

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

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

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

6 46.90 (4) (b) 2. c. Any person not described in this subd. 2. a. or b. who is
7 retaliated or discriminated against in violation of subd. 1. may commence an action
8 in circuit court for damages incurred as a result of the violation.

9 **SECTION 1179.** 46.93 of the statutes is repealed.

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

11 46.973 (3) The department may accept, receive, administer, and expend any
12 money, material, or other gifts or grants of any description for purposes related to
13 those set forth in this section. Moneys and grants received under this section shall
14 be deposited with the ~~state treasurer~~ secretary of administration and shall be
15 credited to the department under s. 20.435 (2) (i) and expended by the department
16 or the state council on alcohol and other drug abuse for the purposes specified.

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

18 46.997 (2) (b) The department of health and family services shall award the
19 grants under par. (a) on a competitive basis and according to request-for-proposal
20 procedures that the department of health and family services shall prescribe in
21 consultation with the department of workforce development, ~~the adolescent~~
22 ~~pregnancy prevention and pregnancy services board~~, local health departments, as
23 defined in s. 250.01 (4), and other providers of services to eligible persons. Those
24 request-for-proposal procedures shall include a requirement that a private agency
25 that applies for a grant under par. (a) include in its grant application proof that the

1 private agency has the cultural competency to provide services under the grant to
2 persons and families in the various cultures in the private agency's target population
3 and that cultural competency is incorporated in the private agency's policies,
4 administration, and practices. In awarding the grants under par. (a), the
5 department of health and family services shall consider the need for those grants to
6 be distributed both on a statewide basis and in the areas of the state with the greatest
7 need for 2nd-chance homes and the need to provide placements for children who are
8 voluntarily placed in a 2nd-chance home as well as for children who are placed in
9 a 2nd-chance home by court order.

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

11 47.02 (6) (a) From the appropriation under s. 20.445 (5) ~~(bm)~~ (a), provide
12 financial aid to any person with a disability who is receiving vocational
13 rehabilitation training and who has no other source of aid.

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

15 47.03 (4) (b) The department may charge a portion of the expenses of its
16 supervised business enterprise program to the net proceeds of each business
17 operating under the program. The department shall establish the procedure for
18 setting these charges by rule, with the participation of a committee of blind vendors
19 established under 20 USC 107b-1. The department shall deposit the moneys from
20 the charges made under this paragraph in the ~~appropriations~~ appropriation
21 accounts under ~~ss. 20.435 (7) (kd) and s. 20.445 (5) (h) and (he).~~

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

23 47.03 (7) If the department decides that a business under sub. (4) would not
24 be feasible and profitable in any state building, the department may contract with
25 vending machine operators to install vending machines in the building, giving

1 preference to blind operators of vending machines. The department may, under the
2 procedures established as required under sub. (4) (b), charge the net proceeds of each
3 business operating under this subsection. The department shall deposit the moneys
4 from the charges made under this subsection in the ~~appropriations~~ appropriation
5 account under s. 20.445 (5) (h) ~~and (hd)~~ and shall disburse the proceeds to provide
6 services to blind persons under sub. (4) in accordance with 20 USC 107 to 107f.

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

8 47.03 (11) (e) The department shall distribute at least \$218,600 from the
9 appropriations in s. 20.445 (5) ~~(bm)~~ (a) and ~~(na)~~ (n) in each fiscal year for homecraft
10 services relating to the marketing and distribution of homecraft products for each
11 client who participates in the homecraft program.

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

13 48.275 (2) (d) 1. In a county having a population of less than 500,000,
14 reimbursement payments shall be made to the clerk of courts of the county where the
15 proceedings took place. Each payment shall be transmitted to the county treasurer,
16 who shall deposit 25% of the amount paid for state–provided counsel in the county
17 treasury and transmit the remainder to the ~~state–treasurer~~ secretary of
18 administration. Payments transmitted to the ~~state–treasurer~~ secretary of
19 administration shall be deposited in the general fund and credited to the
20 appropriation account under s. 20.550 (1) (L). The county treasurer shall deposit
21 100% of the amount paid for county–provided counsel in the county treasury.

22 2. In a county having a population of 500,000 or more, reimbursement
23 payments shall be made to the clerk of courts of the county where the proceedings
24 took place. Each payment shall be transmitted to the ~~state–treasurer~~ secretary of
25 administration, who shall deposit the amount paid in the general fund and credit

1 25% of the amount paid to the appropriation account under s. 20.435 (3) (gx) and the
2 remainder to the appropriation account under s. 20.550 (1) (L).

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

4 48.715 (3) (a) 3. A person against whom the department has assessed a
5 forfeiture shall pay that forfeiture to the department within 10 days after receipt of
6 notice of the assessment or, if that person contests that assessment under s. 48.72,
7 within 10 days after receipt of the final decision after exhaustion of administrative
8 review or, if that person petitions for judicial review under ch. 227, within 10 days
9 after receipt of the final decision after exhaustion of judicial review. The department
10 shall remit all forfeitures paid under this subdivision to the ~~state treasurer~~ secretary
11 of administration for deposit in the school fund.

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

13 48.981 (1) (b) “Community placement” means probation; extended supervision;
14 parole; aftercare; conditional transfer into the community under s. 51.35 (1);
15 conditional transfer or discharge under s. 51.37 (9); placement in a Type 2 child
16 caring institution or a Type 2 secured correctional facility authorized under s.
17 938.539 (5); conditional release under s. 971.17; supervised release under s. 980.06
18 or 980.08; participation in the community residential confinement program under
19 s. 301.046, the halfway house program under s. 301.0465, the intensive sanctions
20 program under s. 301.048, the corrective sanctions program under s. 938.533, the
21 intensive supervision program under s. 938.534 or the serious juvenile offender
22 program under s. 938.538; or any other placement of an adult or juvenile offender in
23 the community under the custody or supervision of the department of corrections, the
24 department of health and family services, a county department under s. 46.215,
25 46.22, 46.23, 51.42 or 51.437 or any other person under contract with the department

1 of corrections, the department of health and family services or a county department
2 under s. 46.215, 46.22, 46.23, 51.42 or 51.437 to exercise custody or supervision over
3 the offender.

