (a) of the statutes is amended to read:

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

21 **SECTION 1368.** 49.45 (6y) (am) of the statutes is amended to read:

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

1 population of 500,000 or more to provide health care services funded by a relief block
2 grant, as determined by the department, for hospital services that are not in excess
3 of the hospitals' customary charges for the services, as limited under 42 USC 1396b
4 (i) (3).

5 **SECTION 1369.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

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

17 **SECTION 1372.** 49.45 (8) (b) of the statutes is amended to read:

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

23 **SECTION 1373.** 49.45 (18) (intro.) of the statutes is renumbered 49.45 (18) (ac)
24 and amended to read:

1 49.45 (18) (ac) Except as provided in pars. ~~(a)~~ (am) to (d), and subject to par.
2 ~~(ag)~~, any person eligible for medical assistance under s. 49.46, 49.468, or 49.47 shall
3 pay up to the maximum amounts allowable under 42 CFR 447.53 to 447.58 for
4 purchases of services provided under s. 49.46 (2). The service provider shall collect
5 the specified or allowable copayment, coinsurance, or deductible, unless the service
6 provider determines that the cost of collecting the copayment, coinsurance, or
7 deductible exceeds the amount to be collected. The department shall reduce
8 payments to each provider by the amount of the specified or allowable copayment,
9 coinsurance, or deductible. No provider may deny care or services because the
10 recipient is unable to share costs, but an inability to share costs specified in this
11 subsection does not relieve the recipient of liability for these costs. ~~Liability under~~
12 ~~this subsection is limited by the following provisions:~~

13 **SECTION 1374.** 49.45 (18) (a) of the statutes is renumbered 49.45 (18) (am).

14 **SECTION 1375.** 49.45 (18) (ag) of the statutes is created to read:

15 49.45 (18) (ag) Except as provided in pars. (am), (b), and (c), and subject to par.
16 (d), a recipient specified in par. (ac) shall pay all of the following:

17 1. A copayment of \$1 for each prescription of a drug that bears only a generic
18 name, as defined in s. 450.12 (1) (b).

19 2. A copayment of \$3 for each prescription of a drug that bears a brand name,
20 as defined in s. 450.12 (1) (a).

21 **SECTION 1376.** 49.45 (18) (d) of the statutes is amended to read:

22 49.45 (18) (d) No person who designates a pharmacy or pharmacist as his or
23 her sole provider of prescription drugs and who so uses that pharmacy or pharmacist
24 is liable under this subsection for more than \$5 \$12 per month for prescription drugs
25 received.

1 **SECTION 1377.** 49.45 (19) (bm) of the statutes is amended to read:

2 49.45 (19) (bm) The department or the county department under s. 46.215 or
3 46.22 shall notify applicants of the requirements of this subsection at the time of
4 application.

5 **SECTION 1378.** 49.45 (24m) (intro.) of the statutes is amended to read:

6 49.45 (24m) HOME HEALTH CARE AND PERSONAL CARE PILOT PROGRAM. (intro.)
7 From the ~~appropriations~~ appropriation accounts under s. 20.435 (4) (b), (gp), (o), and
8 (w), in order to test the feasibility of instituting a system of reimbursement for
9 providers of home health care and personal care services for medical assistance
10 recipients that is based on competitive bidding, the department shall:

11 **SECTION 1379.** 49.45 (25) (am) (intro.) of the statutes is amended to read:

12 49.45 (25) (am) (intro.) Except as provided under pars. (be) ~~and~~, (bg), and (bj)
13 and sub. (24), case management services under s. 49.46 (2) (b) 9. and (bm) are
14 reimbursable under ~~medical assistance~~ Medical Assistance only if provided to a
15 ~~medical assistance~~ Medical Assistance beneficiary who receives case management
16 services from or through a certified case management provider in a county, city,
17 village, or town that elects, under par. (b), to make the services available and who
18 meets at least one of the following conditions:

19 **SECTION 1380.** 49.45 (25) (bj) of the statutes is created to read:

20 49.45 (25) (bj) The department of corrections may elect to provide case
21 management services under this subsection to persons who are under the
22 supervision of that department under s. 938.183, 938.34 (4h), (4m), or (4n), or
23 938.357 (4), who are Medical Assistance beneficiaries, and who meet one or more of
24 the conditions specified in par. (am). The amount of the allowable charges for those
25 services under the Medical Assistance program that is not provided by the federal

1 government shall be paid from the appropriation account under s. 20.410 (3) (hm),
2 (ho), or (hr).

