

1           49.147 (5) (b) 2. An individual may participate in a transitional placement for  
2 a maximum of 24 months. The months need not be consecutive. This period may be  
3 extended on a case-by-case basis by the department or by the Wisconsin Works  
4 agency with the approval of the department.

5           **SECTION 1354.** 49.147 (5) (b) 2m. of the statutes is renumbered 49.147 (5) (b)  
6 1. b.

7           **SECTION 1355.** 49.147 (5) (b) 3. of the statutes is renumbered 49.147 (5) (b) 1.  
8 c.

9           **SECTION 1356.** 49.147 (5) (b) 4. of the statutes is renumbered 49.147 (5) (b) 1.  
10 d. and amended to read:

11           49.147 (5) (b) 1. d. Other activities that the Wisconsin ~~works~~ Works agency  
12 determines are consistent with the capabilities of the individual.

13           **SECTION 1357.** 49.147 (5) (bs) of the statutes is amended to read:

14           49.147 (5) (bs) *Required hours.* Except as provided in par. (bt) and sub. (5m),  
15 a Wisconsin Works agency may require a participant placed in a transitional  
16 placement to participate in education or training activities for not more than 12  
17 hours per week and to engage in activities under par. (b) 1m. to 4. ~~The Wisconsin~~  
18 ~~Works agency, but~~ may not require a participant under this subsection to spend more  
19 than 40 hours per week in combined activities under this subsection.

20           **SECTION 1357f.** 49.147 (5) (bs) of the statutes, as affected by 2011 Wisconsin  
21 Act .... (this act), is amended to read:

22           49.147 (5) (bs) *Required hours.* Except as provided in par. (bt) and sub. (5m),  
23 a Wisconsin Works agency may require a participant placed in a transitional  
24 placement to participate in education or training activities for not more than 12  
25 hours per week and to engage in activities under par. (b) ~~1m. to 4.~~ 1., but may not

1 require a participant under this subsection to spend more than 40 hours per week  
2 in combined activities under this subsection.

3 **SECTION 1358.** 49.148 (1) (b) 1. of the statutes is amended to read:

4 49.148 (1) (b) 1. Except as provided in subd. 1m., for a participant in a  
5 community service job under s. 49.147 (4), a monthly grant of ~~\$673~~ \$653, paid by the  
6 Wisconsin ~~works~~ Works agency. For every hour that the participant misses work or  
7 education or training activities without good cause, the grant amount shall be  
8 reduced by ~~\$5.15~~ \$5. Good cause shall be determined by the financial and  
9 employment planner in accordance with rules promulgated by the department. Good  
10 cause shall include required court appearances for a victim of domestic abuse. If a  
11 participant in a community service job under s. 49.147 (4) is required to work fewer  
12 than 30 hours per week because the participant has unsubsidized employment, as  
13 defined in s. 49.147 (1) (c), the grant amount under this paragraph shall equal the  
14 amount specified under subd. 1m. minus ~~\$5.15~~ \$5 for each hour that the participant  
15 misses work or education or training activities without good cause.

16 **SECTION 1359.** 49.148 (1) (b) 1m. d. of the statutes is amended to read:

17 49.148 (1) (b) 1m. d. For a participant placed in a community service job for  
18 more than 20 hours per week, ~~\$673~~ \$653.

19 **SECTION 1360.** 49.148 (1) (b) 3. of the statutes is amended to read:

20 49.148 (1) (b) 3. For a participant in a community service job who participates  
21 in technical college education under s. 49.147 (5m), a monthly grant of ~~\$673~~ \$653,  
22 paid by the Wisconsin ~~works~~ Works agency. For every hour that the participant  
23 misses work or other required activities without good cause, the grant amount shall  
24 be reduced by ~~\$5.15~~ \$5. Good cause shall be determined by the financial and

1 employment planner in accordance with rules promulgated by the department. Good  
2 cause shall include required court appearances for a victim of domestic abuse.

3 **SECTION 1361.** 49.148 (1) (c) of the statutes is amended to read:

4 49.148 (1) (c) *Transitional placements.* For a participant in a transitional  
5 placement under s. 49.147 (5) or in a transitional placement and in technical college  
6 education under s. 49.147 (5m), a grant of ~~\$628~~ \$608, paid monthly by the Wisconsin  
7 Works agency. For every hour that the participant fails to participate in any required  
8 activity without good cause, including any activity under s. 49.147 (5) (b) 1m. to 4.,  
9 the grant amount shall be reduced by ~~\$5.15~~ \$5. Good cause shall be determined by  
10 the financial and employment planner in accordance with rules promulgated by the  
11 department. Good cause shall include required court appearances for a victim of  
12 domestic abuse.

