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

SECTION 1. 46.27 (4) (c) 8. of the statutes is amended to read:

46.27 (4) (c) 8. If a pilot project contract with an entity under s. 46.281 (1) (d) 1. is established in the county, a description of how the activities of the pilot project entity relate to and are coordinated with the county’s proposed program.

SECTION 2. 46.27 (5) (am) of the statutes is amended to read:

46.27 (5) (am) Organize assessment activities specified in sub. (6). The county department or aging unit shall coordinate the involvement of representatives from the county departments under ss. 46.215, 46.22, 51.42 and 51.437, health service providers and the county commission on aging in the assessment activities specified in sub. (6), as well as the person being assessed and members of the person’s family or the person’s guardian. This paragraph does not apply to a county department or aging unit in a county where a pilot project in which the department has contracted with an entity under s. 46.281 (1) (d) is established.

SECTION 3. 46.27 (6) (a) 3. of the statutes is amended to read:

46.27 (6) (a) 3. In each participating county, except in counties where a pilot project in which the department has contracted with an entity under s. 46.281 (1) (d) is established, assessments shall be conducted for those persons and in accordance with the procedures described in the county’s community options plan. The forming the activities specified in sub. (6). The county department or aging unit shall coordinate the involvement of representatives from the county departments under ss. 46.215, 46.22, 51.42 and 51.437, health service providers and the county commission on aging in the assessment activities specified in sub. (6), as well as the person being assessed and members of the person’s family or the person’s guardian. This paragraph does not apply to a county department or aging unit in a county where a pilot project in which the department has contracted with an entity under s. 46.281 (1) (d) is established.
county may elect to establish assessment priorities for persons in target groups identified by the county in its plan regarding gradual implementation. If a person who is already admitted to a nursing home requests an assessment and if funds allocated for assessments under sub. (7) (am) are available, the county shall conduct the assessment.

**SECTION 4.** 46.27 (6g) (intro.) of the statutes is amended to read:

46.27 (6g) FISCAL RESPONSIBILITY. (intro.) Except as provided in s. 51.40, and within the limitations under sub. (7) (b), the fiscal responsibility of a county for an assessment, unless the assessment is performed by an entity under a contract as specified under s. 46.281 (1) (d) (e) 1., case plan, or services provided to a person under this section is as follows:

**SECTION 5.** 46.27 (9) (c) of the statutes is amended to read:

46.27 (9) (c) All long-term community support services provided under this pilot project in lieu of nursing home care shall be consistent with those services described in the participating county’s community options plan under sub. (4) (e) 1. and provided under sub. (5) (b). Unless the department has contracted under s. 46.281 (1) (d) (e) 1. with an entity other than the county department, each county participating in the pilot project shall assess persons under sub. (6).

**SECTION 6.** 46.2804 of the statutes is created to read:

46.2804 Managed care programs for long-term care services. (1) If the department intends to expand its use of capitation payments under managed care programs for provision of long-term care services over the number of capitated payments made on behalf of individuals enrolled in these managed care programs under 2005 Wisconsin Act 25, the department shall first notify the joint committee on finance in writing of the proposed expansion. Unless the proposed expansion is a part of a biennial budget bill, the joint committee on finance shall, within 14 working days after the date of the department’s notification, schedule a meeting under s. 13.10 to approve, modify, or disapprove the proposed expansion. The department may make the expansion only as approved or modified by the joint committee on finance.

(2) Under a managed care program for provision of long-term care services, the care manager shall provide, within guidelines established by the department, a mechanism by which an enrollee, beneficiary, or recipient of the program may arrange for, manage, and monitor his or her benefit directly or with the assistance of another person chosen by the enrollee, beneficiary, or recipient. The care manager shall provide each enrollee, beneficiary, or recipient with a form on which the enrollee, beneficiary, or recipient shall indicate whether he or she has been offered the option under this subsection and whether he or she has accepted or declined the option. If the enrollee, beneficiary, or recipient accepts the option, the care manage...
46.281 (1) (e) 1. If subject to the requirements of par. (d), if the
local long-term care council for the applicable
area has developed the initial plan under s. 46.282 (3) (a)
1., contract with entities specified under par. (d) and may,
only if specifically authorized by the legislature and if the
legislature appropriates necessary funding, contract as so
authorized with one or more entities in addition to those
specified in par. (d) certified as meeting requirements
under s. 46.284 (3) for services of the entity as a care
management organization.

