ASSEMBLY BILL 770 (LRB -4332)

An Act to repeal 50.38 (1) (a); to renumber and amend 36.60 (2) (a) and 50.38 (2); to amend 20.435 (4) (w), 25.77 (11), 25.77 (12), 25.772, 36.60 (3), 36.60 (4) (intro.), 36.60 (5) (a), 36.60 (5) (b) (intro.), 36.60 (5) (b) 1., 36.60 (5) (b) 2., 36.60 (5) (b) 3., 36.60 (5) (b) 4., 36.60 (5) (b) 5., 36.60 (8) (b), 36.61 (3), 36.61 (5) (a), 36.61 (5) (b) (intro.), 36.61 (5) (b) 1., 36.61 (5) (b) 2., 36.61 (5) (b) 3., 36.61 (5) (b) 4., 36.61 (5) (b) 5., 49.45 (3) (e) 11., 49.45 (59) (a), 50.38 (3), 50.38 (4), 50.38 (6) (a) 1., 50.38 (6) (a) 2., 50.38 (6) (b), 50.38 (6) (c), 50.38 (7) (d) and 50.38 (8); and to create 20.285 (1) (qe), 20.285 (1) (qj), 20.435 (4) (xe), 25.17 (1) (cg), 25.774, 36.60 (1) (d), 36.60 (2) (a) 2., 36.60 (4m), 36.60 (8) (h), 36.61 (1) (e), 36.61 (7) (e), 36.63, 49.45 (3) (e) 12., 50.38 (2) (b), 50.38 (6m) and 50.38 (10) of the statutes; relating to: assessment on critical access hospitals; payments to critical access hospitals under the Medical Assistance Program; creating a rural physician residency assistance program; the physician, dentist, and health care provider loan assistance programs; and making appropriations. (FE)

2010

02-24.	A.	Introduced by Representatives **Hraychuck**, **Ballweg**, **Garthwaite**, **Benedict**, **Berceau**, **Bies**, **Brooks**, **Clark**, **Danou**, **Dexter**, **Hebl**, **Hilgenberg**, **Hixson**, **Hubler**, **Jorgensen**, **Milroy**, **Molepske Jr.**, **Murtha**, **Roys**, **Schneider**, **Shilling**, **Sinicki**, **Smith**, **Spanbauer**, **Townsend**, **Vruwink** and **Wood**; cosponsored by Senators **Miller**, **Olsen**, **Schultz**, **Vinehout**, **Coggs**, **Erpenbach**, **Hansen**, **Holperin**, **Jauch**, **A. Lasee**, **Lassa**, **Lehman**, **Robson** and **Taylor**.	
02-24.	A.	Read first time and referred to committee on Rural Economic Development	692
03-02.	A.	Fiscal estimate received.	
03-02.	A.	Public hearing held.	
03-04.	A.	Executive action taken.	
03-05.	A.	Report passage recommended by committee on Rural Economic Development, Ayes 7, Noes 2	740
03-05.	A.	Referred to joint committee on Finance	740
03-16.	A.	Executive action taken.	
03-17.	A.	Report passage recommended by joint committee on Finance, Ayes 13, Noes 3	757
03-17.	A.	Referred to committee on Rules	757
03-22.	A.	Fiscal estimate received.	
04-07.	A.	Placed on calendar 4-13-2010 by committee on Rules.	
04-13.	A.	Read a second time	817
04-13.	A.	Ordered to a third reading	817
04-13.	A.	Rules suspended	817
04-13.	A.	Read a third time and **passed**, Ayes 61, Noes 37	817
04-13.	A.	Ordered immediately messaged	817
04-13.	S.	Received from Assembly.	
04-13.	S.	Read first time and referred to committee on Senate Organization.	
04-13.	S.	Rules suspended to withdraw from committee on Senate Organization and take up.	
04-13.	S.	Read a second time.	
04-13.	S.	Ordered to a third reading.	
04-13.	S.	Rules suspended.	
04-13.	S.	Read a third time and **concurred in**, Ayes 22, Noes 11.	
04-13.	S.	Ordered immediately messaged.	
04-14.	A.	Received from Senate concurred in	829

SB

2009
ENROLLED BILL

09en A B-770

ADOPTED DOCUMENTS:

☒ **Orig** ☐ **Engr** ___ **SubAmdt** ___ **09-4332/1**

Amendments to above (if none, write "NONE"): None

Corrections - show date (if none, write "NONE"): None

Topic Rel

4-15-10
Date

Enrolling Drafter

State of Wisconsin
2009 – 2010 LEGISLATURE

LRB–4332/1
RLR&PG:nwn:ph

2009 ASSEMBLY BILL 770

February 24, 2010 – Introduced by Representatives HRAYCHUCK, BALLWEG, GARTHWAITE, BENEDICT, BERCEAU, BIES, BROOKS, CLARK, DANOU, DEXTER, HEBL, HILGENBERG, HIXSON, HUBLER, JORGENSEN, MILROY, MOLEPSKE JR., MURTHA, ROYS, SCHNEIDER, SHILLING, SINICKI, SMITH, SPANBAUER, TOWNSEND, VRUWINK and WOOD, cosponsored by Senators MILLER, OLSEN, SCHULTZ, VINEHOUT, COGGS, ERPENBACH, HANSEN, HOLPERIN, JAUCH, A. LASEE, LASSA, LEHMAN, ROBSON and TAYLOR. Referred to Committee on Rural Economic Development.