13 **SECTION 1361f.** 49.148 (1) (c) of the statutes, as affected by 2011 Wisconsin Act  
14 .... (this act), is amended to read:

15 49.148 (1) (c) *Transitional placements.* For a participant in a transitional  
16 placement under s. 49.147 (5) or in a transitional placement and in technical college  
17 education under s. 49.147 (5m), a grant of \$608, paid monthly by the Wisconsin  
18 Works agency. For every hour that the participant fails to participate in any required  
19 activity without good cause, including any activity under s. 49.147 (5) (b) ~~1m. to 4.~~  
20 1. a. to d., the grant amount shall be reduced by \$5. Good cause shall be determined  
21 by the financial and employment planner in accordance with rules promulgated by  
22 the department. Good cause shall include required court appearances for a victim  
23 of domestic abuse.

24 **SECTION 1361s.** 49.148 (1m) (a) 1. of the statutes is amended to read:

1           49.148 **(1m)** (a) 1. A custodial parent of a child ~~12~~ 8 weeks old or less who meets  
2 the eligibility requirements under s. 49.145 (2) and (3), unless another adult member  
3 of the custodial parent's Wisconsin Works group is participating in, or is eligible to  
4 participate in, a Wisconsin Works employment position or is employed in  
5 unsubsidized employment, as defined in s. 49.147 (1) (c).

6           **SECTION 1362.** 49.148 (1m) (c) (intro.) of the statutes is amended to read:

7           49.148 **(1m)** (c) (intro.) For purposes of the time ~~limit~~ limits under ~~s. ss.~~ 49.145  
8 (2) (n) and 49.147 (3) (c), (4) (b), and (5) (b) 2., all of the following apply:

9           **SECTION 1363.** 49.148 (4) (b) of the statutes is amended to read:

10          49.148 **(4)** (b) The Wisconsin Works agency may require an individual who tests  
11 positive for use of a controlled substance under par. (a) to participate in a drug abuse  
12 evaluation, assessment, and treatment program as part of the participation  
13 requirement under s. 49.147 (4) ~~(a) and (am)~~ (as) or (5) ~~(b) and (bm)~~ (bs).

14          **SECTION 1364.** 49.151 (1) (b) of the statutes is amended to read:

15          49.151 **(1)** (b) The participant, or an individual who is in the participant's  
16 Wisconsin Works group and who is subject to the work requirement under s. 49.15  
17 (2), fails, without good cause, as determined by the Wisconsin Works agency, to  
18 appear for an interview with a prospective employer or, if the participant is in a  
19 Wisconsin Works transitional placement, the participant fails to appear for an  
20 assigned activity, including an activity under s. 49.147 (5) (b) ~~1m. to 4. 1. a. to d.~~,  
21 without good cause, as determined by the Wisconsin Works agency.

22          **SECTION 1365.** 49.1515 (title) of the statutes is amended to read:

23          **49.1515** (title) **Determining nonparticipation without good cause.**

24          **SECTION 1366.** 49.1515 (2) of the statutes is repealed.

25          **SECTION 1367.** 49.1515 (3) of the statutes is repealed.

1           **SECTION 1367c.** 49.152 (1) of the statutes is amended to read:

2           49.152 (1) PETITION FOR REVIEW. Any individual whose application for any  
3 component of Wisconsin ~~works~~ Works is not acted upon by the Wisconsin ~~works~~  
4 Works agency with reasonable promptness after the filing of the application, as  
5 defined by the department by rule, or is denied in whole or in part, whose benefit is  
6 modified or canceled, or who believes that the benefit was calculated incorrectly ~~or~~,  
7 that the employment position in which the individual was placed is inappropriate,  
8 or that providing case management services under s. 49.147 (2) (am) in lieu of  
9 placement in a Wisconsin Works employment position is inappropriate, may petition  
10 the Wisconsin ~~works~~ Works agency for a review of such action. Review is unavailable  
11 if the action by the Wisconsin ~~works~~ Works agency occurred more than 45 days prior  
12 to submission of the petition for review.

