



TODAY, if possible
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0194~~3~~ 4
DAK:kmg&cx:epb

D-NOTE

WLJ

DOA:.....Blaine – BB0033 IGT claims

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

DO NOT GEN

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, the Medical Assistance (MA) trust fund (MATF) is composed of all public funds that are related to MA nursing home payments and that are transferred to the MATF as the nonfederal share for the purpose of claiming federal moneys, and all of the matching moneys received in return under the federal MA program (commonly known as "Medicaid"). Counties that make these intergovernmental transfers are, in turn, reimbursed by DHFS from an appropriation account of interagency program revenue.

Currently, under a waiver of federal Medicaid laws, DHFS administers a community integration program (commonly known as CIP IA) under which MA recipients who reside in state centers for the developmentally disabled are relocated into their communities by providing to them home and community-based services as part of MA. DHFS administers another community integration program (commonly known as CIP IB) under which persons with developmental disabilities who are relocated from institutions other than state centers for the developmentally disabled or who meet requirements for the care provided in intermediate care facilities for the mentally retarded or brain injury rehabilitation facilities are relocated into their communities by providing to them home and community-based services as part of MA.

MA payments

in support of MA payment for nursing home services

This bill creates a sum sufficient appropriation account, from the MATF, for reimbursement to a county of moneys transferred by the county to the state as the nonfederal share of public moneys in support of a claim for federal Medicaid matching moneys. Payment to a county under the appropriation account is limited to the amount that the county has transferred.

and used

The bill creates a program revenue account in the general fund to provide supplemental MA program benefits for CIP IA and CIP IB, emergency medical transportation services, alcohol and other drug abuse and mental health treatment and services, and school medical services, as part of a claim for federal Medicaid matching moneys, and to receive moneys that are required, under the bill, to be paid by counties. The moneys required to be paid by counties are related to the federal share of rate increases for CIP IA and CIP IB since 2001, the federal share of rate increases for ~~emergency medical transportation services and~~ alcohol and other drug abuse and mental health treatment and services beginning in 2003, and the moneys paid in support of the claim for federal Medicaid matching moneys. Moneys received

makes annual decreases in

by DHFS that are in excess of payments for services under this appropriation must be transferred to the MATF. ~~The bill decreases payment to school districts for the amount of supplementary payment for MA school-based services received, and requires that this amount be lapsed from the DPI general purpose revenues appropriation that funds the school districts.~~ In addition, the bill modifies the accounts within the MATF to eliminate the requirement that limits the MATF to funds that are related to MA nursing home payments; instead, the bill permits the MATF to include moneys that are related to any MA service.

the amount paid

special education by

to the general fund

Lastly, the bill authorizes payment from the MATF for grants to counties for mental health community support programs and for community-based medical services.

MA-reimbursable

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 20.255 (2) (b) of the statutes is amended to read:

2 20.255 (2) (b) *Aids for special education and school age parents programs.* The
3 amounts in the schedule for the payment of aids for special education and school age
4 parents programs under ss. 115.88, 115.93 and 118.255. ~~From this appropriation,~~

5 ~~there is lapsed to the general fund,~~ on dates determined by the secretary of

6 administration, ~~any~~ amounts paid by the department of health and family services

7 under s. 49.45 (39) (b) 1m.

amounts equal to the

shall lapse from this appropriation to the general fund account

Notwithstanding
S. 20,001

SECTION 2

(2) (b) and (3) (b), on dates to be determined by the secretary of administration, amounts equal to amounts received under this paragraph that are in excess of the payments made under this paragraph are transferred to the Medical Assistance trust fund.

SECTION 2. 20.435 (4) (hm) of the statutes is created to read:

20.435 (4) (hm) *Medical Assistance; supplementary payments to counties.* All moneys received from a county under s. 59.53 (24), to supplement the state share of medical assistance program benefits administered under ss. 46.275, 46.278, 49.45 (39) (b) 1m., 49.46 (2) (a) 1., 2., 4. d. and e. and (b) 3., 6. b., c., d., f., fm., j., k., L., and m., 9., 12., 12m., 13., 15., and 16.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 3. 20.435 (4) (w) of the statutes, as affected by 2001 Wisconsin Act 16,

is amended to read:

Assistance Medical Assistance - reimbursable Medical Assistance

20.435 (4) (w) *Medical assistance trust fund.* From the medical assistance trust fund, biennially, the amounts in the schedule for meeting costs of medical assistance administered under ss. 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5), 49.45, and 49.472 (6), and 51.421 (3) and grants to counties for community-based medical services, and for administrative costs associated with augmenting the amount of federal moneys received under 42 CFR 433.51.

in support of payment under s. 49.45 (6m)

SECTION 4. 20.435 (4) (wp) of the statutes is created to read:

20.435 (4) (wp) *Medical Assistance trust fund; county reimbursement.* From the Medical Assistance trust fund, a sum sufficient to provide reimbursement to a county for moneys transferred by the county to the Medical Assistance trust fund as the nonfederal share of Medical Assistance payments of public moneys used for the purpose of claiming federal moneys under 42 CFR 433.51. Payment to a county under this paragraph may not exceed the amount transferred by the county to the Medical Assistance trust fund.

and used

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 5. 25.77 (1) of the statutes is amended to read:

22

1 25.77 (1) All federal moneys received, including moneys that the department
 2 of health and family services may transfer from the appropriation under s. 20.435
 3 (4) (o), that are related to payments under s. 49.45 (~~6m~~) and are based on public funds
 4 that are transferred or certified under 42 CFR 433.51 (b) and used as the ^{plain space} ~~non-federal~~
 5 nonfederal share of ~~medical assistance~~ funding.

6 **SECTION 6.** 25.77 (2) [↓] of the statutes is amended to read:

7 25.77 (2) All public funds that are related to payments under s. 49.45 (~~6m~~) and
 8 that are transferred or certified under 42 CFR 433.51 (b) and used as the ^{plain space} ~~non-federal~~
 9 nonfederal and federal share of ~~medical assistance~~ funding. Medical Assistance

10 **SECTION 7.** 25.77 (5) [↓] of the statutes is created to read:

11 25.77 (5) All moneys transferred under s. ~~49.45 (5)(2)~~ 20.435 (4) (hm)

12 **SECTION 8.** 46.275 (5) (a) of the statutes is amended to read:

13 46.275 (5) (a) Assistance ~~Medical assistance~~ reimbursement for services a county, or the
 14 department under sub. (3r), provides under this program is available from the
 15 appropriations appropriation accounts under s. 20.435 (4) (b), (hm) [↓] (o), and (w). If
 16 2 or more counties jointly contract to provide services under this program and the
 17 department approves the contract, ~~medical assistance~~ reimbursement is also
 18 available for services provided jointly by these counties.

19 **SECTION 9.** 46.275 (5) (c) [↓] of the statutes is amended to read:

20 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (hm) [↓] (o), and (w) to
 21 counties and to the department under sub. (3r) for services provided under this
 22 section may not exceed the amount approved by the federal department of health and
 23 human services. A county may use funds received under this section only to provide
 24 services to persons who meet the requirements under sub. (4) and may not use

1 unexpended funds received under this section to serve other developmentally
2 disabled persons residing in the county.

3 **SECTION 10.** 49.45 (39) (b) 1. of the statutes is amended to read:

4 49.45 (39) (b) 1. 'Payment for school medical services.' If a school district or a
5 cooperative educational service agency elects to provide school medical services and
6 meets all requirements under par. (c), the department shall reimburse the school
7 district or the cooperative educational service agency for 60% of the federal share of
8 allowable charges for the school medical services that it provides and, as specified
9 in subd. 2., for allowable administrative costs. If the Wisconsin Center for the Blind
10 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf
11 and Hard of Hearing elects to provide school medical services and meets all
12 requirements under par. (c), the department shall reimburse the department of
13 public instruction for 60% of the federal share of allowable charges for the school
14 medical services that the Wisconsin Center for the Blind and Visually Impaired or
15 the Wisconsin Educational Services Program for the Deaf and Hard of Hearing
16 provides and, as specified in subd. 2., for allowable administrative costs. A school
17 district, cooperative educational service agency, the Wisconsin Center for the Blind
18 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf
19 and Hard of Hearing may submit, and the department shall allow, claims for common
20 carrier transportation costs as a school medical service unless the department
21 receives notice from the federal health care financing administration that, under a
22 change in federal policy, the claims are not allowed. If the department receives the
23 notice, a school district, cooperative educational service agency, the Wisconsin
24 Center for the Blind and Visually Impaired, or the Wisconsin Educational Services
25 Program for the Deaf and Hard of Hearing may submit, and the department shall

SECTION 10

1 allow, unreimbursed claims for common carrier transportation costs incurred before
 2 the date of the change in federal policy. The department shall promulgate rules
 3 establishing a methodology for making reimbursements under this paragraph. All
 4 Except as provided in subd. 1m.¹, all other expenses for the school medical services
 5 provided by a school district or a cooperative educational service agency shall be paid
 6 for by the school district or the cooperative educational service agency with funds
 7 received from state or local taxes. The school district, the Wisconsin Center for the
 8 Blind and Visually Impaired, the Wisconsin Educational Services Program for the
 9 Deaf and Hard of Hearing, or the cooperative educational service agency shall
 10 comply with all requirements of the federal department of health and human
 11 services for receiving federal financial participation.

from the appropriation
accounts ~~where~~

12 SECTION 11. 49.45 (39) (b) 1m.¹ of the statutes is created to read:

13 49.45 (39) (b) 1m. 'Supplementary payment for school medical services.' In
 14 addition to the reimbursement the department provides under subd. 1.¹ to a school
 15 district or cooperative ~~education~~ ^{educational} service agency for school medical services, the
 16 department may make supplementary payments under s. 20.435 (4) (~~ka~~) and (o).
 17 The total of the supplementary payments and allowable charges paid under subd. 1.
 18 may not exceed applicable limitations on payments under 42 USC 1396a (a) (30) (A).

19 SECTION 12. 49.45 (39) (b) 2.¹ of the statutes is amended to read:

20 49.45 (39) (b) 2. 'Payment for school medical services administrative costs.' The
 21 department shall reimburse a school district or a cooperative educational service
 22 agency specified under subd. 1. ~~subd. 1.~~ subds. 1.¹ and 1m.¹ and shall reimburse the
 23 department of public instruction on behalf of the Wisconsin Center for the Blind and
 24 Visually Impaired or the Wisconsin Educational Services Program for the Deaf and
 25 Hard of Hearing for 90% of the federal share of allowable administrative costs, using

1 time studies, beginning in fiscal year 1999–2000. A school district or a cooperative
2 educational service agency may submit, and the department of health and family
3 services shall allow, claims for administrative costs incurred during the period that
4 is up to 24 months before the date of the claim, if allowable under federal law.

5 **SECTION 13.** 49.45 (52) of the statutes is created to read:

6 49.45 (52) ~~TRANSFER TO MEDICAL ASSISTANCE TRUST FUND.~~ On dates to be
7 determined by the secretary of administration, there is transferred from the
8 appropriation account under s. 20.435 (4) (hm) to the Medical Assistance trust fund
9 all moneys received under s. 20.435 (4) (hm) that are in excess of the payments made
10 under s. 20.435 (4) (hm).

