



Soon - In edit 1/17

State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0210/2

DAK:cjs:pg

stays

SRW
1-12-04

DOA:.....Blaine - BB0049, Nursing home payment formula changes

FOR 2003-05 BUDGET - NOT READY FOR INTRODUCTION

Do NOT GEN

1 AN ACT *to repeal* 49.45 (6m) (a) 4., 49.45 (6m) (am) 1. b., 49.45 (6m) (am) 1. d.,
 2 49.45 (6m) (am) 1. e., 49.45 (6m) (am) 3. a., 49.45 (6m) (am) 3. b., 49.45 (6m) (am)
 3 3. c., 49.45 (6m) (ar) 2. b., 49.45 (6m) (ar) 2. d., 49.45 (6m) (ar) 3., 49.45 (6m) (ar)
 4 5. and 49.45 (6m) (bc); *to renumber* 49.45 (6m) (am) 5.; *to renumber and*
 5 *amend* 49.45 (6m) (am) 3. (intro.); *to consolidate, renumber and amend*
 6 49.45 (6m) (ar) 2. (intro.) and 2. a.; *to amend* 49.45 (6m) (ag) 2., 49.45 (6m) (ag)
 7 3m., 49.45 (6m) (ag) 3m., 49.45 (6m) (ag) 3r., 49.45 (6m) (am) 1. a., 49.45 (6m)
 8 (am) 4., 49.45 (6m) (ar) 1. a., 49.45 (6m) (ar) 1. a., 49.45 (6m) (av) 1., 49.45 (6m)
 9 (av) 2. and 49.45 (6m) (av) 6.; and *to create* 49.45 (6m) (am) 1. bm. of the

- 1 ~~statutes~~; relating to: changes to the formula for payment to nursing homes for
2 services to medical assistance recipients.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, payments to nursing homes for services to recipients under the Medical Assistance (MA) program, are made under a cost-based formula that considers certain costs of individual nursing homes, based on information from reports that the nursing homes submit to DHFS. The formula specifies cost centers of direct care, support services, fuel and utilities, net property tax or municipal services, administrative and general costs, interest expenses, and necessary capital payments. For direct care costs, DHFS must use standards that sample nursing homes in the state, as adjusted for regional labor cost variations. For nursing homes in Douglas, Pierce, and St. Croix counties, DHFS uses a federal Medicare program hospital wage index. To calculate a nursing home's payment rate, DHFS establishes a tentative payment rate by applying to information from nursing home cost reports certain standards and methods in calculating amounts payable for a rate year for the cost centers. DHFS then compiles a tentative average payment rate for each nursing home based on that nursing home's rates for cost centers that were in effect on June 30, 1994. Next, DHFS calculates a nursing home's projected cost per patient day. If the tentative payment rate is less than the tentative average payment rate, and if the projected cost per patient day is more than the tentative payment rate, DHFS sets the nursing home's average payment rate as the tentative average payment rate or the tentative payment rate, whichever is greater; if not, DHFS sets the nursing home's average payment rate as the tentative payment rate.

This bill requires DHFS to make a flat-rate payment for MA nursing home costs, as determined by DHFS, for personal comfort supplies and allowable support service costs. Beginning July 1, 2004, this bill requires MA payment to nursing homes to be made on a flat-rate basis for support services (dietary services, environmental services, fuel and utilities, administrative and general costs) and direct care costs (personal comfort supplies, medical supplies, over-the-counter drugs and nonbillable services for ancillary nursing home personnel). The bill eliminates the requirement that nursing homes submit cost reports for these costs. Under the bill, the cost centers on which cost-based payment will continue to be made are nonbillable direct care costs for registered nurses, licensed practical nurses, and nurse's assistants; property tax or municipal services; interest expenses; and necessary capital payments. The bill combines the cost centers identified as support services, fuel and utilities, and administrative and general costs into a single cost center and clarifies that "costs for property taxes and municipal services" refer to paid, rather than incurred, costs.

In addition, the bill requires that under the standards for direct care costs of nursing homes, as adjusted for regional labor cost variations, DHFS use the federal

Medicare program hospital wage index for nursing homes in the Minneapolis–St. Paul and Duluth–Superior federal standard metropolitan statistical areas (which include Douglas, Pierce, St. Croix, and Polk counties).

Lastly, the bill changes the criteria by which DHFS compiles a tentative average payment rate for a nursing home, to base that rate on the nursing home's rates for cost centers that were in effect on June 30 of the calendar year before the previous calendar year, rather than on June 30, 1994.

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

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

1 **SECTION 1.** 49.45 (6m) (a) 4. of the statutes is repealed.

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

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

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

8 49.45 (6m) (ag) 3m. For each state fiscal year 1999–2000, rates that shall be
9 set by the department based on information from cost reports for the 1998 most
10 recently completed fiscal year of the facility ~~and for state fiscal year 2000–01, rates~~
11 ~~that shall be set by the department based on information from cost reports for the~~
12 ~~1999 fiscal year of the facility.~~

13 **SECTION 4.** 49.45 (6m) (ag) 3m. of the statutes, as affected by 2003 Wisconsin
14 Act (this act), is amended to read:

15 49.45 (6m) (ag) 3m. For each state fiscal year, rates that shall be set by the
16 department based on information from cost reports for costs specified under par. (am)
17 1. bm., 4., 5m., and 6. for the most recently completed fiscal year of the facility.

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→ (A) Section ^(B) ~~49.45 (6m) (ag) 3r.~~ CR; 49.45 (6m) (ag) 3r.
 (A) 49.45 (6m) (ag) 3r) Flat-rate payment, as determined by the department,
 SECTION 5. 49.45 (6m) (ag) 3r. of the statutes, as created by 2003 Wisconsin Act ^{for costs specified under par. (am) 1. a. and 2.}

2 (this act), is amended to read:

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

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

6 49.45 (6m) (am) 1. a. Personal comfort supplies; medical supplies;
7 over-the-counter drugs; and nonbillable services of a ward clerk, activity person,
8 recreation person, social worker, volunteer coordinator, teacher for residents aged 22
9 and older, vocational counselor for residents aged 22 and older, religious person,
10 therapy aide, therapy assistant, and counselor on resident living.

