

## 2005 ASSEMBLY BILL 802

November 1, 2005 – Introduced by Representatives LEMAHIEU, KESTELL, GUNDERSON, LEHMAN, OTT, MURSAU, GRONEMUS, MUSSER, J. FITZGERALD, HUEBSCH, M. WILLIAMS, LOTHIAN, SHERIDAN, VAN AKKEREN, KAUFERT, STONE, ZIEGELBAUER, TURNER, JESKEWITZ, DAVIS, SUDER, MCCORMICK, TOWNS, VOS, HAHN, OWENS, NASS, KERKMAN, HINES, KRAWCZYK, VAN ROY, STRACHOTA, SCHNEIDER, HUNDERTMARK, UNDERHEIM, PETROWSKI, LOEFFELHOLZ, SEIDEL, TOWNSEND, BIES, VRUWINK, MOLEPSKE and F. LASEE, cosponsored by Senators LEIBHAM, GROTHMAN, SCHULTZ, ROESSLER, A. LASEE, KEDZIE, BROWN, ERPENBACH, ROBSON, DARLING, WIRCH, DECKER and HANSEN. Referred to Joint Committee on Finance.

1     **AN ACT to amend** 20.435 (4) (wm), 49.45 (6m) (ag) (intro.) and 49.45 (6u) (am)  
 2           (intro.); and **to create** 49.45 (6u) (b) of the statutes; **relating to:** supplemental  
 3           Medical Assistance payments to county and municipal nursing homes and  
 4           making an appropriation.

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### ***Analysis by the Legislative Reference Bureau***

Currently, under the Medical Assistance (MA) program, the state pays nursing homes a daily rate for providing care for MA recipients. In addition, the state claims federal MA moneys on county and municipal nursing home operating deficits (the difference between the cost of operating the homes and the state reimbursement) and provides county and municipal nursing homes a supplemental payment from the federal moneys received. Under current law, total supplemental payments to county and municipal nursing homes may not exceed \$37.1 million a year.

This bill provides that if the state receives more federal MA moneys as matching funds to county and municipal nursing home operating deficits than anticipated and budgeted as revenue in the biennial budget act for the year in which the money is received, the state must disburse the additional moneys to county and municipal nursing homes.

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

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

1           **SECTION 1.** 20.435 (4) (wm) of the statutes is amended to read:

2           20.435 **(4)** (wm) *Medical assistance trust fund; nursing homes.* From the  
3           medical assistance trust fund, ~~the amounts appropriated for meeting medical~~  
4           ~~assistance reimbursement under s. 49.45 (6m) and (6u)~~ a sum sufficient to equal the  
5           amount of federal medical assistance moneys received as matching funds to  
6           operating deficits incurred by nursing homes owned or operated by counties, cities,  
7           villages, or towns that was not anticipated and budgeted as revenue in the biennial  
8           budget act for the fiscal year in which it is received, for the purpose of disbursing to  
9           nursing homes under s. 49.45 (6u) (b).

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

11           49.45 **(6m)** (ag) (intro.) Payment for care provided in a facility under this  
12           subsection made under s. 20.435 (4) (b), (gp), (pa), (o), or (w), ~~or (wm)~~ shall, except  
13           as provided in pars. (bg), (bm), and (br), be determined according to a prospective  
14           payment system updated annually by the department. The payment system shall  
15           implement standards that are necessary and proper for providing patient care and  
16           that meet quality and safety standards established under subch. II of ch. 50 and ch.  
17           150. The payment system shall reflect all of the following:

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

19           49.45 **(6u)** (am) (intro.) Notwithstanding sub. (6m), from the appropriations  
20           under s. 20.435 (4) (o), and (w), ~~and (wm)~~, for reduction of operating deficits, as  
21           defined under the methodology used by the department in December 2000, incurred

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1 by a facility that is established under s. 49.70 (1) or that is owned and operated by  
2 a city, village, or town, and as payment to care management organizations, the  
3 department may not distribute to these facilities and to care management  
4 organizations more than \$37,100,000 in each fiscal year, as determined by the  
5 department. The total amount that a county certifies under this subsection may not  
6 exceed 100% of otherwise-unreimbursed care. In distributing funds under this  
7 subsection, the department shall perform all of the following:

8 **SECTION 4.** 49.45 (6u) (b) of the statutes is created to read:

9 49.45 **(6u)** (b) Notwithstanding the limitation on the amount of disbursements  
10 under par. (am) (intro.), from the appropriation under s. 20.435 (4) (wm), the  
11 department shall, using the criteria specified in par. (am) 1. to 7., disburse any  
12 federal medical assistance funds that are received by the state as matching funds to  
13 operating deficits incurred by a facility that is operated by a county, city, village, or  
14 town and that are in excess of the amount of match anticipated and budgeted as  
15 revenue in the biennial budget act for the fiscal year in which the funds are received.

16 (END)