(o) and

11 **SECTION 14.** 51.421 (3) (e) of the statutes is amended to read:

12 51.421 (3) (e) ~~Distribute, from the appropriation~~ From the appropriation accounts under
13 s. 20.435 (4) (w) and (7) (bL), in each fiscal year for community support program
14 services.

distribute moneys

15 **SECTION 15.** 59.53 (24) of the statutes is created to read:

16 59.53 (24) COUNTY PAYMENTS MADE UNDER MEDICAL ASSISTANCE. The board shall,
17 upon demand by the department of health and family services, authorize payment
18 to that department not to exceed any of the following:

(hm) and

19 (a) *Home and community based services.* 1. For services under ss. 46.275 and
20 46.278 that were provided in 2001 and 2002, the portion of the payment made under
21 s. 20.435 (4) (o) for Medical Assistance program benefits administered under ss.
22 46.275 and 46.278 that is related to any rates increased for services under s. 46.275
23 or 46.278 since 2000.

24 2. For services under ss. 46.275 and 46.278 that are provided in 2003 and
25 thereafter, the portion of the payment made under s. 20.435 (4) (o) for Medical

1 Assistance program benefits administered under ss. 46.275 and 46.278 that is
2 related to any rates increased for services under s. 46.275 or 46.278 since 2000, and
3 any payment made under s. 20.435 (4) (hm).¹

4 (b) *Alcohol and other drug and mental health prevention and treatment*
5 *services.* 1. For alcohol and other drug and mental health prevention and treatment
6 services under s. 49.46 (2) (a) 1., 2., 4. d. ~~J~~ and ~~4~~ e. and (b) 6. b., c., d., f., fm., j., k., L.,
7 and m., 9., 12., 12m., 13., 15., and 16. that were provided in 2001 and 2002, the
8 portion of the payment made under s. 20.435 (4) (o) as Medical Assistance program
9 benefits for the services that is related to any rates increased for these services since
10 2001. (hm) and

11 2. For alcohol and other drug and mental health prevention and treatment
12 services under s. 49.46 (2) (a) 1., 2., 4. d. ~~J~~ and ~~4~~ e. and (b) 6. b., c., d., f., fm., j., k., L.,
13 and m., 9., 12., 12m., 13., 15., and 16. that were provided in 2003 and thereafter, the
14 portion of the payment made under s. 20.435 (4) (o) as Medical Assistance program
15 benefits for the services that is related to any rates increased for these services since
16 2001, and any payment made under s. 20.435 (4) (hm).

17 (c) ~~*Emergency medical transportation services.*~~ For emergency medical
18 transportation services under s. 49.46 (2) (b) 3. that were provided in 2003 and
19 thereafter, the portion of the payment made under s. 20.435 (4) (o) as Medical
20 Assistance program benefits for the services that is related to any rates increased for
21 these services and any payment made under s. 20.435 (4) (hm).

22 SECTION 16. 115.882¹ of the statutes is amended to read:

23 **115.882 Payment of state aid.** Funds appropriated under s. 20.255 (2) (b)
24 shall be used first for the purpose of s. 115.88 (4). Costs eligible for reimbursement
25 from the appropriation under s. 20.255 (2) (b) under ss. 115.88 (1m) to (3), (6) and (8),

1 115.93, and 118.255 (4) shall be reimbursed at a rate set to distribute the full amount
2 appropriated for reimbursement for the costs, not to exceed 100%, less the amount
3 paid by the department of health and family services ~~from~~ s. 20.435 (4) (hm) and (o)
4 under s. 49.45 (39) (b) 1m.

5 (END)

under

D-NOTE

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0194/4dn
DAK:kmg&cx:cph

↑
≡ WJ
1

To Robert Blaine:

1. Should s. 49.45 (6u), stats., as well as s. 49.45 (6m), stats., be cross-referenced in s. 20.435 (4) (wp)? I agree that another reference to the federal rule in s. 20.435 (4) (wp) is unnecessary.
2. What *is* the updated reference to federal law under s. 49.45 (39)(b) 1m.? My federal statutes refer to a November 1999 amendment that, in turn, refers to audits; has the reference now been replaced?
3. Note that I eliminated s. 49.45 (52) and, instead, added its language to s. 20.435 (4) (hm).
4. Referring back to my Drafter's Note No. 5. under 03-0194/3, I still don't understand what services "community-based medical services" are. Your response indicates that they are CSP; if so, reference to them is redundant to the reference to services under s. 51.421 (3). As it is, the language is open to interpretation as any number of benefits.
5. This redraft does not resolve your Feb. 1, 2003 e-mail responses regarding s. 49.53 (24) (a) 2. (I agree with your comments versus Richard's suggestion) and my Drafter's Notes Nos. 3. and 6.

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0194/4dn
DAK:kmg&cx&wlj:rs

February 2, 2003

To Robert Blaine:

1. Should s. 49.45 (6u), stats., as well as s. 49.45 (6m), stats., be cross-referenced in s. 20.435 (4) (wp)? I agree that another reference to the federal rule in s. 20.435 (4) (wp) is unnecessary.
2. What *is* the updated reference to federal law under s. 49.45 (39) (b) 1m.? My federal statutes refer to a November 1999 amendment that, in turn, refers to audits; has the reference now been replaced?
3. Note that I eliminated s. 49.45 (52) and, instead, added its language to s. 20.435 (4) (hm).
4. Referring back to my Drafter's Note No. 5. under 03-0194/3, I still don't understand what services "community-based medical services" are. Your response indicates that they are CSP; if so, reference to them is redundant to the reference to services under s. 51.421 (3). As it is, the language is open to interpretation as any number of benefits.
5. This redraft does not resolve your Feb. 1, 2003 e-mail responses regarding s. 59.53 (24) (a) 2. (I agree with your comments versus Richard's suggestion) and my Drafter's Notes Nos. 3. and 6.

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

Kennedy, Debora

From: Gebhart, Neil
Sent: Monday, February 03, 2003 2:50 PM
To: Blaine, Robert; Kennedy, Debora
Cc: Megna, Richard; Wilhelm, Charles
Subject: Re: IGT Draft

In response to Robert's question regarding DN #2, the correct cross-reference to include in 49.45 (39) (b) 1m. is 42 USC 1396a (a) (30) (A), just as it appears in LRB-0194/4. That section, which is generally referred to as the "efficiency, economy and quality of care" standard, provides as follows

42 USC Sec. 1396a. - State plans for medical assistance

(a) Contents

A State plan for medical assistance must -

...
(30) (A) provide such methods and procedures relating to the utilization of, and the payment for, care and services available under the plan (including but not limited to utilization review plans as provided for in section 1396b(i) (4) of this title) as may be necessary to safeguard against unnecessary utilization of such care and services and to assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area ...

>>> Blaine, Robert 02/03/03 12:46PM >>>
Hi Debora:

Comments on the IGT Draft:

* Section 14 (page 7). paragraphs (a)1. and 2. We think the language in these two paragraphs should be consistent, and actually prefer the language in (a)2. (in fact, we're not sure (a)1. works quite right). One thing this language does not allow us to do is to continue this relationship for services in CY04 and CY05. Our ideal would be to have one paragraph, and instead of referencing each calendar year, say something to the effect of "for services beginning in 2001..." If we need separate paragraphs, we would request the following: a) add a section for CY04 and CY05; b) that the language in (a)2. be the model for the other paragraphs.

* Section 14 (page 8). Four our "county services" project, we will only start this in CY03, so we don't need the language in (b)1. Under (b)2., line 16, we should reference rate increases since 2002, not 2001.

Regarding your drafter's notes:

1. No, you do not need to reference the supplemental payments under s. 49.45 (6u). The wire transfer is just considered an ordinary, MA payment to nursing homes.

2. What we want to do is reference federal law which limits the amount we can pay to either what Medicare would reimburse or to a "reasonable, efficient and economical" rate. Richard commented: The reference to 42 USC 1396a(a) (30) (A) was a reference to a reasonable test for payments. I found it in the the Nov. 1997 Code annotated. Our law library only had supplements after that (numerous ones), so I am not sure if that provision was later modified or deleted. I don't know what the most current federal reference is -- Neil???

3. It is fine with me to put the language, regarding transferring the balances in 4(hm) to the MA Trust Fund, in the appropriation language under 4(hm) as opposed to a separate section in s. 49.45

4. I'm going to try and kill two birds with one stone here. My earlier e-mail indicating a link to CSP was not accurate. What the "community-based medical services" are, are CSDRB-type payments. We are eliminating CSDRB in another draft, but what we want to do here is broaden the language under 4(w) so that we can pay counties to hold them harmless for losing the CSDRB benefit. In other words, we want to use some of our Revenue Maximization "profit", which will be deposited in the Trust Fund" to hold counties harmless for losing the ability to certify deficits and get MA match, as they currently do under CSDRB.

5.

(a) I think my comments above on Section 14 should address 59.53 (24)(a)2.; that is, I don't think there is anything from my prior e-mail that still needs to be addressed;

(b) Your drafter's note dated Jan. 31 indicated an opinion that we did not need to cite in the programmatic text that supplements for EMS, AODA or mental health would be paid out of 4(hm). I had responded that I agreed we didn't need language for EMS (since we won't be making payments out of 4(hm) for EMS), but thought we might for AODA & mental health services. Since 4(hm) cites the services we could / will be making payments for, I now agree that we don't need additional language in the programmatic text.

(c) Personally, I do not feel that the references in 4(hm) are overly broad. As for whether you should cite any of the services which currently are specified in s. 49.45 (6t), see my comment above.

Robert Blaine

State Budget Office -- WI Dept. of Administration
608/267-7980
608/267-0372 (fax)
robert.blaine@doa.state.wi.us

Kennedy, Debora

From: Blaine, Robert
Sent: Monday, February 03, 2003 4:58 PM
To: Kennedy, Debora
Subject: FW: FW: LRB Draft: 03-0194/4 IGT claims

Debora --

Below are two comments from Neil regarding the IGT draft. I agree with both of his comments.

-----Original Message-----

From: Gebhart, Neil
Sent: Monday, February 03, 2003 4:22 PM
To: Blaine, Robert
Subject: Re: FW: LRB Draft: 03-0194/4 IGT claims

I agree with your responses to the most recent set of drafter's notes. A couple of additional things:

>>> In 20.435(4)(wp), I think we should strike "of public moneys for the purpose of claiming federal moneys under 42 CFR 433.51." (I think I've made this comment before - at least I hope so.) The money that was transferred by the county was "used as the nonfederal share of Medical Assistance payments," and I don't think we need say anything more. The language I suggest deleting seems to say that the MA payment was made for no other purpose than claiming fed, and it seems to me that's a red flag.

>>> In 20.435(4)(w), in keeping with your statement that what we're trying to do with the term "community-based medical services" is broaden the language to hold counties harmless for losing the CSDRB benefit, it would seem to be appropriate to use the listing of services from the current CSDRB statute, which reads:

"operating deficits ... incurred by a county department under s. 46.215, 46.22, 46.23, or 51.42 or by a local health department, as defined in s. 250.01 (4), for services provided under s. 49.46 (2) (a) 4. d. and (b) 6. f., fm., j., k., L., and Lm., 9., 15., and 18., for case management services under s. 49.46 (2) (b) 12. and for mental health day treatment services for minors provided under the authorization under 42 USC 1396d (r) (5) ..."

Perhaps I am missing something here...?

>>> Finally, also relating to CSDRB, my understanding was that we are eliminating that approach (per the above comment) and rolling it into the new payment system. To achieve that, shouldn't the draft repeal s. 49.45(6t)?

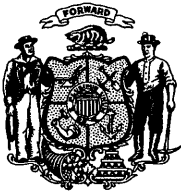
That's all.