11 SECTION 7. 49.45 (6m) (am) 1. b. of the statutes is repealed.

12 SECTION 8. 49.45 (6m) (am) 1. bm. of the statutes is created to read:

13 49.45 (6m) (am) 1. bm. Nonbillable services of a registered nurse, licensed
14 practical nurse and nurse's assistant.

15 SECTION 9. 49.45 (6m) (am) 1. d. of the statutes is repealed.

16 SECTION 10. 49.45 (6m) (am) 1. e. of the statutes is repealed.

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

19 49.45 (6m) (am) 2. c. Allowable fuel and utility costs, including the facility
20 expenses that the department determines are allowable for the provision of:
21 electrical service, water and sewer services, and heat.

22 SECTION 12. 49.45 (6m) (am) 3. a. of the statutes is repealed.

23 SECTION 13. 49.45 (6m) (am) 3. b. of the statutes is repealed.

24 SECTION 14. 49.45 (6m) (am) 3. c. of the statutes is repealed.

25 SECTION 15. 49.45 (6m) (am) 4. of the statutes is amended to read:

1 49.45 (6m) (am) 4. ~~Net property~~ Property tax or allowable municipal service
2 costs ~~incurred~~ paid by the owner of the facility for the facility.

3 **SECTION 16.** 49.45 (6m) (am) 5. of the statutes is renumbered 49.45 (6m) (am)
4 2. d.

5 **SECTION 17.** 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

6 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
7 allowable direct care costs, for facilities that do not primarily serve the
8 developmentally disabled, that take into account direct care costs for a sample of all
9 of those facilities in this state and separate standards for payment of allowable direct
10 care costs, for facilities that primarily serve the developmentally disabled, that take
11 into account direct care costs for a sample of all of those facilities in this state. The
12 standards shall be adjusted by the department for regional labor cost variations. For
13 facilities in ~~Douglas, Pierce, and St. Croix counties~~ the Minneapolis–St. Paul and the
14 Duluth–Superior federal standard metropolitan statistical areas, the department
15 shall perform the adjustment by use of the wage index that is used by the federal
16 department of health and human services for hospital reimbursement under 42 USC
17 1395 to 1395ggg.

18 **SECTION 18.** 49.45 (6m) (ar) 1. a. of the statutes, as affected by 2003 Wisconsin
19 Act (this act), is amended to read:

20 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
21 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily
22 serve the developmentally disabled, that take into account direct care costs for a
23 sample of all of those facilities in this state and separate standards for payment of
24 allowable direct care costs, for facilities that primarily serve the developmentally
25 disabled, that take into account direct care costs for a sample of all of those facilities

1 in this state. The standards shall be adjusted by the department for regional labor
2 cost variations. For facilities in the Minneapolis-St. Paul and the Duluth-Superior
3 federal standard metropolitan statistical areas, the department shall perform the
4 adjustment by use of the wage index that is used by the federal department of health
5 and human services for hospital reimbursement under 42 USC 1395 to 1395ggg.

6 SECTION 19. 49.45 (6m) (ar) 2. (intro.) and 2. a. of the statutes are consolidated,
7 renumbered 49.45 (6m) (ar) 2. and amended to read:

8 49.45 (6m) (ar) 2. For support service costs: 2. a. ~~The~~, the department shall
9 establish one or more standards for the payment of support service costs that take
10 into account support service costs for a sample of all facilities within the state.

11 SECTION 20. 49.45 (6m) (ar) 2. b. of the statutes is repealed.

12 SECTION 21. 49.45 (6m) (ar) 2. d. of the statutes is repealed.

13 SECTION 22. 49.45 (6m) (ar) 3. of the statutes is repealed.

14 SECTION 23. 49.45 (6m) (ar) 5. of the statutes is repealed.

renumbered
49.45 (6m) (av)
and ✓

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15 SECTION 24. 49.45 (6m) (av) 1. of the statutes is amended to read:

16 49.45 (6m) (av) ~~1.~~ The department shall calculate a payment rate for a facility
17 by applying the criteria set forth under pars. (ag) 1. to 5. and 7., (am) 1. to ~~5.~~ bm., 4.,
18 5m. and 6., and (ar) 1. to ~~5., 4., and 6.~~ to information from cost reports submitted by
19 the facility as affected by any adjustment for
ancillary services and materials under

par. (b) ✓

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20 SECTION 25. 49.45 (6m) (av) 2. of the statutes is ~~amended to read:~~

21 49.45 (6m) (av) 2. The department shall compile an average payment rate for
22 each facility based on that facility's rates for cost centers described under par. (am)
23 1. to 5. that were in effect on June 30, ~~1994~~ of the calendar year immediately
24 preceding the most recently completed calendar year. The department may develop

repealed ✓

1 a method for adjusting the facility's rate for the cost center under par. (am) 1. in
2 compiling the average payment rate under this subdivision.

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3 → SECTION 26. 49.45 (6m) (av) 6. of the statutes is ~~amended to read~~ repealed.

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4 49.45 (6m) (av) 6. The total payment rate for a facility as calculated under subd.
5 1., 4., 5. or 5m. shall be the sum of the rate so calculated, plus capital payment
6 calculated under pars. (am) 6. and (ar) 6. and payment for ancillary services and
7 materials under par. (b) and for nonprescription drugs under par. (be).

8 SECTION 27. 49.45 (6m) (bc) of the statutes is repealed.

9 SECTION 9424. Effective dates; health and family services.

10 (1) NURSING HOME PAYMENT FORMULA. The treatment of section 49.45 (6m) (ag)
11 2. and 3m. (by SECTION 4), (am) 1. a., b., bm., d., and e., 3. (intro.), a., b., and c., and
12 5., (ar) 1. a. (by SECTION 18), 2. (intro.), a., b., and d., 3., and 5., (av) 1. and 6., and (bc)
13 of the statutes and the amendment of section 49.45 (6m) (ag) 3r. of the statutes take
14 effect on July 1, 2004.

