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cont.

1           **SECTION 1520.** 49.45 (3) (b) 2. of the statutes is amended to read:

2           49.45 (3) (b) 2. The contractor, if any, insuring benefits under s. 49.46, 49.465,  
3           49.468 ~~or~~, 49.47, or 49.471 shall be entitled to receive a premium, in an amount and  
4           on terms agreed, for such benefits for the persons eligible to receive them and for its  
5           services as insurer.

6           **SECTION 1521.** 49.45 (3) (dm) of the statutes is amended to read:

7           49.45 (3) (dm) After distribution of computer software has been made under  
8           1993 Wisconsin Act 16, section 9126 (13h), no payment may be made for home health  
9           care services provided to persons who are enrolled in the federal medicare program  
10          and are recipients of medical assistance under s. 49.46 ~~or~~, 49.47, or 49.471 unless the  
11          provider of the services has in use the computer software to maximize payments  
12          under the federal medicare program under 42 USC 1395.

13          **SECTION 1522.** 49.45 (3) (f) 2. of the statutes is amended to read:

14          49.45 (3) (f) 2. The department may deny any provider claim for reimbursement  
15          which cannot be verified under subd. 1. or may recover the value of any payment  
16          made to a provider which cannot be so verified. The measure of recovery will be the  
17          full value of any claim if it is determined upon audit that actual provision of the  
18          service cannot be verified from the provider's records or that the service provided was  
19          not included in s. 49.46 (2) or 49.471 (11). In cases of mathematical inaccuracies in  
20          computations or statements of claims, the measure of recovery will be limited to the  
21          amount of the error.

22          **SECTION 1523.** 49.45 (3) (L) 2. of the statutes is amended to read:

23          49.45 (3) (L) 2. The department may not pay a provider for a designated health  
24          service that is authorized under this section or s. 49.46 ~~or~~, 49.47, or 49.471, that is  
25          provided as the result of a referral made to the provider by a physician and that,

1 under 42 USC 1396b (s), if made on behalf of a beneficiary of medicare under the  
2 requirements of 42 USC 1395nn, as amended to August 10, 1993, would result in the  
3 denial of payment for the service under 42 USC 1395nn.

4 **SECTION 1524.** 49.45 (3) (m) of the statutes is amended to read:

5 49.45 (3) (m) To be certified under sub. (2) (a) 11. to provide transportation by  
6 specialized medical vehicle, a person must have at least one human service vehicle,  
7 as defined in s. 340.01 (23g), that satisfies the requirements imposed under s. 110.05  
8 for a vehicle that is used to transport a person in a wheelchair. If a certified provider  
9 uses 2 or more vehicles to provide transportation by specialized medical vehicle, at  
10 least 2 of the vehicles must be human service vehicles that satisfy the requirements  
11 imposed under s. 110.05 for a vehicle that is used to transport a person in a  
12 wheelchair, and any 3rd or additional vehicle must be a human service vehicle to  
13 which the equipment required under s. 110.05 for transporting a person in a  
14 wheelchair may be added. The department shall pay for transportation by  
15 specialized medical vehicle under s. 49.46 (2) (b) 3. or 49.471 (11) (m) that is provided  
16 in a human service vehicle that is not equipped to transport a person in a wheelchair  
17 if the person being transported does not use a wheelchair. The reimbursement rate  
18 for transportation by specialized medical vehicle provided in a vehicle that is not  
19 equipped to accommodate a wheelchair shall be the same as for transportation by  
20 specialized medical vehicle provided in a vehicle that is equipped to accommodate a  
21 wheelchair.

22 **SECTION 1524y.** 49.45 (5m) (title) of the statutes is amended to read:

23 49.45 (5m) (title) SUPPLEMENTAL FUNDING FOR RURAL AND CRITICAL ACCESS  
24 HOSPITALS.

25 **SECTION 1525.** 49.45 (5m) (am) of the statutes is amended to read:

1           49.45 **(5m)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts  
2           under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w), and (xd), the department shall distribute not  
3           more than \$2,256,000 in each fiscal year 2007-08 and not more than \$5,256,000 in  
4           fiscal year 2008-09 and each fiscal year thereafter, ✓ to provide supplemental funds  
5           to rural hospitals that, as determined by the department, have high utilization of  
6           inpatient services by patients whose care is provided from governmental sources,  
7           and to provide supplemental funds to critical access hospitals, except that the  
8           department may not distribute funds to a rural hospital or to a critical access hospital  
9           to the extent that the distribution would exceed any limitation under 42 USC 1396b  
10          (i) (3).

11           **SECTION 1526.** 49.45 (6c) (d) 1. of the statutes is amended to read:

12           49.45 **(6c)** (d) 1. No payment may be made under sub. (6m) to a facility or to  
13           an institution for mental diseases for the care of an individual who is otherwise  
14           eligible for medical assistance under s. 49.46 or, 49.47, or 49.471, who has  
15           developmental disability or mental illness and for whom under par. (b) or (c) it is  
16           determined that he or she does not need facility care, unless it is determined that the  
17           individual requires active treatment for developmental disability or active  
18           treatment for mental illness and has continuously resided in a facility or institution  
19           for mental diseases for at least 30 months prior to the date of the determination. If  
20           that individual requires active treatment and has so continuously resided, he or she  
21           shall be offered the choice of receiving active treatment for developmental disability  
22           or active treatment for mental illness in the facility or institution for mental diseases  
23           or in an alternative setting. A facility resident who has developmental disability or  
24           mental illness, for whom under par. (c) it is determined that he or she does not need  
25           facility care and who has not continuously resided in a facility for at least 30 months

1 prior to the date of the determination, may not continue to reside in the facility after  
2 December 31, 1993, and shall, if the department so determines, be relocated from the  
3 facility after March 31, 1990, and before December 31, 1993. The county department  
4 shall be responsible for securing alternative residence on behalf of an individual who  
5 is required to be relocated from a facility under this subdivision, and the facility shall  
6 cooperate with the county department in the relocation.

7 **SECTION 1527.** 49.45 (6c) (d) 2. of the statutes is amended to read:

8 49.45 (6c) (d) 2. Payment may be made under sub. (6m) to a facility or  
9 institution for mental diseases for the care of an individual who is otherwise eligible  
10 for medical assistance under s. 49.46 ~~or~~ 49.47, or 49.471 and who has developmental  
11 disability or mental illness and is determined under par. (b) or (c) to need facility care,  
12 regardless of whether it is determined under par. (b) or (c) that the individual does  
13 or does not require active treatment for developmental disability or active treatment  
14 for mental illness.