>>> Blaine, Robert 02/02/03 04:25PM >>>
getting close! Today is the last day to request changes. Please let me know immediately if you see any problems.

-----Original Message-----

From: Schlueter, Ron
Sent: Sunday, February 02, 2003 4:03 PM
To: Blaine, Robert
Cc: Johnston, James; Schaeffer, Carole; Hanaman, Cathlene; Haugen, Caroline
Subject: LRB Draft: 03-0194/4 IGT claims

Following is the PDF version of draft 03-0194/4.



(TODAY, if possible)
 State of Wisconsin
 2003 - 2004 LEGISLATURE
 D-NOTE

stays
 LRB-0194/5
 DAK:lg&cx&wlj:rs
 stays
 kg & cs & wlj

DOA:.....Blaine – BB0033 IGT claims

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

Do NOT GEN

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Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

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Currently, under a waiver of federal Medicaid laws, DHFS administers a community integration program (commonly known as CIP IA) under which MA recipients who reside in state centers for the developmentally disabled are relocated into their communities by providing to them home and community-based services as part of MA. DHFS administers another community integration program (commonly known as CIP IB) under which persons with developmental disabilities who are relocated from institutions other than state centers for the developmentally disabled or who meet requirements for the care provided in intermediate care facilities for the mentally retarded or brain injury rehabilitation facilities are relocated into their communities by providing to them home and community-based services as part of MA.

beginning in

This bill creates a sum sufficient appropriation account, from the MATF, for reimbursement to a county of moneys transferred in support of MA payment for nursing home services by the county to the state and used as the nonfederal share of MA payments ~~of public moneys in support of a claim for federal Medicaid matching moneys~~. Payment to a county under the appropriation account is limited to the amount that the county has transferred.

The bill creates a program revenue account in the general fund to provide supplemental MA program benefits for CIP IA and CIP IB, emergency medical transportation services, alcohol and other drug abuse and mental health treatment and services, and school medical services, as part of a claim for federal Medicaid matching moneys, and to receive moneys that are required, under the bill, to be paid by counties. The moneys required to be paid by counties are related to the federal share of rate increases for CIP IA and CIP IB ~~since~~ 2001, the federal share of rate increases for alcohol and other drug abuse and mental health treatment and services beginning in 2003, and the moneys paid in support of the claim for federal Medicaid matching moneys. Moneys received by DHFS that are in excess of payments for services under this appropriation must be transferred to the MATF. The bill makes annual decreases in the amount paid to school districts for special education by the amount of the supplementary payment for MA school-based services received, and lapses this amount to the general fund. In addition, the bill modifies the accounts within the MATF to eliminate the requirement that limits the MATF to funds that are related to MA nursing home payments; instead, the bill permits the MATF to include moneys that are related to any MA service.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 20.255 (2) (b) of the statutes is amended to read:
- 2 20.255 (2) (b) *Aids for special education and school age parents programs.* The
- 3 amounts in the schedule for the payment of aids for special education and school age
- 4 parents programs under ss. 115.88, 115.93 and 118.255. On dates determined by the
- 5 secretary of administration, amounts equal to the amounts paid by the department
- 6 of health and family services under s. 49.45 (39) (b) 1m. shall lapse from this
- 7 appropriation account to the general fund.

grants to counties and local health departments to reduce county operating deficits incurred in payment of certain

1 **SECTION 2.** 20.435 (4) (hm) of the statutes is created to read:

2 20.435 (4) (hm) *Medical Assistance; supplementary payments to counties.* All
3 moneys received from a county under s. 59.53 (24), to supplement the state share of
4 Medical Assistance Program benefits administered under ss. 46.275, 46.278, 49.45
5 (39) (b) 1m., and 49.46 (2) (a) 1., 2., 4. d. and e. and (b) 3., 6. b., c., d., f., fm., j., k., L.,
6 and m., 9., 12., 12m., 13., 15., and 16. Notwithstanding s. 20.001 (2) (b) and (3) (b),
7 on dates to be determined by the secretary of administration, amounts equal to
8 amounts received under this paragraph that are in excess of the payments made
9 under this paragraph are transferred to the Medical Assistance trust fund.

 ***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

10 **SECTION 3.** 20.435 (4) (w) of the statutes, as affected by 2001 Wisconsin Act 16,
11 is amended to read:

12 20.435 (4) (w) *Medical ~~assistance~~ Assistance trust fund.* From the ~~medical~~
13 ~~assistance~~ Medical Assistance trust fund, biennially, the amounts in the schedule for
14 meeting costs of medical assistance administered under ss. 46.27, 46.275 (5), 46.278
15 (6), 46.283 (5), 46.284 (5), 49.45, and 49.472 (6), and 51.421 (3) and grants to counties
16 ~~for Medical Assistance reimbursable community-based medical services,~~ and for
17 administrative costs associated with augmenting the amount of federal moneys
18 received under 42 CFR 433.51.

19 **SECTION 4.** 20.435 (4) (wp) of the statutes is created to read:

20 20.435 (4) (wp) *Medical Assistance trust fund; county reimbursement.* From
21 the Medical Assistance trust fund, a sum sufficient to provide reimbursement to a
22 county for moneys transferred in support of payment under s. 49.45 (6m) by the
23 county to the Medical Assistance trust fund and used as the nonfederal share of

INSERT 3-16

- ① Medical Assistance payments ~~of public moneys for the purpose of claiming federal~~ ✓
② ~~moneys under 42 CFR 433.51~~. Payment to a county under this paragraph may not
3 exceed the amount transferred by the county to the Medical Assistance trust fund.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

4 SECTION 5. 25.77 (1) of the statutes is amended to read:

5 25.77 (1) All federal moneys received, including moneys that the department
6 of health and family services may transfer from the appropriation under s. 20.435
7 (4) (o), that are related to payments under s. 49.45 ~~(6m)~~ and are based on public funds
8 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
9 nonfederal share of ~~medical assistance~~ Medical Assistance funding.

10 SECTION 6. 25.77 (2) of the statutes is amended to read:

11 25.77 (2) All public funds that are related to payments under s. 49.45 ~~(6m)~~ and
12 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
13 nonfederal and federal share of ~~medical assistance~~ Medical Assistance funding.

14 SECTION 7. 25.77 (5) of the statutes is created to read:

15 25.77 (5) All moneys transferred under s. 20.435 (4) (hm).

16 SECTION 8. 46.275 (5) (a) of the statutes is amended to read:

17 46.275 (5) (a) ~~Medical assistance~~ Assistance reimbursement for services a
18 county, or the department under sub. (3r), provides under this program is available
19 from the ~~appropriations~~ appropriation accounts under s. 20.435 (4) (b), ~~(hm)~~, (o), and
20 (w). If 2 or more counties jointly contract to provide services under this program and
21 the department approves the contract, ~~medical assistance~~ Medical Assistance
22 reimbursement is also available for services provided jointly by these counties.

23 SECTION 9. 46.275 (5) (c) of the statutes is amended to read:

1 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (hm), (o), and (w) to
2 counties and to the department under sub. (3r) for services provided under this
3 section may not exceed the amount approved by the federal department of health and
4 human services. A county may use funds received under this section only to provide
5 services to persons who meet the requirements under sub. (4) and may not use
6 unexpended funds received under this section to serve other developmentally
7 disabled persons residing in the county.

8 **SECTION 10.** 49.45 (39) (b) 1. of the statutes is amended to read:

9 49.45 (39) (b) 1. 'Payment for school medical services.' If a school district or a
10 cooperative educational service agency elects to provide school medical services and
11 meets all requirements under par. (c), the department shall reimburse the school
12 district or the cooperative educational service agency for 60% of the federal share of
13 allowable charges for the school medical services that it provides and, as specified
14 in subd. 2., for allowable administrative costs. If the Wisconsin Center for the Blind
15 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf
16 and Hard of Hearing elects to provide school medical services and meets all
17 requirements under par. (c), the department shall reimburse the department of
18 public instruction for 60% of the federal share of allowable charges for the school
19 medical services that the Wisconsin Center for the Blind and Visually Impaired or
20 the Wisconsin Educational Services Program for the Deaf and Hard of Hearing
21 provides and, as specified in subd. 2., for allowable administrative costs. A school
22 district, cooperative educational service agency, the Wisconsin Center for the Blind
23 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf
24 and Hard of Hearing may submit, and the department shall allow, claims for common
25 carrier transportation costs as a school medical service unless the department

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

17 **SECTION 11.** 49.45 (39) (b) 1m. of the statutes is created to read:

18 49.45 (39) (b) 1m. ‘Supplementary payment for school medical services.’ In
19 addition to the reimbursement the department provides under subd. 1. to a school
20 district or cooperative educational service agency for school medical services, the
21 department may make supplementary payments from the appropriation accounts
22 under s. 20.435 (4) (b) and (o). The total of the supplementary payments and
23 allowable charges paid under subd. 1. may not exceed applicable limitations on
24 payments under 42 USC 1396a (a) (30) (A).

25 **SECTION 12.** 49.45 (39) (b) 2. of the statutes is amended to read:

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

11 **SECTION 13.** 51.421 (3) (e) of the statutes is amended to read:

12 51.421 (3) (e) ~~Distribute, from~~ From the appropriation appropriation accounts
 13 under s. 20.435 (4) (w) and (o) and (7) (bL), distribute moneys in each fiscal year for
 14 community support program services.

15 **SECTION 14.** 59.53 (24) of the statutes is created to read:

16 59.53 (24) COUNTY PAYMENTS MADE UNDER MEDICAL ASSISTANCE. The board shall,
 17 upon demand by the department of health and family services, authorize payment
 18 to that department not to exceed any of the following:

19 (a) *Home and community based services.* 1. ~~For services under ss. 46.275 and~~
 20 ~~46.278 that were provided in 2001 and 2002, the portion of the payment made under~~
 21 ~~s. 20.435 (4) (hm) and (o) for Medical Assistance Program benefits administered~~
 22 ~~under ss. 46.275 and 46.278 that is related to any rates increased for services under~~
 23 ~~s. 46.275 or 46.278 since 2000.~~

24 ~~For services~~ provided beginning in 2001 ~~that are provided in 2001~~ and
 (25) thereafter, the portion of the payment made under s. 20.435 (4) (o) for Medical

(hm) and

SECTION 14

beginning in 2001

1 Assistance Program benefits administered under ss. 46.275 and 46.278 that is
2 related to any rates increased for services under s. 46.275 or 46.278 ~~since 2000~~, and
3 any payment made under s. 20.435 (4) (hm).

4 (b) *Alcohol and other drug and mental health prevention and treatment*
5 *services.* 1. For alcohol and other drug and mental health prevention and treatment

6 services under s. 49.46 (2) (a) 1., 2., 4. d. and e. and (b) 6. b., c., d., f., fm., j., k., L., and
7 m., 9., 12., 12m., 13., 15., and 16. that were provided in 2001 and 2002, the portion
8 of the payment made under s. 20.435 (4) (hm) and (o) as Medical Assistance Program
9 benefits for the services that is related to any rates increased for these services since
10 2001.

beginning

No 9

11 ~~For alcohol and other drug and mental health prevention and treatment~~
12 ~~services~~ *provided* under s. 49.46 (2) (a) 1., 2., 4. d. and e. and (b) 6. b., c., d., f., fm., j., k., L., and
13 m., 9., 12., 12m., 13., 15., and 16. ~~that were provided~~ in 2003 and thereafter, the
14 portion of the payment made under s. 20.435 (4) (o) as Medical Assistance Program
15 benefits for the services that is related to any rates increased for these services ~~since~~

16

~~2001~~, and any payment made under s. 20.435 (4) (hm).

beginning in 2003

17 SECTION 15. 115.882 of the statutes is amended to read:

18 **115.882 Payment of state aid.** Funds appropriated under s. 20.255 (2) (b)
19 shall be used first for the purpose of s. 115.88 (4). Costs eligible for reimbursement
20 from the appropriation under s. 20.255 (2) (b) under ss. 115.88 (1m) to (3), (6) and (8),
21 115.93, and 118.255 (4) shall be reimbursed at a rate set to distribute the full amount
22 appropriated for reimbursement for the costs, less the amount paid by the
23 department of health and family services under s. 20.435 (4) (hm) and (o) under s.
24 49.45 (39) (b) 1m., not to exceed 100%.