3 **SECTION 1381.** 49.45 (25) (c) of the statutes is amended to read:

4 49.45 (25) (c) Except as provided in pars. (b), (be) ~~and~~, (bg), and (bj), the
5 department shall reimburse a provider of case management services under this
6 subsection only for the amount of the allowable charges for those services under the
7 ~~medical assistance~~ Medical Assistance program that is provided by the federal
8 government.

9 **SECTION 1382c.** 49.45 (30e) (a) 5. of the statutes is created to read:

10 49.45 (30e) (a) 5. Any other condition required by rule under par. (b) 4. is
11 satisfied.

12 **SECTION 1382e.** 49.45 (30e) (b) 4. of the statutes is created to read:

13 49.45 (30e) (b) 4. Any other conditions for coverage of community-based
14 psychosocial services under the Medical Assistance Program.

15 **SECTION 1383.** 49.45 (30m) of the statutes is renumbered 49.45 (30m) (a)
16 (intro.) and amended to read:

17 49.45 (30m) (a) (intro.) Except as provided in par. (am), a county shall provide
18 the portion of the payment that is not provided by the federal government for all of
19 the following services under s. 51.06 (1m) (d) to individuals with developmental
20 disability who are eligible for medical assistance that is not provided by the federal
21 government.:

22 **SECTION 1384.** 49.45 (30m) (a) 1. of the statutes is created to read:

23 49.45 (30m) (a) 1. Services under s. 51.06 (1m) (d).

24 **SECTION 1385.** 49.45 (30m) (a) 2. of the statutes is created to read:

1 49.45 (30m) (a) 2. Services in an intermediate care facility for the mentally
2 retarded, as defined in s. 46.278 (1m) (am), other than a state center for the
3 developmentally disabled.

4 **SECTION 1386.** 49.45 (30m) (a) 3. of the statutes is created to read:

5 49.45 (30m) (a) 3. Services for which payment is permitted under sub. (6c) (d)
6 2. that are provided in a nursing facility, as defined in s. 46.279 (1) (c).

7 **SECTION 1386d.** 49.45 (30m) (am) of the statutes is created to read:

8 49.45 (30m) (am) The department shall provide the portion of the payment that
9 is not provided by the federal government for any of the services specified in par. (a)
10 1. to 3. that are provided to an individual with developmental disability who is
11 eligible for medical assistance, as determined under the contract under s. 46.279
12 (4m).

13 **SECTION 1387.** 49.45 (30m) (b) of the statutes is created to read:

14 49.45 (30m) (b) No payment under this section may be made for services
15 specified under par. (a) or (am) unless the individual who receives the services is
16 protectively placed under s. 55.06 (9) (a) or is placed under an emergency placement
17 under s. 55.06 (11) (a) or a temporary placement under s. 55.06 (11) (c).

18 **SECTION 1388.** 49.45 (30m) (c) of the statutes is created to read:

19 49.45 (30m) (c) No payment under this section may be made for services
20 specified under par. (a) 2. or 3. that are provided to an individual who was placed in
21 or admitted to an intermediate facility, as defined in s. 46.279 (1) (b), or nursing
22 facility, as defined in s. 46.279 (1) (c), unless one of the following applies:

23 1. Any placement or admission that is made after April 30, 2005, complied with
24 the requirements of s. 46.279.

1 2. For an individual who was protectively placed under ch. 55 at any time, any
2 annual review that is conducted under s. 55.06 (10) (a) 1. after April 30, 2005,
3 complies with the requirements of s. 55.06 (10) (a) 2.

4 **SECTION 1389.** 49.45 (36) of the statutes is amended to read:

5 49.45 (36) HOMELESS BENEFICIARIES. ~~A~~ The department or a county department
6 under s. 46.215, 46.22, or 46.23 may not place the word “homeless” on the medical
7 assistance identification card of any person who is determined to be eligible for
8 medical assistance benefits and who is homeless.