15 **SECTION 1528.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

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

23 **SECTION 1530h.** 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

24 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of  
25 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily

1 serve the developmentally disabled, that take into account direct care costs for a  
2 sample of all of those facilities in this state and separate standards for payment of  
3 allowable direct care costs, for facilities that primarily serve the developmentally  
4 disabled, that take into account direct care costs for a sample of all of those facilities  
5 in this state. The standards shall be adjusted by the department for regional labor  
6 cost variations. The department shall treat as a single labor region the counties of  
7 Dane, Iowa, Columbia, and Sauk, and Rock and shall adjust payment so that the  
8 direct care cost targets of facilities in Dane, Iowa, Columbia, and Sauk counties are  
9 not reduced as a result of including facilities in Rock County in this labor region. For  
10 facilities in Douglas, Pierce, and St. Croix counties, the department shall perform the  
11 adjustment by use of the wage index that is used by the federal department of health  
12 and human services for hospital reimbursement under 42 USC 1395 to 1395ggg.

13 **SECTION 1532.** 49.45 (6m) (br) 1. of the statutes is amended to read: CHECK Δ

14 49.45 (6m) (br) 1. Notwithstanding s. 20.410 (3) (cd), 20.435 (4) (bt) or (7) (b)  
15 or ~~20.445 (3)~~ 20.437 (2) (dz), the department shall reduce allocations of funds to  
16 counties in the amount of the disallowance from the appropriation account under s.  
17 20.435 (4) (bt) or (7) (b), or the department shall direct the department of ~~workforce~~  
18 ~~development~~ children and families to reduce allocations of funds to counties or  
19 Wisconsin ~~works~~ Works agencies in the amount of the disallowance from the  
20 appropriation account under s. ~~20.445 (3)~~ 20.437 (2) (dz) or direct the department of  
21 corrections to reduce allocations of funds to counties in the amount of the  
22 disallowance from the appropriation account under s. 20.410 (3) (cd), in accordance  
23 with s. 16.544 to the extent applicable.

24 **SECTION 1533.** 49.45 (6m) (m) of the statutes is created to read:

1           49.45 **(6m)** (m) To hold a bed in a facility, the department may pay the full  
2 payment rate under this subsection for up to 30 days for services provided to a person  
3 during the pendency of an undue hardship determination, as provided in s. 49.453  
4 (8) (b) 3.

5           **SECTION 1534.** 49.45 (6v) (b) of the statutes is amended to read:

6           49.45 **(6v)** (b) The department shall, each year, submit to the joint committee  
7 on finance a report for the previous fiscal year, except for the 1997-98 fiscal year, that  
8 provides information on the utilization of beds by recipients of medical assistance in  
9 facilities and a discussion and detailed projection of the likely balances,  
10 expenditures, encumbrances and carry over of currently appropriated amounts in  
11 the appropriation accounts under s. 20.435 (4) (b), ~~(gp)~~, and (o), and (xd).

12           **SECTION 1535.** 49.45 (6x) (a) of the statutes is amended to read:

13           49.45 **(6x)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts  
14 under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w), and (xd), the department shall distribute not  
15 more than \$4,748,000 in each fiscal year, to provide funds to an essential access city  
16 hospital, except that the department may not allocate funds to an essential access  
17 city hospital to the extent that the allocation would exceed any limitation under 42  
18 USC 1396b (i) (3).

19           **SECTION 1536.** 49.45 (6y) (a) of the statutes is amended to read:

20           49.45 **(6y)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts  
21 under s. 20.435 (4) (b), ~~(gp)~~, (o), and (w), and (xd), the department ~~shall~~ may  
22 distribute funding in each fiscal year to provide supplemental payment to hospitals  
23 that enter into a contract under s. 49.02 (2) to provide health care services funded  
24 by a relief block grant, as determined by the department, for hospital services that  
25 are not in excess of the hospitals' customary charges for the services, as limited under

1 42 USC 1396b (i) (3). If no relief block grant is awarded under this chapter or if the  
2 allocation of funds to such hospitals would exceed any limitation under 42 USC  
3 1396b (i) (3), the department may distribute funds to hospitals that have not entered  
4 into a contract under s. 49.02 (2).

5 **SECTION 1537.** 49.45 (6y) (am) of the statutes is amended to read:

6 49.45 (6y) (am) Notwithstanding sub. (3) (e), from the appropriation accounts  
7 under s. 20.435 (4) (b), (h), ~~(gp)~~, (o), ~~and (w)~~, and (xd), the department shall distribute  
8 funding in each fiscal year to provide supplemental payments to hospitals that enter  
9 into contracts under s. 49.02 (2) with a county having a population of 500,000 or more  
10 to provide health care services funded by a relief block grant, as determined by the  
11 department, for hospital services that are not in excess of the hospitals' customary  
12 charges for the services, as limited under 42 USC 1396b (i) (3).

13 **SECTION 1538.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

14 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation  
15 accounts under s. 20.435 (4) (b), ~~(gp)~~, (o), ~~and (w)~~, and (xd), the department shall may  
16 distribute funding in each fiscal year to supplement payment for services to hospitals  
17 that enter into ~~a contract under s. 49.02 (2) to provide health care services funded~~  
18 by a relief block grant under this chapter indigent care agreements, in accordance  
19 with the approved state plan for services under 42 USC 1396a, with relief agencies  
20 that administer the medical relief block grant under this chapter, if the department  
21 determines that the hospitals serve a disproportionate number of low-income  
22 patients with special needs. If no medical relief block grant under this chapter is  
23 awarded or if the allocation of funds to such hospitals would exceed any limitation  
24 under 42 USC 1396b (i) (3), the department may distribute funds to hospitals that  
25 have not entered into ~~a contract under s. 49.02 (2)~~ indigent care agreements. The

1 department may not distribute funds under this subsection to the extent that the  
2 distribution would do any of the following:

3 **SECTION 1539.** 49.45 (8) (a) 4. of the statutes is amended to read:

4 49.45 (8) (a) 4. "Patient care visit" means a personal contact with a patient in  
5 a patient's home that is made by a registered nurse, licensed practical nurse, home  
6 health aide, physical therapist, occupational therapist, or speech-language  
7 pathologist who is on the staff of or under contract or arrangement with a home  
8 health agency, or by a registered nurse or licensed practical nurse practicing  
9 independently, to provide a service that is covered under s. 49.46 ~~or~~, 49.47, or 49.471.

10 "Patient care visit" does not include time spent by a nurse, therapist, or home health  
11 aide on case management, care coordination, travel, record keeping, or supervision  
12 that is related to the patient care visit.

13 **SECTION 1540.** 49.45 (8) (b) of the statutes is amended to read:

14 49.45 (8) (b) Reimbursement under s. 20.435 (4) (b), ~~(gp)~~, (o), ~~and~~ (w), and (xd)  
15 for home health services provided by a certified home health agency or independent  
16 nurse shall be made at the home health agency's or nurse's usual and customary fee  
17 per patient care visit, subject to a maximum allowable fee per patient care visit that  
18 is established under par. (c).