15 (END)

2., 3., 4., 5., 5m.,

✓

**2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0210/2ins
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no # procedure by which DHFS calculates a nursing home's payment rate, to require a calculation that is achieved by applying, to information from cost reports submitted by a nursing home, general standards for the nursing home payment system, information concerning the applicable cost centers, and costs for direct care, property taxes, municipal services, and capital payment, as affected by any adjustment necessary for charges for ancillary services and materials

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SA ✓
Xrefs ✓

SECTION . RP; 49.45 (6m) (av) 3.

SECTION . RP; 49.45 (6m) (av) 4.

SECTION . RP; 49.45 (6m) (av) 5.

SECTION . RP; 49.45 (6m) (av) 5m.

Kennedy, Debora

From: Blaine, Robert
Sent: Monday, February 03, 2003 8:50 AM
To: Kennedy, Debora
Subject: FW: LRB Drafts 1253/6, 0207/6, 0210/2, 1760/1

more comments from Anne Miller. It seems like a lot, but I don't think there's really much needing change.

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

From: Miller, Anne
Sent: Sunday, February 02, 2003 6:10 PM
To: Blaine, Robert
Cc: Cobb, James; Lund, C. David; Pederson, Russell; Updike, Lyle; Megna, Richard
Subject: LRB Drafts 1253/6, 0207/6, 0210/2, 1760/1

Hi Robert!

Here are comments on some of pending LRB Drafts. They look pretty good, but there are a few outstanding issues.

Supplemental Hospital Payments LRB 1253/6
The language on this last draft is fine. However, the analysis still says you're eliminating EACH.

Occupied Bed Assessment LRB 0207/6
This is fine. It looks like we'll fix the 45% under 25.77 (3) and 50.14 (2) in 05-07, which is fine. And although we didn't need the "may not exceed" for the nursing home assessment level (only for the ICF-MR assessment level) including this language will be ok.

Nursing Home Payment Formula Changes LRB 0210/2
The language is fine. However, the analysis may not be accurate. In the 2nd paragraph, the analysis says that "the bill eliminates the requirement that nursing homes submit cost reports" for support services and direct care costs. We didn't think that was what the language said (I don't think it should say that either). Also, we're not sure what the last paragraph is saying.

Redirect Hospital Assessment to MA; eliminate WisconCare and GME LRB 1760/1
Attached is an email from Russ Pederson on the question raised by the drafter as to how the assessment should be applied in MA. I agree with Russ that the assessment does not have to be broadly applied to MA costs. Since this assessment was not originally intended to fund MA costs, it may be better to limit its initial application to MA costs. Just a thought. . .
Otherwise, the language looks ok.

Also, Monday morning, I will provide you with a good "close down" number for WisconCare. I need to talk to Marge Pifer first thing Monday about the notification process. I think we can come up with a process that provides recipients enough forewarning without jeopardizing the Department's position and allowing the close down costs to be pretty close to the \$200,000 I talked to you about.

I hope this information is helpful. Please feel free to contact me with any questions.

On Monday morning early (before noon) I'll give you any comments on the ICF-MR paper. However, if you could let me know ASAP if before noon will be too late and I can send you what I have. I haven't heard from the Sue, Dave or Neil on that draft yet, but I sent them a priority email to let them know Monday morning was the absolute last time available for comments.

Thanks for all of your work on these proposals! And thanks for your continued patience with us. I know these never ending comments are very frustrating (but it'll be over on Monday).

Thank again,
Anne

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

Date: 01/30/2003 11:00 am -0600 (Thursday)
From: Russell Pederson
To: Miller, Anne
CC: James Vavra; Marjorie Pifer; Priscilla Boroniec
Subject: Re: Fwd: FW: LRB Draft: 03-1760/1 Redirect hospital
assessment to MA; eliminate Wisconcare and grad med educ

Hi Anne,

My only question relates to the cross references to other MA-related programs, e.g. FamilyCare. Unless there is intent to direct ch. 146 hospital assessment funds to these programs which are funded outside the MA benefits appropriation/401, I see no reason to broaden the section.

The original intended of revenues (generally, health information) under s. 146.99, may unnecessarily become a difficult policy/political question with this draft. For instance, the change may suggest to some a new or expanded hospital tax - and I am unsure that is part of the proposed budget.

Russ

>>> Anne Miller 01/30/03 08:59AM >>>

Hi Russ!

Attached is stat language for a Gov.'s proposal that:

- (1) eliminates WisconCare and uses the hospital assessment that pays for it for MA, and
- (2) eliminates the graduate medical education adjustment.

If you have time could you please review this language. This proposal is confidential, and your discretion is requested. However, if you feel another section needs to review this language (for instance, for the WisconCare piece), just let me know I can forward it to him/her.

Thanks,
Anne



TODAY 2/3
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0210/3

DAK:cjs:pe

D-NOTE

stays

DOA:.....Blaine – BB0049, Nursing home payment formula changes
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

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1 AN ACT...; relating to: changes to the formula for payment to nursing homes for
2 services to medical assistance recipients.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES
MEDICAL ASSISTANCE

Under current law, payments to nursing homes for services to recipients under the Medical Assistance (MA) program, are made under a cost-based formula that considers certain costs of individual nursing homes, based on information from reports that the nursing homes submit to DHFS. The formula specifies cost centers of direct care, support services, fuel and utilities, net property tax or municipal services, administrative and general costs, interest expenses, and necessary capital payments. For direct care costs, DHFS must use standards that sample nursing homes in the state, as adjusted for regional labor cost variations. For nursing homes in Douglas, Pierce, and St. Croix counties, DHFS uses a federal Medicare program hospital wage index. To calculate a nursing home's payment rate, DHFS establishes a tentative payment rate by applying to information from nursing home cost reports certain standards and methods in calculating amounts payable for a rate year for the cost centers. DHFS then compiles a tentative average payment rate for each nursing home based on that nursing home's rates for cost centers that were in effect on June 30, 1994. Next, DHFS calculates a nursing home's projected cost per patient day. If the tentative payment rate is less than the tentative average payment rate, and

if the projected cost per patient day is more than the tentative payment rate, DHFS sets the nursing home's average payment rate as the tentative average payment rate or the tentative payment rate, whichever is greater; if not, DHFS sets the nursing home's average payment rate as the tentative payment rate.

