

2007 DRAFTING REQUEST

Bill

Received: 12/01/2006

Received By: dkennedy

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 7-7980

By/Representing: Pink

This file may be shown to any legislator: NO

Drafter: dkennedy

May Contact:

Addl. Drafters:

Subject: Health - medical assistance

Extra Copies:

Submit via email: YES

Requester's email:

Carbon copy (CC:) to: robin.ryan@legis.wisconsin.gov

Pre Topic:

DOA:.....Pink, BB0200 -

Topic:

MA disproportionate share hospital payments

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 12/01/2006	jdyer 12/04/2006		_____			S&L
/P1			nnatzke 12/04/2006	_____	cduerst 12/04/2006		S&L
/P2	dkennedy 01/30/2007	jdyer 01/31/2007	nnatzke 01/31/2007	_____	sbasford 01/31/2007		

FE Sent For:

<END>

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/P1			matzke 12/04/2006	_____	cduerst 12/04/2006		
			nwn 1/31	nwn/pg 1/31			

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/?	dkennedy	1/01 12/4 jld	nwn 12/4	nwn/rs 12/4			

FE Sent For:

<END>

2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Medical Assistance Disproportionate Share Hospital Payments
- Tracking Code: BB 0200
- SBO team: Health and Insurance
- SBO analyst: Michelle Pink
 - Phone: 7-7980
 - Email: michelle.pink@wisconsin.gov
- Agency acronym: DHFS
- Agency number: 435
- Priority: High – mandatory federal change

MEDICAL ASSISTANCE DISPROPORTIONATE SHARE HOSPITAL PAYMENTS

Current Language

Section 49.45(6z)(a) of Wisconsin statutes provides the methodology DHFS uses to distribute funding to entities under the Disproportionate Share Hospital (DSH) program. Section 49.02(2)(c) of Wisconsin statutes provides the limits for the allowable use of the DSH payments.

Proposed Change

Section 49.45(6z)(a) should be modified as follows to reflect changes in the Medicaid state plan:

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

Section 49.02(2)(c) should be deleted:

~~49.02(2)(c) The contract between the relief agency and the private health care provider provides that any payments under s. 49.45(6y) and (6z) made to the health care provider shall be used to offset the liability of the relief agency for the costs of the health care services provided under the contract.~~

Background and Rationale for the Change

The purpose of this draft is to reflect changes required by the federal Centers for Medicare and Medicaid Services (CMS) relating to the Medicaid DSH payments to Milwaukee County providers under the General Assistance Medical Program (GAMP). These statutory changes reflect the amendments that have been made to the Medicaid State Plan.

Desired Effective Date:	Upon passage
Agency:	DOA
Agency Contact:	Michelle Pink
Phone:	(608) 267-7980



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0994/EP1

DAK:....

D-NOTE

Jld

DOA:.....Pink, BB0200 - MA disproportionate share hospital payments
FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

don't gen

1

AN ACT ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES ✓

MEDICAL ASSISTANCE ✓

Under current law, ✓ DHFS must supplement payments under the Medical Assistance (MA) Program to hospitals that contract with relief agencies to provide health care services that are funded by a relief block grant, if DHFS determines that the hospitals serve a disproportionate number of low-income ✓ patients with special needs. These supplements must be used to offset the liability of the relief agency for the costs of the health care services provided under the contract. *

This bill eliminates the requirement that MA payment supplements for disproportionate share hospitals be used to offset the liability of a relief agency for the costs of the health care services under a contract with the hospital. The bill specifies that the MA payment supplements must be made to a hospital that enters into an indigent care agreement, in accordance with the federally ✓ approved state MA plan, with the county agency that administers the medical relief block grant. *

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. 49.02 (2) (c) of the statutes is repealed.