9 **SECTION 1390.** 49.45 (39) (b) 1. of the statutes is amended to read:

10 49.45 (39) (b) 1. ‘Payment for school medical services.’ If a school district or a
11 cooperative educational service agency elects to provide school medical services and
12 meets all requirements under par. (c), the department shall reimburse the school
13 district or the cooperative educational service agency for 60% of the federal share of
14 allowable charges for the school medical services that it provides and, as specified
15 in subd. 2., for allowable administrative costs. If the Wisconsin Center for the Blind
16 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf
17 and Hard of Hearing elects to provide school medical services and meets all
18 requirements under par. (c), the department shall reimburse the department of
19 public instruction for 60% of the federal share of allowable charges for the school
20 medical services that the Wisconsin Center for the Blind and Visually Impaired or
21 the Wisconsin Educational Services Program for the Deaf and Hard of Hearing
22 provides and, as specified in subd. 2., for allowable administrative costs. A school
23 district, cooperative educational service agency, the Wisconsin Center for the Blind
24 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf
25 and Hard of Hearing may submit, and the department shall allow, claims for common

1 carrier transportation costs as a school medical service unless the department
2 receives notice from the federal health care financing administration that, under a
3 change in federal policy, the claims are not allowed. If the department receives the
4 notice, a school district, cooperative educational service agency, the Wisconsin
5 Center for the Blind and Visually Impaired, or the Wisconsin Educational Services
6 Program for the Deaf and Hard of Hearing may submit, and the department shall
7 allow, unreimbursed claims for common carrier transportation costs incurred before
8 the date of the change in federal policy. The department shall promulgate rules
9 establishing a methodology for making reimbursements under this paragraph. All
10 Except as provided in subd. 1m., all other expenses for the school medical services
11 provided by a school district or a cooperative educational service agency shall be paid
12 for by the school district or the cooperative educational service agency with funds
13 received from state or local taxes. The school district, the Wisconsin Center for the
14 Blind and Visually Impaired, the Wisconsin Educational Services Program for the
15 Deaf and Hard of Hearing, or the cooperative educational service agency shall
16 comply with all requirements of the federal department of health and human
17 services for receiving federal financial participation.

18 **SECTION 1391.** 49.45 (39) (b) 1m. of the statutes is created to read:

19 49.45 (39) (b) 1m. ‘Supplementary payment for school medical services.’ In
20 addition to the reimbursement the department provides under subd. 1. to a school
21 district or cooperative educational service agency for school medical services, the
22 department may make supplementary payments from the appropriation accounts
23 under s. 20.435 (4) (b) and (o). The total of the supplementary payments and
24 allowable charges paid under subd. 1. may not exceed applicable limitations on
25 payments under 42 USC 1396a (a) (30) (A).

1 **SECTION 1392.** 49.45 (39) (b) 2. of the statutes is amended to read:

2 49.45 (39) (b) 2. ‘Payment for school medical services administrative costs.’ The
3 department shall reimburse a school district or a cooperative educational service
4 agency specified under ~~subd. 1.~~ subds. 1. and 1m. and shall reimburse the
5 department of public instruction on behalf of the Wisconsin Center for the Blind and
6 Visually Impaired or the Wisconsin Educational Services Program for the Deaf and
7 Hard of Hearing for 90% of the federal share of allowable administrative costs, using
8 time studies, beginning in fiscal year 1999–2000. A school district or a cooperative
9 educational service agency may submit, and the department of health and family
10 services shall allow, claims for administrative costs incurred during the period that
11 is up to 24 months before the date of the claim, if allowable under federal law.

12 **SECTION 1392p.** 49.45 (49) (a) (intro.) of the statutes is renumbered 49.45 (49)
13 (bm) and amended to read:

14 49.45 (49) (bm) The secretary shall exercise his or her authority under s. 15.04
15 (1) (c) to create a prescription drug prior authorization and therapeutics committee
16 to advise the department on issues related to prior authorization decisions made
17 concerning prescription drugs on behalf of medical assistance recipients.—~~The~~
18 ~~secretary shall appoint as members at least all of the following:~~ and to advise the
19 department on the research, development, and approval of any preferred drug list
20 for the Medical Assistance program or the program under s. 49.665 or 49.688.