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

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

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

23 48.985 (2) COMMUNITY SOCIAL AND MENTAL HYGIENE SERVICES. From the
24 appropriation under s. 20.435 (7) (o), the department shall distribute not more than
25 \$3,964,400 ~~\$3,809,600~~ in each fiscal year of the moneys received under 42 USC 620

1 to 626 to county departments under ss. 46.215, 46.22, and 46.23 for the provision or
2 purchase of child welfare projects and services, for services to children and families,
3 for services to the expectant mothers of unborn children, and for family-based child
4 welfare services.

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

6 49.138 (1m) (intro.) The department shall implement a program of emergency
7 assistance to needy persons in cases of fire, flood, natural disaster, homelessness or
8 impending homelessness, or energy crisis. The department shall establish the
9 maximum amount of aid to be granted, except for cases of energy crisis, per family
10 member based on the funding available under s. 20.445 (3) (~~de~~) (dz) and (md). The
11 department need not establish the maximum amount by rule under ch. 227. The
12 department shall publish the maximum amount and annual changes to it in the
13 Wisconsin administrative register. Emergency assistance provided to needy persons
14 under this section in cases of fire, flood, natural disaster, or energy crisis may only
15 be provided to a needy person once in a 12-month period. Emergency assistance
16 provided to needy persons under this section in cases of homelessness or impending
17 homelessness may be used only to obtain or retain a permanent living
18 accommodation and, except as provided in sub. (2), may only be provided to a needy
19 person once in a 36-month period. For the purposes of this section, a family is
20 considered to be homeless, or to be facing impending homelessness, if any of the
21 following applies:

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

24 49.147 (1m) (b) Upon determining If the Wisconsin Works agency determines
25 that the appropriate placement for an individual is in unsubsidized employment or

1 a trial job, ~~the Wisconsin works agency shall conduct an educational needs~~
2 ~~assessment of the individual. If the Wisconsin works agency determines and that the~~
3 ~~individual needs and wishes to pursue basic education, including a course of study~~
4 ~~meeting the standards established under s. 115.29 (4) (a) for the granting of a~~
5 ~~declaration of equivalency of high school graduation, and if the individual wishes to~~
6 ~~pursue basic education, the Wisconsin works agency shall include basic education in~~
7 ~~an employability plan developed for the individual. The Wisconsin works Works~~
8 ~~agency shall pay for the basic education services identified in the employability plan~~
9 ~~developed for the individual.~~

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

11 49.147 (1m) (a) A Wisconsin Works agency shall conduct an educational needs
12 assessment of each individual who applies for a Wisconsin Works employment
13 position. If the individual and the Wisconsin Works agency determine that the
14 individual needs, or would benefit from, education or training activities, including
15 a course of study meeting the standards established under s. 115.29 (4) (a) for the
16 granting of a declaration of equivalency of high school graduation, and if the
17 Wisconsin Works agency determines that the individual is eligible for a Wisconsin
18 Works employment position, the Wisconsin Works agency shall include education or
19 training activities in any employability plan developed for the individual.

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

21 49.147 (6) (c) *Distribution and administration.* From the appropriations under
22 s. 20.445 (3) (e) (dz), (jL), and (md), the department shall distribute funds for job
23 access loans to a Wisconsin works Works agency, which shall administer the loans
24 in accordance with rules promulgated by the department.

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

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

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

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

13 49.155 (1g) (b) From the appropriation under s. 20.445 (3) (mc), distribute
14 \$44,955,200 \$7,593,500 in fiscal year ~~2001–02~~ 2003–04 and ~~\$27,977,500~~ \$7,597,300
15 in fiscal year ~~2002–03~~ for the purposes of providing technical assistance for child care
16 providers, 2004–05 for administering the child care program under this section and
17 for grants under s. 49.136 (2) for the start-up and expansion of child day care
18 services, for child day care start-up and expansion planning, for grants under s.
19 49.134 (2) for child day care resource and referral services, for grants under s. 49.137
20 (3) to assist child care providers in meeting the quality of care standards established
21 under sub. (1d), for a system of rates or a program of grants, as provided under sub.
22 (1d), for reimbursement of child care providers that meet those quality of care
23 standards, for grants under s. 49.137 (2) and (4m), for a child care scholarship and
24 bonus program, for safe child care activities, and for administration of the

1 department's office of child care, ~~and for contracts under s. 49.137 (4) to improve the~~
2 ~~quality of child day care services in this state.~~

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

4 49.155 (1g) (c) From the appropriation account under s. 20.445 (3) (mc),
5 transfer ~~\$4,549,500~~ \$4,440,600 in fiscal year ~~2001–02~~ 2003–04 and ~~\$4,733,700~~
6 \$4,507,900 in fiscal year ~~2002–03~~ 2004–05 to the appropriation account under s.
7 20.435 (3) (kx).

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

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

10 49.1635 (1) To the extent permitted under federal law and subject to sub. (2),
11 from the appropriation under s. 20.445 (3) (md) the department ~~shall~~ may distribute
12 funds to the Wisconsin Trust Account Foundation in an amount equal up to the
13 amount received by the foundation from private donations, but not to exceed
14 \$100,000 in ~~each~~ a fiscal year. Except as provided in sub. (4), funds distributed under
15 this subsection may be used only for the provision of legal services to individuals who
16 are eligible for temporary assistance for needy families under 42 USC 601 et seq. and
17 whose incomes are at or below 200% of the poverty line.