**SECTION 12.** 46.281 (1) (e) 2. of the statutes, as
created by 2005 Wisconsin Act 25, is amended to read:
46.281 (1) (e) 2. Contract with entities specified
under par. (d) and **may contract with** other entities for the
provision of services under s. 46.283 (3) and (4), except
that after July 27, 2005, the department shall notify the
joint committee on finance in writing of any proposed
contract with an entity that did not have a contract to provide
services under s. 46.283 (3) and (4) before July 27,
2005. If the cochairpersons of the committee do not
notify the department within 14 working days after the
date of the department’s notification that the committee
has scheduled a meeting for the purpose of reviewing the
proposed contract, the department may enter into the
proposed contract. If within 14 working days after the date
of the department’s notification the cochairpersons of the
committee notify the department that the committee has
scheduled a meeting for the purpose of reviewing the
proposed contract, the department may enter into the
proposed contract only upon approval of the committee.

**SECTION 13.** 46.281 (1) (g) 3. of the statutes is
amended to read:
46.281 (1) (g) 3. Conduct ongoing evaluations of the
long-term care system specified in ss. 46.2805 to
46.2895 managed care programs for provision of long-term
care services that are funded by medical assistance,
as defined in s. 46.278 (1m) (b), as to client access to
services, the availability of client choice of living and ser-
vice options, quality of care, and cost-effectiveness. In
evaluating the availability of client choice, the department
shall evaluate the opportunity for a client to arrange for,
manage, and monitor his or her family care benefit
directly or with assistance, as specified in s. 46.284 (4)
(g).

**SECTION 14.** 46.282 (2) (a) (intro.) of the statutes is
amended to read:
46.282 (2) (a) **Appointment by a county.** (intro.) In
a county that participates in a pilot project in which the
department has a contract under s. 46.281 (1) (d) (e) and
before a county participates in the program under ss.
46.2805 to 46.2895, the following shall be done:

**SECTION 15.** 46.283 (2) (b) (intro.) of the statutes, as
affected by 2005 Wisconsin Act 25, is amended to read:
46.283 (2) (b) (intro.) After June 30, 2001, the
department shall contract with the entities specified
under s. 46.281 (1) (d) 1. and may, if the applicable
review conditions under s. 46.281 (1) (e) 2. s. 46.281 (1)
(e) 2. are satisfied, in addition to contracting with these
entities, contract to operate a resource center with coun-
ties, family care districts, or the governing body of a tribe
or band or the Great Lakes Inter-Tribal Council, Inc.,
under a joint application of any of these, or with a private
nonprofit organization if the department determines that
the organization has no significant connection to an
entity that operates a care management organization and
if any of the following applies:

**SECTION 16.** 46.284 (4) (e) of the statutes is amended
to read:
46.284 (4) (e) **Provide, within guidelines established**
by the department, a mechanism by which an enrollee
may arrange for, manage, and monitor his or her family
care benefit directly or with the assistance of another
person chosen by the enrollee. The care management orga-
nization shall provide each enrollee with a form on which
the enrollee shall indicate whether he or she has been
offered the option under this paragraph and whether he or
she has accepted or declined the option. If the enrollee
accepts the option, the care management organization
shall monitor the enrollee’s use of a fixed budget for pur-
chase of services or support items from any qualified pro-
vider, monitor the health and safety of the enrollee, and
provide assistance in management of the enrollee’s bud-
get and services at a level tailored to the enrollee’s need
and desire for the assistance.

