



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2009 Wisconsin Act 283
[2009 Senate Bill 684]

**Agreements Between Political
Subdivisions to Operate a Nursing
Home**

Under *current law*, a Medical Assistance (MA) provider must accept an MA payment, plus any coinsurance, as payment in full for services. A provider may not accept and a third party may not pay a provider any supplemental payment for an MA service, and a facility that is an MA provider may not charge a fee for the admission or continued placement of an MA recipient.

2009 Wisconsin Act 283 provides that if two or more counties, cities, villages, or towns (political subdivisions) create a commission to operate a nursing home or intermediate care facility (ICF), and the commission imposes an assessment on its participating political subdivisions for costs incurred by the commission to operate the nursing home or ICF and to provide services to residents, the imposition of the assessment is a charge internal to the commission and does not constitute billing a third party for services provided on behalf of an individual. Further, the payment of the assessment by a political subdivision is a transfer of funds internal to the commission and does not constitute a purchase of services on behalf of an individual. The Act also provides that the imposition and payment of the assessment and the acceptance of the payment by the commission do not constitute conduct prohibited under certain state and federal MA laws.

The Act provides that a “commission” is an entity that is created by contract between two or more political subdivisions to operate a nursing home or ICF and to which all of the following apply:

- The entity is the named licensee for the nursing home or ICF.
- The entity is the certified provider for the nursing home or ICF and is the recipient of MA reimbursement for services provided by the nursing home or ICF.
- The entity provides or contracts for provision of nursing home or ICF services.
- The entity owns or leases the building in which the nursing home or ICF is located.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.

- The entity controls admissions and discharges from the nursing home or ICF.
- The entity allocates the costs of operating the nursing home or ICF, and of providing services to residents of the nursing home or ICF, among the political subdivisions that are parties to the contract and assesses each political subdivision that is a party to the contract the portion of the costs allocated to that political subdivision.

Lastly, the Act provides that it is the intent of the Legislature to create a mechanism whereby two or more political subdivisions may share in the operation, use, and funding of a nursing home or ICF without violating certain federal MA laws.

Effective date: The Act takes effect on May 26, 2010.

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