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

19 49.167 (1) (intro.) The department ~~shall~~ may award grants to counties, tribal
20 governing bodies, and private entities to provide community-based alcohol and
21 other drug abuse treatment programs that are targeted at individuals who have a
22 family income of not more than 200% of the poverty line and who are eligible for
23 temporary assistance for needy families under 42 USC 601 et seq. and that do all of
24 the following:

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

1 49.167 (2) (intro.) The department shall do all of the following with respect to
2 the any grants awarded under par. (a):

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

4 49.169 (2) The department shall may award ~~not more than~~ \$1,404,100 in
5 grants to qualified applicants for the provision of literacy training to individuals who
6 are eligible for temporary assistance for needy families under 42 USC 601 ~~et. et~~ seq.

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

8 49.169 (4) The department, in consultation with the technical college system
9 board, the department of public instruction, and the governor's office, shall develop
10 written criteria to be used to evaluate the any grant proposals and to allocate the any
11 grants under this section among the successful grant applicants.

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

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

14 49.175 (1) ALLOCATION OF FUNDS. (intro.) Except as provided in sub. (2), within
15 the limits of the appropriations under s. 20.445 (3) (a), (cm), ~~(de)~~, (dz), ~~(e)~~, (jL), (k),
16 ~~(kx)~~, (L), (mc), (md), (nL), ~~(pm)~~, and ~~(ps)~~ (s), the department shall allocate the
17 following amounts for the following purposes:

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

19 49.175 (1) (a) ~~Wisconsin works~~ Works benefits. For Wisconsin ~~works~~ Works
20 benefits provided under contracts having a term that begins on January 1, 2000
21 2002, and ends on December 31, ~~2001~~ 2003, \$24,654,800 ~~\$24,654,800~~ \$33,219,700 in fiscal year
22 ~~2001–02~~ 2003–04; and for Wisconsin ~~works~~ Works benefits provided under contracts
23 having a term that begins on January 1, ~~2002~~ 2004, and ends on December 31, 2003
24 2005, \$24,654,800 ~~\$24,654,800~~ \$33,219,700 in fiscal year ~~2001–02~~ 2003–04 and \$49,309,600
25 \$66,439,400 in fiscal year ~~2002–03~~ 2004–05.

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

2 49.175 (1) (b) *Wisconsin works* Works administration and ancillary services.

3 For administration of Wisconsin works and program services under Wisconsin works
4 Works performed under contracts under s. 49.143 having a term that begins on
5 January 1, ~~2000~~ 2002, and ends on December 31, ~~2001, \$63,269,900~~ 2003,
6 \$10,582,800 in fiscal year ~~2001–02~~ 2003–04; and for administration of Wisconsin
7 ~~works and program services under Wisconsin works~~ Works performed under
8 contracts under s. 49.143 having a term that begins on January 1, ~~2002~~ 2004, and
9 ends on December 31, ~~2003, \$49,610,800~~ 2005, \$10,582,900 in fiscal year ~~2001–02~~
10 2003–04 and ~~\$99,221,600~~ \$21,165,700 in fiscal year ~~2002–03~~ 2004–05.

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

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

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

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

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

19 49.175 (1) (f) *Wisconsin Works ancillary services.* For program services under
20 Wisconsin Works, including transportation assistance for individuals who are
21 eligible to receive temporary assistance for needy families under 42 USC 601 et seq.,
22 provided under contracts under s. 49.143 having a term that begins on January 1,
23 2002, and ends on December 31, 2003, \$27,803,300 in fiscal year 2003–04; and for
24 program services under Wisconsin Works, including transportation assistance for
25 individuals who are eligible to receive temporary assistance for needy families under

1 42 USC 601 et seq., education and training, mentoring, and other services provided
2 under contracts under s. 49.143 having a term that begins on January 1, 2004, and
3 ends on December 31, 2005, \$27,803,300 in fiscal year 2003–04 and \$55,606,600 in
4 fiscal year 2004–05.

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

6 49.175 (1) (g) *State administration of public assistance programs.* For state
7 administration of public assistance programs, ~~\$24,680,700 in fiscal year 2001–02~~
8 ~~and \$24,693,200~~ \$18,484,600 in each fiscal year ~~2002–03~~.

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

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

11 49.175 (1) (i) *Emergency assistance.* For emergency assistance under s. 49.138,
12 ~~\$3,300,000~~ \$4,500,000 in each fiscal year.

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

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

15 49.175 (1) (n) *Job access loans.* For job access loans under s. 49.147 (6),
16 ~~\$600,000~~ \$200,000 in each fiscal year.

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

18 49.175 (1) (p) *Direct child care services.* For direct child care services under s.
19 49.155, ~~\$274,500,000~~ \$298,640,600 in fiscal year ~~2001–02~~ 2003–04 and
20 ~~\$305,550,000~~ \$308,040,600 in fiscal year ~~2002–03~~ 2004–05.

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

22 49.175 (1) (q) *Indirect child care services.* For indirect child care services under
23 s. 49.155 (1g), ~~\$24,293,900~~ \$9,559,400 in fiscal year ~~2001–02~~ 2003–04 and
24 ~~\$15,458,000~~ \$9,626,700 in fiscal year ~~2002–03~~ 2004–05.

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

1 49.175 (1) (qm) *Local pass-through grant program.* For the local pass-through
2 grant program under s. 49.137 (4m), ~~\$25,210,800~~ \$2,475,100 in fiscal year ~~2001–02~~
3 ~~2003–04~~ and ~~\$17,253,200~~ \$2,478,500 in fiscal year ~~2002–03~~ 2004–05.

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

5 49.175 (1) (r) *Early childhood excellence initiative.* For grants under s. 49.1375,
6 ~~\$11,395,900~~ in fiscal year ~~2001–02~~ and ~~\$2,750,000~~ \$2,500,000 in each fiscal year
7 ~~2002–03~~.