This bill requires DHFS to make a flat-rate payment for MA nursing home costs, as determined by DHFS, for personal comfort supplies and allowable support service costs. Beginning July 1, 2004, this bill requires MA payment to nursing homes to be made on a flat-rate basis for support services (dietary services, environmental services, fuel and utilities, administrative and general costs) and direct care costs (personal comfort supplies, medical supplies, over-the-counter drugs and nonbillable services for ancillary nursing home personnel). ~~The bill eliminates the requirement that nursing homes submit cost reports for these costs.~~ Under the bill, the cost centers on which cost-based payment will continue to be made are nonbillable direct care costs for registered nurses, licensed practical nurses, and nurse's assistants; property tax or municipal services; interest expenses; and necessary capital payments. The bill combines the cost centers identified as support services, fuel and utilities, and administrative and general costs into a single cost center and clarifies that "costs for property taxes and municipal services" refer to paid, rather than incurred, costs.

In addition, the bill requires that under the standards for direct care costs of nursing homes, as adjusted for regional labor cost variations, DHFS use the federal Medicare program hospital wage index for nursing homes in the Minneapolis-St. Paul and Duluth-Superior federal standard metropolitan statistical areas (which include Douglas, Pierce, St. Croix, and Polk counties).

Lastly, the bill changes the procedure by which DHFS calculates a nursing home's payment rate, to require a calculation that is achieved by applying, to information from cost reports submitted by a nursing home, general standards for the nursing home payment system, information concerning the applicable cost centers, and costs for direct care, property taxes, municipal services, and capital payment, as affected by any adjustment necessary for charges for ancillary services and materials.

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

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

- 1 **SECTION 1.** 49.45 (6m) (a) 4. of the statutes is repealed.
- 2 **SECTION 2.** 49.45 (6m) (ag) 2. of the statutes is amended to read:
- 3 49.45 **(6m)** (ag) 2. Standards Except as provided in subd. 3r., standards
- 4 established by the department that shall be based upon allowable costs incurred by

1 facilities in the state as available from information submitted under par. (c) 3. and
2 compiled by the department.

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

4 49.45 (6m) (ag) 3m. For each state fiscal year 1999–2000, rates that shall be
5 set by the department based on information from cost reports for the 1998 most
6 recently completed fiscal year of the facility ~~and for state fiscal year 2000–01, rates~~
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8 ~~1999 fiscal year of the facility.~~

9 **SECTION 4.** 49.45 (6m) (ag) 3m. of the statutes, as affected by 2003 Wisconsin
10 Act (this act), is amended to read:

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

14 **SECTION 5.** 49.45 (6m) (ag) 3r. of the statutes is created to read:

15 49.45 (6m) (ag) 3r. Flat-rate payment, as determined by the department, for
16 costs specified under par. (am) 1. a. and 2.

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

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20 all costs specified under par. (am) 1. a. and 2.

21 **SECTION 7.** 49.45 (6m) (am) 1. a. of the statutes is amended to read:

22 49.45 (6m) (am) 1. a. Personal comfort supplies; medical supplies;
23 over-the-counter drugs; and nonbillable services of a ward clerk, activity person,
24 recreation person, social worker, volunteer coordinator, teacher for residents aged 22

1 and older, vocational counselor for residents aged 22 and older, religious person,
2 therapy aide, therapy assistant, and counselor on resident living.

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9 SECTION 12. 49.45 (6m) (am) 3. (intro.) of the statutes is renumbered 49.45 (6m)
10 (am) 2. c. and amended to read:

11 49.45 (6m) (am) 2. c. Allowable fuel and utility costs, including the facility
12 expenses that the department determines are allowable for the provision of:
13 electrical service, water and sewer services, and heat.

14 SECTION 13. 49.45 (6m) (am) 3. a. of the statutes is repealed.

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18 49.45 (6m) (am) 4. ~~Net property~~ Property tax or allowable municipal service
19 costs ~~incurred paid~~ by the owner of the facility for the facility.

20 SECTION 17. 49.45 (6m) (am) 5. of the statutes is renumbered 49.45 (6m) (am)
21 2. d.

22 SECTION 18. 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

23 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
24 allowable direct care costs, for facilities that do not primarily serve the
25 developmentally disabled, that take into account direct care costs for a sample of all

1 of those facilities in this state and separate standards for payment of allowable direct
2 care costs, for facilities that primarily serve the developmentally disabled, that take
3 into account direct care costs for a sample of all of those facilities in this state. The
4 standards shall be adjusted by the department for regional labor cost variations. For
5 facilities in ~~Douglas, Pierre, and St. Croix counties~~ the Minneapolis–St. Paul and the
6 Duluth–Superior federal standard metropolitan statistical areas, the department
7 shall perform the adjustment by use of the wage index that is used by the federal
8 department of health and human services for hospital reimbursement under 42 USC
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15 sample of all of those facilities in this state and separate standards for payment of
16 allowable direct care costs, for facilities that primarily serve the developmentally
17 disabled, that take into account direct care costs for a sample of all of those facilities
18 in this state. The standards shall be adjusted by the department for regional labor
19 cost variations. For facilities in the Minneapolis–St. Paul and the Duluth–Superior
20 federal standard metropolitan statistical areas, the department shall perform the
21 adjustment by use of the wage index that is used by the federal department of health
22 and human services for hospital reimbursement under 42 USC 1395 to 1395ggg.