2 SECTION 2. 49.45 (6z) (a) (intro.) of the statutes is amended to read:

3 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation
 4 accounts under s. 20.435 (4) (b), (gp), (o), and (w), the department shall distribute
 5 funding in each fiscal year to supplement payment for services to hospitals that enter
 6 into a ~~contract~~ ^{strike} under s. ~~49.02 (2)~~ to provide health care services funded by a relief
 7 block grant under this chapter indigent care agreements, in accordance with the
 8 approved state plan for services under 42 USC 1396a, with relief agencies that
 9 administers the medical relief block grant under this chapter, if the department
 10 determines that the hospitals serve a disproportionate number of low-income
 11 patients with special needs. If no medical relief block grant under this chapter is
 12 awarded or if the allocation of funds to such hospitals would exceed any limitation
 13 under 42 USC 1396b (i) (3), the department may distribute funds to hospitals that
 14 have not entered into a ~~contract~~ ^{strike} under s. ~~49.02 (2)~~ indigent care agreements. The
 15 department may not distribute funds under this subsection to the extent that the
 16 distribution would do any 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, 318, 321; 2005 a. 22; 2005 a. 25 ss. 1120 to 1149f, 2503 to 2510; 2005 a. 107, 165, 253, 254, 264, 301, 340, 386, 441.

17 SECTION 9321. Initial applicability; Health and Family Services.

18 (1) DISPROPORTIONATE SHARE HOSPITALS. The treatment of sections 49.02 (2) (c)
 19 and 49.45 (6z) (a) of the statutes first applies to indigent care agreements entered
 20 into on the effective date of this subsection.

21 (END)

D-NOTE

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-09947dn
DAK:.....

PI

date

Jld

To Michelle Pink:

I have drafted this bill in preliminary form because I have the following several questions about it:

1. I am confused by the fact that the background and rationale given for this bill refer to the "Medicaid DSH payments to Milwaukee County providers under the General Assistance Medical Program," yet the repeal of s. 49.02 (2) (c), stats., as proposed, applies to all county relief agencies, and no change is proposed to s. 49.025 (2) (a) 2., stats., which is specific to Milwaukee County.
2. As a corollary to No. 1., above, the "relief agency" with which a hospital may have a contract under s. 49.02 (2), stats., may include a relief agency established by a tribe. The proposed language refers only to an "indigent care agreement" with "the county agency administering the medical relief block grant under this chapter." Are there any contracts with tribal relief agencies that the changes in this bill will affect, and should there be any language changes to accommodate them?
3. Language that is extremely similar to the language struck in this bill in s. 49.45 (6z) (a), stats., exists under s. 49.45 (6y) (a), stats. Does it pose similar problems?
4. Please note the initial applicability provision, which I have drafted to avoid any impairment of contract problem under ~~Article 1, Section 12~~, of the Wisconsin Constitution. Do the current contracts run from July 1 to June 30 or are they on a calendar year basis? If they are on a fiscal year basis, will there have been a new contract agreed to by the time the biennial budget act is published, so that the initial applicability will not permit the statutory changes to take place until the following July 1?
5. Note that I changed the cross-reference concerning the state plan to 42 USC 1396a.

Debora A. Kennedy
Managing Attorney
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E-mail: debora.kennedy@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0994/P1dn
DAK:jld:nwn

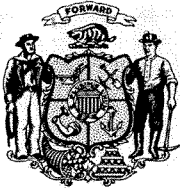
December 4, 2006

To Michelle Pink:

I have drafted this bill in preliminary form because I have the following several questions about it:

1. I am confused by the fact that the background and rationale given for this bill refer to the "Medicaid DSH payments to Milwaukee County providers under the General Assistance Medical Program," yet the repeal of s. 49.02 (2) (c), stats., as proposed, applies to all county relief agencies, and no change is proposed to s. 49.025 (2) (a) 2., stats., which is specific to Milwaukee County.
2. As a corollary to No. 1., above, the "relief agency" with which a hospital may have a contract under s. 49.02 (2), stats., may include a relief agency established by a tribe. The proposed language refers only to an "indigent care agreement" with "the county agency administering the medical relief block grant under this chapter." Are there any contracts with tribal relief agencies that the changes in this bill will affect, and should there be any language changes to accommodate them?
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5. Note that I changed the cross-reference concerning the state plan to 42 USC 1396a.

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State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0994/EP2

DAK:jld:nwn

D-NOTE

DOA:.....Pink, BB0200 - MA disproportionate share hospital payments
FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

don't gen

authorizes, rather than requires

1

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHFS must supplement payments under the Medical Assistance (MA) program to hospitals that contract with relief agencies to provide health care services that are funded by a relief block grant, if DHFS determines that the hospitals serve a disproportionate number of low-income patients with special needs. These supplements must be used to offset the liability of the relief agency for the costs of the health care services provided under the contract.