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

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

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

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

12 49.175 (1) (z) *Community youth grant Grants to the Boys and Girls Clubs of*
13 *America.* For a ~~competitive grant program administered by the department grants~~
14 ~~to the Wisconsin Chapter of the Boys and Girls Clubs of America~~ to fund programs
15 that improve social, academic, and employment skills of youth who are eligible to
16 receive temporary assistance for needy families under 42 USC 601 et seq.,
17 ~~\$7,829,700~~ in fiscal year ~~2001–02~~ and ~~\$300,000~~ in each fiscal year ~~2002–03~~.

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

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

20 49.175 (1) (ze) 1. ‘Kinship care and long-term kinship care assistance.’ For the
21 kinship care and long-term kinship care programs under s. 48.57 (3m), (3n), and
22 (3p), ~~\$24,852,600~~ \$24,122,200 in each fiscal year.

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

24 49.175 (1) (ze) 2. ‘Children of recipients of supplemental security income.’ For
25 payments made under s. 49.775 for the support of the dependent children of

1 recipients of supplemental security income, ~~\$20,145,000~~ \$26,397,200 in fiscal year
2 ~~2001–02 2003–04~~ and ~~\$19,796,000~~ \$29,175,100 in fiscal year ~~2002–03~~ 2004–05.

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

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

5 49.175 (1) (ze) 7. ‘Adolescent Brighter Futures and tribal adolescent services
6 ~~and pregnancy prevention programs.~~’ For adolescent services substance abuse and
7 pregnancy prevention programs under ss. ~~46.93~~, 46.99, and 46.995, ~~\$1,816,500~~
8 \$1,367,100 in each fiscal year.

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

10 49.175 (1) (ze) 8. ‘Domestic abuse services grants.’ For the domestic abuse
11 services grants under s. 46.95 (2), ~~\$1,000,000~~ \$750,000 in each fiscal year.

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

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

14 49.175 (1) (ze) 10m. ‘Safety services.’ For services provided in counties having
15 a population of 500,000 or more to ensure the safety of children who the department
16 of health and family services determines may remain at home if appropriate services
17 are provided, ~~\$7,094,100~~ \$7,045,500 in each fiscal year.

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

19 49.175 (1) (ze) 12. ‘Milwaukee and statewide child welfare administration.’ For
20 the costs associated with the Milwaukee child welfare information system and the
21 Wisconsin statewide automated child welfare information system, ~~\$1,695,700~~ in
22 fiscal year 2003–04 and ~~\$1,741,300~~ in fiscal year 2004–05.

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

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

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

1 49.175 (1) (zh) *Taxable years 1999 and thereafter.* For the transfer of moneys
2 from the appropriation account under s. 20.445 (3) (md) to the appropriation account
3 under s. 20.835 (2) (kf) for the earned income tax credit, \$51,244,500 \$57,892,000 in
4 fiscal year 2001–02 2003–04 and \$55,160,000 \$59,532,000 in fiscal year 2002–03
5 2004–05.

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

7 49.175 (1) (zj) *Head start* Start. For the transfer of moneys to the department
8 of public instruction for head-start Head Start agencies, \$3,712,500 \$3,500,000 in
9 each fiscal year.

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

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

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

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

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

22 49.19 (5) (d) The department shall reimburse the county for the funeral, burial,
23 and cemetery expenses of a dependent child or the child's parents as provided in s.
24 ~~49.30~~ 49.785.

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

1 49.19 (14) (b) If the ~~state treasurer~~ secretary of administration is unable to
2 issue a replacement check or draft requested under par. (a) because the original has
3 been paid, the department shall promptly authorize the issuance of a replacement
4 check or draft. If the ~~state treasurer~~ secretary of administration recovers the amount
5 of the original check or draft that amount shall be returned to the department. If the
6 ~~state treasurer~~ secretary of administration is unable to obtain recovery, the
7 department may pursue recovery.

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

9 49.22 (7m) The department may contract with or employ a collection agency
10 or other person to enforce a support obligation of a parent who is delinquent in
11 making support payments and may contract with or employ an attorney to appear
12 in an action in state or federal court to enforce such an obligation. To pay for the
13 department's administrative costs of implementing this subsection, the department
14 may charge a fee to counties, ~~retain up to 50% of any incentive payment made to this~~
15 ~~state under 42 USC 658 for a collection under this subsection, and retain use federal~~
16 matching funds or funds retained by the department under s. 49.24 (2) (c), or use up
17 to 30% of this state's share of a collection made under this subsection on behalf of a
18 recipient of aid to families with dependent children or a recipient of kinship care
19 payments under s. 48.57 (3m) or long-term kinship care payments under s. 48.57
20 (3n).

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

22 49.24 (2) (b) Subject to the incentive payments limit specified in par. (a), the
23 department shall distribute to counties, in accordance with the formula established
24 under par. (a), all of the following:

1 1. Of the amount of federal child support incentive payments awarded to the
2 state for federal fiscal year 2002, the amount awarded if that amount is less than
3 \$12,340,000, or \$12,340,000 plus 50% of the amount awarded that exceeds
4 \$12,340,000.

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

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

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

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

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

20 49.24 (2) (d) If the amount of federal child support incentive payments awarded
21 to the state for a federal fiscal year is less than \$12,340,000, the total of payments
22 distributed to counties under par. (b) and sub. (1) for that federal fiscal year may not
23 exceed \$12,340,000.