23 **SECTION 20.** 49.45 (6m) (ar) 2. (intro.) and 2. a. of the statutes are consolidated,
24 renumbered 49.45 (6m) (ar) 2. and amended to read:

1 49.45 (6m) (ar) 2. For support service costs: ~~2. a. The~~ the department shall
2 establish one or more standards for the payment of support service costs that take
3 into account support service costs for a sample of all facilities within the state.

4 **SECTION 21.** 49.45 (6m) (ar) 2. b. of the statutes is repealed.

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9 amended to read:

10 49.45 (6m) (av) The department shall calculate a payment rate for a facility by
11 applying the criteria set forth under pars. (ag) 1. to 5. and 7., (am) 1. ~~to 5. bm., 4., 5m.~~
12 and 6., and (ar) 1. ~~to 5., 4., and 6.~~ to information from cost reports submitted by the
13 facility, as affected by any adjustment for ancillary services and materials under par.
14 (b).

15 **SECTION 26.** 49.45 (6m) (av) 2. of the statutes is repealed.

16 **SECTION 27.** 49.45 (6m) (av) 3. of the statutes is repealed.

17 **SECTION 28.** 49.45 (6m) (av) 4. of the statutes is repealed.

18 **SECTION 29.** 49.45 (6m) (av) 5. of the statutes is repealed.

19 **SECTION 30.** 49.45 (6m) (av) 5m. of the statutes is repealed.

20 **SECTION 31.** 49.45 (6m) (av) 6. of the statutes is repealed.

21 **SECTION 32.** 49.45 (6m) (bc) of the statutes is repealed.

22 **SECTION 9424. Effective dates; health and family services.**

23 (1) NURSING HOME PAYMENT FORMULA. The treatment of section 49.45 (6m) (ag)
24 2. and 3m. (by SECTION 4), (am) 1. a., b., bm., d., and e., 3. (intro.), a., b., and c., and
25 5., (ar) 1. a. (by SECTION 19), 2. (intro.), a., b., and d., 3., and 5., (av) 1., 2., 3., 4., 5.,

1 5m., and 6., and (bc) of the statutes and the amendment of section 49.45 (6m) (ag) 3r.
2 of the statutes take effect on July 1, 2004.

3 (END)

D-NOTE

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

LRB-0210/3dn
DAK:cjs:pg

T
stays

To Robert Blaine:

After talking with Anne Miller, I eliminated the sentence in the analysis concerning eliminating the requirement that nursing homes submit cost reports for certain costs. I did not, however, speak to her about the last paragraph of the analysis, which I am leaving in. That paragraph describes the changes brought about in the bill to s. 49.45 (6m) (av), stats.—it may be hard to understand, but I think is a fair summary of what that paragraph now does. ✓

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0210/3dn
DAK:cjs:jf

February 3, 2003

To Robert Blaine:

After talking with Anne Miller, I eliminated the sentence in the analysis concerning eliminating the requirement that nursing homes submit cost reports for certain costs. I did not, however, speak to her about the last paragraph of the analysis, which I am leaving in. That paragraph describes the changes brought about in the bill to s. 49.45 (6m) (av), stats.—it may be hard to understand, but I think is a fair summary of what that paragraph now does.

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State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0210/4

DAK:cjs

D-NOTE

EWLj

DOA:.....Blaine – BB0049, Nursing home payment formula changes
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

DO NOT GEN

- 1 AN ACT ...; relating to: changes to the formula for payment to nursing homes for
2 services to medical assistance recipients.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, payments to nursing homes for services to recipients under the Medical Assistance (MA) program, are made under a cost-based formula that considers certain costs of individual nursing homes, based on information from reports that the nursing homes submit to DHFS. The formula specifies cost centers of direct care, support services, fuel and utilities, net property tax or municipal services, administrative and general costs, interest expenses, and necessary capital payments. For direct care costs, DHFS must use standards that sample nursing homes in the state, as adjusted for regional labor cost variations. For nursing homes in Douglas, Pierce, and St. Croix counties, DHFS uses a federal Medicare program hospital wage index. To calculate a nursing home's payment rate, DHFS establishes a tentative payment rate by applying to information from nursing home cost reports certain standards and methods in calculating amounts payable for a rate year for the cost centers. DHFS then compiles a tentative average payment rate for each nursing home based on that nursing home's rates for cost centers that were in effect on June 30, 1994. Next, DHFS calculates a nursing home's projected cost per patient day. If the tentative payment rate is less than the tentative average payment rate, and

if the projected cost per patient day is more than the tentative payment rate, DHFS sets the nursing home's average payment rate as the tentative average payment rate or the tentative payment rate, whichever is greater; if not, DHFS sets the nursing home's average payment rate as the tentative payment rate.

This bill requires DHFS to make a flat-rate payment for MA nursing home costs, as determined by DHFS, for personal comfort supplies and allowable support service costs. Beginning July 1, 2004, this bill requires MA payment to nursing homes to be made on a flat-rate basis for support services (dietary services, environmental services, fuel and utilities, administrative and general costs) and direct care costs (personal comfort supplies, medical supplies, over-the-counter drugs and nonbillable services for ancillary nursing home personnel). Under the bill, the cost centers on which cost-based payment will continue to be made are nonbillable direct care costs for registered nurses, licensed practical nurses, and nurse's assistants; property tax or municipal services; interest expenses; and necessary capital payments. The bill combines the cost centers identified as support services, fuel and utilities, and administrative and general costs into a single cost center and clarifies that "costs for property taxes and municipal services" refer to paid, rather than incurred, costs.

In addition, the bill requires that under the standards for direct care costs of nursing homes, as adjusted for regional labor cost variations, DHFS use the federal Medicare program hospital wage index for nursing homes in the Minneapolis-St. Paul and Duluth-Superior federal standard metropolitan statistical areas (which include Douglas, Pierce, St. Croix, and Polk counties).