13           **SECTION 1367e.** 49.152 (3) (a) of the statutes is amended to read:

14           49.152 (3) (a) If, following review under sub. (2), the Wisconsin ~~works~~ Works  
15 agency or the department determines that an individual, whose application for a  
16 Wisconsin ~~works~~ Works employment position was denied based on eligibility, was in  
17 fact eligible, or that the individual was placed in an inappropriate Wisconsin ~~works~~  
18 Works employment position or inappropriately provided case management services  
19 under s. 49.147 (2) (am) in lieu of placement in a Wisconsin Works employment  
20 position, the Wisconsin ~~works~~ Works agency shall place the individual in the first  
21 available Wisconsin ~~works~~ Works employment position that is appropriate for that  
22 individual, as determined by the Wisconsin ~~works~~ Works agency or the department.  
23 An individual who is placed in a Wisconsin ~~works~~ Works employment position under  
24 this paragraph is eligible for the benefit for that position under s. 49.148 beginning  
25 on the date on which the individual begins participation under s. 49.147.

1           **SECTION 1368.** 49.153 (1) (am) of the statutes is repealed.

2           **SECTION 1369.** 49.153 (1) (bm) of the statutes is renumbered 49.153 (1) (a) and  
3 amended to read:

4           49.153 (1) (a) ~~After providing the explanation under par. (am), provide~~ Provide  
5 to the participant written notice of the proposed action and of the reasons for the  
6 proposed action.

7           **SECTION 1370.** 49.153 (1) (c) of the statutes is amended to read:

8           49.153 (1) (c) After providing the ~~explanation or the attempts to provide an~~  
9 ~~explanation under par. (am) and the notice under par. (bm), if the participant has not~~  
10 ~~already been afforded a conciliation period under s. 49.1515 (3) (a),~~ allow the  
11 participant a reasonable time to rectify the deficiency, failure, or other behavior to  
12 avoid the proposed action.

13           **SECTION 1371.** 49.153 (2) of the statutes is amended to read:

14           49.153 (2) RULES. The department shall promulgate rules that establish  
15 procedures for the notice ~~and explanation~~ under sub. (1) (a) and that define  
16 “~~reasonable attempts~~” for the purpose of sub. (1) (am) and “reasonable time” for the  
17 purpose of sub. (1) (c).

18           **SECTION 1373.** 49.155 (1g) (ac) of the statutes is amended to read:

19           49.155 (1g) (ac) A child care scholarship and bonus program, in the amount of  
20 at least ~~\$3,475,000~~ \$3,975,000 per fiscal year.

21           **SECTION 1374.** 49.155 (1g) (c) of the statutes is amended to read:

22           49.155 (1g) (c) Child care licensing activities, in the amount of at least  
23 ~~\$5,763,900~~ \$8,767,000 per fiscal year.

24           **SECTION 1375.** 49.155 (1g) (g) of the statutes is created to read:

1           49.155 **(1g)** (g) Contracts and grants to implement the child care quality rating  
2 system under s. 48.659.

3           **SECTION 1376.** 49.155 (1h) of the statutes is repealed.

4           **SECTION 1376n.** 49.155 (1m) (a) 1m. b. of the statutes is amended to read:

5           49.155 **(1m)** (a) 1m. b. The individual has not yet attained the age of 18 years  
6 and the individual resides with his or her custodial parent or with a kinship care  
7 relative under s. 48.57 (3m) or with a long-term kinship care relative under s. 48.57  
8 (3n) or is in a foster home licensed under s. 48.62, a subsidized guardianship home  
9 under s. ~~48.62-(5)~~ 48.623, a group home, or an independent living arrangement  
10 supervised by an adult.

11          **SECTION 1377e.** 49.155 (1m) (bm) of the statutes is amended to read:

12          49.155 **(1m)** (bm) If the individual is providing care for a child under a court  
13 order and is receiving payments on behalf of the child under s. 48.57 (3m) or (3n) or  
14 ~~48.62-(5)~~ 48.623, or if the individual is a foster parent, and child care is needed for  
15 that child, the child meets the requirement under s. 49.145 (2) (c).

16          **SECTION 1377f.** 49.155 (1m) (c) 1g. of the statutes is amended to read:

17          49.155 **(1m)** (c) 1g. If the individual is a foster parent of the child or a subsidized  
18 guardian or interim caretaker of the child under s. ~~48.62-(5)~~ 48.623, the child's  
19 biological or adoptive family has a gross income that is at or below 200% of the  
20 poverty line. In calculating the gross income of the child's biological or adoptive  
21 family, the department or county department or agency determining eligibility shall  
22 include court-ordered child or family support payments received by the individual,  
23 if those support payments exceed \$1,250 per month, and income described under s.  
24 49.145 (3) (b) 1. and 3.