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

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

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

6 49.785 (2) From the ~~appropriations under s. 20.445 (3) (dz) and (md)~~
7 appropriation under s. 20.435 (4) (bn), the department shall reimburse a county or
8 applicable tribal governing body or organization for any amount that the county or
9 applicable tribal governing body or organization is required to pay under sub. (1).
10 From the ~~appropriations under s. 20.445 (3) (dz) and (md)~~ appropriation under s.
11 20.435 (4) (bn), the department shall reimburse a county or applicable tribal
12 governing body or organization for cemetery expenses or for funeral and burial
13 expenses for persons described under sub. (1) that the county or applicable tribal
14 governing body or organization is not required to pay under subs. (1) and (1m) only
15 if the department approves the reimbursement due to unusual circumstances.

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

17 **SECTION 1308.** 49.33 of the statutes is renumbered 49.78, and 49.78 (1) (b), (2),
18 (4), (7), (8) (a) and (10), as renumbered, are amended to read:

19 49.78 (1) (b) “Income maintenance program” means the ~~medical assistance~~
20 Medical Assistance program under subch. IV of ch. 49, the ~~badger care~~ Badger Care
21 health care program under s. 49.665, ~~or~~ the food stamp program under 7 USC 2011
22 to 2036, or the cemetery, funeral, and burial expenses program under s. 49.785.

23 (2) **CONTRACTS.** Annually, the department ~~of health and family services~~ shall
24 contract with county departments under ss. 46.215, 46.22, and 46.23, and may
25 contract with tribal governing bodies, to reimburse the county departments and

1 tribal governing bodies for the reasonable cost of administering income maintenance
2 programs.

3 (4) RULES; MERIT SYSTEM. The department of workforce development shall
4 promulgate rules for the efficient administration of aid to families with dependent
5 children in agreement with the requirement for federal aid, including the
6 establishment and maintenance of personnel standards on a merit basis. The
7 provisions of this section relating to personnel standards on a merit basis supersede
8 any inconsistent provisions of any law relating to county personnel. This subsection
9 shall not be construed to invalidate the provisions of s. 46.22 (1) (d).

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

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

1 (10) COUNTY CERTIFICATION. (a) Each county treasurer and director of a county
2 department under s. 46.215, 46.22, or 46.23 and each tribal governing body shall
3 certify monthly under oath to the department of ~~health and family services~~ in such
4 manner as the department of ~~health and family services~~ prescribes the claim of the
5 county for state reimbursement under sub. (8) (a). The department of ~~health and~~
6 ~~family services~~ shall review each claim of reimbursement and, if the department of
7 ~~health and family services~~ approves the claim, the department of ~~health and family~~
8 ~~services~~ shall certify to the department of administration for reimbursement to the
9 county for amounts due under sub. (8) (a) and payment claimed to be made to the
10 counties monthly. The department of ~~health and family services~~ may make advance
11 payments prior to the beginning of each month equal to one-twelfth of the contracted
12 amount.

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

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

23 49.45 (2) (a) 3. Determine the eligibility of persons for medical assistance,
24 rehabilitative, and social services under ss. 49.46, 49.468, and 49.47 and rules and
25 policies adopted by the department and ~~shall~~ may, under a contract under s. 49.33

1 49.78 (2), designate delegate all, or any portion, of this function to the county
2 department under s. 46.215, 46.22, or 46.23 or a tribal governing body.

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

4 49.45 (2) (a) 17. Notify the governor, the joint committee on legislative
5 organization, the joint committee on finance and appropriate standing committees,
6 as determined by the presiding officer of each house, if the appropriation accounts
7 under s. 20.435 (4) (b) is and (gp) are insufficient to provide the state share of medical
8 assistance.

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

10 49.45 (2) (a) 26. For recipients of Medical Assistance who are eligible for the
11 Supplemental Security Income Program under 42 USC 1382 to 1383f, who are not
12 eligible under s. 49.468, who are not minors, and who are required to be enrolled in
13 managed care plans, annually do all of the following:

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

19 b. Submit the proposed contracts for managed care plans for the recipients to
20 the appropriate standing committees of the legislature for review before offering the
21 contracts to managed care organizations for bidding.

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

23 49.45 (3) (a) Reimbursement shall be made to each county department under
24 ss. 46.215, 46.22, and 46.23 for the any administrative services performed in the
25 ~~medical assistance~~ Medical Assistance program on the basis of s. ~~49.33~~ 49.78 (8). For

1 purposes of reimbursement under this paragraph, assessments completed under s.
2 46.27 (6) (a) are administrative services performed in the ~~medical assistance~~ Medical
3 Assistance program.

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

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

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

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

24 49.45 (5) (b) 2. (intro.) If a recipient requests a hearing within the timely notice
25 period specified in 42 CFR 431.231 (c), medical assistance coverage shall not be

1 suspended, reduced, or discontinued until a decision is rendered after the hearing
2 but medical assistance payments made pending the hearing decision may be
3 recovered by the department if the contested decision or failure to act is upheld. The
4 department shall promptly notify the county department or, if a Wisconsin works
5 agency If a county department is responsible for making the medical assistance
6 determination, the Wisconsin works agency department shall notify the county
7 department of the county in which the recipient resides that the recipient has
8 requested a hearing. Medical assistance coverage shall be suspended, reduced, or
9 discontinued if:

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

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

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

21 49.45 (6b) CENTERS FOR THE DEVELOPMENTALLY DISABLED. From the
22 appropriation under s. 20.435 (2) (gk), the department may reimburse the cost of
23 services provided by the centers for the developmentally disabled. Reimbursement
24 to the centers for the developmentally disabled shall be reduced following each
25 placement made under s. 46.275 that involves a relocation from a center for the

1 developmentally disabled, by ~~\$200 per day, beginning in fiscal year 2001–02, and by~~
2 ~~\$225 per day, beginning in fiscal year 2002–03, and by \$325 per day, beginning in~~
3 ~~fiscal year 2004–05.~~

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

5 49.45 (6c) (a) 6m. “Intermediate facility” has the meaning given in s. 46.279
6 (1) (a).