Lastly, the bill changes the procedure by which DHFS calculates a nursing home's payment rate, to require a calculation that is achieved by applying, to information from cost reports submitted by a nursing home, general standards for the nursing home payment system, information concerning the applicable cost centers, and costs for direct care, property taxes, municipal services, and capital payment, as affected by any adjustment necessary for charges for ancillary services and materials.

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

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

- 1 **SECTION 1.** 49.45 (6m) (a) 4. of the statutes is repealed.
- 2 **SECTION 2.** 49.45 (6m) (ag) 2. of the statutes is amended to read:
- 3 49.45 **(6m)** (ag) 2. Standards Except as provided in subd. 3r., standards
- 4 established by the department that shall be based upon allowable costs incurred by

1 facilities in the state as available from information submitted under par. (c) 3. and
2 compiled by the department.

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

4 49.45 (6m) (ag) 3m. For each state fiscal year 1999–2000, rates that shall be
5 set by the department based on information from cost reports for the 1998 most
6 recently completed fiscal year of the facility and for state fiscal year 2000–01, rates
7 ~~that shall be set by the department based on information from cost reports for the~~
8 ~~1999 fiscal year of the facility.~~

9 **SECTION 4.** 49.45 (6m) (ag) 3m. of the statutes, as affected by 2003 Wisconsin
10 Act (this act), is amended to read:

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

14 **SECTION 5.** 49.45 (6m) (ag) 3r. of the statutes is created to read:

15 49.45 (6m) (ag) 3r. Flat-rate payment, as determined by the department, for
16 costs specified under par. (am) 1. a. and 2.

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

19 49.45 (6m) (ag) 3r. Flat-rate payment, ~~as determined by the department,~~ for
20 all costs specified under par. (am) 1. a. and 2.

21 **SECTION 7.** 49.45 (6m) (am) 1. a. of the statutes is amended to read:

22 49.45 (6m) (am) 1. a. Personal comfort supplies; medical supplies;
23 over-the-counter drugs; and nonbillable services of a ward clerk, activity person,
24 recreation person, social worker, volunteer coordinator, teacher for residents aged 22

1 and older, vocational counselor for residents aged 22 and older, religious person,
2 therapy aide, therapy assistant, and counselor on resident living.

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

4 **SECTION 9.** 49.45 (6m) (am) 1. bm. of the statutes is created to read:

5 49.45 (6m) (am) 1. bm. Nonbillable services of a registered nurse, licensed
6 practical nurse and nurse's assistant.

7 **SECTION 10.** 49.45 (6m) (am) 1. d. of the statutes is repealed.

8 **SECTION 11.** 49.45 (6m) (am) 1. e. of the statutes is repealed.

9 **SECTION 12.** 49.45 (6m) (am) 3. (intro.) of the statutes is renumbered 49.45 (6m)
10 (am) 2. c. and amended to read:

11 49.45 (6m) (am) 2. c. Allowable fuel and utility costs, including the facility
12 expenses that the department determines are allowable for the provision of:
13 electrical service, water and sewer services, and heat.

14 **SECTION 13.** 49.45 (6m) (am) 3. a. of the statutes is repealed.

15 **SECTION 14.** 49.45 (6m) (am) 3. b. of the statutes is repealed.

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

17 **SECTION 16.** 49.45 (6m) (am) 4. of the statutes is amended to read:

18 49.45 (6m) (am) 4. ~~Net property~~ Property tax or allowable municipal service
19 costs ~~incurred~~ paid by the owner of the facility for the facility.

20 **SECTION 17.** 49.45 (6m) (am) 5. of the statutes is renumbered 49.45 (6m) (am)
21 2. d.

22 **SECTION 18.** 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

23 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
24 allowable direct care costs, for facilities that do not primarily serve the
25 developmentally disabled, that take into account direct care costs for a sample of all

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

10 **SECTION 19.** 49.45 (6m) (ar) 1. a. of the statutes, as affected by 2003 Wisconsin
 11 Act (this act), is amended to read:

12 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
 13 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily
 14 serve the developmentally disabled, that take into account direct care costs for a
 15 sample of all of those facilities in this state and separate standards for payment of
 16 allowable direct care costs, for facilities that primarily serve the developmentally
 17 disabled, that take into account direct care costs for a sample of all of those facilities
 18 in this state. The standards shall be adjusted by the department for regional labor
 19 cost variations. For facilities in the Minneapolis–St. Paul and the Duluth–Superior
 20 federal standard metropolitan statistical areas, the department shall perform the
 21 adjustment by use of the wage index that is used by the federal department of health
 22 and human services for hospital reimbursement under 42 USC 1395 to 1395ggg.

23 **SECTION 20.** 49.45 (6m) (ar) 2. (intro.) and 2. a. of the statutes are consolidated,
 24 renumbered 49.45 (6m) (ar) 2. and amended to read:

INSERT
5-22

1 49.45 (6m) (ar) 2. For support service costs: ~~2. a. The~~, the department shall
2 establish one or more standards for the payment of support service costs that take
3 into account support service costs for a sample of all facilities within the state.

4 **SECTION 21.** 49.45 (6m) (ar) 2. b. of the statutes is repealed.

5 **SECTION 22.** 49.45 (6m) (ar) 2. d. of the statutes is repealed.

6 **SECTION 23.** 49.45 (6m) (ar) 3. of the statutes is repealed.

7 **SECTION 24.** 49.45 (6m) (ar) 5. of the statutes is repealed.

8 **SECTION 25.** 49.45 (6m) (av) 1. of the statutes is renumbered 49.45 (6m) (av) and
9 amended to read:

10 49.45 (6m) (av) The department shall calculate a payment rate for a facility by
11 applying the criteria set forth under pars. (ag) 1. to 5. and 7., (am) 1. ~~to 5.~~ bm., 4., 5m.
12 and 6., and (ar) 1. ~~to 5., 4., and 6.~~ to information from cost reports submitted by the
13 facility, as affected by any adjustment for ancillary services and materials under par.
14 (b).