(END)

D-NOTE

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0194/5ins
DAK:kmg&cx&wlj:pg

INSERT 3-16

1 ~~not~~ reduction of operating deficits incurred by a county department under s.
2 46.215, 46.22, 46.23, or 51.42 or by a local health department, as defined in s. 250.01
3 (4), for services provided under s. 49.46 (2) (a) 4. d. and (b) 6. f., fm., j., k., L., and Lm.,
4 9., 15., and 18., for case management services under s. 49.46 (2) (b) 12., and for
5 mental health day treatment services for minors provided under the authorization
6 under 42 USC 1396d (r) (5).

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0194/5dn
DAK:mg&cg&w/ps/

WLJ

To Robert Blaine:

1. When it is all boiled down, this redraft actually changes only s. 59.53 (24). For s. 59.53 (24) (a), "and thereafter" suffices for services in calendar years after 2001; the same is true for s. 59.53 (24) (b) for services in calendar years after 2002. 3
4
2. I was concerned that "since [applicable year]" in s. 59.53 (24) (a) and (b) might be interpreted to include the year referenced, so I redrafted these to be "beginning in [applicable year]."

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

3. See further changes in s. 20.435- (4)(w) and (wp). ✓

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0194/5dn
DAK:wlj:pg

February 3, 2003

To Robert Blaine:

1. When it is all boiled down, this redraft actually changes only s. 59.53 (24). For s. 59.53 (24) (a), "and thereafter" suffices for services in calendar years after 2001; the same is true for s. 59.53 (24) (b) for services in calendar years after 2003.
2. I was concerned that "since [applicable year]" in s. 59.53 (24) (a) and (b) might be interpreted to include the year referenced, so I redrafted these to be "beginning in [applicable year]."
3. See further changes in s. 20.435 (4) (w) and (wp).

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

Kennedy, Debora

From: Blaine, Robert
Sent: Tuesday, February 04, 2003 10:21 AM
To: Kennedy, Debora
Cc: Megna, Richard; Gebhart, Neil; Wilhelm, Charles
Subject: FW: FW: LRB Draft: 03-0194/5 IGT claims

Importance: High

Debora --

I failed to include one critical comment yesterday. Section 14, s. 59.54(24)(a)1. Counties will need to repay all of what is paid under 4(hm) and only part of (4)(o). The way the language is drafted, it makes it sound like they will only repay part of 4(hm).

-----Original Message-----

From: Megna, Richard
Sent: Tuesday, February 04, 2003 8:50 AM
To: Blaine, Robert; Gebhart, Neil; Wilhelm, Charles
Subject: Re: FW: LRB Draft: 03-0194/5 IGT claims

Robert,

Section 14 related to 59.53(24)(a) was not changed as we discussed. All of 4(hm) must be included for the limit rather than only the portion related to rate increases.

Richard

>>> Blaine, Robert 02/04/03 08:45AM >>>

Please alert me to any critical problems. I don't know that we will be able to redraft again, but if there's something really wrong, there may be an opportunity.

I have not had a chance to review it.

-----Original Message-----

From: Greenslet, Patty
Sent: Monday, February 03, 2003 6:40 PM
To: Blaine, Robert
Cc: Johnston, James; Schaeffer, Carole; Hanaman, Cathlene; Haugen, Caroline
Subject: LRB Draft: 03-0194/5 IGT claims

Following is the PDF version of draft 03-0194/5.



TODAY
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0194/16

DAK: &cs&wlj: ~~re~~

CKgx

DOA:.....Blaine – BB0033 IGT claims

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1

AN ACT <sup>DON'T
GEN. CAT.</sup> relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, the Medical Assistance (MA) trust fund (MATF) is composed of all public funds that are related to MA nursing home payments and that are transferred to the MATF as the nonfederal share for the purpose of claiming federal moneys, and all of the matching moneys received in return under the federal MA program (commonly known as "Medicaid"). Counties that make these intergovernmental transfers are, in turn, reimbursed by DHFS from an appropriation account of interagency program revenue.

Currently, under a waiver of federal Medicaid laws, DHFS administers a community integration program (commonly known as CIP IA) under which MA recipients who reside in state centers for the developmentally disabled are relocated into their communities by providing to them home and community-based services as part of MA. DHFS administers another community integration program (commonly known as CIP IB) under which persons with developmental disabilities who are relocated from institutions other than state centers for the developmentally disabled or who meet requirements for the care provided in intermediate care facilities for the mentally retarded or brain injury rehabilitation facilities are relocated into their communities by providing to them home and community-based services as part of MA.

This bill creates a sum sufficient appropriation account, from the MATF, for reimbursement to a county of moneys transferred in support of MA payment for nursing home services by the county to the state and used as the nonfederal share of MA payments. Payment to a county under the appropriation account is limited to the amount that the county has transferred.

The bill creates a program revenue account in the general fund to provide supplemental MA program benefits for CIP IA and CIP IB, emergency medical transportation services, alcohol and other drug abuse and mental health treatment and services, and school medical services, as part of a claim for federal Medicaid matching moneys, and to receive moneys that are required, under the bill, to be paid by counties. The moneys required to be paid by counties are related to the federal share of rate increases for CIP IA and CIP IB beginning in 2001, the federal share of rate increases for alcohol and other drug abuse and mental health treatment and services beginning in 2003, and the moneys paid in support of the claim for federal Medicaid matching moneys. Moneys received by DHFS that are in excess of payments for services under this appropriation must be transferred to the MATF. The bill makes annual decreases in the amount paid to school districts for special education by the amount of the supplementary payment for MA school-based services received, and lapses this amount to the general fund. In addition, the bill modifies the accounts within the MATF to eliminate the requirement that limits the MATF to funds that are related to MA nursing home payments; instead, the bill permits the MATF to include moneys that are related to any MA service.

Lastly, the bill authorizes payment from the MATF for grants to counties for mental health community support programs and for grants to counties and local health departments to reduce county operating deficits incurred in payment of certain MA-reimbursable community-based medical services.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 20.255 (2) (b) of the statutes is amended to read:
2 20.255 (2) (b) *Aids for special education and school age parents programs.* The
3 amounts in the schedule for the payment of aids for special education and school age
4 parents programs under ss. 115.88, 115.93 and 118.255. On dates determined by the
5 secretary of administration, amounts equal to the amounts paid by the department
6 of health and family services under s. 49.45 (39) (b) 1m. shall lapse from this
7 appropriation account to the general fund.

1 **SECTION 2.** 20.435 (4) (hm) of the statutes is created to read:

2 20.435 (4) (hm) *Medical Assistance; supplementary payments to counties.* All
3 moneys received from a county under s. 59.53 (24), to supplement the state share of
4 Medical Assistance Program benefits administered under ss. 46.275, 46.278, 49.45
5 (39) (b) 1m., and 49.46 (2) (a) 1., 2., 4. d. and e. and (b) 3., 6. b., c., d., f., fm., j., k., L.,
6 and m., 9., 12., 12m., 13., 15., and 16. Notwithstanding s. 20.001 (2) (b) and (3) (b),
7 on dates to be determined by the secretary of administration, amounts equal to
8 amounts received under this paragraph that are in excess of the payments made
9 under this paragraph are transferred to the Medical Assistance trust fund.

 ***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

10 **SECTION 3.** 20.435 (4) (w) of the statutes, as affected by 2001 Wisconsin Act 16,
11 is amended to read:

12 20.435 (4) (w) *Medical ~~assistanc~~ Assistance trust fund.* From the ~~medical~~
13 ~~assistanc~~ Medical Assistance trust fund, biennially, the amounts in the schedule for
14 meeting costs of medical assistance administered under ss. 46.27, 46.275 (5), 46.278
15 (6), 46.283 (5), 46.284 (5), 49.45, ~~and~~ 49.472 (6), and 51.421 (3) and grants to counties
16 for reduction of operating deficits incurred by a county department under s. 46.215,
17 46.22, 46.23, or 51.42 or by a local health department, as defined in s. 250.01 (4), for
18 services provided under s. 49.46 (2) (a) 4. d. and (b) 6. f., fm., j., k., L., and Lm., 9.,
19 15., and 18., for case management services under s. 49.46 (2) (b) 12., and for mental
20 health day treatment services for minors provided under the authorization under 42
21 USC 1396d (r) (5), and for administrative costs associated with augmenting the
22 amount of federal moneys received under 42 CFR 433.51.

23 **SECTION 4.** 20.435 (4) (wp) of the statutes is created to read:

1 20.435 (4) (wp) *Medical Assistance trust fund; county reimbursement.* From
2 the Medical Assistance trust fund, a sum sufficient to provide reimbursement to a
3 county for moneys transferred in support of payment under s. 49.45 (6m) by the
4 county to the Medical Assistance trust fund and used as the nonfederal share of
5 Medical Assistance payments. Payment to a county under this paragraph may not
6 exceed the amount transferred by the county to the Medical Assistance trust fund.

 ****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 5.** 25.77 (1) of the statutes is amended to read:

8 25.77 (1) All federal moneys received, including moneys that the department
9 of health and family services may transfer from the appropriation under s. 20.435
10 (4) (o), that are related to payments under s. 49.45 (~~6m~~) and are based on public funds
11 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
12 nonfederal share of ~~medical assistance~~ Medical Assistance funding.

13 **SECTION 6.** 25.77 (2) of the statutes is amended to read:

14 25.77 (2) All public funds that are related to payments under s. 49.45 (~~6m~~) and
15 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
16 nonfederal and federal share of ~~medical assistance~~ Medical Assistance funding.

17 **SECTION 7.** 25.77 (5) of the statutes is created to read:

18 25.77 (5) All moneys transferred under s. 20.435 (4) (hm).

19 **SECTION 8.** 46.275 (5) (a) of the statutes is amended to read:

20 46.275 (5) (a) ~~Medical assistance~~ Assistance reimbursement for services a
21 county, or the department under sub. (3r), provides under this program is available
22 from the ~~appropriations~~ appropriation accounts under s. 20.435 (4) (b), (~~hm~~), (o), and
23 (w). If 2 or more counties jointly contract to provide services under this program and

1 the department approves the contract, ~~medical assistance~~ Medical Assistance
2 reimbursement is also available for services provided jointly by these counties.

3 **SECTION 9.** 46.275 (5) (c) of the statutes is amended to read:

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

11 **SECTION 10.** 49.45 (39) (b) 1. of the statutes is amended to read:

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

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

20 **SECTION 11.** 49.45 (39) (b) 1m. of the statutes is created to read:

21 49.45 (39) (b) 1m. ‘Supplementary payment for school medical services.’ In
22 addition to the reimbursement the department provides under subd. 1. to a school
23 district or cooperative educational service agency for school medical services, the
24 department may make supplementary payments from the appropriation accounts
25 under s. 20.435 (4) (b) and (o). The total of the supplementary payments and

1 allowable charges paid under subd. 1. may not exceed applicable limitations on
2 payments under 42 USC 1396a (a) (30) (A).