AN ACT ***to repeal*** 50.38 (1) (a); ***to renumber and amend*** 36.60 (2) (a) and 50.38 (2); ***to amend*** 20.435 (4) (w), 25.77 (11), 25.77 (12), 25.772, 36.60 (3), 36.60 (4) (intro.), 36.60 (5) (a), 36.60 (5) (b) (intro.), 36.60 (5) (b) 1., 36.60 (5) (b) 2., 36.60 (5) (b) 3., 36.60 (5) (b) 4., 36.60 (5) (b) 5., 36.60 (8) (b), 36.61 (3), 36.61 (5) (a), 36.61 (5) (b) (intro.), 36.61 (5) (b) 1., 36.61 (5) (b) 2., 36.61 (5) (b) 3., 36.61 (5) (b) 4., 36.61 (5) (b) 5., 49.45 (3) (e) 11., 49.45 (59) (a), 50.38 (3), 50.38 (4), 50.38 (6) (a) 1., 50.38 (6) (a) 2., 50.38 (6) (b), 50.38 (6) (c), 50.38 (7) (d) and 50.38 (8); and ***to create*** 20.285 (1) (qe), 20.285 (1) (qj), 20.435 (4) (xe), 25.17 (1) (cg), 25.774, 36.60 (1) (d), 36.60 (2) (a) 2., 36.60 (4m), 36.60 (8) (h), 36.61 (1) (e), 36.61 (7) (e), 36.63, 49.45 (3) (e) 12., 50.38 (2) (b), 50.38 (6m) and 50.38 (10) of the statutes; **relating to:** assessment on critical access hospitals; payments to critical access hospitals under the Medical Assistance Program; creating a rural physician

1 residency assistance program; the physician, dentist, and health care provider
2 loan assistance programs; and making appropriations.

Analysis by the Legislative Reference Bureau

Hospital Assessments

The state currently collects an assessment from hospitals based on their gross inpatient and outpatient revenues. The biennial budget act specifies the total amount of revenue to be collected from the assessment. The Department of Health Services (DHS) then sets the assessment rate, which is the same for all hospitals, at the percentage of gross patient revenue necessary to collect the total revenue amount specified in the biennial budget act. Critical access hospitals, psychiatric hospitals, and institutions for mental diseases are exempt from the assessment. A critical access hospital is, in general, a hospital that provides 24 hour a day emergency care, has 25 or fewer acute inpatient beds, and is located in a rural area in which there are no other hospitals.

Current law directs DHS to use a portion of the hospital assessment revenue to pay hospitals that are subject to the assessment for services provided under the Medical Assistance Program (MA). Like other provider payments under MA, the federal government pays a share of these MA payments to hospitals. Current law requires that the MA payments to hospitals from the assessment revenue, together with the federal share, equal the amount of the assessment revenue divided by 61.68 percent (i.e., 1.62 times the amount of assessment revenue). The remainder of the assessment revenue is appropriated for other MA expenditures.

This bill imposes an assessment on the gross inpatient revenues of critical access hospitals. The rate for the critical access hospital assessment is the same as the rate of the current hospital assessment. The bill requires that DHS use a portion of the critical access hospital assessment revenue to pay critical access hospitals for services provided under MA. Like the current hospital assessment, the bill requires that the MA payments to critical access hospitals from the critical access hospital assessment revenue, together with the federal share of payments, equal the amount of the critical access hospital assessment revenue divided by 61.68 percent. The bill annually appropriates $1,000,000 of critical access hospital assessment revenue for health care provider loans and rural physician residency assistance, described below. The remainder of critical access hospital assessment revenue is appropriated for other MA expenditures.

The provisions in the bill for payment to critical access hospitals under MA apply to services provided beginning July 1, 2010. The first critical access hospital assessment payments are due by September 30, 2010. The bill requires DHS to submit a state Medicaid plan amendment to the federal government to implement the critical access hospital assessment as provided for in the bill, and specifies that if the federal government disapproves the state plan amendment, DHS must discontinue the assessment on critical access hospitals and refund any critical access hospital assessment revenue collected in fiscal year 2010–11.