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

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

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

24 49.45 (6c) (c) *Resident review.* (intro.) Except as provided in par. (e), the
25 department or an entity to which the department has delegated authority shall

1 review every resident of a facility or institution for mental diseases who has a
2 developmental disability or mental illness and who has experienced a significant
3 change in his or her physical or mental condition to determine if any all of the
4 following applies:

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

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

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

8 49.45 (6c) (c) 2. The Whether the resident requires active treatment for
9 developmental disability or active treatment for mental illness.

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

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

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

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

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

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

1 49.45 (6m) (ag) 2. Standards Except as provided in subd. 3r., standards
2 established by the department that shall be based upon allowable costs incurred by
3 facilities in the state as available from information submitted under par. (c) 3. and
4 compiled by the department.

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

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

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

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

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

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

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

21 49.45 (6m) (ag) 3r. Flat–rate payment, ~~as determined by the department~~, for
22 all costs specified under par. (am) 1. a. and 2.

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

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

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

5 49.45 (6m) (am) 1. a. Personal comfort supplies; medical supplies;
6 over-the-counter drugs; and nonbillable services of a ward clerk, activity person,
7 recreation person, social worker, volunteer coordinator, teacher for residents aged 22
8 and older, vocational counselor for residents aged 22 and older, religious person,
9 therapy aide, therapy assistant, and counselor on resident living.

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

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

12 49.45 (6m) (am) 1. bm. Nonbillable services of a registered nurse, licensed
13 practical nurse and nurse's assistant.

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

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

16 **SECTION 1339.** 49.45 (6m) (am) 3. (intro.) of the statutes is renumbered 49.45
17 (6m) (am) 2. c. and amended to read:

18 49.45 (6m) (am) 2. c. Allowable fuel and utility costs, including the facility
19 expenses that the department determines are allowable for the provision of:
20 electrical service, water and sewer services, and heat.

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

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

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

24 **SECTION 1343.** 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 1344.** 49.45 (6m) (am) 5. of the statutes is renumbered 49.45 (6m) (am)
4 2. d.

5 **SECTION 1346d.** 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 under par. (am) 1. bm., for facilities that do not primarily
8 serve the developmentally disabled, that take into account direct care costs for a
9 sample of all of those facilities in this state and separate standards for payment of
10 allowable direct care costs, for facilities that primarily serve the developmentally
11 disabled, that take into account direct care costs for a sample of all of those facilities
12 in this state. The standards shall be adjusted by the department for regional labor
13 cost variations. For facilities in Douglas, Pierce, and St. Croix counties, the
14 department shall perform the adjustment by use of the wage index that is used by
15 the federal department of health and human services for hospital reimbursement
16 under 42 USC 1395 to 1395ggg.

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

19 49.45 (6m) (ar) 2. For support service costs: ~~2. a. The,~~ the department shall
20 establish one or more standards for the payment of support service costs that take
21 into account support service costs for a sample of all facilities within the state.

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

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

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

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

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

3 49.45 **(6m)** (av) The department shall calculate a payment rate for a facility by
4 applying the criteria set forth under pars. (ag) 1. to 5. and 7., (am) 1. to ~~5.~~ bm., 4., 5m.
5 and 6., and (ar) 1. to ~~5., 4., and 6.~~ to information from cost reports submitted by the
6 facility, as affected by any adjustment for ancillary services and materials under par.
7 (b).

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

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

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

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

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

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

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

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

18 49.45 **(6t)** (a) 2. (intro.) Based on the amount estimated to be available under
19 par. (a) subd. 1., develop a method, which need not be promulgated as rules under
20 ch. 227, to distribute this allocation to the individual county departments under s.
21 46.215, 46.22, 46.23 or 51.42 or to local health departments that have incurred
22 operating deficits that shall include all of the following:

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

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

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

7 49.45 (6t) (b) If 2003 Wisconsin Act (this act), section 9124 (8) (a) applies,
8 this subsection does not apply.

9 **SECTION 1362.** 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), under a plan
14 developed by the department.

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

16 49.45 (6u) (am) (intro.) Notwithstanding sub. (6m), ~~in state fiscal years in~~
17 ~~which less than \$1 in federal financial participation relating to facilities is received~~
18 ~~under 42 CFR 433.51, from the appropriations under s. 20.435 (4) (o), (w), and (wm),~~
19 for reduction of operating deficits, as defined under the methodology used by the
20 department in December, 2000, incurred by a facility that is established under s.
21 49.70 (1) or that is owned and operated by a city, village, or town, and as payment
22 to care management organizations, the department may not distribute to these
23 facilities and to care management organizations more than \$37,100,000 in each
24 fiscal year, as determined by the department. The total amount that a county
25 certifies under this subsection may not exceed 100% of otherwise-unreimbursed

1 care. In distributing funds under this subsection, the department shall perform all
2 of the following:

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

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

5 49.45 (6v) (b) The department shall, each year, submit to the joint committee
6 on finance a report for the previous fiscal year, except for the 1997–98 fiscal year, that
7 provides information on the utilization of beds by recipients of medical assistance in
8 facilities and a discussion and detailed projection of the likely balances,
9 expenditures, encumbrances and carry over of currently appropriated amounts in
10 the appropriation accounts under s. 20.435 (4) (b), (gp), and (o).

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

12 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the ~~appropriations~~
13 appropriation accounts under s. 20.435 (4) (b), (gp), (o), and (w), the department shall
14 distribute not more than \$4,748,000 in each fiscal year, to provide funds to an
15 essential access city hospital, except that the department may not allocate funds to
16 an essential access city hospital to the extent that the allocation would exceed any
17 limitation under 42 USC 1396b (i) (3).