21 **SECTION 1392q.** 49.45 (49) (a) 1. of the statutes is repealed.

22 **SECTION 1392r.** 49.45 (49) (a) 2. and 3. of the statutes are renumbered 49.45
23 (49) (c) 6. and 7.

24 **SECTION 1392rj.** 49.45 (49) (ag) of the statutes is created to read:

25 49.45 (49) (ag) In this subsection:

1 1. “Labeler” means a person who receives prescription drugs from a
2 manufacturer or wholesaler and repackages those drugs for later retail sale, and has
3 a labeler code issued by the federal food and drug administration under 21 CFR
4 207.20 (b).

5 2. “Manufacturer” means a person who is engaged in the production,
6 preparation, propagation, compounding, conversion, or processing of prescription
7 drugs.

8 3. “Physician” has the meaning given in s. 448.01 (5).

9 **SECTION 1392s.** 49.45 (49) (b) of the statutes is renumbered 49.45 (49) (g) and
10 amended to read:

11 49.45 (49) (g) The prescription drug prior authorization and therapeutics
12 committee shall accept information or commentary from representatives of the
13 pharmaceutical manufacturing industry in the committee’s review of prior
14 authorization policies.

15 **SECTION 1392t.** 49.45 (49) (c), (d), (e), (f), (h) and (i) of the statutes are created
16 to read:

17 49.45 (49) (c) The secretary shall appoint as members of the prescription drug
18 prior authorization and therapeutics committee at least all of the following:

- 19 1. A physician who has expertise in family practice.
- 20 2. A physician who has expertise in pediatrics.
- 21 3. A physician who has expertise in geriatrics.
- 22 4. A physician who has expertise in psychiatry.
- 23 5. A physician who has expertise in internal medicine and specializes in the
24 treatment of diabetes.

1 (d) A person who is employed by or under contract with a manufacturer, a
2 labeler, or the state may not serve as a member of the prescription drug prior
3 authorization and therapeutics committee, except that the following agreements do
4 not bar a person from serving as a member of the committee:

5 1. An agreement with the department to comply with the requirements for
6 provider certification under sub. (2) (a) 11.

7 2. An agreement between a physician or pharmacist and a manufacturer for
8 the physician or pharmacist to conduct research in return for grant funding from a
9 manufacturer.

10 (e) If a physician or pharmacist who is a member of the prescription drug prior
11 authorization and therapeutics committee receives any grant funding from a
12 manufacturer to conduct research, the physician or pharmacist must disclose the
13 grant funding to the department. Any physician or pharmacist who is a candidate
14 for membership on the committee and receives such grant funding must disclose the
15 grant funding to the department before the secretary appoints the person as a
16 member of the committee.

17 (f) During the first meeting of the prescription drug prior authorization and
18 therapeutics committee in each calendar year, the committee shall elect a member
19 to serve as the chairperson of the committee for a one-year term. The committee
20 shall meet at least once annually and on the call of the chairperson. A majority of
21 the committee constitutes a quorum to do business. Recommendations of the
22 committee shall be determined by majority vote.

23 (h) The department shall consider all relevant recommendations of the
24 prescription drug prior authorization and therapeutics committee before requiring

1 prior authorization for a prescription drug under the Medical Assistance program or
2 under s. 49.665 or 49.688.

3 (i) By January 1 annually, the department shall submit a report to the governor,
4 the members of the joint committee on finance, and the appropriate standing
5 committees of the legislature under s. 13.172 (3), on any changes that the
6 department made in the previous 12 months to department policies related to prior
7 authorization for prescription drugs under the Medical Assistance program or the
8 program under s. 49.665 or 49.688, and shall include all of the following in the report:

9 1. The name and therapeutic class for each prescription drug for which the
10 department changed prior authorization policies.

11 2. The criteria for approving a prior authorization request for any prescription
12 drug identified under subd. 1.

13 3. Identification of any differences between the policies adopted by the
14 department and relevant recommendations of the prescription drug prior
15 authorization and therapeutics committee and, if applicable, the clinical and
16 scientific reasons for diverging from the committee's recommendations.