Health care provider loan programs

With certain exceptions, current law authorizes the Board of Regents of the University of Wisconsin System to repay, on behalf of certain physicians and dentists, up to $50,000 in educational loans if the physician or dentist agrees to practice for three years in certain areas of this state. Similarly, the board may repay, on behalf of certain health care providers (a dental hygienist, physician assistant, nurse–midwife, or nurse–practitioner), up to $25,000 in educational loans if the health care provider agrees to practice for three years in certain areas of this state.

This bill provides additional funds for these programs, from critical access hospital assessment revenues, for certain physicians, dentists, and health care providers who agree to practice in a rural area of this state. A rural area is a city, town, or village with a population of less than 20,000 that is at least 15 miles from any city, town, or village that has a population of at least 20,000, or an area that is not an urbanized area, as defined by the federal bureau of the census. The bill also increases the maximum amount of the loan repayment from $50,000 to $100,000 for a physician who agrees to practice in a rural area.

Rural physician residency assistance program

This bill directs the Department of Family Medicine in the University of Wisconsin School of Medicine and Public Health to establish and support certain physician residency positions at hospitals located in rural areas or at clinics staffed by physicians who admit patients to hospitals located in rural areas, or that include a rural rotation, begun after June 30, 2010, which consists of at least eight weeks of training experience in a hospital located in a rural area or in a clinic that is staffed by physicians who admit patients to a hospital located in a rural area. The positions are funded with revenue from the critical access hospital assessment.

The bill directs the department annually to submit a plan for increasing the number of physician residency programs that include a majority of training experience in a rural area to the Rural Wisconsin Health Cooperative, the Wisconsin Hospital Association, and the Wisconsin Medical Society. The department must also annually submit to the Joint Committee on Finance a report indicating the number of physician residency positions that include a majority of training experience in a rural area of this state, and information about each such residency position.

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

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

1 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert

2 the following amounts for the purposes indicated:

			2009–10	2010–11
20.285 University of Wisconsin System				
(1) UNIVERSITY EDUCATION RESEARCH AND PUBLIC SERVICE				
(qe) Rural physician residency assistance program	SEG	B	–0–	750,000
(qj) Physician and dentist and health care provider loan assistance programs; critical access hospital assessment fund	SEG	B	–0–	250,000

SECTION 2. 20.285 (1) (qe) of the statutes is created to read:

20.285 **(1)** (qe) *Rural physician residency assistance program.* Biennially, from the critical access hospital assessment fund, the amounts in the schedule for the department of family medicine in the University of Wisconsin School of Medicine and Public Health to establish and support physician residency positions under s. 36.63.

SECTION 3. 20.285 (1) (qj) of the statutes is created to read:

20.285 **(1)** (qj) *Physician and dentist and health care provider loan assistance programs; critical access hospital assessment fund.* Biennially, from the critical access hospital assessment fund, the amounts in the schedule for loan repayments under ss. 36.60 and 36.61.

SECTION 4. 20.435 (4) (w) of the statutes, as affected by 2009 Act Wisconsin 2, is amended to read:

20.435 **(4)** (w) *Medical Assistance trust fund.* From the Medical Assistance trust fund, biennially, the amounts in the schedule for meeting costs of medical

1 assistance administered under ss. 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5),
2 49.45, and 49.472 (6), for refunds under s. 50.38 (6) (a) and (6m) (a), and for
3 administrative costs associated with augmenting the amount of federal moneys
4 received under 42 CFR 433.51.

5 **SECTION 5.** 20.435 (4) (xe) of the statutes is created to read:

6 20.435 **(4)** (xe) *Critical access hospital assessment fund; hospital payments.*
7 From the critical access hospital assessment fund, all moneys received from the
8 assessment under s. 50.38 (2) (b), except moneys appropriated under s. 20.285 (1) (qe)
9 and (qj), to make payments to critical access hospitals required under s. 49.45 (3) (e)
10 12. for services provided under the Medical Assistance Program under subch. IV of
11 ch. 49; to make refunds under s. 50.38 (6m); and to make the transfer under s. 50.38
12 (10).

13 **SECTION 6.** 25.17 (1) (cg) of the statutes is created to read:

14 25.17 **(1)** (cg) Critical access hospital assessment fund (s. 25.774);

15 **SECTION 7.** 25.77 (11) of the statutes, as created by 2009 Wisconsin Act 2, is
16 amended to read:

17 25.77 **(11)** All moneys transferred under s. 50.38 (8) and (10).

18 **SECTION 8.** 25.77 (12) of the statutes, as created by 2009 Wisconsin Act 2, is
19 amended to read:

20 25.77 **(12)** All moneys recouped and deposited under s. 50.38 (6) (a) 4. and (6m)
21 (a) 4.

22 **SECTION 9.** 25.772 of the statutes, as created by 2009 Wisconsin Act 2, is
23 amended to read:

24 **25.772 Hospital assessment fund.** There is established a separate
25 nonlapsible trust fund designated as the hospital assessment fund, to consist of all

moneys received under s. 50.38 (2) (a) from assessments on hospitals other than critical access hospitals and all moneys recouped and deposited under s. 50.38 (6) (a) 3.