3 SECTION 12. 49.45 (39) (b) 2. of the statutes is amended to read:

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

14 SECTION 13. 51.421 (3) (e) of the statutes is amended to read:

15 51.421 (3) (e) ~~Distribute, from~~ From the appropriation appropriation accounts
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17 community support program services.

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19 59.53 (24) COUNTY PAYMENTS MADE UNDER MEDICAL ASSISTANCE. The board shall,
20 upon demand by the department of health and family services, authorize payment
21 to that department not to exceed any of the following:

22 (a) *Home and community based services.* For services provided under ss. 46.275
23 and 46.278 beginning in 2001 and thereafter, the portion of the payment made under
24 s. 20.435 (4) ~~AAAAA~~ (o) for Medical Assistance Program benefits administered
~~25~~ under ss. 46.275 and 46.278 that ~~is~~ is related to any rates increased for services under

any payment made under s. 20.435 (4) (hm) and

STET

1 s. 46.275 or 46.278 beginning in 2001, ~~and any payment made under s. 20.435 (4)~~

2 ~~(hm).~~

3 (b) *Alcohol and other drug and mental health prevention and treatment*
4 *services.* For alcohol and other drug and mental health prevention and treatment

5 services provided under s. 49.46-(2) (a) 1., 2., 4. d. and e. and (b) 6. b., c., d., f., fm.,

6 j., k., L., and m., 9., 12., 12m., 13., 15., and 16. beginning in 2003 and thereafter, the

7 portion of the payment made under s. 20.435 (4) (o) as Medical Assistance Program

8 benefits for the services that ~~is~~ ^{STEP} related to any rates increased for these services

9 beginning in 2003, ~~and~~ (any payment made under s. 20.435 (4) (hm) ^{and}

10 SECTION 15. 115.882 of the statutes is amended to read:

11 **115.882 Payment of state aid.** Funds appropriated under s. 20.255 (2) (b)
12 shall be used first for the purpose of s. 115.88 (4). Costs eligible for reimbursement
13 from the appropriation under s. 20.255 (2) (b) under ss. 115.88 (1m) to (3), (6) and (8),
14 115.93, and 118.255 (4) shall be reimbursed at a rate set to distribute the full amount
15 appropriated for reimbursement for the costs, less the amount paid by the
16 department of health and family services under s. 20.435 (4) (hm) and (o) under s.
17 49.45 (39) (b) 1m., not to exceed 100%.

18 (END)

TELEPHONE DRAFTING INSTRUCTIONS

Drafting instructions received by Debora Kennedy.

DATE: 1/4/03
CONVERSATION WITH: Robert Blaine
OF:
TELEPHONE NO:
REGARDING LRB # OR DRAFT TOPIC: 0194/6
INSTRUCTIONS: Redraft

Make payment program under 49.45 (6tt),
from 20.435 (4w) = to payments made
to countries under 49.45 (6t), 2001 state -
refer to (6tt) in 20.435 (4w), instead
of language there now



TODAY

State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0194/7
DAK:kgx/cs/wlj

DOA:.....Blaine – BB0033 IGT claims

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1

*Don't
GEN. CAT.*
AN ACT ..., relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, the Medical Assistance (MA) trust fund (MATF) is composed of all public funds that are related to MA nursing home payments and that are transferred to the MATF as the nonfederal share for the purpose of claiming federal moneys, and all of the matching moneys received in return under the federal MA program (commonly known as "Medicaid"). Counties that make these intergovernmental transfers are, in turn, reimbursed by DHFS from an appropriation account of interagency program revenue.

Currently, under a waiver of federal Medicaid laws, DHFS administers a community integration program (commonly known as CIP IA) under which MA recipients who reside in state centers for the developmentally disabled are relocated into their communities by providing to them home and community-based services as part of MA. DHFS administers another community integration program (commonly known as CIP IB) under which persons with developmental disabilities who are relocated from institutions other than state centers for the developmentally disabled or who meet requirements for the care provided in intermediate care facilities for the mentally retarded or brain injury rehabilitation facilities are relocated into their communities by providing to them home and community-based services as part of MA.

This bill creates a sum sufficient appropriation account, from the MATF, for reimbursement to a county of moneys transferred in support of MA payment for nursing home services by the county to the state and used as the nonfederal share of MA payments. Payment to a county under the appropriation account is limited to the amount that the county has transferred.

The bill creates a program revenue account in the general fund to provide supplemental MA program benefits for CIP IA and CIP IB, emergency medical transportation services, alcohol and other drug abuse and mental health treatment and services, and school medical services, as part of a claim for federal Medicaid matching moneys, and to receive moneys that are required, under the bill, to be paid by counties. The moneys required to be paid by counties are related to the federal share of rate increases for CIP IA and CIP IB beginning in 2001, the federal share of rate increases for alcohol and other drug abuse and mental health treatment and services beginning in 2003, and the moneys paid in support of the claim for federal Medicaid matching moneys. Moneys received by DHFS that are in excess of payments for services under this appropriation must be transferred to the MATF. The bill makes annual decreases in the amount paid to school districts for special education by the amount of the supplementary payment for MA school-based services received, and lapses this amount to the general fund. In addition, the bill modifies the accounts within the MATF to eliminate the requirement that limits the MATF to funds that are related to MA nursing home payments; instead, the bill permits the MATF to include moneys that are related to any MA service.

Lastly, the bill authorizes payment from the MATF for grants to counties for mental health community support programs and for ~~grants~~ to counties and local health departments ~~to reduce county operating deficits incurred in payment of certain MA reimbursable community-based medical services.~~

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 20.255 (2) (b) of the statutes is amended to read:
2 20.255 (2) (b) *Aids for special education and school age parents programs.* The
3 amounts in the schedule for the payment of aids for special education and school age
4 parents programs under ss. 115.88, 115.93 and 118.255. On dates determined by the
5 secretary of administration, amounts equal to the amounts paid by the department
6 of health and family services under s. 49.45 (39) (b) 1m. shall lapse from this
7 appropriation account to the general fund.

distributions

that are equal to amounts that were distributed in fiscal year 2002-03 to reduce operating deficits

1 SECTION 2. 20.435 (4) (hm) of the statutes is created to read:

2 20.435 (4) (hm) *Medical Assistance; supplementary payments to counties.* All
3 moneys received from a county under s. 59.53 (24), to supplement the state share of
4 Medical Assistance Program benefits administered under ss. 46.275, 46.278, 49.45
5 (39) (b) 1m., and 49.46 (2) (a) 1., 2., 4. d. and e. and (b) 3., 6. b., c., d., f., fm., j., k., L.,
6 and m., 9., 12., 12m., 13., 15., and 16. Notwithstanding s. 20.001 (2) (b) and (3) (b),
7 on dates to be determined by the secretary of administration, amounts equal to
8 amounts received under this paragraph that are in excess of the payments made
9 under this paragraph are transferred to the Medical Assistance trust fund.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

10 SECTION 3. 20.435 (4) (w) of the statutes, as affected by 2001 Wisconsin Act 16,

11 is amended to read: for providing distributions under s. 49.45 (6tt)

12 20.435 (4) (w) *Medical assistance Assistance trust fund.* From the medical
13 ~~assistance~~ Medical Assistance trust fund, biennially, the amounts in the schedule for
14 meeting costs of medical assistance administered under ss. 46.27, 46.275 (5), 46.278
15 (6), 46.283 (5), 46.284 (5), 49.45, and 49.472 (6) and 51.421 (3) ~~and grants to counties~~

16 for reduction of operating deficits incurred by a county department under s. 46.215,
17 46.22, 46.23, or 51.42 or by a local health department, as defined in s. 250.01 (4), for
18 services provided under s. 49.46 (2) (a) 4. d. and (b) 6. f., fm., j., k., L., and Lm., 9.,
19 15., and 18. for case management services under s. 49.46 (2) (b) 12., and for mental
20 health day treatment services for minors provided under the authorization under 42

21 ~~42~~ 2396d (r) (7) and for administrative costs associated with augmenting the
22 amount of federal moneys received under 42 CFR 433.51.

23 SECTION 4. 20.435 (4) (wp) of the statutes is created to read:

1 20.435 (4) (wp) *Medical Assistance trust fund; county reimbursement.* From
2 the Medical Assistance trust fund, a sum sufficient to provide reimbursement to a
3 county for moneys transferred in support of payment under s. 49.45 (6m) by the
4 county to the Medical Assistance trust fund and used as the nonfederal share of
5 Medical Assistance payments. Payment to a county under this paragraph may not
6 exceed the amount transferred by the county to the Medical Assistance trust fund.

 ****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 5.** 25.77 (1) of the statutes is amended to read:

8 25.77 (1) All federal moneys received, including moneys that the department
9 of health and family services may transfer from the appropriation under s. 20.435
10 (4) (o), that are related to payments under s. 49.45 (~~6m~~) and are based on public funds
11 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
12 nonfederal share of ~~medical assistance~~ Medical Assistance funding.

13 **SECTION 6.** 25.77 (2) of the statutes is amended to read:

14 25.77 (2) All public funds that are related to payments under s. 49.45 (~~6m~~) and
15 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
16 nonfederal and federal share of ~~medical assistance~~ Medical Assistance funding.

17 **SECTION 7.** 25.77 (5) of the statutes is created to read:

18 25.77 (5) All moneys transferred under s. 20.435 (4) (hm).

19 **SECTION 8.** 46.275 (5) (a) of the statutes is amended to read:

20 46.275 (5) (a) ~~Medical assistance~~ Assistance reimbursement for services a
21 county, or the department under sub. (3r), provides under this program is available
22 from the ~~appropriations~~ appropriation accounts under s. 20.435 (4) (b), (hm), (o), and
23 (w). If 2 or more counties jointly contract to provide services under this program and

1 the department approves the contract, ~~medical assistance~~ Medical Assistance
2 reimbursement is also available for services provided jointly by these counties.

3 **SECTION 9.** 46.275 (5) (c) of the statutes is amended to read:

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

→ INSERT 6-19 ←

11 **SECTION 10.** 49.45 (39) (b) 1. of the statutes is amended to read:

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

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

20 **SECTION 11.** 49.45 (39) (b) 1m. of the statutes is created to read:

21 49.45 (39) (b) 1m. 'Supplementary payment for school medical services.' In
22 addition to the reimbursement the department provides under subd. 1. to a school
23 district or cooperative educational service agency for school medical services, the
24 department may make supplementary payments from the appropriation accounts
25 under s. 20.435 (4) (b) and (o). The total of the supplementary payments and

1 allowable charges paid under subd. 1. may not exceed applicable limitations on
2 payments under 42 USC 1396a (a) (30) (A).

3 **SECTION 12.** 49.45 (39) (b) 2. of the statutes is amended to read:

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

14 **SECTION 13.** 51.421 (3) (e) of the statutes is amended to read:

15 51.421 (3) (e) ~~Distribute, from~~ From the appropriation appropriation accounts
16 under s. 20.435 (4) (w) and (o) and (7) (bL), distribute moneys in each fiscal year for
17 community support program services.