15 **SECTION 26.** 49.45 (6m) (av) 2. of the statutes is repealed.

16 **SECTION 27.** 49.45 (6m) (av) 3. of the statutes is repealed.

17 **SECTION 28.** 49.45 (6m) (av) 4. of the statutes is repealed.

18 **SECTION 29.** 49.45 (6m) (av) 5. of the statutes is repealed.

19 **SECTION 30.** 49.45 (6m) (av) 5m. of the statutes is repealed.

20 **SECTION 31.** 49.45 (6m) (av) 6. of the statutes is repealed.

21 **SECTION 32.** 49.45 (6m) (bc) of the statutes is repealed.

22 **SECTION 9424. Effective dates; health and family services.**

23 (1) NURSING HOME PAYMENT FORMULA. The treatment of section 49.45 (6m) (ag)
24 2. and 3m. (by SECTION 4), (am) 1. a., b., bm., d., and e., 3. (intro.), a., b., and c., and
25 5., (ar) 1. a. (by SECTION 19), 2. (intro.), a., b., and d., 3., and 5., (av) 1., 2., 3., 4., 5.,

1 5m., and 6., and (bc) of the statutes and the amendment of section 49.45 (6m) (ag) 3r.
2 of the statutes take effect on July 1, 2004.

3 (END)

D-NOTE

INSERT 5-22

***⁽²⁶⁾ NOTE: This is reconciled s. 49.45 (6m)(ar) 1.90

This section has been affected by drafts

with the following LRB#s: ^{ABA}~~7~~-0210/3 and

~~LRB~~ - 1252/20

D-NOTE

DAK:WLj:

To Robert Blaine[^]

If this draft reconciles LRB-0210/3 and
LRB-1252/2 Both LRB-0210 and LRB-1252

should continue to appear in the compiled bill

DAK

NOT

~~It removes the treatment of s. 49.45 (6m)
from LRB-0210/3~~

~~(ar) 1. a. and does not add it to~~

~~LRB-1252~~

It removes the treatment of s. 49.45 (6m)
ar. 1. a. (effective the day after bill publication)
from LRB-0210/3 and also removes from LRB-
0210/3 that treatment's amending language from
s. 49.45 (6m) (ar) 1. a. (effective July 1, 2004)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0210/4dn
DAK:wlj:pg

February 6, 2003

To Robert Blaine:

This draft reconciles LRB-0210/3 and LRB-1252/2. It removes the treatment of s. 49.45 (6m) ar. 1. a. (effective the day after bill publication) from LRB-0210/3 and also removes from LRB-0210/3 that treatment's amending language from s. 49.45 (6m) (ar) 1. a. (effective July 1, 2004). Both LRB-0210 and LRB-1252 should continue to appear in the compiled bill.

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State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0210/4
DAK:cjs&wlj:pg

DOA:.....Blaine – BB0049, Nursing home payment formula changes
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: changes to the formula for payment to nursing homes for
2 services to medical assistance recipients.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, payments to nursing homes for services to recipients under the Medical Assistance (MA) program, are made under a cost-based formula that considers certain costs of individual nursing homes, based on information from reports that the nursing homes submit to DHFS. The formula specifies cost centers of direct care, support services, fuel and utilities, net property tax or municipal services, administrative and general costs, interest expenses, and necessary capital payments. For direct care costs, DHFS must use standards that sample nursing homes in the state, as adjusted for regional labor cost variations. For nursing homes in Douglas, Pierce, and St. Croix counties, DHFS uses a federal Medicare program hospital wage index. To calculate a nursing home's payment rate, DHFS establishes a tentative payment rate by applying to information from nursing home cost reports certain standards and methods in calculating amounts payable for a rate year for the cost centers. DHFS then compiles a tentative average payment rate for each nursing home based on that nursing home's rates for cost centers that were in effect on June 30, 1994. Next, DHFS calculates a nursing home's projected cost per patient day. If the tentative payment rate is less than the tentative average payment rate, and

if the projected cost per patient day is more than the tentative payment rate, DHFS sets the nursing home's average payment rate as the tentative average payment rate or the tentative payment rate, whichever is greater; if not, DHFS sets the nursing home's average payment rate as the tentative payment rate.

This bill requires DHFS to make a flat-rate payment for MA nursing home costs, as determined by DHFS, for personal comfort supplies and allowable support service costs. Beginning July 1, 2004, this bill requires MA payment to nursing homes to be made on a flat-rate basis for support services (dietary services, environmental services, fuel and utilities, administrative and general costs) and direct care costs (personal comfort supplies, medical supplies, over-the-counter drugs and nonbillable services for ancillary nursing home personnel). Under the bill, the cost centers on which cost-based payment will continue to be made are nonbillable direct care costs for registered nurses, licensed practical nurses, and nurse's assistants; property tax or municipal services; interest expenses; and necessary capital payments. The bill combines the cost centers identified as support services, fuel and utilities, and administrative and general costs into a single cost center and clarifies that "costs for property taxes and municipal services" refer to paid, rather than incurred, costs.

Lastly, the bill changes the procedure by which DHFS calculates a nursing home's payment rate, to require a calculation that is achieved by applying, to information from cost reports submitted by a nursing home, general standards for the nursing home payment system, information concerning the applicable cost centers, and costs for direct care, property taxes, municipal services, and capital payment, as affected by any adjustment necessary for charges for ancillary services and materials.

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

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

1 **SECTION 1.** 49.45 (6m) (a) 4. of the statutes is repealed.