17 **SECTION 1392u.** 49.45 (49g) of the statutes is created to read:

18 49.45 (49g) MENTAL HEALTH MEDICATION REVIEW COMMITTEE. The secretary shall
19 exercise his or her authority under s. 15.04 (1) (c) to create a mental health
20 medication review committee to advise the department on implementation of prior
21 authorization requirements for selective serotonin reuptake inhibitors under s.
22 49.45 (49m) and on implementation of a process for reviewing utilization of drugs to
23 treat mental illness under the Medical Assistance program. The secretary shall
24 appoint at least one advocate for persons having a mental illness and at least one

1 consumer of a drug used to treat a mental illness and advocates and consumers shall
2 constitute a majority of the members of the committee.

3 **SECTION 1393.** 49.45 (49m) of the statutes is created to read:

4 **49.45 (49m) PRESCRIPTION DRUG COST CONTROLS; PURCHASING AGREEMENTS.** (a)

5 In this section:

- 6 1. “Brand name” has the meaning given in s. 450.12 (1) (a).
- 7 2. “Generic name” has the meaning given in s. 450.12 (1) (b).
- 8 3. “Prescription drug” has the meaning given in s. 450.01 (20).

9 (b) The department may enter into a multi–state purchasing agreement with
10 another state or a purchasing agreement with a purchaser of prescription drugs if
11 the other state or purchaser agrees to participate in one or more of the activities
12 specified in par. (c) 1. to 4.

13 (c) The department may design and implement a program to reduce the cost
14 of prescription drugs and to maintain high quality in prescription drug therapies,
15 which shall include all of the following:

16 1. A list of the prescription drugs that are included as a benefit under s. 49.46
17 (2) (b) 6. h. that identifies preferred choices within therapeutic classes and includes
18 prescription drugs that bear only generic names.

19 2. Establishing supplemental rebates under agreements with prescription
20 drug manufacturers for prescription drugs provided to recipients under Medical
21 Assistance and Badger Care and to eligible persons under s. 49.688 and, if it is
22 possible to implement the program without adversely affecting supplemental
23 rebates for Medical Assistance, Badger Care, and prescription drug assistance under
24 s. 49.688, to beneficiaries of participants under par. (b).

25 3. Utilization management and fraud and abuse controls.

1 4. Any other activity to reduce the cost of or expenditures for prescription drugs
2 and maintain high quality in prescription drug therapies.

3 (cg) The department shall consider all relevant recommendations of the
4 prescription drug prior authorization and therapeutics committee before including
5 a prescription drug on, or excluding a prescription drug from, a list under par. (c) 1.

6 (cr) 1. Except as provided in subd. 2., the department may not require prior
7 authorization for a prescription drug under s. 49.46 (2) (b) 6. h. that is prescribed to
8 treat a mental illness.

9 2. The department may require prior authorization for a selective serotonin
10 reuptake inhibitor that is first prescribed for a person on or after March 15, 2004.

11 (d) The department may enter into a contract with an entity to perform any of
12 the duties and exercise any of the powers of the department under this subsection.

13 **SECTION 1393c.** 49.45 (51) of the statutes is created to read:

14 49.45 (51) MEDICAL CARE TRANSPORTATION SERVICES. (a) By November 1
15 annually, the department shall provide to the department of revenue information
16 concerning the estimated amounts of supplements payable from the appropriation
17 under s. 20.435 (4) (b) to specific local governmental units for the provision of
18 transportation for medical care, as specified under s. 49.46 (2) (b) 3., during the fiscal
19 year. Beginning November 1, 2004, the information that the department provides
20 under this paragraph shall include any adjustments necessary to reflect actual
21 claims submitted by service providers in the previous fiscal year.

22 (b) On the date that is the 3rd Monday in November, the department shall
23 annually pay to specific local governmental units the estimated net amounts
24 specified in par. (a).

25 **SECTION 1401.** 49.46 (2) (a) 4. c. of the statutes is amended to read:

1 49.46 (2) (a) 4. c. Skilled nursing home services other than in an institution for
2 mental diseases, except as limited under s. 49.45 (6c) and (30m) (b) and (c).