19 **SECTION 1541.** 49.45 (9) of the statutes is amended to read:

20 49.45 (9) FREE CHOICE. Any person eligible for medical assistance under ~~ss. s.~~  
21 49.46, 49.468 and, 49.47, or 49.471 may use the physician, chiropractor, dentist,  
22 pharmacist, hospital, skilled nursing home, health maintenance organization,  
23 limited service health organization, preferred provider plan or other licensed,  
24 registered or certified provider of health care of his or her choice, except that free  
25 choice of a provider may be limited by the department if the department's alternate

1 arrangements are economical and the recipient has reasonable access to health care  
2 of adequate quality. The department may also require a recipient to designate, in any  
3 or all categories of health care providers, a primary health care provider of his or her  
4 choice. After such a designation is made, the recipient may not receive services from  
5 other health care providers in the same category as the primary health care provider  
6 unless such service is rendered in an emergency or through written referral by the  
7 primary health care provider. Alternate designations by the recipient may be made  
8 in accordance with guidelines established by the department. Nothing in this  
9 subsection shall vitiate the legal responsibility of the physician, chiropractor,  
10 dentist, pharmacist, skilled nursing home, hospital, health maintenance  
11 organization, limited service health organization, preferred provider plan or other  
12 licensed, registered or certified provider of health care to patients. All contract and  
13 tort relationships with patients shall remain, notwithstanding a written referral  
14 under this section, as though dealings are direct between the physician, chiropractor,  
15 dentist, pharmacist, skilled nursing home, hospital, health maintenance  
16 organization, limited service health organization, preferred provider plan or other  
17 licensed, registered or certified provider of health care and the patient. No physician,  
18 chiropractor, pharmacist or dentist may be required to practice exclusively in the  
19 medical assistance program.

20 **SECTION 1542.** 49.45 (18) (ac) of the statutes is amended to read:

21 49.45 (18) (ac) Except as provided in pars. (am) to (d), and subject to par. (ag),  
22 any person eligible for medical assistance under s. 49.46, 49.468, or 49.47, or for the  
23 benefits under s. 49.46 (2) (a) and (b) under s. 49.471 shall pay up to the maximum  
24 amounts allowable under 42 CFR 447.53 to 447.58 for purchases of services provided  
25 under s. 49.46 (2). The service provider shall collect the specified or allowable

1 copayment, coinsurance, or deductible, unless the service provider determines that  
2 the cost of collecting the copayment, coinsurance, or deductible exceeds the amount  
3 to be collected. The department shall reduce payments to each provider by the  
4 amount of the specified or allowable copayment, coinsurance, or deductible. No  
5 provider may deny care or services because the recipient is unable to share costs, but  
6 an inability to share costs specified in this subsection does not relieve the recipient  
7 of liability for these costs.

8 **SECTION 1543.** 49.45 (18) (am) of the statutes is amended to read:

9 49.45 (18) (am) No person is liable under this subsection for services provided  
10 through prepayment contracts. This paragraph does not apply to a person who is  
11 eligible for the benefits under s. 49.46 (2) (a) and (b) under s. 49.471. ✓

12 **SECTION 1546.** 49.45 (23) ✓ of the statutes is created to read:

13 49.45 (23) ASSISTANCE FOR CHILDLESS ADULTS DEMONSTRATION PROJECT. (a) The  
14 department shall request a waiver from the secretary of the federal department of  
15 health and human services to permit the department to conduct a demonstration  
16 project to provide health care coverage for basic primary and preventive care to  
17 adults who are under the age of 65, who have family incomes not to exceed 200  
18 percent of the poverty line, and who are not otherwise eligible for medical assistance  
19 under this subchapter, the Badger Care health care program under s. 49.665, or  
20 Medicare under 42 USC 1395 et seq. Any individual who had coverage under the  
21 Health Insurance Risk-Sharing Plan under subch. II of ch. 149 within 6 months  
22 before applying for the project under this subsection is not eligible to participate in  
23 the project under this subsection.

24 (b) If the waiver is granted and in effect, the department may promulgate rules  
25 defining the health care benefit plan, including more specific eligibility

1 requirements and cost-sharing requirements. Notwithstanding s. 227.24 (3), the  
2 plan details under this subsection may be promulgated as an emergency rule under  
3 s. 227.24 without a finding of emergency. If the waiver is granted and in effect, the  
4 demonstration project under this subsection shall begin on January 1, 2009, or on  
5 the effective date of the waiver, whichever is later.

6 **SECTION 1547.** 49.45 (24g) of the statutes is repealed.

7 **SECTION 1548.** 49.45 (24m) (intro.) of the statutes is amended to read:

8 49.45 (24m) (intro.) From the appropriation accounts under s. 20.435 (4) (b),  
9 ~~(gp)~~, (o), and (w), and (xd), in order to test the feasibility of instituting a system of  
10 reimbursement for providers of home health care and personal care services for  
11 medical assistance recipients that is based on competitive bidding, the department  
12 shall:

13 **SECTION 1549.** 49.45 (24r) of the statutes is amended to read:

14 49.45 (24r) FAMILY PLANNING DEMONSTRATION PROJECT. The department shall  
15 request ~~a~~ an amended waiver from the secretary of the federal department of health  
16 and human services to permit the department to conduct a demonstration project to  
17 provide family planning ~~services~~, as defined in s. 253.07 (1) ~~(b)~~ (a), under medical  
18 assistance to any woman or man between the ages of 15 and 44 whose family income  
19 does not exceed ~~185%~~ 200 percent of the poverty line for a family the size of the  
20 woman's or man's family. If The department shall implement any waiver granted  
21 and, if the amendment to the waiver is granted and in effect, the department shall  
22 implement the amended waiver no later than July 1, 1998 January 1, 2008, or on the  
23 federally approved effective date of the amended waiver, whichever is later.

24 **SECTION 1550.** 49.45 (29) of the statutes is amended to read:

1           49.45 (29) HOSPICE REIMBURSEMENT. The department shall promulgate rules  
2 limiting aggregate payments made to a hospice under ss. 49.46 and, 49.47, and  
3 49.471.

4           **SECTION 1551c.** 49.45 (31) of the statutes is repealed and recreated to read:

5           49.45 (31) LONG-TERM CARE PARTNERSHIP PROGRAM. (a) The department shall  
6 submit to the federal department of health and human services, not later than 3  
7 months after the effective date of this paragraph .... [revisor inserts date], an  
8 amendment to the state medical assistance plan that establishes in this state a  
9 Long-Term Care Partnership Program, as described in this subsection, and shall  
10 implement the program if the amendment to the state plan is approved. Under the  
11 program, the department shall exclude an amount equal to the amount of benefits  
12 that an individual receives under a qualifying long-term care insurance policy, as  
13 described in par. (b), when determining any of the following:

14           1. The individual's resources for purposes of determining the individual's  
15 eligibility for medical assistance.

16           2. The amount to be recovered from the individual's estate if the individual  
17 receives medical assistance.