1           **SECTION 1378c.** 49.155 (3m) (d) of the statutes is renumbered 49.155 (3m) (d)

2           1. and amended to read:

3           49.155 **(3m)** (d) 1. No funds distributed under par. (a) may be used for child care  
4           services that are provided for a child by a child care provider who is the parent of the  
5           child or who resides with the child, ~~unless the county determines that the care is~~  
6           ~~necessary because of a special health condition of the child.~~

7           **SECTION 1378d.** 49.155 (3m) (d) 2., 3. and 4. of the statutes are created to read:

8           49.155 **(3m)** (d) 2. If a child's parent is a child care provider, no funds  
9           distributed under par. (a) may be used for child care services that are provided for  
10          the child by another child care provider who is not the child's parent.

11          3. Subdivision 1. or 2. does not apply if the child's parent has applied for, and  
12          been granted, a waiver of the prohibition under subd. 1. or 2. by the county  
13          department or agency or by the department.

14          4. The department shall by rule specify the circumstances, or standards for  
15          determining the circumstances, under which the department will grant a waiver  
16          under subd. 3.

17          **SECTION 1378g.** 49.155 (4) of the statutes is renumbered 49.155 (4) (a).

18          **SECTION 1378h.** 49.155 (4) (b) of the statutes is created to read:

19          49.155 **(4)** (b) 1. Except as provided in subd. 2., no eligible individual may  
20          benefit personally from any marketing or promotional offerings made by a child care  
21          provider to attract clients or increase business.

22          2. Subdivision 1. does not apply to marketing or promotional offerings that  
23          directly benefit an eligible individual's child for whom the child care provider is  
24          providing child care services.



1           **SECTION 1379.** 49.155 (6) (e) of the statutes is renumbered 49.155 (6) (e) 2. and  
2 amended to read:

3           49.155 (6) (e) 2. The Except as provided in subd. 3., the department may not  
4 increase the maximum reimbursement rates for child care providers ~~in 2009, in~~  
5 ~~2010, or before June 30 in 2011, 2013.~~

6           **SECTION 1380.** 49.155 (6) (e) 1. of the statutes is created to read:

7           49.155 (6) (e) 1. In this paragraph, “quality rating plan” means the plan for  
8 implementing the child care quality rating system under s. 48.659 submitted by the  
9 department under 2009 Wisconsin Act 28, section 9108 (7f).

10          **SECTION 1381.** 49.155 (6) (e) 3. of the statutes is created to read:

11          49.155 (6) (e) 3. Beginning on July 1, 2012, the department may modify a child  
12 care provider’s reimbursement rate under subd. 2. on the basis of the provider’s  
13 quality rating, as described in the quality rating plan, in the following manner:

14           a. For a child care provider who receives a 1–star rating, the department shall  
15 deny reimbursement.

16           b. For a child care provider who receives a 2–star rating, the department may  
17 reduce the maximum reimbursement rate by up to 5 percent.

18           c. For a child care provider who receives a 3–star rating, the department may  
19 pay up to the maximum reimbursement rate.

20           d. For a child care provider who receives a 4–star rating, the department may  
21 increase the maximum reimbursement rate by up to 5 percent.

22           e. For a child care provider who receives a 5–star rating, the department may  
23 increase the maximum reimbursement rate by up to 10 percent, except that  
24 beginning on January 1, 2013, the department may increase the maximum  
25 reimbursement rate for such a child care provider by up to 25 percent.

1           **SECTION 1382.** 49.155 (6) (e) 4. of the statutes is created to read:

2           49.155 (6) (e) 4. The department may use a severity-index tool, as described  
3 in the quality rating plan, to disqualify child care providers who receive a low quality  
4 rating, as described in the quality rating plan, from receiving payment under this  
5 section.

6           **SECTION 1382g.** 49.155 (6) (e) 5. of the statutes is created to read:

7           49.155 (6) (e) 5. For purposes of modifying reimbursement rates under subd.  
8 3., the department shall assign a child care provider that is accredited from the  
9 Council on Accreditation a 4-star rating or 5-star rating, whichever the department  
10 determines is appropriate.

