

2003 DRAFTING REQUEST

Bill

Received: **09/23/2003**

Received By: **dkennedy**

Wanted: **As time permits**

Identical to LRB:

For: **Daniel LeMahieu (608) 266-9175**

By/Representing: **Himself**

This file may be shown to any legislator: **NO**

Drafter: **dkennedy**

May Contact: **Craig Thompson, Wis. Cos. Assoc.**

Addl. Drafters:

Subject: **Health - medical assistance**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.LeMahieu@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Eliminate cap on supplemental Medical Assistance payments to county and municipal nursing homes

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	dkennedy 09/30/2003	wjackson 10/10/2003		_____			S&L
/1			rschluet 10/10/2003	_____	sbasford 10/10/2003	sbasford 10/13/2003 sbasford 10/13/2003	S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/2	dkennedy 10/13/2003 lemery 10/13/2003	wjackson 10/13/2003	pgreensl 10/13/2003	_____	lnorthro 10/13/2003	lemery 10/13/2003 _____ _____	

FE Sent For:

<END>

↪ At Intro

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/?	dkennedy						

Handwritten:
 10-10-3
 [Signature]
 [Signature]

<END>

FE Sent For:

TELEPHONE DRAFTING INSTRUCTIONS

Drafting instructions received by Debora Kennedy.

DATE:

09/18/03

CONVERSATION
WITH:

Rep. Dan Lemahieu

OF:

+ Craig Thompson - Wis Cos Assoc

TELEPHONE NO:

(663-7188)

REGARDING LRB #
OR DRAFT TOPIC:

IGT funding

INSTRUCTIONS:

Remove \$37.1 million cap in budget bill on returns to cos. of moneys from IGT. However, DHS planned an use of \$40,513,900 of that money - check w/ Richard Megua or Dave Lund re in what year + make exception — see L9.45 (bu)(am)(intro.)

9/25/03 After this biennium any \$ generated by IGT must go to the n/s supplement
9/29/03 All IGT \$ generated by Sheboygan, Rock + Walworth Cos must go to the supplement

Veto by Governor [C-9 and C-10]: Delete the GPR funding added by the Legislature to support a portion of the rate increase by reducing the MA benefits appropriation by \$2,729,500 GPR in 2003-04 and by \$5,229,700 GPR in 2004-05. Federal MA benefits funding is estimated to decrease by \$3,834,200 in 2003-04 and \$7,333,300 in 2004-05 because of this partial veto. The administration estimates that the remaining funding budgeted for nursing home rate increases would support rate increases of approximately 2.6% per year.

In addition, delete the Senate provision that would have provided a refundable income tax credit for nursing home residents who pay the bed assessment. [The fiscal effect of the Governor's partial veto is summarized under "General Fund Taxes."]

Finally, the Governor's partial veto deletes the provision relating to the waiver request and report.

[Act 33 Sections: 866, 1476 thru 1481, 9124(3)&(11pd), 9324(4), and 9424(11pd)]

[Act 33 Vetoed Sections: 286 (as it relates to s. 20.435(4)(b) and 20.835(2)(e)), 666m, 1580r thru 1580w, 9124(11k), 9124(11p), 9345(4f), and 9445(3f)]

2. REDUCE NURSING HOME SUPPLEMENTAL PAYMENTS

FED	- \$46,730,000
SEG	- 33,270,000
Total	- \$80,000,000

Governor/Legislature: Reduce MA benefits funding by \$40,000,00 (-\$16,634,000 SEG and -\$23,366,000 FED) in 2003-04 and by \$40,000,000 (-\$16,636,000 SEG and -\$23,364,000 FED) in 2004-05 to reduce supplemental payments to county- and municipally-operated nursing homes.

Under current law, if the state receives less than one dollar of federal matching funds based on intergovernmental transfers (IGT funds) in a state fiscal year, DHFS is limited to distributing \$37,100,000 in supplemental payments to county- and municipally-operated homes in that year. However, if the state receives at least one dollar of IGT revenues, DHFS may distribute up to \$77,100,000 in supplemental payments in that year. This provision would: (a) reduce supplemental payment levels to a maximum of \$37,100,000 annually, regardless of the amount of IGT revenues collected in any year, beginning July 1, 2003; and (b) allow supplemental payments to be made to care management organizations, in addition to county- and municipally-operated nursing facilities. These changes would be take effect retroactively to July 1, 2003.

[Act 33 Sections: 1363, 1364, and 9424(7)]



60 021003 FRIDAY 10/10
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-3344/1

DAK:/:....
Wlj

D-NOTE

~~PRELIMINARY DRAFT NOT READY FOR INTRODUCTION~~

LPS: Please
check auto-ref.