SECTION 10. 25.774 of the statutes is created to read:

25.774 Critical access hospital assessment fund. (1) There is established a separate nonlapsible trust fund designated as the critical access hospital assessment fund, to consist of all moneys received under s. 50.38 (2) (b) from assessments on critical access hospitals and all moneys recouped and deposited under s. 50.38 (6m) (a) 3.

SECTION 11. 36.60 (1) (d) of the statutes is created to read:

36.60 **(1)** (d) "Rural area" has the meaning given in s. 36.63 (1) (c).

SECTION 12. 36.60 (2) (a) of the statutes, as affected by 2009 Wisconsin Act 28, is renumbered 36.60 (2) (a) 1. and amended to read:

36.60 **(2)** (a) 1. ~~The~~ Except as provided in subd. 2., the board may repay, on behalf of a physician or dentist, up to $50,000 in educational loans obtained by the physician or dentist from a public or private lending institution for education in an accredited school of medicine or dentistry or for postgraduate medical or dental training.

SECTION 13. 36.60 (2) (a) 2. of the statutes is created to read:

36.60 **(2)** (a) 2. The board may repay, on behalf of a physician who agrees under sub. (3) to practice in a rural area, up to $100,000 in educational loans obtained by the physician from a public or private lending institution for education in an accredited school of medicine or for postgraduate medical training.

SECTION 14. 36.60 (3) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

1 36.60 **(3)** AGREEMENT. (a) The board shall enter into a written agreement with
2 the physician, in which the physician agrees to practice at least 32 clinic hours per
3 week for 3 years in one or more eligible practice areas in this state or in a rural area,
4 except that a physician specializing in psychiatry may only agree to practice
5 psychiatry in a mental health shortage area or in a rural area and a physician in the
6 expanded loan assistance program under sub. (9) may only agree to practice at a
7 public or private nonprofit entity in a health professional shortage area. The
8 physician shall also agree to care for patients who are insured or for whom health
9 benefits are payable under medicare, medical assistance, or any other governmental
10 program.

11 (am) The board shall enter into a written agreement with the dentist, in which
12 the dentist agrees to practice at least 32 clinic hours per week for 3 years in one or
13 more dental health shortage areas in this state or in a rural area. The dentist shall
14 also agree to care for patients who are insured or for whom dental health benefits are
15 payable under medicare, medical assistance, or any other governmental program.

16 (b) The agreement shall specify that the responsibility of the board to make the
17 payments under the agreement is subject to the availability of funds in the
18 appropriations under s. 20.285 (1) (jc) ~~and~~, (ks), and (qj).

19 **SECTION 15.** 36.60 (4) (intro.) of the statutes, as affected by 2009 Wisconsin Act
20 28, is amended to read:

21 36.60 **(4)** LOAN REPAYMENT. (intro.) ~~Principal~~ Except as provided in sub. (4m),
22 principal and interest due on loans, exclusive of any penalties, may be repaid by the
23 board at the following rate:

24 **SECTION 16.** 36.60 (4m) of the statutes is created to read:

36.60 **(4m)** LOAN REPAYMENT; RURAL PHYSICIANS. If a physician agrees under sub. (3) to practice in a rural area, principal and interest due on the loan, exclusive of any penalties, may be repaid by the board at the following rate:

(a) Up to 40 percent of the principal of the loan or $40,000, whichever is less, during the first year of participation in the program under this section.

(b) Up to an additional 40 percent of the principal of the loan or $40,000, whichever is less, during the 2nd year of participation in the program under this section.

(c) Up to an additional 20 percent of the principal of the loan or $20,000, whichever is less, during the 3rd year of participation in the program under this section.

SECTION 17. 36.60 (5) (a) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 **(5)** (a) The obligation of the board to make payments under an agreement entered into under sub. (3) (b) is subject to the availability of funds in the appropriations under s. 20.285 (1) (jc) ~~and~~, (ks), and (qj).

SECTION 18. 36.60 (5) (b) (intro.) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 **(5)** (b) (intro.) If the cost of repaying the loans of all eligible applicants, when added to the cost of loan repayments scheduled under existing agreements, exceeds the total amount in the appropriations under s. 20.285 (1) (jc) ~~and~~, (ks), and (qj), the board shall establish priorities among the eligible applicants based upon the following considerations:

SECTION 19. 36.60 (5) (b) 1. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

1 36.60 **(5)** (b) 1. The degree to which there is an extremely high need for medical
2 care in the eligible practice area ~~or~~, health professional shortage area, or rural area
3 in which a physician desires to practice and the degree to which there is an extremely
4 high need for dental care in the dental health shortage area or rural area in which
5 a dentist desires to practice.