18           (b) To be eligible for the program, an individual must have been a resident of  
19 this state when the long-term care insurance policy was issued, and the policy must  
20 satisfy all of the following criteria:

21           1. The policy was not issued before the date specified in the amendment to the  
22 state plan, which may not be before the first day of the calendar quarter in which the  
23 amendment is submitted to the federal department of health and human services.

24           2. The policy meets the definition of a qualified long-term care insurance policy  
25 under 26 USC 7702B (b).

1           3. The policy meets the long-term care insurance model regulations and the  
2 requirements of the long-term care insurance model act promulgated by the  
3 National Association of Insurance Commissioners that are specified in 42 USC  
4 1396p (b) (5).

5           4. The policy includes the applicable inflation protection specified in 42 USC  
6 1396p (b) (1) (C) (iii) (IV).

7           5. The commissioner of insurance certifies to the department that the policy  
8 meets the criteria under subds. 2. to 4.

9           (c) 1. The department and the office of the commissioner of insurance shall  
10 approve<sup>✓</sup> a training program for individuals who sell long-term care insurance  
11 policies in the state to ensure that those individuals understand the relation of  
12 long-term care insurance to the Medical Assistance program and are able to explain  
13 to consumers the protections offered by long-term care insurance and how this type  
14 of insurance relates to private and public financing of long-term care.

15           2. The training program approved<sup>✓</sup> under this paragraph shall include initial  
16 training that is not less than 8 hours long and ongoing training sessions that are not  
17 less than 4 hours long per session. Individuals who sell long-term care insurance  
18 policies shall be required to attend an ongoing training session every 24 months after  
19 the initial training. The commissioner may approve the initial and ongoing training  
20 sessions for continuing education requirements under s. 628.04 (3).

21           3. The training under this paragraph shall cover at a minimum long-term care  
22 insurance, long-term care services, qualified partnerships, and the relationship  
23 between qualified partnerships and other public and private coverage of long-term  
24 care costs.

1 (d) An insurer that issues a long-term care insurance policy described in par.  
2 (b) shall be required to submit reports to the secretary of the federal department of  
3 health and human services, in accordance with regulations developed by the  
4 secretary, that include notice of when benefits are paid under the policy, the amount  
5 of the benefits, notice of the termination of the policy, and any other information  
6 required by the secretary.

7 **SECTION 1552.** 49.45 (35) of the statutes is repealed.

8 **SECTION 1553.** 49.45 (40) of the statutes is amended to read:

9 49.45 (40) PERIODIC RECORD MATCHES. If the department contracts with the  
10 department of ~~workforce development~~ children and families under s. 49.197 (5), the  
11 department shall cooperate with the department of ~~workforce development~~ children  
12 and families in matching records of medical assistance recipients under s. 49.32 (7).

13 **SECTION 1554.** 49.45 (42m) (a) of the statutes is amended to read:

14 49.45 (42m) (a) If, in authorizing the provision of physical or occupational  
15 therapy services under s. 49.46 (2) (b) 6. b. or 49.471 (11) (i), the department  
16 authorizes a reduced duration of services from the duration that the provider  
17 specifies in the authorization request, the department shall substantiate the  
18 reduction that the department made in the duration of the services if the provider  
19 of the services requests any additional authorizations for the provision of physical  
20 or occupational therapy services to the same individual.

21 **SECTION 1554m.** 49.45 (44m) of the statutes is created to read:

22 49.45 (44m) EXTENSION OF PARENT ELIGIBILITY WHEN CHILD DIES. The department  
23 shall request a waiver from the secretary of the federal department of health and  
24 human services to permit the department to extend the eligibility of a parent, for up  
25 to 90 days, under the Medical Assistance program under this subchapter or the

1 Badger Care health care program under s. 49.665 if the parent's child dies while both  
2 the parent and the child are covered under the Medical Assistance program or the  
3 Badger Care health care program and the parent would lose eligibility solely due to  
4 the death of the child. The department shall implement any waiver that is granted.

5 **SECTION 1555.** 49.45 (48) of the statutes is amended to read:

6 49.45 (48) PAYMENT OF MEDICARE PART B OUTPATIENT HOSPITAL SERVICES  
7 COINSURANCES. The department shall include in the state plan for medical assistance  
8 a methodology for payment of the medicare part B outpatient hospital services  
9 coinsurance amounts that are authorized under ss. 49.46 (2) (c) 2., 4., and 5m., 49.468  
10 (1) (b), ~~and~~ 49.47 (6) (a) 6. b., d., and f., and 49.471 (6) (j) 1.

11 **SECTION 1556.** 49.45 (49m) (c) 1. of the statutes is amended to read:

12 49.45 (49m) (c) 1. A list of the prescription drugs that are included as a benefit  
13 under s. ss. 49.46 (2) (b) 6. h. and 49.471 (11) (a) that identifies preferred choices  
14 within therapeutic classes and includes prescription drugs that bear only generic  
15 names.

16 **SECTION 1557.** 49.45 (52) of the statutes is amended to read:

17 49.45 (52) PAYMENT ADJUSTMENTS. Beginning on January 1, 2003, the  
18 department may, from the appropriation account under s. 20.435 (7) (b), make  
19 Medical Assistance payment adjustments to county departments under s. 46.215,  
20 46.22, 46.23, or 51.42, or 51.437 or to local health departments, as defined in s. 250.01  
21 (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and  
22 (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16. Payment  
23 adjustments under this subsection shall include the state share of the payments.  
24 The total of any payment adjustments under this subsection and Medical Assistance  
25 payments made from appropriation accounts under s. 20.435 (4) (b), ~~(g)~~, (o), ~~and~~ (w),

1 and (xd) may not exceed applicable limitations on payments under 42 USC 1396a (a)  
2 (30) (A).

3 **SECTION 1558.** 49.45 (53) of the statutes is amended to read:

4 49.45 (53) PAYMENTS FOR CERTAIN SERVICES. Beginning on January 1, 2003, the  
5 department may, from the appropriation account under s. 20.435 (7) (b), make  
6 Medical Assistance payments to providers for covered services under s. ss. 49.46 (2)  
7 (a) 4. d. and (b) 6. j. and m. and 49.471 (11) (f). ✓

8 **SECTION 1559e.** 49.45 (55) of the statutes is created to read:

9 49.45 (55) HEALTH OPPORTUNITY ACCOUNTS DEMONSTRATION PROGRAM. The  
10 department shall request from the federal Centers for Medicare and Medicaid  
11 Services approval to participate in a demonstration program under 42 USC 1396u-8,  
12 under which Badger Care recipients may voluntarily enroll to contribute to health  
13 opportunity accounts and receive certain alternative benefits under medical  
14 assistance. If the Centers for Medicare and Medicaid Services approve the  
15 department's request, the department shall submit a proposed plan for  
16 implementation of the demonstration program to the joint committee on finance.  
17 The department may not implement the plan until it is approved by the committee,  
18 as submitted or as modified.