3 **SECTION 1402.** 49.46 (2) (b) 6. a. of the statutes is amended to read:

4 49.46 (2) (b) 6. a. Intermediate care facility services other than in an institution
5 for mental diseases, except as limited under s. 49.45 (30m) (b) and (c).

6 **SECTION 1403d.** 49.46 (2) (b) 8. of the statutes is amended to read:

7 49.46 (2) (b) 8. Home or community-based services, if provided under s. 46.27
8 (11), 46.275, 46.277 or 46.278 ~~or~~, under the family care benefit if a waiver is in effect
9 under s. 46.281 (1) (c), or under a waiver requested under 2001 Wisconsin Act 16,
10 section 9123 (16rs), or 2003 Wisconsin Act (this act), section 9124 (8c).

11 **SECTION 1404.** 49.472 (6) (a) of the statutes is amended to read:

12 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation account
13 under s. 20.435 (4) (b), (gp), or (w), the department shall, on the part of an individual
14 who is eligible for medical assistance under sub. (3), pay premiums for or purchase
15 individual coverage offered by the individual's employer if the department
16 determines that paying the premiums for or purchasing the coverage will not be more
17 costly than providing medical assistance.

18 **SECTION 1405.** 49.472 (6) (b) of the statutes is amended to read:

19 49.472 (6) (b) If federal financial participation is available, from the
20 appropriation account under s. 20.435 (4) (b), (gp), or (w), the department may pay
21 medicare Part A and Part B premiums for individuals who are eligible for medicare
22 and for medical assistance under sub. (3).

23 **SECTION 1406.** 49.473 (title) of the statutes is amended to read:

24 **49.473 (title) Medical assistance; women diagnosed with breast or**
25 **cervical cancer or precancerous conditions.**

1 **SECTION 1407.** 49.473 (2) (c) of the statutes is amended to read:

2 49.473 (2) (c) The woman is not eligible for health care coverage that qualifies
3 as creditable coverage in 42 USC 300gg (c), excluding the coverage specified in 42
4 USC 300gg (c) (1) (F).

5 **SECTION 1408.** 49.473 (2) (e) of the statutes is amended to read:

6 49.473 (2) (e) The woman requires treatment for breast or cervical cancer or
7 for a precancerous condition of the breast or cervix.

8 **SECTION 1409.** 49.473 (5) of the statutes is amended to read:

9 49.473 (5) The department shall audit and pay, from the appropriation
10 accounts under s. 20.435 (4) (b), (gp), and (o), allowable charges to a provider who is
11 certified under s. 49.45 (2) (a) 11. for medical assistance on behalf of a woman who
12 meets the requirements under sub. (2) for all benefits and services specified under
13 s. 49.46 (2).

14 **SECTION 1410.** 49.473 (6) (b) of the statutes is amended to read:

15 49.473 (6) (b) Inform the woman at the ~~of~~ time of the determination that she
16 is required to apply to the department or a county department for medical assistance
17 no later than the last day of the month following the month in which the qualified
18 entity determines that the woman is eligible for medical assistance.

19 **SECTION 1412.** 49.496 (4) of the statutes is amended to read:

20 49.496 (4) ADMINISTRATION. The department may require a county department
21 under s. 46.215, 46.22, or 46.23 or the governing body of a federally recognized
22 American Indian tribe administering medical assistance to gather and provide the
23 department with information needed to recover medical assistance under this
24 section. The department shall pay to a county department or tribal governing body
25 an amount equal to 5% of the recovery collected by the department relating to a

1 beneficiary for whom the county department or tribal governing body made the last
2 determination of medical assistance eligibility. A county department or tribal
3 governing body may use funds received under this subsection only to pay costs
4 incurred under this subsection and, if any amount remains, to pay for improvements
5 to functions required under s. ~~49.33~~ 49.78 (2). The department may withhold
6 payments under this subsection for failure to comply with the department's
7 requirements under this subsection. The department shall treat payments made
8 under this subsection as costs of administration of the ~~medical assistance~~ Medical
9 Assistance program.