6 **SECTION 20.** 36.60 (5) (b) 2. of the statutes, as affected by 2009 Wisconsin Act
7 28, is amended to read:

8 36.60 **(5)** (b) 2. The likelihood that a physician will remain in the eligible
9 practice area ~~or~~, health professional shortage area, or rural area, and that a dentist
10 will remain in the dental health shortage area or rural area, in which he or she
11 desires to practice after the loan repayment period.

12 **SECTION 21.** 36.60 (5) (b) 3. of the statutes, as affected by 2009 Wisconsin Act
13 28, is amended to read:

14 36.60 **(5)** (b) 3. The per capita income of the eligible practice area ~~or~~, health
15 professional shortage area, or rural area in which a physician desires to practice and
16 of the dental health shortage area or rural area in which a dentist desires to practice.

17 **SECTION 22.** 36.60 (5) (b) 4. of the statutes, as affected by 2009 Wisconsin Act
18 28, is amended to read:

19 36.60 **(5)** (b) 4. The financial or other support for physician recruitment and
20 retention provided by individuals, organizations, or local governments in the eligible
21 practice area ~~or~~, health professional shortage area, or rural area in which a physician
22 desires to practice and for dentist recruitment and retention provided by individuals,
23 organizations, or local governments in the dental health shortage area or rural area
24 in which a dentist desires to practice.

1 **SECTION 23.** 36.60 (5) (b) 5. of the statutes, as affected by 2009 Wisconsin Act
2 28, is amended to read:

3 36.60 **(5)** (b) 5. The geographic distribution of the physicians and dentists who
4 have entered into loan repayment agreements under this section and the geographic
5 distribution of the eligible practice areas, health professional shortage areas, ~~and~~
6 dental health shortage areas, and rural areas in which the eligible applicants desire
7 to practice.

8 **SECTION 24.** 36.60 (8) (b) of the statutes, as affected by 2009 Wisconsin Act 28,
9 is amended to read:

10 36.60 **(8)** (b) Identify eligible practice areas and rural areas with an extremely
11 high need for medical care and dental health shortage areas and rural areas with an
12 extremely high need for dental care.

13 **SECTION 25.** 36.60 (8) (h) of the statutes is created to read:

14 36.60 **(8)** (h) Notwithstanding subs. (3) (b) and (5) (a) and (b), ensure that
15 moneys appropriated under s. 20.285 (1) (qj) are used under this section only to repay
16 loans on behalf of physicians and dentists who agree to practice in a rural area.

17 **SECTION 26.** 36.61 (1) (e) of the statutes is created to read:

18 36.61 **(1)** (e) "Rural area" has the meaning given in s. 36.63 (1) (c).

19 **SECTION 27.** 36.61 (3) of the statutes, as affected by 2009 Wisconsin Act 28, is
20 amended to read:

21 36.61 **(3)** AGREEMENT. (a) The board shall enter into a written agreement with
22 the health care provider. In the agreement, the health care provider shall agree to
23 practice at least 32 clinic hours per week for 3 years in one or more eligible practice
24 areas in this state or in a rural area, except that a health care provider in the
25 expanded loan assistance program under sub. (8) who is not a dental hygienist may

only agree to practice at a public or private nonprofit entity in a health professional shortage area.

(b) The agreement shall specify that the responsibility of the board to make the payments under the agreement is subject to the availability of funds in the appropriations under s. 20.285 (1) (jc) ~~and~~, (ks), and (qj).

SECTION 28. 36.61 (5) (a) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 **(5)** (a) The obligation of the board to make payments under an agreement entered into under sub. (3) is subject to the availability of funds in the appropriations under s. 20.285 (1) (jc) ~~and~~, (ks), and (qj).

SECTION 29. 36.61 (5) (b) (intro.) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 **(5)** (b) (intro.) If the cost of repaying the loans of all eligible applicants, when added to the cost of loan repayments scheduled under existing agreements, exceeds the total amount in the appropriations under s. 20.285 (1) (jc) ~~and~~, (ks), and (qj), the board shall establish priorities among the eligible applicants based upon the following considerations:

SECTION 30. 36.61 (5) (b) 1. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 **(5)** (b) 1. The degree to which there is an extremely high need for medical care in the eligible practice area ~~or~~, health professional shortage area, or rural area in which an eligible applicant who is not a dental hygienist desires to practice and the degree to which there is an extremely high need for dental care in the dental health shortage area or rural area in which an eligible applicant who is a dental hygienist desires to practice.

1 **SECTION 31.** 36.61 (5) (b) 2. of the statutes, as affected by 2009 Wisconsin Act
2 28, is amended to read:

3 36.61 **(5)** (b) 2. The likelihood that an eligible applicant will remain in the
4 eligible practice area ~~or~~, health professional shortage area, or rural area in which he
5 or she desires to practice after the loan repayment period.

6 **SECTION 32.** 36.61 (5) (b) 3. of the statutes, as affected by 2009 Wisconsin Act
7 28, is amended to read:

8 36.61 **(5)** (b) 3. The per capita income of the eligible practice area ~~or~~, health
9 professional shortage area, or rural area in which an eligible applicant desires to
10 practice.