19 **SECTION 1559g.** 49.45 (56) of the statutes is created to read:

20 49.45 (56) DISEASE MANAGEMENT PROGRAM. Based on the health conditions  
21 identified by the physical health risk assessments, if performed under sub. (57), the  
22 department shall develop and implement, for Medical Assistance recipients, disease  
23 management programs that are similar to that developed and followed by the  
24 Marshfield Clinic in this state under the Physician Group Practice Demonstration

1 Program authorized under 42 USC 1315 (e) and (f). These programs shall have at  
2 least the following characteristics:

3 (a) The use of information science to improve health care delivery by  
4 summarizing a patient's health status and providing reminders for preventive  
5 measures.

6 (b) Educating health care providers on health care process improvement by  
7 developing best practice models.

8 (c) The improvement and expansion of care management programs to assist in  
9 standardization of best practices, patient education, support systems, and  
10 information gathering.

11 (d) Establishment of a system of provider compensation that is aligned with  
12 clinical quality, practice management, and cost of care.

13 (e) Focus on patient care interventions for certain chronic conditions, to reduce  
14 hospital admissions.

15 **SECTION 1559h.** 49.45 (57) of the statutes is created to read:

16 49.45 (57) PHYSICAL HEALTH RISK ASSESSMENT. The department shall encourage  
17 each individual who is determined on or after the effective date of this subsection ....  
18 [revisor inserts date], to be eligible for Medical Assistance to receive a physical health  
19 risk assessment as part of the first physical examination the individual receives  
20 under Medical Assistance.

21 **SECTION 1559n.** 49.45 (58) of the statutes is created to read:

22 49.45 (58) HEALTH MAINTENANCE ORGANIZATION PAYMENTS TO HOSPITALS. (a) The  
23 department shall establish a schedule of amounts that each health maintenance  
24 organization that contracts with the department to provide medical assistance  
25 services or services under s. 49.665 for a capitated payment rate shall pay monthly

1 to each hospital that serves recipients of medical assistance services or recipients of  
2 services under s. 49.665. The amounts shall be based on any increase in the capitated  
3 rate that the department pays a health maintenance organization, which increase  
4 is intended to cover inpatient and outpatient hospital services and which is  
5 associated with the assessment imposed on hospitals under s. 50.375. The  
6 department shall use the information that it uses to calculate the capitated rates  
7 that the department pays health maintenance organizations and encounter data  
8 that is provided by the health maintenance organizations to calculate the amounts  
9 in the schedule. The department shall disclose publicly the methodology it uses to  
10 calculate the amounts in the schedule. The department shall recalculate the  
11 amounts in the schedule every 6 months at least once every 12 months

12 (b) The department shall require, as a term of contracts with health  
13 maintenance organizations to provide medical assistance services or services under  
14 s. 49.665 for a capitated payment rate, that the health maintenance organization do  
15 all of the following:

16 1. Monthly pay hospitals the applicable amounts in the schedule under par. (a).

17 2. Every 6 months, and for each hospital to which the health maintenance  
18 organization made payments under par. (a), reconcile the amount that the health  
19 maintenance organization paid the hospital under par. (a) for the previous 6 months  
20 with the amount that the hospital charged the health maintenance organization for  
21 providing inpatient and outpatient services during the same 6 months to recipients  
22 of medical assistance or recipients of services under s. 49.665, and within 90 days  
23 adjust payments to the hospitals to reflect the actual hospital charges.

24 (c) If the department determines that a health maintenance organization has  
25 not complied with a condition under par. (b), the department shall require the health

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1

2 **Ins 534-22:**

3 ~~NO~~ # , if the amount of the charges exceeds the amount of the payments, pay the  
4 hospital the difference ~~NO~~ #

5

6 **Ins 534-23:**

7 (bm) If the total payments that a health maintenance organization makes to  
8 a hospital under par. (a),<sup>✓</sup> for a 6-month<sup>✓</sup> period that is subject to a reconciliation under  
9 par. (b),<sup>✓</sup> exceed the amount that the hospital charges the health maintenance  
10 organization for providing inpatient and outpatient services to recipients of medical  
11 assistance or recipients of services under s. 49.665<sup>✓</sup> for that 6-month<sup>✓</sup> period, the  
12 hospital shall pay the health maintenance organization the difference within<sup>✓</sup> 90 days  
13 after the end of the<sup>✓</sup> 6-month period.

14

15 **Ins 535-8:**

16 ~~NO~~ # that a health maintenance organization owes a hospital under<sup>✓</sup> par. (b) 2. or that  
17 a hospital owes a health maintenance organization under par. (bm)<sup>✓</sup> ~~NO~~ #

1 maintenance organization to comply with the condition within 15 days after the  
2 department's determination. The department may terminate a contract with a  
3 health maintenance organization to provide medical assistance services or services  
4 under s. 49.665 for a capitated payment rate for failure to comply with a condition  
5 under par. (b). The department may audit health maintenance organizations to  
6 determine whether they have complied with the conditions under par. (b).

7 (d) If a health maintenance organization and hospital cannot resolve the  
8 amount of a payment adjustment under par. (b) 2., and either the health  
9 maintenance organization or the hospital, within 6 months after the end of the time  
10 period to which the disputed amount relates, requests that the department  
11 determine the amount of the payment adjustment, the department shall determine  
12 the amount within 90 days after the request is made. The health maintenance  
13 organization or hospital is, upon request, entitled to a contested case hearing under  
14 ch. 227 on the department's determination.

15 (e) Paragraphs (a), (b), and (c) do not apply after December 31, 2009.

16 **SECTION 1560.** 49.453 (1) (a) of the statutes is amended to read:

17 49.453 (1) (a) "Assets" has the meaning given in 42 USC 1396p (e) (h) (1).

18 **SECTION 1561.** 49.453 (1) (ar) of the statutes is created to read:

19 49.453 (1) (ar) "Community spouse" means the spouse of either the  
20 institutionalized person or the noninstitutionalized person.

21 **SECTION 1562.** 49.453 (1) (d) of the statutes is amended to read:

22 49.453 (1) (d) "Income" has the meaning given in 42 USC 1396p (e) (h) (2).

23 **SECTION 1563.** 49.453 (1) (e) of the statutes is amended to read:

24 49.453 (1) (e) "Institutionalized individual" has the meaning given in 42 USC  
25 1396p (e) (h) (3).

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1           **SECTION 1564.** 49.453 (1) (f) (intro.) of the statutes is amended to read:

2           49.453 (1) (f) (intro.) "Look-back date" means ~~for a covered individual, either~~  
3 of the following:

4           1m. For transfers made before February 8, 2006, the date that is 36 months  
5 before, or with respect to payments from a trust or portions of a trust that are treated  
6 as assets transferred by the covered individual under s. 49.454 (2) (c) or (3) (b) the  
7 date that is 60 months before:

8           **SECTION 1565.** 49.453 (1) (f) 1. of the statutes is renumbered 49.453 (1) (f) 1m.