**SECTION 17.** 46.285 (1) (a) of the statutes is amended
to read:
46.285 (1) (a) **For a pilot project established, an entity
with which the department has contracted under s. 46.281
(1) (d) 2. (e) 1., provision of the services specified under
s. 46.283 (3) (b), (e), (f) and (g) shall be structurally sepa-
rate from the provision of services of the care manage-
ment organization by January 1, 2001.

**SECTION 18.** 49.45 (3) (ag) of the statutes is amended
to read:
49.45 (3) (ag) Reimbursement shall be made to each
entity contracted with under s. 46.281 (1) (d) (e) for func-
tional screens performed under s. 46.281 (1) (d) by the
entity.

**SECTION 18M.** 51.06 (8) of the statutes is created to
read:
51.06 (8) **RELOCATIONS; REPORT.** (a) In this subsec-
1. “Intermediate care facility for the mentally
retarded” has the meaning given in 42 USC 1396d (d).
2. “Medical Assistance” has the meaning given in s.
49.43 (8).
3. “Nursing home” has the meaning given in s. 50.01
(3).
(b) Annually by October 1, the department shall sub-
mit to the joint committee on finance and to the appro-
riate standing committees of the legislature under s. 13.172
(3) a report that includes information collected from the
previous fiscal year on the relocation or diversion of individuals who are Medical Assistance eligibles or recipients from nursing homes, intermediate care facilities for the mentally retarded, and centers for the developmentally disabled. The report shall include all of the following information:

1. The impact of the relocations and diversions on the health and safety of the individuals relocated or diverted.

2. The extent of involvement of guardians or family members of the individuals in efforts to relocate or divert the individuals.

3. The nature and duration of relocations or diversions that specifies the locations of relocated or diverted individuals every year after home or community placement occurs, so as to keep track of the individuals on an ongoing basis.

4. An accounting of the costs and savings under the Medical Assistance program of relocations and diversions and the resulting reduction in capacity for services of nursing homes, intermediate care facilities for the mentally retarded, and centers for the developmentally disabled. The accounting shall include the per individual savings as well as the collective savings of relocations and diversions.

5. The costs under the Medical Assistance program of administration, housing, and other services, including nursing, personal care, and physical therapy services, that are associated with the relocations and diversions.

6. The extent of Medical Assistance provided to relocated or diverted individuals that is in addition to Medical Assistance provided to the individuals under s. 46.27 (11), 46.275, 46.277, or 46.278, as a family care benefit under ss. 46.2805 to 46.2895, or under any other home-based or community-based program for which the department has received a waiver under 42 USC 2396n (c).

7. Staff turnover rates for nursing homes, intermediate care facilities for the mentally retarded, and centers for the developmentally disabled in communities in which an individual relocated or diverted from a nursing home, intermediate care facility for the mentally retarded, or center for the developmentally disabled currently resides.

**SECTION 19. Nonstatutory provisions.**

(1) **INCREASED PAYMENTS FOR NURSING HOMES PROVIDING FAMILY CARE BENEFIT SERVICES.**

(a) In this subsection:

1. “Care management organization” has the meaning given in section 46.2805 (1) of the statutes.

2. “Facility” has the meaning given in section 49.45 (6m) (a) 3. of the statutes.

3. “Family Care benefit” has the meaning given in section 46.2805 (4) of the statutes.

4. “Medical Assistance” has the meaning given in section 46.2805 (4) of the statutes.

(b) Care management organizations shall provide increased funding for reimbursement for care provided by facilities for recipients of Medical Assistance as a Family Care benefit, in amounts that proportionately reflect all of the following:

1. For fiscal year 2005–06, the nursing home reimbursement supplement authorized under 2005 Wisconsin Act 211, Section 1 (4d).

2. For fiscal year 2006–07, the nursing home reimbursement rate increase authorized under 2005 Wisconsin Act 211, Section 1 (4c).