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

19 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the ~~appropriations~~
20 appropriation accounts under s. 20.435 (4) (b), (gp), (o), and (w), the department shall
21 distribute funding in each fiscal year to provide supplemental payment to hospitals
22 that enter into a contract under s. 49.02 (2) to provide health care services funded
23 by a relief block grant, as determined by the department, for hospital services that
24 are not in excess of the hospitals' customary charges for the services, as limited under
25 42 USC 1396b (i) (3). If no relief block grant is awarded under this chapter or if the

1 allocation of funds to such hospitals would exceed any limitation under 42 USC
2 1396b (i) (3), the department may distribute funds to hospitals that have not entered
3 into a contract under s. 49.02 (2).

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

5 49.45 (6y) (am) Notwithstanding sub. (3) (e), from the appropriations
6 appropriation accounts under s. 20.435 (4) (b), (h), (gp), (o), and (w), the department
7 shall distribute funding in each fiscal year to provide supplemental payments to
8 hospitals that enter into contracts under s. 49.02 (2) with a county having a
9 population of 500,000 or more to provide health care services funded by a relief block
10 grant, as determined by the department, for hospital services that are not in excess
11 of the hospitals' customary charges for the services, as limited under 42 USC 1396b
12 (i) (3).

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

14 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriations
15 appropriation accounts under s. 20.435 (4) (b), (gp), (o), and (w), the department shall
16 distribute funding in each fiscal year to supplement payment for services to hospitals
17 that enter into a contract under s. 49.02 (2) to provide health care services funded
18 by a relief block grant under this chapter, if the department determines that the
19 hospitals serve a disproportionate number of low-income patients with special
20 needs. If no medical relief block grant under this chapter is awarded or if the
21 allocation of funds to such hospitals would exceed any limitation under 42 USC
22 1396b (i) (3), the department may distribute funds to hospitals that have not entered
23 into a contract under s. 49.02 (2). The department may not distribute funds under
24 this subsection to the extent that the distribution would do any of the following:

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

1 49.45 (8) (b) Reimbursement under s. 20.435 (4) (b), (gp), (o), and (w) for home
2 health services provided by a certified home health agency or independent nurse
3 shall be made at the home health agency's or nurse's usual and customary fee per
4 patient care visit, subject to a maximum allowable fee per patient care visit that is
5 established under par. (c).

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

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

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

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

22 49.45 (18) (ag) Except as provided in pars. (am), (b), and (c), and subject to par.
23 (d), a recipient specified in par. (ac) shall pay all of the following:

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

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

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

4 49.45 (18) (d) No person who designates a pharmacy or pharmacist as his or
5 her sole provider of prescription drugs and who so uses that pharmacy or pharmacist
6 is liable under this subsection for more than \$5 \$12 per month for prescription drugs
7 received.

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

9 49.45 (19) (bm) The department or the county department under s. 46.215 or
10 46.22 shall notify applicants of the requirements of this subsection at the time of
11 application.

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

13 49.45 (24m) HOME HEALTH CARE AND PERSONAL CARE PILOT PROGRAM. (intro.)
14 From the ~~appropriations~~ appropriation accounts under s. 20.435 (4) (b), (gp), (o), and
15 (w), in order to test the feasibility of instituting a system of reimbursement for
16 providers of home health care and personal care services for medical assistance
17 recipients that is based on competitive bidding, the department shall:

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

19 49.45 (25) (am) (intro.) Except as provided under pars. (be) and, (bg), and (bj)
20 and sub. (24), case management services under s. 49.46 (2) (b) 9. and (bm) are
21 reimbursable under ~~medical assistance~~ Medical Assistance only if provided to a
22 ~~medical assistance~~ Medical Assistance beneficiary who receives case management
23 services from or through a certified case management provider in a county, city,
24 village, or town that elects, under par. (b), to make the services available and who
25 meets at least one of the following conditions:

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

2 49.45 (25) (bj) The department of corrections may elect to provide case
3 management services under this subsection to persons who are under the
4 supervision of that department under s. 938.183, 938.34 (4h), (4m), or (4n), or
5 938.357 (4), who are Medical Assistance beneficiaries, and who meet one or more of
6 the conditions specified in par. (am). The amount of the allowable charges for those
7 services under the Medical Assistance program that is not provided by the federal
8 government shall be paid from the appropriation account under s. 20.410 (3) (hm),
9 (ho), or (hr).

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

11 49.45 (25) (c) Except as provided in pars. (b), (be) ~~and~~, (bg), and (bj), the
12 department shall reimburse a provider of case management services under this
13 subsection only for the amount of the allowable charges for those services under the
14 ~~medical assistance~~ Medical Assistance program that is provided by the federal
15 government.

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

17 49.45 (30e) (a) 5. Any other condition required by rule under par. (b) 4. is
18 satisfied.

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

20 49.45 (30e) (b) 4. Any other conditions for coverage of community-based
21 psychosocial services under the Medical Assistance Program.

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

24 49.45 (30m) (a) (intro.) Except as provided in par. (am), a county shall provide
25 the portion of the payment that is not provided by the federal government for all of

1 the following services under s. 51.06 (1m) (d) to individuals with developmental
2 disability who are eligible for medical assistance that is not provided by the federal
3 government.:

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

5 49.45 (30m) (a) 1. Services under s. 51.06 (1m) (d).

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

7 49.45 (30m) (a) 2. Services in an intermediate care facility for the mentally
8 retarded, as defined in s. 46.278 (1m) (am), other than a state center for the
9 developmentally disabled.

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

11 49.45 (30m) (a) 3. Services for which payment is permitted under sub. (6c) (d)
12 2. that are provided in a nursing facility, as defined in s. 46.279 (1) (c).

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

14 49.45 (30m) (am) The department shall provide the portion of the payment that
15 is not provided by the federal government for any of the services specified in par. (a)
16 1. to 3. that are provided to an individual with developmental disability who is
17 eligible for medical assistance, as determined under the contract under s. 46.279
18 (4m).