9           a.

10          **SECTION 1566.** 49.453 (1) (f) 2. of the statutes is renumbered 49.453 (1) (f) 1m.

11          b.

12          **SECTION 1567.** 49.453 (1) (f) 2m. of the statutes is created to read:

13          49.453 (1) (f) 2m. For all transfers made on or after February 8, 2006, the date  
14 that is 60 months before the dates specified in subd. 1m. a. and b.

15          **SECTION 1568.** 49.453 (1) (fm) of the statutes is amended to read:

16          49.453 (1) (fm) "Noninstitutionalized individual" has the meaning given in 42  
17 USC 1396p (e) (h) (4).

18          **SECTION 1569.** 49.453 (1) (i) of the statutes is amended to read:

19          49.453 (1) (i) "Resources" has the meaning given in 42 USC 1396p (e) (h) (5).

20          **SECTION 1570.** 49.453 (3) (a) of the statutes is renumbered 49.453 (3) (a) (intro.)  
21 and amended to read:

22          49.453 (3) (a) (intro.) The period of ineligibility under this subsection begins  
23 on either of the following:

24          1. In the case of a transfer of assets made before February 8, 2006, the first day  
25 of the first month beginning on or after the look-back date during or after which

1 assets have been transferred for less than fair market value and that does not occur  
2 in any other periods of ineligibility under this subsection.

3 **SECTION 1571.** 49.453 (3) (a) 2. of the statutes is created to read:

4 49.453 (3) (a) 2. In the case of a transfer of assets made on or after February  
5 8, 2006, the first day of a month beginning on or after the look-back date during or  
6 after which assets have been transferred for less than fair market value, or the date  
7 on which the individual is eligible for medical assistance and would otherwise be  
8 receiving institutional level care described in sub. (2) (a) 1. to 3. based on an approved  
9 application for the care but for the application of the penalty period, whichever is  
10 later, and that does not occur during any other period of ineligibility under this  
11 subsection.

12 **SECTION 1572.** 49.453 (3) (b) (intro.) of the statutes is amended to read:

13 49.453 (3) (b) (intro.) The Subject to par. (bc), the department shall determine  
14 the number of months of ineligibility as follows:

15 **SECTION 1573.** 49.453 (3) (bc) of the statutes is created to read:

16 49.453 (3) (bc) In determining the number of months of ineligibility under par.  
17 (b), with respect to asset transfers that occur after February 8, 2006, the department  
18 may not round down the quotient, or otherwise disregard any fraction of a month,  
19 obtained in the division under par. (b) 3.

20 **SECTION 1574.** 49.453 (4) (a) of the statutes is renumbered 49.453 (4) (ag).

21 **SECTION 1575.** 49.453 (4) (ac) of the statutes is created to read:

22 49.453 (4) (ac) In this subsection, "transaction" means any action taken by an  
23 individual that changes the course of payments to be made under an annuity or the  
24 treatment of the income or principal of an annuity, including all of the following:

25 1. An addition of principal.

- 1           2. An elective withdrawal.
- 2           3. A request to change the distribution of the annuity.
- 3           4. An election to annuitize the contract.
- 4           5. A change in ownership.

5           **SECTION 1576.** 49.453 (4) (am) of the statutes is amended to read:

6           49.453 (4) (am) Paragraph ~~(a)~~ (ag) 1. does not apply to a variable annuity that  
7 is tied to a mutual fund that is registered with the federal securities and exchange  
8 commission.

9           **SECTION 1577.** 49.453 (4) (b) of the statutes is amended to read:

10          49.453 (4) (b) The amount of assets that is transferred for less than fair market  
11 value under par. ~~(a)~~ (ag) is the amount by which the transferred amount exceeds the  
12 expected value of the benefit.

13          **SECTION 1578.** 49.453 (4) (c) of the statutes is amended to read:

14          49.453 (4) (c) The department shall promulgate rules specifying the method to  
15 be used in calculating the expected value of the benefit, based on 26 CFR 1.72-1 to  
16 1.72-18, and specifying the criteria for adjusting the expected value of the benefit  
17 based on a medical condition diagnosed by a physician before the assets were  
18 transferred to the annuity, or transferred by promissory note or similar instrument.  
19 In calculating the amount of the divestment when a transfer to an annuity, or a  
20 transfer by promissory note or similar instrument, is made, payments made to the  
21 transferor in any year subsequent to the year in which the transfer was made shall  
22 be discounted to the year in which the transfer was made by the applicable federal  
23 rate specified under par. ~~(a)~~ (ag) on the date of the transfer.

24          **SECTION 1579.** 49.453 (4) (cm) of the statutes is created to read:

1           49.453 (4) (cm) Paragraphs (ag) to (c) apply to annuities purchased before  
2           February 8, 2006, for which no transaction has occurred on or after February 8, 2006.

3           **SECTION 1580.** 49.453 (4) (d) of the statutes is created to read:

4           49.453 (4) (d) For purposes of sub. (2), the purchase of an annuity by an  
5           institutionalized individual or his or her community spouse, or anyone acting on  
6           their behalf, shall be treated as a transfer of assets for less than fair market value  
7           unless any of the following applies:

8           1. The state is designated as the remainder beneficiary in the first position for  
9           at least the total amount of medical assistance paid on behalf of the institutionalized  
10          individual.

11          2. The state is named as a beneficiary in the 2nd position after the community  
12          spouse or a minor or disabled child and is named in the first position if the community  
13          spouse or a representative of the minor or disabled child disposes of any remainder  
14          for less than fair market value.

15          3. The annuity satisfies the requirements under par. (e) 1. or 2.

16          **SECTION 1581.** 49.453 (4) (e) of the statutes is created to read:

17          49.453 (4) (e) For purposes of sub. (2), the purchase of an annuity by or on behalf  
18          of an annuitant who has applied for medical assistance for nursing facility services  
19          or other long-term care services described in sub. (2) is a transfer of assets for less  
20          than fair market value unless either of the following applies:

21          1. The annuity is either an annuity described in section 408 (b) or (q) of the  
22          Internal Revenue Code of 1986 or purchased with proceeds from any of the following:

23          a. An account or trust described in section 408 (a), (c), or (p) of the Internal  
24          Revenue Code of 1986.

1           b. A simplified employee pension, within the meaning of section 408 (k) of the  
2 Internal Revenue Code of 1986.

3           c. A Roth IRA described in section 408A of the Internal Revenue Code of 1986.

4           2. All of the following apply with respect to the annuity:

5           a. The annuity is irrevocable and nonassignable.

6           b. The annuity is actuarially sound, as determined in accordance with actuarial  
7 publications of the office of the chief actuary of the social security administration.

8           c. The annuity provides for payments in equal amounts during the term of the  
9 annuity, with no deferral and no balloon payments made.

