

2003 ASSEMBLY BILL 592

October 15, 2003 – Introduced by Representatives LEMAHIEU, LOTHIAN, KESTELL, TOWNS, GROTHMAN, POWERS, WIECKERT, GUNDERSON, F. LASEE, JOHNSRUD, LADWIG, VAN ROY, SUDER, GRONEMUS, SCHNEIDER, AINSWORTH, MUSSER, W. WOOD, GOTTLIEB, ZIEGELBAUER, HUNDERTMARK, J. FITZGERALD, MCCORMICK, TOWNSEND, M. LEHMAN, VAN AKKEREN, POCAN, PETROWSKI, SCHOOFF, HAHN and ALBERS, cosponsored by Senators LEIBHAM, WELCH, ZIEN, ROBSON, BROWN, KEDZIE, BRESKE, COWLES, REYNOLDS, STEPP, S. FITZGERALD, SCHULTZ, WIRCH, A. LASEE and ROESSLER. Referred to Joint Committee on Finance.

1 **AN ACT** *to amend* 49.45 (6u) (am) (intro.), 49.45 (6u) (am) 4. and 49.45 (6u) (am)
 2 5.; and *to create* 20.435 (4) (wq) of the statutes; **relating to:** supplemental
 3 Medical Assistance payments to county, city, town, or village nursing homes
 4 and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, as affected by 2003 Wisconsin Act 33 (the biennial budget act), the amount of Medical Assistance (MA) moneys that the Department of Health and Family Services (DHFS) may pay, under a formula, as supplements to counties, cities, villages, or towns that operate nursing homes, for reduction of operating deficits of the nursing homes, or may pay to care management organizations, is limited to a total of \$37,100,000 in each fiscal year, beginning July 1, 2003.

Also under current law, the MA trust fund (MATF) is composed of all public funds that are related to MA nursing home payments and are transferred to the MATF as the nonfederal share for the purpose of claiming federal MA moneys (commonly called “intergovernmental transfers”); all of the matching moneys received in return under the federal MA program; and, except for specified amounts, all moneys received from monthly assessments on licensed beds of nursing homes and intermediate care facilities for the mentally retarded. Counties that make intergovernmental transfers for the purpose of claiming federal MA moneys are, in turn, reimbursed by DHFS from the MATF. Remaining amounts in the MATF are expended for numerous purposes related to MA, such as MA benefits, the Badger

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Care health care program, nursing home rate increases, and supplements to nursing homes operated by counties, cities, villages, or towns to reduce operating deficits.

This bill requires that, for fiscal years 2003–04 and 2004–05, in addition to the \$37,100,000 MA moneys that DHFS may pay as supplements for nursing homes operated by counties, cities, villages, or towns or as payments to care management organizations, DHFS distribute as nursing home supplements any additional federal MA moneys received as the result of intergovernmental transfers that were not anticipated and budgeted as revenue under the biennial budget act.

The bill further provides that, after June 30, 2005, all moneys received as revenues from the transfers by Sheboygan, Rock, and Walworth counties of public funds as the MA nonfederal share for the purpose of claiming federal MA moneys be expended for the reduction of operating deficits of county, city, village, and town nursing homes.

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

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

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

2 20.435 (4) (wq) *Medical Assistance trust fund; nursing home supplement.* From
3 the Medical Assistance trust fund, all federal moneys received, less any moneys
4 required for payment under par. (wp), that are based on funds of Sheboygan, Rock,
5 and Walworth counties that are together transferred or certified under 42 CFR
6 433.51 (b) after June 30, 2005, and used as the nonfederal share of Medical
7 Assistance funding, for reduction of operating deficits under s. 49.45 (6u) (am).

8 **SECTION 2.** 49.45 (6u) (am) (intro.) of the statutes, as affected by 2003 Wisconsin
9 Act 33, is amended to read:

10 49.45 (6u) (am) (intro.) Notwithstanding sub. (6m), from the appropriations
11 appropriation accounts under s. 20.435 (4) (o), (w), and (wm), for reduction of
12 operating deficits, as defined under the methodology used by the department in
13 December 2000, incurred by a facility that is established under s. 49.70 (1) or that
14 is owned and operated by a city, village, or town, and as payment to care management

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1 organizations, the department may not distribute to ~~these facilities and to care~~
2 ~~management organizations~~ more than \$37,100,000 in each fiscal year, as determined
3 by the department. The department shall distribute without limitation, from the
4 appropriation account under s. 20.435 (4) (wq), moneys for additional reduction of
5 operating deficits of the facilities specified in this paragraph. The total amount that
6 a county certifies under this subsection may not exceed 100% of
7 otherwise-unreimbursed care. In distributing funds under this subsection, the
8 department shall perform all of the following:

9 **SECTION 3.** 49.45 (6u) (am) 4. of the statutes is amended to read:

10 49.45 **(6u)** (am) 4. If the federal department of health and human services
11 approves for state expenditure in a fiscal year amounts under s. 20.435 (4) (o) and
12 (w) that result in a lesser allocation amount than that allocated under this
13 paragraph, allocate from those appropriation accounts not more than the lesser
14 amount so approved by the federal department of health and human services.

15 **SECTION 4.** 49.45 (6u) (am) 5. of the statutes is amended to read:

16 49.45 **(6u)** (am) 5. If the federal department of health and human services
17 approves for state expenditure in a fiscal year amounts under s. 20.435 (4) (o) and
18 (w) that result in a lesser allocation amount than that allocated under this
19 paragraph, submit a revision of the method developed under subd. 2. for distribution
20 of those moneys for approval by the joint committee on finance in that state fiscal
21 year.

22 **SECTION 5. Nonstatutory provisions.**

23 (1) SUPPLEMENTAL PAYMENTS TO NURSING HOMES. Notwithstanding the limitation
24 under section 49.45 (6u) (am) (intro.) of the statutes on supplemental payments for
25 reduction of operating deficits incurred by nursing homes owned or operated by

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1 counties, cities, villages, or towns, in fiscal years 2003–04 and 2004–05, the
2 department of health and family services shall from the appropriation under section
3 20.435 (4) (w) of the statutes distribute for this purpose, under criteria specified in
4 section 49.45 (6u) (am) 1. to 7. of the statutes, any additional federal Medical
5 Assistance moneys received, based on the transfer or certification of public funds
6 under 42 CFR 433.51 (b), that were not anticipated and budgeted as revenue under
7 2003 Wisconsin Act 33.

8 **SECTION 6. Effective dates.** This act takes effect on July 1, 2005, except as
9 follows:

10 (1) SECTION 5 of this act takes effect on the day after publication.

11 (END)