10 **SECTION 1413.** 49.498 (16) (g) of the statutes is amended to read:

11 49.498 (16) (g) All forfeitures, penalty assessments, and interest, if any, shall
12 be paid to the department within 10 days of receipt of notice of assessment or, if the
13 forfeiture, penalty assessment, and interest, if any, are contested under par. (f),
14 within 10 days of receipt of the final decision after exhaustion of administrative
15 review, unless the final decision is appealed and the order is stayed by court order
16 under sub. (19) (b). The department shall remit all forfeitures paid to the ~~state~~
17 ~~treasurer~~ secretary of administration for deposit in the school fund. The department
18 shall deposit all penalty assessments and interest in the appropriation under s.
19 20.435 (6) (g).

20 **SECTION 1414.** 49.665 (2) (title) of the statutes is amended to read:

21 49.665 (2) (title) ~~WAIVER~~ WAIVERS.

22 **SECTION 1415.** 49.665 (2) of the statutes is renumbered 49.665 (2) (a) and
23 amended to read:

24 49.665 (2) (a) The department of health and family services shall request a
25 waiver from the secretary of the federal department of health and human services

1 to permit the department of health and family services to implement, beginning not
2 later than July 1, 1998, or the effective date of the waiver, whichever is later, a health
3 care program under this section. If a waiver that is consistent with all of the
4 provisions of this section, excluding sub. (4) (a) 3m., is granted and in effect, the
5 department of health and family services shall implement the program under this
6 section. The department of health and family services may not implement the
7 program under this section unless a waiver that is consistent with all of the
8 provisions of this section, excluding sub. (4) (a) 3m., is granted and in effect.

9 **SECTION 1416.** 49.665 (2) (b) of the statutes is created to read:

10 49.665 (2) (b) If the department of health and family services determines that
11 it needs a waiver to require the verification specified in sub. (4) (a) 3m., the
12 department shall request a waiver from the secretary of the federal department of
13 health and human services and may not implement the verification requirement
14 under sub. (4) (a) 3m. unless the waiver is granted. If a waiver is required and is
15 granted, the department of health and family services may implement the
16 verification requirement under sub. (4) (a) 3m. as appropriate. If a waiver is not
17 required, the department of health and family services may require the verification
18 specified in sub. (4) (a) 3m. for eligibility determinations and annual review
19 eligibility determinations made by the department, beginning on January 1, 2004.

20 **SECTION 1417.** 49.665 (4) (a) 3m. of the statutes is created to read:

21 49.665 (4) (a) 3m. Each member of the family who is employed provides
22 verification from his or her employer, in the manner specified by the department, of
23 his or her earnings, of whether the employer provides health care coverage for which
24 the family is eligible, and of the amount that the employer pays, if any, towards the

1 cost of the health care coverage, excluding any deductibles or copayments required
2 under the coverage.

3 **SECTION 1419.** 49.665 (5) (a) of the statutes is renumbered 49.665 (5) (ag) and
4 amended to read:

5 49.665 (5) (ag) Except as provided in pars. (am), (b), and (bm), a family, or child
6 who does not reside with his or her parent, who receives health care coverage under
7 this section shall pay a percentage of the cost of that coverage in accordance with a
8 schedule established by the department by rule. If the schedule established by the
9 department requires a family, or child who does not reside with his or her parent, to
10 contribute more than 3% of the family's or child's income towards the cost of the
11 health care coverage provided under this section, the department shall submit the
12 schedule to the joint committee on finance for review and approval of the schedule.
13 If the cochairpersons of the joint committee on finance do not notify the department
14 within 14 working days after the date of the department's submittal of the schedule
15 that the committee has scheduled a meeting to review the schedule, the department
16 may implement the schedule. If, within 14 days after the date of the department's
17 submittal of the schedule, the cochairpersons of the committee notify the department
18 that the committee has scheduled a meeting to review the schedule, the department
19 may not require a family, or child who does not reside with his or her parent, to
20 contribute more than 3% of the family's or child's income unless the joint committee
21 on finance approves the schedule. The joint committee on finance may not approve
22 and the department may not implement a schedule that requires a family or child
23 to contribute, including the amounts required under par. (am), more than 3.5% of the
24 family's or child's income towards the cost of the health care coverage provided under
25 this section.