18 **SECTION 14.** 59.53 (24) of the statutes is created to read:

19 59.53 (24) COUNTY PAYMENTS MADE UNDER MEDICAL ASSISTANCE. The board shall,
20 upon demand by the department of health and family services, authorize payment
21 to that department not to exceed any of the following:

22 (a) *Home and community based services.* For services provided under ss. 46.275
23 and 46.278 beginning in 2001 and thereafter, any payment made under s. 20.435 (4)
24 (hm), and the portion of the payment made under s. 20.435 (4) (o) for Medical
25 Assistance Program benefits administered under ss. 46.275 and 46.278 that is

1 related to any rates increased for services under s. 46.275 or 46.278 beginning in
2 2001.

3 (b) *Alcohol and other drug and mental health prevention and treatment*
4 *services.* For alcohol and other drug and mental health prevention and treatment
5 services provided under s. 49.46 (2) (a) 1., 2., and 4. d. and e. and (b) 6. b., c., d., f.,
6 fm., j., k., L., and m., 9., 12., 12m., 13., 15., and 16. beginning in 2003 and thereafter,
7 any payment made under s. 20.435 (4) (hm), and the portion of the payment made
8 under s. 20.435 (4) (o) as Medical Assistance Program benefits for the services that
9 is related to any rates increased for these services beginning in 2003.

10 **SECTION 15.** 115.882 of the statutes is amended to read:

11 **115.882 Payment of state aid.** Funds appropriated under s. 20.255 (2) (b)
12 shall be used first for the purpose of s. 115.88 (4). Costs eligible for reimbursement
13 from the appropriation under s. 20.255 (2) (b) under ss. 115.88 (1m) to (3), (6) and (8),
14 115.93, and 118.255 (4) shall be reimbursed at a rate set to distribute the full amount
15 appropriated for reimbursement for the costs, less the amount paid by the
16 department of health and family services under s. 20.435 (4) (hm) and (o) under s.
17 49.45 (39) (b) 1m., not to exceed 100%.

18 (END)

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0194/7ins
DAK:kgx/cs/wlj:jf

✓ **INSERT 6-19** ✓

1 **SECTION 1.** 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), in amounts
6 that are equal to the moneys received by these county departments or local health
7 departments ~~under~~ in fiscal year 2002-03 under s. 49.45 (6t), 2001 stats.



(NOW)
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0194/28
DAK:kgx/cs/wlj:cb



DOA:.....Blaine – BB0033 IGT claims

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

Don't gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, the Medical Assistance (MA) trust fund (MATF) is composed of all public funds that are related to MA nursing home payments and that are transferred to the MATF as the nonfederal share for the purpose of claiming federal moneys, and all of the matching moneys received in return under the federal MA program (commonly known as "Medicaid"). Counties that make these intergovernmental transfers are, in turn, reimbursed by DHFS from an appropriation account of interagency program revenue.

Currently, under a waiver of federal Medicaid laws, DHFS administers a community integration program (commonly known as CIP IA) under which MA recipients who reside in state centers for the developmentally disabled are relocated into their communities by providing to them home and community-based services as part of MA. DHFS administers another community integration program (commonly known as CIP IB) under which persons with developmental disabilities who are relocated from institutions other than state centers for the developmentally disabled or who meet requirements for the care provided in intermediate care facilities for the mentally retarded or brain injury rehabilitation facilities are relocated into their communities by providing to them home and community-based services as part of MA.

This bill creates a sum sufficient appropriation account, from the MATF, for reimbursement to a county of moneys transferred in support of MA payment for nursing home services by the county to the state and used as the nonfederal share of MA payments. Payment to a county under the appropriation account is limited to the amount that the county has transferred.

The bill creates a program revenue account in the general fund to provide supplemental MA program benefits for CIP IA and CIP IB, emergency medical transportation services, alcohol and other drug abuse and mental health treatment and services, and school medical services, as part of a claim for federal Medicaid matching moneys, and to receive moneys that are required, under the bill, to be paid by counties. The moneys required to be paid by counties are related to the federal share of rate increases for CIP IA and CIP IB beginning in 2001, the federal share of rate increases for alcohol and other drug abuse and mental health treatment and services beginning in 2003, and the moneys paid in support of the claim for federal Medicaid matching moneys. Moneys received by DHFS that are in excess of payments for services under this appropriation must be transferred to the MATF. The bill makes annual decreases in the amount paid to school districts for special education by the amount of the supplementary payment for MA school-based services received, and lapses this amount to the general fund. In addition, the bill modifies the accounts within the MATF to eliminate the requirement that limits the MATF to funds that are related to MA nursing home payments; instead, the bill permits the MATF to include moneys that are related to any MA service.

Lastly, the bill authorizes payment from the MATF for grants to counties for mental health community support programs and for distributions to counties and local health departments that are equal to amounts that were distributed in ~~fiscal~~ year 2002-~~03~~ to reduce operating deficits.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

✓
calendar

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 20.255 (2) (b) of the statutes is amended to read:
- 2 20.255 (2) (b) *Aids for special education and school age parents programs.* The
- 3 amounts in the schedule for the payment of aids for special education and school age
- 4 parents programs under ss. 115.88, 115.93 and 118.255. On dates determined by the
- 5 secretary of administration, amounts equal to the amounts paid by the department
- 6 of health and family services under s. 49.45 (39) (b) 1m. shall lapse from this
- 7 appropriation account to the general fund.

1 **SECTION 2.** 20.435 (4) (hm) of the statutes is created to read:

2 20.435 (4) (hm) *Medical Assistance; supplementary payments to counties.* All
3 moneys received from a county under s. 59.53 (24), to supplement the state share of
4 Medical Assistance Program benefits administered under ss. 46.275, 46.278, 49.45
5 (39) (b) 1m., and 49.46 (2) (a) 1., 2., 4. d. and e. and (b) 3., 6. b., c., d., f., fm., j., k., L.,
6 and m., 9., 12., 12m., 13., 15., and 16. Notwithstanding s. 20.001 (2) (b) and (3) (b),
7 on dates to be determined by the secretary of administration, amounts equal to
8 amounts received under this paragraph that are in excess of the payments made
9 under this paragraph are transferred to the Medical Assistance trust fund.

 ***NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

10 **SECTION 3.** 20.435 (4) (w) of the statutes, as affected by 2001 Wisconsin Act 16,
11 is amended to read:

12 20.435 (4) (w) *Medical ~~assistanc~~ Assistance trust fund.* From the ~~medical~~
13 ~~assistanc~~ Medical Assistance trust fund, biennially, the amounts in the schedule for
14 meeting costs of medical assistance administered under ss. 46.27, 46.275 (5), 46.278
15 (6), 46.283 (5), 46.284 (5), 49.45, and 49.472 (6), and 51.421 (3), for providing
16 distributions under s. 49.45 (6tt), and for administrative costs associated with
17 augmenting the amount of federal moneys received under 42 CFR 433.51.

18 **SECTION 4.** 20.435 (4) (wp) of the statutes is created to read:

19 20.435 (4) (wp) *Medical Assistance trust fund; county reimbursement.* From
20 the Medical Assistance trust fund, a sum sufficient to provide reimbursement to a
21 county for moneys transferred in support of payment under s. 49.45 (6m) by the
22 county to the Medical Assistance trust fund and used as the nonfederal share of

1 Medical Assistance payments. Payment to a county under this paragraph may not
2 exceed the amount transferred by the county to the Medical Assistance trust fund.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

3 SECTION 5. 25.77 (1) of the statutes is amended to read:

4 25.77 (1) All federal moneys received, including moneys that the department
5 of health and family services may transfer from the appropriation under s. 20.435
6 (4) (o), that are related to payments under s. 49.45 (~~6m~~) and are based on public funds
7 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
8 nonfederal share of ~~medical assistance~~ Medical Assistance funding.

9 SECTION 6. 25.77 (2) of the statutes is amended to read:

10 25.77 (2) All public funds that are related to payments under s. 49.45 (~~6m~~) and
11 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
12 nonfederal and federal share of ~~medical assistance~~ Medical Assistance funding.

13 SECTION 7. 25.77 (5) of the statutes is created to read:

14 25.77 (5) All moneys transferred under s. 20.435 (4) (hm).

15 SECTION 8. 46.275 (5) (a) of the statutes is amended to read:

16 46.275 (5) (a) ~~Medical assistance~~ Assistance reimbursement for services a
17 county, or the department under sub. (3r), provides under this program is available
18 from the ~~appropriations~~ appropriation accounts under s. 20.435 (4) (b), (hm), (o), and
19 (w). If 2 or more counties jointly contract to provide services under this program and
20 the department approves the contract, ~~medical assistance~~ Medical Assistance
21 reimbursement is also available for services provided jointly by these counties.

22 SECTION 9. 46.275 (5) (c) of the statutes is amended to read:

1 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (hm), (o), and (w) to
2 counties and to the department under sub. (3r) for services provided under this
3 section may not exceed the amount approved by the federal department of health and
4 human services. A county may use funds received under this section only to provide
5 services to persons who meet the requirements under sub. (4) and may not use
6 unexpended funds received under this section to serve other developmentally
7 disabled persons residing in the county.

8 **SECTION 10.** 49.45 (6tt) of the statutes is created to read:

9 49.45 (6tt) DISTRIBUTIONS TO COUNTY DEPARTMENTS AND LOCAL HEALTH
10 DEPARTMENTS. From the appropriation under s. 20.435 (4) (w), the department may
11 in each fiscal year distribute moneys to county departments under s. 46.215, 46.22,
12 46.23, or 51.42 or to local health departments, as defined in s. 250.01 (4), in amounts
13 that are equal to the moneys received by these county departments or local health
14 departments in ~~the~~^{calendar} year 2002~~01~~ under s. 49.45 (6t), 2001 stats.

15 **SECTION 11.** 49.45 (39) (b) 1. of the statutes is amended to read:

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

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

24 **SECTION 12.** 49.45 (39) (b) 1m. of the statutes is created to read:

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

8 **SECTION 13.** 49.45 (39) (b) 2. of the statutes is amended to read:

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

19 **SECTION 14.** 51.421 (3) (e) of the statutes is amended to read:

20 51.421 (3) (e) ~~Distribute, from~~ From the appropriation appropriation accounts
21 under s. 20.435 (4) (w) and (o) and (7) (bL), distribute moneys in each fiscal year for
22 community support program services.

23 **SECTION 15.** 59.53 (24) of the statutes is created to read:



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0194/8⁹

DAK:kgx/cs/wlj/jd: [initials]

D-NOTE

DOA:.....Blaine - BB0033 IGT claims

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1

*Don't
Sen.*
AN ACT relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, the Medical Assistance (MA) trust fund (MATF) is composed of all public funds that are related to MA nursing home payments and that are transferred to the MATF as the nonfederal share for the purpose of claiming federal moneys, and all of the matching moneys received in return under the federal MA program (commonly known as "Medicaid"). Counties that make these intergovernmental transfers are, in turn, reimbursed by DHFS from an appropriation account of interagency program revenue.

Currently, under a waiver of federal Medicaid laws, DHFS administers a community integration program (commonly known as CIP IA) under which MA recipients who reside in state centers for the developmentally disabled are relocated into their communities by providing to them home and community-based services as part of MA. DHFS administers another community integration program (commonly known as CIP IB) under which persons with developmental disabilities who are relocated from institutions other than state centers for the developmentally disabled or who meet requirements for the care provided in intermediate care facilities for the mentally retarded or brain injury rehabilitation facilities are relocated into their communities by providing to them home and community-based services as part of MA.

This bill creates a sum sufficient appropriation account, from the MATF, for reimbursement to a county of moneys transferred in support of MA payment for nursing home services by the county to the state and used as the nonfederal share of MA payments. Payment to a county under the appropriation account is limited to the amount that the county has transferred.