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

20 49.45 (30m) (b) No payment under this section may be made for services
21 specified under par. (a) or (am) unless the individual who receives the services is
22 protectively placed under s. 55.06 (9) (a) or is placed under an emergency placement
23 under s. 55.06 (11) (a) or a temporary placement under s. 55.06 (11) (c).

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

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

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

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

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

11 49.45 (36) HOMELESS BENEFICIARIES. ~~A~~ The department or a county department
12 under s. 46.215, 46.22, or 46.23 may not place the word “homeless” on the medical
13 assistance identification card of any person who is determined to be eligible for
14 medical assistance benefits and who is homeless.

15 **SECTION 1390.** 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 1391.** 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 1392.** 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 1392p.** 49.45 (49) (a) (intro.) of the statutes is renumbered 49.45 (49)
20 (bm) and amended to read:

21 49.45 (49) (bm) The secretary shall exercise his or her authority under s. 15.04
22 (1) (c) to create a prescription drug prior authorization and therapeutics committee
23 to advise the department on issues related to prior authorization decisions made
24 concerning prescription drugs on behalf of medical assistance recipients. ~~The~~
25 ~~secretary shall appoint as members at least all of the following:~~ and to advise the

1 department on the research, development, and approval of any preferred drug list
2 for the Medical Assistance program or the program under s. 49.665 or 49.668.

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

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

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

7 49.45 (49) (ag) In this subsection:

8 1. “Labeler” means a person who receives prescription drugs from a
9 manufacturer or wholesaler and repackages those drugs for later retail sale, and has
10 a labeler code issued by the federal food and drug administration under 21 CFR
11 207.20 (b).

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

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

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

18 49.45 (49) (g) The prescription drug prior authorization and therapeutics
19 committee shall accept information or commentary from representatives of the
20 pharmaceutical manufacturing industry in the committee’s review of prior
21 authorization policies.

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

24 49.45 (49) (c) The secretary shall appoint as members of the prescription drug
25 prior authorization and therapeutics committee at least all of the following:

- 1 1. A physician who has expertise in family practice.
- 2 2. A physician who has expertise in pediatrics.
- 3 3. A physician who has expertise in geriatrics.
- 4 4. A physician who has expertise in psychiatry.
- 5 5. A physician who has expertise in internal medicine and specializes in the
- 6 treatment of diabetes.

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

- 11 1. An agreement with the department to comply with the requirements for
- 12 provider certification under sub. (2) (a) 11.
- 13 2. An agreement between a physician or pharmacist and a manufacturer for
- 14 the physician or pharmacist to conduct research in return for grant funding from a
- 15 manufacturer.

16 (e) If a physician or pharmacist who is a member of the prescription drug prior
17 authorization and therapeutics committee receives any grant funding from a
18 manufacturer to conduct research, the physician or pharmacist must disclose the
19 grant funding to the department. Any physician or pharmacist who is a candidate
20 for membership on the committee and receives such grant funding must disclose the
21 grant funding to the department before the secretary appoints the person as a
22 member of the committee.

23 (f) During the first meeting of the prescription drug prior authorization and
24 therapeutics committee in each calendar year, the committee shall elect a member
25 to serve as the chairperson of the committee for a one-year term. The committee

1 shall meet at least once annually and on the call of the chairperson. A majority of
2 the committee constitutes a quorum to do business. Recommendations of the
3 committee shall be determined by majority vote.

4 (h) The department shall consider all relevant recommendations of the
5 prescription drug prior authorization and therapeutics committee before requiring
6 prior authorization for a prescription drug under the Medical Assistance program or
7 under s. 49.665 or 49.668.

8 (i) By January 1 annually, the department shall submit a report to the governor,
9 the members of the joint committee on finance, and the appropriate standing
10 committees of the legislature under s. 13.172 (3), on any changes that the
11 department made in the previous 12 months to department policies related to prior
12 authorization for prescription drugs under the Medical Assistance program or the
13 program under s. 49.665 or 49.668, and shall include all of the following in the report:

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

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

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

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

23 49.45 (49m) PRESCRIPTION DRUG COST CONTROLS; PURCHASING AGREEMENTS. (a)

24 In this section:

25 1. "Brand name" has the meaning given in s. 450.12 (1) (a).

1 2. “Generic name” has the meaning given in s. 450.12 (1) (b).

2 3. “Prescription drug” has the meaning given in s. 450.01 (20).

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

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

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

13 2. Establishing supplemental rebates under agreements with prescription
14 drug manufacturers for prescription drugs provided to recipients under Medical
15 Assistance and Badger Care and to eligible persons under s. 49.688 and, if it is
16 possible to implement the program without adversely affecting supplemental
17 rebates for Medical Assistance, Badger Care, and prescription drug assistance under
18 s. 49.688, to beneficiaries of participants under par. (b).

19 3. Utilization management and fraud and abuse controls.

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

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

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

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

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

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

9 49.45 (51) MEDICAL CARE TRANSPORTATION SERVICES. (a) By November 1
10 annually, the department shall provide to the department of revenue information
11 concerning the estimated amounts of supplements payable from the appropriation
12 under s. 20.435 (4) (b) to specific local governmental units for the provision of
13 transportation for medical care, as specified under s. 49.46 (2) (b) 3., during the fiscal
14 year. Beginning November 1, 2004, the information that the department provides
15 under this paragraph shall include any adjustments necessary to reflect actual
16 claims submitted by service providers in the previous fiscal year.

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

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

21 49.46 (2) (a) 4. c. Skilled nursing home services other than in an institution for
22 mental diseases, except as limited under s. 49.45 (6c) and (30m) (b) and (c).

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

24 49.46 (2) (b) 6. a. Intermediate care facility services other than in an institution
25 for mental diseases, except as limited under s. 49.45 (30m) (b) and (c).