GEN

1 AN ACT ...; relating to: supplemental Medical Assistance payments to county,
2 city, town, or village nursing homes 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 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 (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 (6m) (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
15 organizations, the department may not distribute to ~~these facilities and to care~~
16 ~~management organizations~~ more than \$37,100,000 in each fiscal year, as determined

1 by the department. The department shall distribute without limitation, from the
 2 appropriation account under s. 20.435 (4) (wq), moneys for additional reduction of
 3 operating deficits of the facilities specified in this paragraph. The total amount that
 4 a county certifies under this subsection may not exceed 100% of
 5 otherwise-unreimbursed care. In distributing funds under this subsection, the
 6 department shall perform all of the following:

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107, 112, 183, 212, 246, 269, 335, 356, 437, 446, 469; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293; 1999 a. 9, 63, 103, 180, 185; 2001 a. 13, 16, 35, 38, 57, 67, 104, 109; 2003 a. 33.

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

8 **49.45 (6u) (am) 4.** If the federal department of health and human services
 9 approves for state expenditure in a fiscal year amounts under s. 20.435 (4) (o) and
 10 (w) that result in a lesser allocation amount than that allocated under this
 11 paragraph, allocate from those appropriation accounts not more than the lesser
 12 amount so approved by the federal department of health and human services.

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107, 112, 183, 212, 246, 269, 335, 356, 437, 446, 469; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293; 1999 a. 9, 63, 103, 180, 185; 2001 a. 13, 16, 35, 38, 57, 67, 104, 109; 2003 a. 33.

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

14 **49.45 (6u) (am) 5.** If the federal department of health and human services
 15 approves for state expenditure in a fiscal year amounts under s. 20.435 (4) (o) and
 16 (w) that result in a lesser allocation amount than that allocated under this
 17 paragraph, submit a revision of the method developed under subd. 2. for distribution
 18 of those moneys for approval by the joint committee on finance in that state fiscal
 19 year.

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107,

112, 183, 212, 246, 269, 335, 356, 437, 446, 489; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 258, 293; 1999 a. 9, 63, 103, 180, 185; 2001 a. 13, 16, 35, 38, 57, 67, 104, 109; 2003 a. 33.

A.R.)

1 SECTION 5. Nonstatutory provisions.

2 (1) SUPPLEMENTAL PAYMENTS TO NURSING HOMES. Notwithstanding the limitation
3 under section 49.45 (6u) (am) (intro.) of the statutes on supplemental payments for
4 reduction of operating deficits incurred by nursing homes owned or operated by
5 counties, cities, villages, or towns, in fiscal years 2003-04 and 2004-05, the
6 department of health and family services shall from the appropriation under section
7 20.435 (4) (w) of the statutes distribute for this purpose, under criteria specified in
8 section 49.45 (6u) (am) 1. to 7. of the statutes, any additional federal Medical
9 Assistance moneys received, based on the transfer or certification of public funds
10 under 42 CFR 433.51 (b), that were not anticipated and budgeted as revenue under
11 2003 Wisconsin Act 33.

12 SECTION 6. Effective dates. This act takes effect on July 1, 2005, except as
13 follows:

14 (1) The ^{treatment} creation of Section 5 of this act takes effect on the day after publication.

A.R.)

(LS)

(END)

D-NOTE

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

LRB-3344/dn

DAK:4.....

WLj

1

To Representative LeMahieu:

I would recommend that this draft be reviewed by Rachel Carabell, Jessica Stoller, or Charlie Morgan of the Legislative Fiscal Bureau.

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3344/1dn
DAK:wlj:rs

October 10, 2003

To Representative LeMahieu:

I would recommend that this draft be reviewed by Rachel Carabell, Jessica Stoller, or Charlie Morgan of the Legislative Fiscal Bureau.

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

Northrop, Lori

From: Grothman, Jeffrey
Sent: Friday, October 10, 2003 3:38 PM
To: LRB.Legal
Subject: Draft review: LRB 03-3344/1 Topic: Eliminate cap on supplemental Medical Assistance payments to county and municipal nursing homes

It has been requested by <Grothman, Jeffrey> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 03-3344/1 Topic: Eliminate cap on supplemental Medical Assistance payments to county and municipal nursing homes



TODAY, if possible
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-3344/2

DAK:wlj:

2003 BILL

REGEN

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

BILL

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 (~~6m~~) (am). 6u

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

BILL

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)