11 **SECTION 33.** 36.61 (5) (b) 4. of the statutes, as affected by 2009 Wisconsin Act
12 28, is amended to read:

13 36.61 **(5)** (b) 4. The financial or other support for health care provider
14 recruitment and retention provided by individuals, organizations or local
15 governments in the eligible practice area ~~or~~, health professional shortage area, or
16 rural area in which an eligible applicant desires to practice.

17 **SECTION 34.** 36.61 (5) (b) 5. of the statutes, as affected by 2009 Wisconsin Act
18 28, is amended to read:

19 36.61 **(5)** (b) 5. The geographic distribution of the health care providers who
20 have entered into loan repayment agreements under this section and the geographic
21 location of the eligible practice area ~~or~~, health professional shortage area, or rural
22 area in which an eligible applicant desires to practice.

23 **SECTION 35.** 36.61 (7) (e) of the statutes is created to read:

1 36.61 **(7)** (e) Notwithstanding subs. (3) (b) and (5) (a) and (b), ensure that
2 moneys appropriated under s. 20.285 (1) (qj) are used under this section only to repay
3 loans on behalf of health care providers who agree to practice in a rural area.

4 **SECTION 36.** 36.63 of the statutes is created to read:

5 **36.63 Rural physician residency assistance program. (1)** In this section:

6 (a) "Department" means the department of family medicine in the University
7 of Wisconsin School of Medicine and Public Health.

8 (b) "Physician" means a physician, as defined in s. 448.01 (5), who specializes
9 in family practice, general surgery, internal medicine, obstetrics, pediatrics or
10 psychiatry.

11 (c) "Rural area" means any of the following:

12 1. A city, town, or village in this state that has a population of less than 20,000
13 and that is at least 15 miles from any city, town, or village that has a population of
14 at least 20,000.

15 2. An area in this state that is not an urbanized area, as defined by the federal
16 bureau of the census.

17 **(2)** (a) The department shall establish and support physician residency
18 positions to which one of the following applies:

19 1. The residency position is in a hospital that is located in a rural area or in a
20 clinic staffed by physicians who admit patients to a hospital located in a rural area.

21 2. The residency position includes a rural rotation, begun after June 30, 2010,
22 which consists of at least 8 weeks of training experience in a hospital that is located
23 in a rural area or in a clinic staffed by physicians who admit patients to a hospital
24 located in a rural area.

1 (b) In establishing and supporting residency positions under par. (a), the
2 department shall give preference to residency programs that actively recruit
3 graduates of the University of Wisconsin School of Medicine and Public Health and
4 the Medical College of Wisconsin.

5 **(3)** Annually by December 1, the department shall submit a plan for increasing
6 the number of physician residency programs that include a majority of training
7 experience in a rural area to the Rural Wisconsin Health Cooperative, the Wisconsin
8 Hospital Association, and the Wisconsin Medical Society. The plan shall include a
9 detailed proposed budget for expending the moneys appropriated to the board under
10 s. 20.285 (1) (qe) and demonstrate that the moneys do not supplant existing funding.
11 The department shall consider comments made by the organizations in formulating
12 its final budget.

13 **(4)** Annually by December 1, the department shall submit to the joint
14 committee on finance a report that includes all of the following:

15 (a) The number of physician residency positions that existed in the 2009–10
16 fiscal year, and in each fiscal year beginning after the effective date of this paragraph
17 .... [LRB inserts date], that included a majority of training experience in a rural area.

18 (b) 1. The number of such physician residency positions funded in whole or in
19 part under this section in the previous fiscal year.

20 2. The eligibility criteria met by each such residency position and the hospital
21 or clinic with which the position is affiliated.

22 3. The medical school attended by the physician filling each such residency
23 position.

24 4. The year the Accreditation Council for Graduate Medical Education certified
25 the residency position.

1 5. The reason the residency position had not been funded.

2 **SECTION 37.** 49.45 (3) (e) 11. of the statutes, as created by 2009 Wisconsin Act
3 2, is amended to read:

4 49.45 **(3)** (e) 11. The department shall use a portion of the moneys collected
5 under s. 50.38 (2) (a) to pay for services provided by eligible hospitals, as defined in
6 s. 50.38 (1), other than critical access hospitals, under the Medical Assistance
7 Program under this subchapter, including services reimbursed on a fee–for–service
8 basis and services provided under a managed care system. For state fiscal year
9 2008–09, total payments required under this subdivision, including both the federal
10 and state share of Medical Assistance, shall equal the amount collected under s.
11 50.38 (2) (a) for fiscal year 2008–09 divided by 57.75 percent. For each state fiscal
12 year after state fiscal year 2008–09, total payments required under this subdivision,
13 including both the federal and state share of Medical Assistance, shall equal the
14 amount collected under s. 50.38 (2) (a) for the fiscal year divided by 61.68 percent.