10          **SECTION 1582.** 49.453 (4) (em) of the statutes is created to read:

11          49.453 (4) (em) Paragraphs (d) and (e) apply to all of the following:

12          1. Annuities purchased on or after February 8, 2006.

13          2. Annuities purchased before February 8, 2006, for which a transaction has  
14 occurred on or after February 8, 2006.

15          **SECTION 1583.** 49.453 (4c) of the statutes is created to read:

16          49.453 (4c) PURCHASE OF NOTE, LOAN, OR MORTGAGE. (a) For purposes of sub. (2),  
17 the purchase by an individual or his or her spouse of a promissory note, loan, or  
18 mortgage after February 8, 2006, is a transfer of assets for less than fair market  
19 value unless all of the following apply with respect to the note, loan, or mortgage:

20          1. The repayment term is actuarially sound.

21          2. The payments are to be made in equal amounts during the term of the loan,  
22 with no deferral and no balloon payment.

23          3. Cancellation of the balance upon the death of the lender is prohibited.

24          (b) The value of a promissory note, loan, or mortgage that does not satisfy the  
25 requirements under par. (a) 1. to 3. is the outstanding balance due on the date that

1 the individual applies for medical assistance for nursing facility services or other  
2 long-term care services described in sub. (2).

3 **SECTION 1584.** 49.453 (4m) of the statutes is created to read:

4 49.453 (4m) PURCHASE OF LIFE ESTATE. For purposes of sub. (2), the purchase  
5 by an individual or his or her spouse of a life estate in another individual's home after  
6 February 8, 2006, is a transfer of assets for less than fair market value unless the  
7 purchaser resides in the home for at least one year after the date of the purchase.

8 **SECTION 1585.** 49.453 (8) of the statutes is renumbered 49.453 (8) (a) (intro.)  
9 and amended to read:

10 49.453 (8) (a) (intro.) Subsections (2) and (3) do not apply to transfers of assets  
11 if the any of the following applies:

12 1. The assets are exempt under 42 USC 1396p (c) (2) or if the (A), (B), or (C).

13 2. The department determines under the process under par. (b) that application  
14 of this section would work an undue hardship.—~~The department shall promulgate~~  
15 ~~rules concerning the transfer of assets exempt under 42 USC 1396p (e) (2).~~

16 **SECTION 1586.** 49.453 (8) (b) of the statutes is created to read:

17 49.453 (8) (b) The department shall establish a hardship waiver process that  
18 includes all of the following:

19 1. The department determines that undue hardship exists if the application of  
20 subs. (2) and (3) would deprive the individual of medical care to the extent that the  
21 individual's health or life would be endangered, or would deprive the individual of  
22 food, clothing, shelter, or other necessities of life.

23 2. A facility in which an institutionalized individual who has transferred assets  
24 resides is permitted to file an application for undue hardship on behalf of the

1 individual with the consent of the individual or the individual's authorized  
2 representative.

3 3. The department may, during the pendency of an undue hardship  
4 determination, pay the full payment rate under s. 49.45 (6m) for nursing facility  
5 services for up to 30 days for the individual who transferred assets, to hold a bed in  
6 the facility in which the individual resides.

7 **SECTION 1587.** 49.46 (1) (a) 5. of the statutes is amended to read:

8 49.46 (1) (a) 5. Any child in an adoption assistance, foster care, kinship care,  
9 long-term kinship care, treatment foster care, or subsidized guardianship  
10 placement under ch. 48 or 938, as determined by the department.

11 **SECTION 1588.** 49.46 (1) (a) 14m. of the statutes is amended to read:

12 49.46 (1) (a) 14m. Any person who would meet the financial and other eligibility  
13 requirements for home or community-based services under the family care benefit  
14 but for the fact that the person engages in substantial gainful activity under 42 USC  
15 1382c (a) (3), if a waiver under s. 46.281 (1) (e) (1d) is in effect or federal law permits  
16 federal financial participation for medical assistance coverage of the person and if  
17 funding is available for the person under the family care benefit.

18 **SECTION 1589.** 49.46 (2) (b) (intro.) of the statutes is amended to read:

19 49.46 (2) (b) (intro.) Except as provided in ~~par.~~ pars. (be) and (dc), the  
20 department shall audit and pay allowable charges to certified providers for medical  
21 assistance on behalf of recipients for the following services:

22 **SECTION 1590.** 49.46 (2) (b) 8. of the statutes is amended to read:

23 49.46 (2) (b) 8. Home or community-based services, if provided under s. 46.27  
24 (11), 46.275, 46.277, 46.278, or 46.2785, under the family care benefit if a waiver is  
25 in effect under s. 46.281 (1) (e) (1d), or under ~~a waiver requested under 2001~~

1 ~~Wisconsin Act 16, section 9123 (16rs), or 2003 Wisconsin Act 33, section 9124 (8e) the~~  
2 ~~disabled children's long-term support program, as defined in s. 46.011 (1g).~~

3 **SECTION 1591.** 49.46 (2) (dc) of the statutes is created to read:

4 49.46 (2) (dc) For an individual who is eligible for medical assistance and who  
5 is eligible for coverage under Part D of Medicare under 42 USC 1395w-101 et seq.,  
6 benefits under par. (b) 6. h. do not include payment for any Part D drug, as defined  
7 in 42 CFR 423.100, regardless of whether the individual is enrolled in Part D of  
8 Medicare or whether, if the individual is enrolled, his or her Part D plan, as defined  
9 in 42 CFR 423.4, covers the Part D drug.

10 **SECTION 1592.** 49.468 (1) (b) of the statutes is amended to read:

11 49.468 (1) (b) For an elderly or disabled individual who is entitled to coverage  
12 under part A of medicare, entitled to coverage under part B of medicare and who does  
13 not meet the eligibility criteria for medical assistance under s. 49.46 (1), 49.465 ~~or~~,  
14 49.47 (4), or 49.471 but meets the limitations on income and resources under par. (d),  
15 medical assistance shall pay the deductible and coinsurance portions of medicare  
16 services under 42 USC 1395 to 1395zz which are not paid under 42 USC 1395 to  
17 1395zz, including those medicare services that are not included in the approved state  
18 plan for services under 42 USC 1396; the monthly premiums payable under 42 USC  
19 1395v; the monthly premiums, if applicable, under 42 USC 1395i-2 (d); and the late  
20 enrollment penalty, if applicable, for premiums under part A of medicare. Payment  
21 of coinsurance for a service under part B of medicare under 42 USC 1395j to 1395w,  
22 other than payment of coinsurance for outpatient hospital services, may not exceed  
23 the allowable charge for the service under medical assistance minus the medicare  
24 payment.