This bill eliminates the requirement that MA payment supplements for disproportionate share hospitals be used to offset the liability of a relief agency for the costs of the health care services under a contract with the hospital. The bill specifies that the MA payment supplements must be made to a hospital that enters into an indigent care agreement, in accordance with the federally approved state MA plan, with the county agency that administers the medical relief block grant.

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:

AUTOREFA

, and (xd)

1 SECTION 1. 49.02 (2) (c) of the statutes is repealed.

2 SECTION 2. 49.45 (6z) (a) (intro.) of the statutes is amended to read:

may

3 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation
4 accounts under s. 20.435 (4) (b), (p), (o), and (w), the department shall distribute
5 funding in each fiscal year to supplement payment for services to hospitals that enter
6 into a contract under s. 49.02 (2) to provide health care services funded by a relief
7 block grant under this chapter indigent care agreements, in accordance with the
8 approved state plan for services under 42 USC 1396a, with relief agencies that
9 administer the medical relief block grant under this chapter, if the department
10 determines that the hospitals serve a disproportionate number of low-income
11 patients with special needs. If no medical relief block grant under this chapter is
12 awarded or if the allocation of funds to such hospitals would exceed any limitation
13 under 42 USC 1396b (i) (3), the department may distribute funds to hospitals that
14 have not entered into a contract under s. 49.02 (2) indigent care agreements. The
15 department may not distribute funds under this subsection to the extent that the
16 distribution would do any of the following:

17 SECTION 9321. Initial applicability; Health and Family Services.

18 (1) DISPROPORTIONATE SHARE HOSPITALS. The treatment of sections 49.02 (2) (c)
19 and 49.45 (6z) (a) of the statutes first applies to indigent care agreements entered
20 into on the effective date of this subsection.

21 *** NOTE: This is reconciled SECTION 9321 (*).
This subsection has been affected by drafts with the
following LRB #s: -0892/9, -0994/P1, and -1521/5.

*** NOTE: This is reconciled s. 49.02 (2) (c) (intro.)
This paragraph has been affected by drafts with
the following LRB #s: -0892/9, -0994/P1,
and -1521/5.

d-note

MOVE

(intro.)

(by SECTION 9321 (AUTOREFA))

auto ref B

STET

auto ref B

(CS)

(CS)

(END)

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

D-NOTE

To Michelle Pink:

This draft reconciles LRB-0892/9,
LRB-0994/P1, and LRB-1521/5. LRB-0892,
LRB-0994, and LRB-1521 should all continue
to appear in the compiled bill.

DAK

**DRAFTER'S NOTE
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LEGISLATIVE REFERENCE BUREAU**

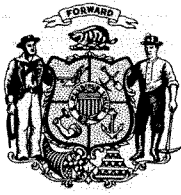
LRB-0994/P2dn
DAK:jld:nwn

January 31, 2007

To Michelle Pink:

This draft reconciles LRB-0892/9, LRB-0994/P1, and LRB-1521/5. LRB-0892, LRB-0994, and LRB-1521 should all continue to appear in the compiled bill.

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This bill eliminates the requirement that MA payment supplements for disproportionate share hospitals be used to offset the liability of a relief agency for the costs of the health care services under a contract with the hospital. The bill authorizes, rather than requires, that the MA payment supplements be made to a hospital that enters into an indigent care agreement, in accordance with the federally approved state MA plan, with the county agency that administers the medical relief block grant.

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:

SECTION 1. 49.02 (2) (c) of the statutes is repealed.

SECTION 2. 49.45 (6z) (a) (intro.) of the statutes is amended to read:

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

****NOTE: This is reconciled s. 49.02 (6) (a) (intro.). This paragraph has been affected by drafts with the following LRB numbers: -0892/9, -0994/P1, and -1521/5.

SECTION 9321. Initial applicability; Health and Family Services.

(1) DISPROPORTIONATE SHARE HOSPITALS. The treatment of sections 49.02 (2) (c) and 49.45 (6z) (a) (by SECTION (2)) of the statutes first applies to indigent care agreements entered into on the effective date of this subsection.

****NOTE: This is reconciled SECTION 9321 (1). This subsection has been affected by drafts with the following LRB numbers: -0892/9, -0994/P1, and -1521/5.

(END)