The bill creates a program revenue account in the general fund to provide supplemental MA program benefits for CIP IA and CIP IB, emergency medical transportation services, alcohol and other drug abuse and mental health treatment and services, and school medical services, as part of a claim for federal Medicaid matching moneys, and to receive moneys that are required, under the bill, to be paid by counties. The moneys required to be paid by counties are related to the federal share of rate increases for CIP IA and CIP IB beginning in 2001, the federal share of rate increases for alcohol and other drug abuse and mental health treatment and services beginning in 2003, and the moneys paid in support of the claim for federal Medicaid matching moneys. Moneys received by DHFS that are in excess of payments for services under this appropriation must be transferred to the MATF. The bill makes annual decreases in the amount paid to school districts for special education by the amount of the supplementary payment for MA school-based services received, and lapses this amount to the general fund. In addition, the bill modifies the accounts within the MATF to eliminate the requirement that limits the MATF to funds that are related to MA nursing home payments; instead, the bill permits the MATF to include moneys that are related to any MA service.

Lastly, the bill authorizes payment from the MATF for grants to counties for mental health community support programs and for distributions to counties and local health departments that are equal to amounts that were distributed in calendar year 2002 to reduce operating deficits.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.255 (2) (b) of the statutes is amended to read:
2 20.255 (2) (b) *Aids for special education and school age parents programs.* The
3 amounts in the schedule for the payment of aids for special education and school age
4 parents programs under ss. 115.88, 115.93 and 118.255. On dates determined by the
5 secretary of administration, amounts equal to the amounts paid by the department
6 of health and family services under s. 49.45 (39) (b) 1m. shall lapse from this
7 appropriation account to the general fund.

1 **SECTION 2.** 20.435 (4) (hm) of the statutes is created to read:

2 20.435 (4) (hm) *Medical Assistance; supplementary payments to counties.* All
3 moneys received from a county under s. 59.53 (24), to supplement the state share of
4 Medical Assistance Program benefits administered under ss. 46.275, 46.278, 49.45
5 (39) (b) 1m., and 49.46 (2) (a) 1., 2., 4. d. and e. and (b) 3., 6. b., c., d., f., fm., j., k., L.,
6 and m., 9., 12., 12m., 13., 15., and 16. Notwithstanding s. 20.001 (2) (b) and (3) (b),
7 on dates to be determined by the secretary of administration, amounts equal to
8 amounts received under this paragraph that are in excess of the payments made
9 under this paragraph are transferred to the Medical Assistance trust fund.

 ****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

10 **SECTION 3.** 20.435 (4) (w) of the statutes, as affected by 2001 Wisconsin Act 16,
11 is amended to read:

12 20.435 (4) (w) *Medical assistance Assistance trust fund.* From the ~~medical~~
13 ~~assistance~~ Medical Assistance trust fund, biennially, the amounts in the schedule for
14 meeting costs of medical assistance administered under ss. 46.27, 46.275 (5), 46.278
15 (6), 46.283 (5), 46.284 (5), 49.45, and 49.472 (6), and 51.421 (3), for providing
16 distributions under s. 49.45 (6tt), and for administrative costs associated with
17 augmenting the amount of federal moneys received under 42 CFR 433.51.

18 **SECTION 4.** 20.435 (4) (wp) of the statutes is created to read:

19 20.435 (4) (wp) *Medical Assistance trust fund; county reimbursement.* From
20 the Medical Assistance trust fund, a sum sufficient to provide reimbursement to a
21 county for moneys transferred in support of payment under s. 49.45 (6m) by the
22 county to the Medical Assistance trust fund and used as the nonfederal share of

SECTION 4

1 Medical Assistance payments. Payment to a county under this paragraph may not
2 exceed the amount transferred by the county to the Medical Assistance trust fund.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

3 **SECTION 5.** 25.77 (1) of the statutes is amended to read:

4 25.77 (1) All federal moneys received, including moneys that the department
5 of health and family services may transfer from the appropriation under s. 20.435
6 (4) (o), that are related to payments under s. 49.45 (~~6m~~) and are based on public funds
7 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
8 nonfederal share of ~~medical assistance~~ Medical Assistance funding.

9 **SECTION 6.** 25.77 (2) of the statutes is amended to read:

10 25.77 (2) All public funds that are related to payments under s. 49.45 (~~6m~~) and
11 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
12 nonfederal and federal share of ~~medical assistance~~ Medical Assistance funding.

13 **SECTION 7.** 25.77 (5) of the statutes is created to read:

14 25.77 (5) All moneys transferred under s. 20.435 (4) (hm).

15 **SECTION 8.** 46.275 (5) (a) of the statutes is amended to read:

16 46.275 (5) (a) Medical ~~assistance~~ Assistance reimbursement for services a
17 county, or the department under sub. (3r), provides under this program is available
18 from the ~~appropriations~~ appropriation accounts under s. 20.435 (4) (b), (~~hm~~), (o), and
19 (w). If 2 or more counties jointly contract to provide services under this program and
20 the department approves the contract, ~~medical assistance~~ Medical Assistance
21 reimbursement is also available for services provided jointly by these counties.

(gp),

(r),

INSERT 4-21

22 **SECTION 9.** 46.275 (5) (c) of the statutes is amended to read:

SECTION 9

(gp), (r)

1 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (hm), (o), and (w) to
2 counties and to the department under sub. (3r) for services provided under this
3 section may not exceed the amount approved by the federal department of health and
4 human services. A county may use funds received under this section only to provide
5 services to persons who meet the requirements under sub. (4) and may not use
6 unexpended funds received under this section to serve other developmentally
7 disabled persons residing in the county.

✓
INSERT 5-7

8 **SECTION 10.** 49.45 (6tt) of the statutes is created to read:

9 49.45 (6tt) DISTRIBUTIONS TO COUNTY DEPARTMENTS AND LOCAL HEALTH
10 DEPARTMENTS. From the appropriation under s. 20.435 (4) (w), the department may
11 in each fiscal year distribute moneys to county departments under s. 46.215, 46.22,
12 46.23, or 51.42 or to local health departments, as defined in s. 250.01 (4), in amounts
13 that are equal to the moneys received by these county departments or local health
14 departments in calendar year 2002 under s. 49.45 (6t), 2001 stats.

15 **SECTION 11.** 49.45 (39) (b) 1. of the statutes is amended to read:

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

SECTION 11

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

24 **SECTION 12.** 49.45 (39) (b) 1m. of the statutes is created to read:

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

8 **SECTION 13.** 49.45 (39) (b) 2. of the statutes is amended to read:

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

19 **SECTION 14.** 51.421 (3) (e) of the statutes is amended to read:

20 51.421 (3) (e) ~~Distribute, from~~ From the appropriation appropriation accounts
21 under s. 20.435 (4) (w) and (o) and (7) (bL), distribute moneys in each fiscal year for
22 community support program services.

23 **SECTION 15.** 59.53 (24) of the statutes is created to read:

1 59.53 (24) COUNTY PAYMENTS MADE UNDER MEDICAL ASSISTANCE. The board shall,
2 upon demand by the department of health and family services, authorize payment
3 to that department not to exceed any of the following:

4 (a) *Home and community based services.* For services provided under ss. 46.275
5 and 46.278 beginning in 2001 and thereafter, any payment made under s. 20.435 (4)
6 (hm), and the portion of the payment made under s. 20.435 (4) (o) for Medical
7 Assistance Program benefits administered under ss. 46.275 and 46.278 that is
8 related to any rates increased for services under s. 46.275 or 46.278 beginning in
9 2001.

10 (b) *Alcohol and other drug and mental health prevention and treatment*
11 *services.* For alcohol and other drug and mental health prevention and treatment
12 services provided under s. 49.46 (2) (a) 1., 2., and 4. d. and e. and (b) 6. b., c., d., f.,
13 fm., j., k., L., and m., 9., 12., 12m., 13., 15., and 16. beginning in 2003 and thereafter,
14 any payment made under s. 20.435 (4) (hm), and the portion of the payment made
15 under s. 20.435 (4) (o) as Medical Assistance Program benefits for the services that
16 is related to any rates increased for these services beginning in 2003.

17 **SECTION 16.** 115.882 of the statutes is amended to read:

18 **115.882 Payment of state aid.** Funds appropriated under s. 20.255 (2) (b)
19 shall be used first for the purpose of s. 115.88 (4). Costs eligible for reimbursement
20 from the appropriation under s. 20.255 (2) (b) under ss. 115.88 (1m) to (3), (6) and (8),
21 115.93, and 118.255 (4) shall be reimbursed at a rate set to distribute the full amount
22 appropriated for reimbursement for the costs, less the amount paid by the
23 department of health and family services under s. 20.435 (4) (hm) and (o) under s.
24 49.45 (39) (b) 1m., not to exceed 100%.

25 (END)

J-NOTE

D-NOTE

TO Robert Blaine:

: King:

This draft reconciles LRB-0194/8 with

~~LRB-0194/8~~, LRB-1755/P2, and LRB-1760/1,

~~LRB-0194/8~~, LRB-0194, LRB-1755, and LRB-1760

should ^{all} continue to appear in the compiled bill.

DAK

the
by adding treatment of
ss. 46.275 (5)(a) and (c) by
LRB-1755/P2 and LRB-1760/1
to this draft.

INSERT 4-21 ✓

**** This is reconciled s. 46.275(5)(a).

This section has been affected by drafts
with the following LRB#s: -0194/8,
-1755/P2, and
-1760/1.

INSERT 5-7



*** This is reconciled s. 46.275 (5)(c).

This section has been affected by drafts

with the following LRB#s: $\left\{ \begin{array}{l} -0194/8, \\ -1755/P2, \end{array} \right.$

and -1760/11.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0194/9dn
DAK:kmg:rs

February 6, 2003

Robert Blaine:

This draft reconciles LRB-0194/8 with LRB-1755/P2, and LRB-1760/1 by adding the treatment of ss. 46.275 (5) (a) and (c) by LRB-1755/P2 and LRB-1760/1 to this draft. LRB-0194, LRB-1755, and LRB-1760 should all continue to appear in the compiled bill.

Debora A. Kennedy
Managing Attorney
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E-mail: debora.kennedy@legis.state.wi.us



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0194/9
DAK:kgx/cs/wlj/jd:rs

DOA:.....Blaine – BB0033 IGT claims

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, the Medical Assistance (MA) trust fund (MATF) is composed of all public funds that are related to MA nursing home payments and that are transferred to the MATF as the nonfederal share for the purpose of claiming federal moneys, and all of the matching moneys received in return under the federal MA program (commonly known as "Medicaid"). Counties that make these intergovernmental transfers are, in turn, reimbursed by DHFS from an appropriation account of interagency program revenue.

Currently, under a waiver of federal Medicaid laws, DHFS administers a community integration program (commonly known as CIP IA) under which MA recipients who reside in state centers for the developmentally disabled are relocated into their communities by providing to them home and community-based services as part of MA. DHFS administers another community integration program (commonly known as CIP IB) under which persons with developmental disabilities who are relocated from institutions other than state centers for the developmentally disabled or who meet requirements for the care provided in intermediate care facilities for the mentally retarded or brain injury rehabilitation facilities are relocated into their communities by providing to them home and community-based services as part of MA.

This bill creates a sum sufficient appropriation account, from the MATF, for reimbursement to a county of moneys transferred in support of MA payment for nursing home services by the county to the state and used as the nonfederal share of MA payments. Payment to a county under the appropriation account is limited to the amount that the county has transferred.