15 **SECTION 38.** 49.45 (3) (e) 12. of the statutes is created to read:

16 49.45 **(3)** (e) 12. The department shall use a portion of the moneys collected
17 under s. 50.38 (2) (b) to pay for services provided by critical access hospitals under
18 the Medical Assistance Program under this subchapter, including services
19 reimbursed on a fee–for–service basis and services provided under a managed care
20 system. For each state fiscal year, total payments required under this subdivision,
21 including both the federal and state share of Medical Assistance, shall equal the
22 amount collected under s. 50.38 (2) (b) for the fiscal year divided by 61.68 percent.

23 **SECTION 39.** 49.45 (59) (a) of the statutes, as created by 2009 Wisconsin Act 2,
24 is amended to read:

49.45 **(59)** (a) The department shall, from the appropriation ~~account~~ accounts under s. 20.435 (4) (xc) and (xe), pay each health maintenance organization with which it contracts to provide medical assistance a monthly amount that the health maintenance organization shall use to make payments to hospitals under par. (b).

SECTION 40. 50.38 (1) (a) of the statutes, as created by 2009 Wisconsin Act 2, is repealed.

SECTION 41. 50.38 (2) of the statutes, as created by 2009 Wisconsin Act 2, is renumbered 50.38 (2) (a) and amended to read:

50.38 **(2)** (a) For the privilege of doing business in this state, there is imposed on each eligible hospital that is not a critical access hospital an assessment each state fiscal year that is equal to a uniform percentage, determined under sub. (3), of the hospital's gross patient revenues, as reported under s. 153.46 (5) and determined by the department. The assessments shall be deposited in the hospital assessment fund.

SECTION 42. 50.38 (2) (b) of the statutes is created to read:

50.38 **(2)** (b) For the privilege of doing business in this state, there is imposed on each critical access hospital an assessment each state fiscal year that is equal to a uniform percentage, determined under sub. (3), of the critical access hospital's gross inpatient revenues, as reported under s. 153.46 (5) and determined by the department. The assessments shall be deposited in the critical access hospital assessment fund.

SECTION 43. 50.38 (3) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

50.38 **(3)** The department shall establish the percentage that is applicable under sub. (2) (a) and (b) so that the total amount of assessments collected under ~~this~~

1 ~~section~~ sub. (2) (a) in a state fiscal year is equal to the amount in the schedule under
2 s. 20.005 (3) for the appropriation under s. 20.435 (4) (xc) for that fiscal year.

3 **SECTION 44.** 50.38 (4) of the statutes, as created by 2009 Wisconsin Act 2, is
4 amended to read:

5 50.38 **(4)** Except as provided in sub. (5), each eligible hospital shall pay the
6 applicable annual assessment under sub. (2) in 4 equal amounts that are due by
7 September 30, December 31, March 31, and June 30 of each year.

8 **SECTION 45.** 50.38 (6) (a) 1. of the statutes, as created by 2009 Wisconsin Act
9 2, is amended to read:

10 50.38 **(6)** (a) 1. If the federal government does not provide federal financial
11 participation under the federal Medicaid program for amounts collected under ~~this~~
12 ~~section~~ sub. (2) (a) that are used to make payments required under s. 49.45 (3) (e) 11.
13 or (5r), that are transferred under sub. (8) and used to make payments from the
14 Medical Assistance trust fund, or that are transferred under sub. (9) and expended
15 under ~~under~~ s. 20.435 (4) (jw), the department shall, from the fund from which the
16 payment or expenditure was made, refund eligible hospitals, other than critical
17 access hospitals, the amount for which the federal government does not provide
18 federal financial participation.

19 **SECTION 46.** 50.38 (6) (a) 2. of the statutes, as created by 2009 Wisconsin Act
20 2, is amended to read:

21 50.38 **(6)** (a) 2. If the department makes a refund under subd. 1. as result of
22 failure to obtain federal financial participation under the federal Medicaid program
23 for a payment required under s. 49.45 (3) (e) 11. or (5r) or a payment from the Medical
24 Assistance trust fund, the department shall recoup the part of the payment for which
25 the federal government does not provide federal financial participation.

1 **SECTION 47.** 50.38 (6) (b) of the statutes, as created by 2009 Wisconsin Act 2,
2 is amended to read:

3 50.38 **(6)** (b) On June 30 of each state fiscal year, the department shall, from
4 the appropriation account under s. 20.435 (4) (xc), refund to eligible hospitals, other
5 than critical access hospitals, the difference between the amount in the schedule
6 under s. 20.005 (3) for that appropriation and the amount expended or encumbered
7 from that appropriation in the fiscal year.

8 **SECTION 48.** 50.38 (6) (c) of the statutes, as created by 2009 Wisconsin Act 2,
9 is amended to read:

10 50.38 **(6)** (c) The department shall allocate any refund under this subsection
11 to eligible hospitals, other than critical access hospitals, in proportion to the
12 percentage of the total assessments collected under sub. (2) (a) that each hospital
13 paid.