25 **SECTION 1593.** 49.468 (1) (c) of the statutes is amended to read:

1           49.468 (1) (c) For an elderly or disabled individual who is only entitled to  
2 coverage under part A of medicare and who does not meet the eligibility criteria for  
3 medical assistance under s. 49.46 (1), 49.465 ~~or~~, 49.47 (4), or 49.471 but meets the  
4 limitations on income and resources under par. (d), medical assistance shall pay the  
5 deductible and coinsurance portions of medicare services under 42 USC 1395 to  
6 1395i which are not paid under 42 USC 1395 to 1395i, including those medicare  
7 services that are not included in the approved state plan for services under 42 USC  
8 1396; the monthly premiums, if applicable, under 42 USC 1395i-2 (d); and the late  
9 enrollment penalty for premiums under part A of medicare, if applicable.

10           **SECTION 1594.** 49.468 (1m) (a) of the statutes is amended to read:

11           49.468 (1m) (a) Beginning on January 1, 1993, for an elderly or disabled  
12 individual who is entitled to coverage under part A of medicare and is entitled to  
13 coverage under part B of medicare, does not meet the eligibility criteria for medical  
14 assistance under s. 49.46 (1), 49.465 ~~or~~, 49.47 (4), or 49.471 but meets the limitations  
15 on income and resources under par. (b), medical assistance shall pay the monthly  
16 premiums under 42 USC 1395r.

17           **SECTION 1595.** 49.468 (2) (a) of the statutes is amended to read:

18           49.468 (2) (a) Beginning on January 1, 1991, for a disabled working individual  
19 who is entitled under P.L. 101-239, section 6012 (a), to coverage under part A of  
20 medicare and who does not meet the eligibility criteria for medical assistance under  
21 s. 49.46 (1), 49.465 ~~or~~, 49.47 (4), or 49.471 but meets the limitations on income and  
22 resources under par. (b), medical assistance shall pay the monthly premiums for the  
23 coverage under part A of medicare, including late enrollment fees, if applicable.

24           **SECTION 1596.** 49.47 (4) (a) (intro.) of the statutes is amended to read:

1           49.47 (4) (a) (intro.) Any individual who meets the limitations on income and  
2 resources under pars. (b) and to (c) and who complies with ~~par. pars.~~ par. (cm) and (cr)  
3 shall be eligible for medical assistance under this section if such individual is:

4           **SECTION 1597.** 49.47 (4) (as) 1. of the statutes is amended to read:

5           49.47 (4) (as) 1. The person would meet the financial and other eligibility  
6 requirements for home or community-based services under s. 46.27 (11), 46.277, or  
7 46.2785 or under the family care benefit if a waiver is in effect under s. 46.281 ~~(1)~~-(e)  
8 (1d) but for the fact that the person engages in substantial gainful activity under 42  
9 USC 1382c (a) (3).

10          **SECTION 1598.** 49.47 (4) (as) 3. of the statutes is amended to read:

11          49.47 (4) (as) 3. Funding is available for the person under s. 46.27 (11), 46.277,  
12 or 46.2785 or under the family care benefit if a waiver is in effect under s. 46.281 ~~(1)~~  
13 ~~(e)~~ (1d).

14          **SECTION 1598r.** 49.47 (4) (b) (intro.) of the statutes is amended to read:

15          49.47 (4) (b) (intro.) Eligibility exists if the applicant's property, subject to the  
16 exclusion of any amounts under the Long-Term Care Partnership Program  
17 established under s. 49.45 (31), does not exceed the following:

18          **SECTION 1599.** 49.47 (4) (b) 1. of the statutes is amended to read:

19          49.47 (4) (b) 1. ~~A~~ Subject to par. (bc), a home and the land used and operated  
20 in connection therewith or in lieu thereof a mobile home if the home or mobile home  
21 is used as the person's or his or her family's place of abode.

22          **SECTION 1600.** 49.47 (4) (bc) of the statutes is created to read:

23          49.47 (4) (bc) 1. Subject to subd. 2., a person shall be ineligible under this  
24 section for medical assistance for nursing facility services or other long-term care  
25 services described in s. 49. 453 (2) if the equity in his or her home and the land used

1 and operated in connection with the home exceeds \$750,000. This subdivision does  
2 not apply if any of the following persons lawfully resides in the home:

3 a. The person's spouse.

4 b. The person's child who is under age 21 or who is disabled, as defined in s.  
5 49.468 (1) (a) 1.

6 2. Subdivision 1. applies to all of the following:

7 a. At the time of application, to a person who applies for medical assistance for  
8 nursing facility services or other long-term care services described in s. 49.453 (2)  
9 after the effective date of this subd. 2. a. .... [revisor inserts date].

10 b. At the time of the person's first recertification after the effective date of this  
11 subd. 2. b. .... [revisor inserts date], to a person not specified in subd. 2. a. who applied  
12 for medical assistance for nursing facility services or other long-term care services  
13 described in s. 49.453 (2) on or after January 1, 2006, and who was eligible for medical  
14 assistance for those services on the effective date of this subd. 2. b. .... [revisor inserts  
15 date].

16 **SECTION 1601.** 49.47 (4) (bm) of the statutes is created to read:

17 49.47 (4) (bm) For purposes of determining eligibility or benefits amount for  
18 a person described in par. (a) 3. or 4. who resides in a continuing care retirement  
19 community or a life care community, any entrance fee paid on admission to the  
20 community shall be considered a resource available to the person to the extent that  
21 all of the following apply:

22 1. The person has the ability to use the entrance fee, or the contract provides  
23 that the entrance fee may be used, to pay for care if the person's other resources or  
24 income are insufficient to pay for the care.

1           2. The person is eligible for a refund of any remaining entrance fee when the  
2 person dies or terminates the continuing care retirement community or life care  
3 community contract and leaves the community.

4           3. The entrance fee does not confer an ownership interest in the continuing care  
5 retirement community or life care community.

6           **SECTION 1602.** 49.47 (4) (cr) of the statutes is created to read:

7           49.47 (4) (cr) 1. As a condition of receiving medical assistance for long-term  
8 care services described in s. 49.453 (2) (a), an applicant for or recipient of the  
9 long-term care services shall disclose on the application or recertification form a  
10 description of any interest the individual or his or her community spouse, as defined  
11 in s. 49.453 (1) (ar), has in an annuity, regardless of whether the annuity is  
12 irrevocable or is treated as an asset. The application or recertification form shall  
13 include a statement that the state becomes a remainder beneficiary under any  
14 annuity in which the individual or his or her spouse has an interest by virtue of the  
15 provision of the medical assistance. The applicant or recipient shall, no later than  
16 30 days after the department receives the application or recertification form, take  
17 any action required by the annuity issuer to make the state a remainder beneficiary.

18           2. The department shall notify the issuer of an annuity disclosed under subd.  
19 1. of the state's right as a remainder beneficiary and shall request that the issuer  
20 notify the department of any changes to or payments made under the annuity  
21 contract.

22           3. This paragraph applies to all of the following:

23           a. Annuities purchased on or after February 8, 2006.

24           b. Annuities purchased before February 8, 2006, for which a transaction, as  
25 defined in s. 49.453 (4) (ac), has occurred on or after February 8, 2006.