The bill creates a program revenue account in the general fund to provide supplemental MA program benefits for CIP IA and CIP IB, emergency medical transportation services, alcohol and other drug abuse and mental health treatment and services, and school medical services, as part of a claim for federal Medicaid matching moneys, and to receive moneys that are required, under the bill, to be paid by counties. The moneys required to be paid by counties are related to the federal share of rate increases for CIP IA and CIP IB beginning in 2001, the federal share of rate increases for alcohol and other drug abuse and mental health treatment and services beginning in 2003, and the moneys paid in support of the claim for federal Medicaid matching moneys. Moneys received by DHFS that are in excess of payments for services under this appropriation must be transferred to the MATF. The bill makes annual decreases in the amount paid to school districts for special education by the amount of the supplementary payment for MA school-based services received, and lapses this amount to the general fund. In addition, the bill modifies the accounts within the MATF to eliminate the requirement that limits the MATF to funds that are related to MA nursing home payments; instead, the bill permits the MATF to include moneys that are related to any MA service.

Lastly, the bill authorizes payment from the MATF for grants to counties for mental health community support programs and for distributions to counties and local health departments that are equal to amounts that were distributed in calendar year 2002 to reduce operating deficits.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.255 (2) (b) of the statutes is amended to read:

2 20.255 (2) (b) *Aids for special education and school age parents programs.* The
3 amounts in the schedule for the payment of aids for special education and school age
4 parents programs under ss. 115.88, 115.93 and 118.255. On dates determined by the
5 secretary of administration, amounts equal to the amounts paid by the department
6 of health and family services under s. 49.45 (39) (b) 1m. shall lapse from this
7 appropriation account to the general fund.

1 **SECTION 2.** 20.435 (4) (hm) of the statutes is created to read:

2 20.435 (4) (hm) *Medical Assistance; supplementary payments to counties.* All
3 moneys received from a county under s. 59.53 (24), to supplement the state share of
4 Medical Assistance Program benefits administered under ss. 46.275, 46.278, 49.45
5 (39) (b) 1m., and 49.46 (2) (a) 1., 2., 4. d. and e. and (b) 3., 6. b., c., d., f., fm., j., k., L.,
6 and m., 9., 12., 12m., 13., 15., and 16. Notwithstanding s. 20.001 (2) (b) and (3) (b),
7 on dates to be determined by the secretary of administration, amounts equal to
8 amounts received under this paragraph that are in excess of the payments made
9 under this paragraph are transferred to the Medical Assistance trust fund.

 ***NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

10 **SECTION 3.** 20.435 (4) (w) of the statutes, as affected by 2001 Wisconsin Act 16,
11 is amended to read:

12 20.435 (4) (w) *Medical assistance Assistance trust fund.* From the ~~medical~~
13 ~~assistance~~ Medical Assistance trust fund, biennially, the amounts in the schedule for
14 meeting costs of medical assistance administered under ss. 46.27, 46.275 (5), 46.278
15 (6), 46.283 (5), 46.284 (5), 49.45, ~~and 49.472 (6), and 51.421 (3), for providing~~
16 distributions under s. 49.45 (6tt), and for administrative costs associated with
17 augmenting the amount of federal moneys received under 42 CFR 433.51.

18 **SECTION 4.** 20.435 (4) (wp) of the statutes is created to read:

19 20.435 (4) (wp) *Medical Assistance trust fund; county reimbursement.* From
20 the Medical Assistance trust fund, a sum sufficient to provide reimbursement to a
21 county for moneys transferred in support of payment under s. 49.45 (6m) by the
22 county to the Medical Assistance trust fund and used as the nonfederal share of

1 Medical Assistance payments. Payment to a county under this paragraph may not
2 exceed the amount transferred by the county to the Medical Assistance trust fund.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

3 SECTION 5. 25.77 (1) of the statutes is amended to read:

4 25.77 (1) All federal moneys received, including moneys that the department
5 of health and family services may transfer from the appropriation under s. 20.435
6 (4) (o), that are related to payments under s. 49.45 (~~6m~~) and are based on public funds
7 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
8 nonfederal share of ~~medical assistance~~ Medical Assistance funding.

9 SECTION 6. 25.77 (2) of the statutes is amended to read:

10 25.77 (2) All public funds that are related to payments under s. 49.45 (~~6m~~) and
11 that are transferred or certified under 42 CFR 433.51 (b) and used as the ~~non-federal~~
12 nonfederal and federal share of ~~medical assistance~~ Medical Assistance funding.

13 SECTION 7. 25.77 (5) of the statutes is created to read:

14 25.77 (5) All moneys transferred under s. 20.435 (4) (hm).

15 SECTION 8. 46.275 (5) (a) of the statutes is amended to read:

16 46.275 (5) (a) Medical ~~assistance~~ Assistance reimbursement for services a
17 county, or the department under sub. (3r), provides under this program is available
18 from the ~~appropriations~~ appropriation accounts under s. 20.435 (4) (b), (~~gp~~), (~~hm~~), (o),
19 (~~r~~), and (w). If 2 or more counties jointly contract to provide services under this
20 program and the department approves the contract, ~~medical assistance~~ Medical
21 Assistance reimbursement is also available for services provided jointly by these
22 counties.

****NOTE: This is reconciled s. 46.275 (5) (a). This SECTION has been affected by drafts with the following LRB numbers: -0194/8, -1755/P2, and -1760/1.

1 **SECTION 9.** 46.275 (5) (c) of the statutes is amended to read:

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

 ****NOTE: This is reconciled s. 46.275 (5) (c). This SECTION has been affected by
drafts with the following LRB numbers: -0194/8, -1755/P2, and -1760/1.

9 **SECTION 10.** 49.45 (6tt) of the statutes is created to read:

10 49.45 (6tt) DISTRIBUTIONS TO COUNTY DEPARTMENTS AND LOCAL HEALTH
11 DEPARTMENTS. From the appropriation under s. 20.435 (4) (w), the department may
12 in each fiscal year distribute moneys to county departments under s. 46.215, 46.22,
13 46.23, or 51.42 or to local health departments, as defined in s. 250.01 (4), in amounts
14 that are equal to the moneys received by these county departments or local health
15 departments in calendar year 2002 under s. 49.45 (6t), 2001 stats.

16 **SECTION 11.** 49.45 (39) (b) 1. of the statutes is amended to read:

17 49.45 (39) (b) 1. 'Payment for school medical services.' If a school district or a
18 cooperative educational service agency elects to provide school medical services and
19 meets all requirements under par. (c), the department shall reimburse the school
20 district or the cooperative educational service agency for 60% of the federal share of
21 allowable charges for the school medical services that it provides and, as specified
22 in subd. 2., for allowable administrative costs. If the Wisconsin Center for the Blind
23 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf

SECTION 11

1 and Hard of Hearing elects to provide school medical services and meets all
2 requirements under par. (c), the department shall reimburse the department of
3 public instruction for 60% of the federal share of allowable charges for the school
4 medical services that the Wisconsin Center for the Blind and Visually Impaired or
5 the Wisconsin Educational Services Program for the Deaf and Hard of Hearing
6 provides and, as specified in subd. 2., for allowable administrative costs. A school
7 district, cooperative educational service agency, the Wisconsin Center for the Blind
8 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf
9 and Hard of Hearing may submit, and the department shall allow, claims for common
10 carrier transportation costs as a school medical service unless the department
11 receives notice from the federal health care financing administration that, under a
12 change in federal policy, the claims are not allowed. If the department receives the
13 notice, a school district, cooperative educational service agency, the Wisconsin
14 Center for the Blind and Visually Impaired, or the Wisconsin Educational Services
15 Program for the Deaf and Hard of Hearing may submit, and the department shall
16 allow, unreimbursed claims for common carrier transportation costs incurred before
17 the date of the change in federal policy. The department shall promulgate rules
18 establishing a methodology for making reimbursements under this paragraph. All
19 Except as provided in subd. 1m., all other expenses for the school medical services
20 provided by a school district or a cooperative educational service agency shall be paid
21 for by the school district or the cooperative educational service agency with funds
22 received from state or local taxes. The school district, the Wisconsin Center for the
23 Blind and Visually Impaired, the Wisconsin Educational Services Program for the
24 Deaf and Hard of Hearing, or the cooperative educational service agency shall

1 comply with all requirements of the federal department of health and human
2 services for receiving federal financial participation.

3 **SECTION 12.** 49.45 (39) (b) 1m. of the statutes is created to read:

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

11 **SECTION 13.** 49.45 (39) (b) 2. of the statutes is amended to read:

12 49.45 (39) (b) 2. ‘Payment for school medical services administrative costs.’ The
13 department shall reimburse a school district or a cooperative educational service
14 agency specified under ~~subd. 1.~~ subds. 1. and 1m. and shall reimburse the
15 department of public instruction on behalf of the Wisconsin Center for the Blind and
16 Visually Impaired or the Wisconsin Educational Services Program for the Deaf and
17 Hard of Hearing for 90% of the federal share of allowable administrative costs, using
18 time studies, beginning in fiscal year 1999–2000. A school district or a cooperative
19 educational service agency may submit, and the department of health and family
20 services shall allow, claims for administrative costs incurred during the period that
21 is up to 24 months before the date of the claim, if allowable under federal law.

22 **SECTION 14.** 51.421 (3) (e) of the statutes is amended to read:

23 51.421 (3) (e) ~~Distribute, from~~ From the appropriation appropriation accounts
24 under s. 20.435 (4) (w) and (o) and (7) (bL), distribute moneys in each fiscal year for
25 community support program services.

1 **SECTION 15.** 59.53 (24) of the statutes is created to read:

2 **59.53 (24) COUNTY PAYMENTS MADE UNDER MEDICAL ASSISTANCE.** The board shall,
3 upon demand by the department of health and family services, authorize payment
4 to that department not to exceed any of the following:

5 (a) *Home and community based services.* For services provided under ss. 46.275
6 and 46.278 beginning in 2001 and thereafter, any payment made under s. 20.435 (4)
7 (hm), and the portion of the payment made under s. 20.435 (4) (o) for Medical
8 Assistance Program benefits administered under ss. 46.275 and 46.278 that is
9 related to any rates increased for services under s. 46.275 or 46.278 beginning in
10 2001.

11 (b) *Alcohol and other drug and mental health prevention and treatment*
12 *services.* For alcohol and other drug and mental health prevention and treatment
13 services provided under s. 49.46 (2) (a) 1., 2., and 4. d. and e. and (b) 6. b., c., d., f.,
14 fm., j., k., L., and m., 9., 12., 12m., 13., 15., and 16. beginning in 2003 and thereafter,
15 any payment made under s. 20.435 (4) (hm), and the portion of the payment made
16 under s. 20.435 (4) (o) as Medical Assistance Program benefits for the services that
17 is related to any rates increased for these services beginning in 2003.

18 **SECTION 16.** 115.882 of the statutes is amended to read:

19 **115.882 Payment of state aid.** Funds appropriated under s. 20.255 (2) (b)
20 shall be used first for the purpose of s. 115.88 (4). Costs eligible for reimbursement
21 from the appropriation under s. 20.255 (2) (b) under ss. 115.88 (1m) to (3), (6) and (8),
22 115.93, and 118.255 (4) shall be reimbursed at a rate set to distribute the full amount
23 appropriated for reimbursement for the costs, less the amount paid by the

1 department of health and family services under s. 20.435 (4) (hm) and (o) under s.
2 49.45 (39) (b) 1m., not to exceed 100%.

3 (END)