14 **SECTION 49.** 50.38 (6m) of the statutes is created to read:

15 50.38 **(6m)** (a) 1. If the federal government does not provide federal financial
16 participation under the federal Medicaid program for amounts collected under sub.
17 (2) (b) that are used to make payments required under s. 49.45 (3) (e) 12. or that are
18 transferred under sub. (10) and used to make payments from the Medical Assistance
19 trust fund, the department shall, from the fund from which the payment or
20 expenditure was made, refund critical access hospitals the amount for which the
21 federal government does not provide federal financial participation.

22 2. If the department makes a refund under subd. 1. as result of failure to obtain
23 federal financial participation under the federal Medicaid program for a payment
24 required under s. 49.45 (3) (e) 12. or a payment from the Medical Assistance trust

1 fund, the department shall recoup the part of the payment for which the federal
2 government does not provide federal financial participation.

3 3. Moneys recouped under subd. 2. for payments made from the critical access
4 hospital assessment fund shall be deposited in the critical access hospital
5 assessment fund.

6 4. Moneys recouped under subd. 2. for payments made from the Medical
7 Assistance trust fund shall be deposited in the Medical Assistance trust fund.

8 (b) On June 30 of each state fiscal year, the department shall, from the
9 appropriation account under s. 20.435 (4) (xe), refund to critical access hospitals any
10 unencumbered moneys in the critical access hospital assessment fund.

11 (c) The department shall allocate any refund under this subsection to critical
12 access hospitals in proportion to the percentage of the total assessments collected
13 under sub. (2) (b) that each critical access hospital paid.

14 **SECTION 50.** 50.38 (7) (d) of the statutes, as created by 2009 Wisconsin Act 2,
15 is amended to read:

16 50.38 **(7)** (d) The total amount of payment increases the department made, in
17 connection with implementation of the hospital ~~assessment~~ assessments under sub.
18 (2), for inpatient and outpatient hospital services that are reimbursed on a
19 fee–for–service basis.

20 **SECTION 51.** 50.38 (8) of the statutes is amended to read:

21 50.38 **(8)** In each state fiscal year, the secretary of administration shall transfer
22 from the hospital assessment fund to the Medical Assistance trust fund an amount
23 equal to the amount in the schedule under s. 20.005 (3) for the appropriation under
24 s. 20.435 (4) (xc) for that fiscal year minus the state share of payments to hospitals

1 required under s. 49.45 (3) (e) 11., and minus any refunds paid to hospitals from the
2 hospital assessment fund under sub. (6) (a) in that fiscal year.

3 **SECTION 52.** 50.38 (10) of the statutes is created to read:

4 50.38 **(10)** In each state fiscal year, the secretary of administration shall
5 transfer from the critical access hospital assessment fund to the Medical Assistance
6 trust fund an amount equal to the amount collected under sub. (2) (b) minus the state
7 share of the amount required to be expended under s. 49.45 (3) (e) 12., minus the
8 amounts appropriated under s. 20.285 (1) (qe) and (qj), and minus any refunds paid
9 to critical access hospitals from the critical access hospital assessment fund under
10 sub. (6m) (a) in that fiscal year.

11 **SECTION 53. Nonstatutory provisions.**

12 (1) STATE PLAN AMENDMENT. The department of health services shall submit a
13 state medicaid plan amendment to the secretary of the federal department of health
14 and human services that provides for the critical access hospital assessment under
15 section 50.38 (2) (b) of the statutes, as created by this act, and expenditure of revenue
16 from the critical access hospital assessment as provided in this act. If the secretary
17 of the federal department of health and human services disapproves the state
18 medicaid plan amendment, the department of health services shall refund to critical
19 access hospitals all of the moneys collected from the critical access hospital
20 assessment in the fiscal biennium in which this subsection takes effect and,
21 notwithstanding section 50.38 (2) (b) of the statutes, as created by this act, stop
22 collecting moneys under the critical access hospital assessment.

23 (2) BUDGETING PRACTICES. This act does not affect any requirements under
24 section 16.46 of the statutes. The departments of administration and health services
25 shall review, reestimate, and request general purpose revenue for payments to

critical access hospitals under the Medical Assistance Program under subchapter IV of chapter 49 of the statutes as needed.

SECTION 54. Fiscal changes.

(1) MEDICAL ASSISTANCE TRUST FUND. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health services under section 20.435 (4) (w) of the statutes, as affected by the acts of 2009, the dollar amount is increased by $3,680,500 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purposes for which the appropriation is made.

SECTION 55. Initial applicability.

(1) The treatment of section 49.45 (3) (e) 12. of the statutes first applies to services provided by critical access hospitals on July 1, 2010.

SECTION 56. Effective date.

(1) This act takes effect on July 1, 2010.

(END)