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

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

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

1 49.45 (6m) (ag) 3m. For each state fiscal year 1999–2000, rates that shall be
2 set by the department based on information from cost reports for the 1998 most
3 recently completed fiscal year of the facility and ~~for state fiscal year 2000–01, rates~~
4 ~~that shall be set by the department based on information from cost reports for the~~
5 ~~1999 fiscal year of the facility.~~

6 **SECTION 4.** 49.45 (6m) (ag) 3m. of the statutes, as affected by 2003 Wisconsin
7 Act (this act), is amended to read:

8 49.45 (6m) (ag) 3m. For each state fiscal year, rates that shall be set by the
9 department based on information from cost reports for costs specified under par. (am)
10 1. bm., 4., 5m., and 6. for the most recently completed fiscal year of the facility.

11 **SECTION 5.** 49.45 (6m) (ag) 3r. of the statutes is created to read:

12 49.45 (6m) (ag) 3r. Flat-rate payment, as determined by the department, for
13 costs specified under par. (am) 1. a. and 2.

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

16 49.45 (6m) (ag) 3r. Flat-rate payment, ~~as determined by the department,~~ for
17 all costs specified under par. (am) 1. a. and 2.

18 **SECTION 7.** 49.45 (6m) (am) 1. a. of the statutes is amended to read:

19 49.45 (6m) (am) 1. a. Personal comfort supplies; medical supplies;
20 over-the-counter drugs; and nonbillable services of a ward clerk, activity person,
21 recreation person, social worker, volunteer coordinator, teacher for residents aged 22
22 and older, vocational counselor for residents aged 22 and older, religious person,
23 therapy aide, therapy assistant, and counselor on resident living.

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

25 **SECTION 9.** 49.45 (6m) (am) 1. bm. of the statutes is created to read:

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

3 **SECTION 10.** 49.45 (6m) (am) 1. d. of the statutes is repealed.

4 **SECTION 11.** 49.45 (6m) (am) 1. e. of the statutes is repealed.

5 **SECTION 12.** 49.45 (6m) (am) 3. (intro.) of the statutes is renumbered 49.45 (6m)
6 (am) 2. c. and amended to read:

7 49.45 (6m) (am) 2. c. Allowable fuel and utility costs, including the facility
8 expenses that the department determines are allowable for the provision of:
9 electrical service, water and sewer services, and heat.

10 **SECTION 13.** 49.45 (6m) (am) 3. a. of the statutes is repealed.

11 **SECTION 14.** 49.45 (6m) (am) 3. b. of the statutes is repealed.

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

13 **SECTION 16.** 49.45 (6m) (am) 4. of the statutes is amended to read:

14 49.45 (6m) (am) 4. ~~Net property~~ Property tax or allowable municipal service
15 costs ~~incurred~~ paid by the owner of the facility for the facility.

16 **SECTION 17.** 49.45 (6m) (am) 5. of the statutes is renumbered 49.45 (6m) (am)
17 2. d.

18 **SECTION 18.** 49.45 (6m) (ar) 1. a. of the statutes, as affected by 2003 Wisconsin
19 Act (this act), is amended to read:

20 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of
21 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily
22 serve the developmentally disabled, that take into account direct care costs for a
23 sample of all of those facilities in this state and separate standards for payment of
24 allowable direct care costs, for facilities that primarily serve the developmentally
25 disabled, that take into account direct care costs for a sample of all of those facilities

1 in this state. The standards shall be adjusted by the department for regional labor
2 cost variations.

****NOTE: This is reconciled s. 49.45 (6m) (ar) 1. a. This SECTION has been affected
by drafts with the following LRB numbers: LRB-0210/3 and LRB-1252/2.

3 SECTION 19. 49.45 (6m) (ar) 2. (intro.) and 2. a. of the statutes are consolidated,
4 renumbered 49.45 (6m) (ar) 2. and amended to read:

5 49.45 (6m) (ar) 2. For support service costs: ~~2. a.~~ The , the department shall
6 establish one or more standards for the payment of support service costs that take
7 into account support service costs for a sample of all facilities within the state.

8 SECTION 20. 49.45 (6m) (ar) 2. b. of the statutes is repealed.

9 SECTION 21. 49.45 (6m) (ar) 2. d. of the statutes is repealed.

10 SECTION 22. 49.45 (6m) (ar) 3. of the statutes is repealed.

11 SECTION 23. 49.45 (6m) (ar) 5. of the statutes is repealed.

12 SECTION 24. 49.45 (6m) (av) 1. of the statutes is renumbered 49.45 (6m) (av) and
13 amended to read:

14 49.45 (6m) (av) The department shall calculate a payment rate for a facility by
15 applying the criteria set forth under pars. (ag) 1. to 5. and 7., (am) 1. ~~to 5.~~ bm., 4., 5m.
16 and 6., and (ar) 1. ~~to 5., 4., and 6.~~ to information from cost reports submitted by the
17 facility, as affected by any adjustment for ancillary services and materials under par.
18 (b).

19 SECTION 25. 49.45 (6m) (av) 2. of the statutes is repealed.

20 SECTION 26. 49.45 (6m) (av) 3. of the statutes is repealed.

21 SECTION 27. 49.45 (6m) (av) 4. of the statutes is repealed.

22 SECTION 28. 49.45 (6m) (av) 5. of the statutes is repealed.

23 SECTION 29. 49.45 (6m) (av) 5m. of the statutes is repealed.

1 **SECTION 30.** 49.45 (6m) (av) 6. of the statutes is repealed.

2 **SECTION 31.** 49.45 (6m) (bc) of the statutes is repealed.

3 **SECTION 9424. Effective dates; health and family services.**

4 (1) NURSING HOME PAYMENT FORMULA. The treatment of section 49.45 (6m) (ag)
5 2. and 3m. (by SECTION 4), (am) 1. a., b., bm., d., and e., 3. (intro.), a., b., and c., and
6 5., (ar) 1. a. (by SECTION 18), 2. (intro.), a., b., and d., 3., and 5., (av) 1., 2., 3., 4., 5.,
7 5m., and 6., and (bc) of the statutes and the amendment of section 49.45 (6m) (ag) 3r.
8 of the statutes take effect on July 1, 2004.

9 **(END)**