11           **SECTION 1383.** 49.155 (6d) of the statutes is created to read:

12           49.155 (6d) **COST-SAVING MEASURES.** (a) To reduce costs under the program  
13 under this section, the department may do any of the following:

14           1. Notwithstanding sub. (1m), implement a waiting list for receipt of a child  
15 care subsidy under this section, except that a Wisconsin Works program participant  
16 may not be placed on any waiting list implemented under this subdivision.

17           2. Notwithstanding sub. (5), increase the copayment amount that an individual  
18 must pay toward the cost of child care received under this section.

19           3. Notwithstanding sub. (6), adjust the amount of reimbursement paid to child  
20 care providers providing child care services under this section.

21           4. Notwithstanding sub. (1m), adjust the gross income levels for eligibility for  
22 receipt of a child care subsidy under this section.

23           (b) If the department intends to take any of the actions under par. (a), the  
24 department shall submit to the joint committee on finance a report that sets out its  
25 plan for implementing the cost-saving measures.

1           **SECTION 1384c.** 49.159 (3) of the statutes is amended to read:

2           49.159 (3) OTHER CUSTODIAL PARENTS. A custodial parent in a Wisconsin ~~works~~  
3           Works group in which the other custodial parent is a participant in a Wisconsin  
4           ~~works~~ Works employment position or is receiving case management services under  
5           s. 49.147 (2) (am) is eligible for employment training and job search assistance  
6           services provided by the Wisconsin ~~works~~ Works agency.

7           **SECTION 1385.** 49.162 of the statutes, as affected by 2009 Wisconsin Act 333  
8           and 2011 Wisconsin Act .... (this act), is repealed.

9           **SECTION 1385c.** 49.162 (3) (am) 5. of the statutes is created to read:

10          49.162 (3) (am) 5. Host sites for employing individuals or placing work crews  
11          under this section must be businesses that are operated for profit, except that in the  
12          case of a natural disaster for which the governor has declared a state of emergency  
13          under s. 323.10, the department shall give a preference to any work crew placement  
14          or host site involved in natural disaster recovery.

15          **SECTION 1386.** 49.165 (2) (c) (intro.) of the statutes is amended to read:

16          49.165 (2) (c) (intro.) No grant may be made to an organization which provides  
17          or will provide shelter facilities unless the department of ~~commerce~~ safety and  
18          professional services determines that the physical plant of the facility will not be  
19          dangerous to the health or safety of the residents when the facility is in operation.  
20          No grant may be given to an organization which provides or will provide shelter  
21          facilities or private home shelter care unless the organization ensures that the  
22          following services will be provided either by that organization or by another  
23          organization, person or agency:

24          **SECTION 1388.** 49.175 (1) (intro.) of the statutes, as affected by 2009 Wisconsin  
25          Act 28, section 1227, is amended to read:

1           49.175 (1) ALLOCATION OF FUNDS. (intro.) Except as provided in sub. (2), within  
2 the limits of the appropriations under s. 20.437 (2) (a), (cm), (dz), (k), (kx), (L), (mc),  
3 (md), (me), (mf), and (s), the department shall allocate the following amounts for the  
4 following purposes:

5           **SECTION 1389.** 49.175 (1) (a) of the statutes is amended to read:

6           49.175 (1) (a) *Wisconsin Works benefits.* For Wisconsin Works benefits,  
7 ~~\$49,139,400~~ \$74,650,100 in fiscal year ~~2009-10~~ 2011-12 and ~~\$51,229,600~~  
8 \$72,131,500 in fiscal year ~~2010-11~~ 2012-13.

9           **SECTION 1390.** 49.175 (1) (b) of the statutes is amended to read:

10           49.175 (1) (b) *Wisconsin Works administration.* For administration of  
11 Wisconsin Works performed under contracts under s. 49.143, ~~\$8,247,000~~  
12 \$10,107,200 in fiscal year ~~2009-10~~ 2011-12 and ~~\$8,247,000~~ \$10,107,200 in fiscal  
13 year ~~2010-11~~ 2012-13.

14           **SECTION 1391.** 49.175 (1) (f) of the statutes is amended to read:

15           49.175 (1) (f) *Wisconsin Works ancillary services.* For program services under  
16 Wisconsin Works provided under contracts under s. 49.143, ~~\$38,471,500~~ \$47,229,300  
17 in fiscal year ~~2009-10~~ 2011-12 and ~~\$35,471,500~~ \$47,229,300 in fiscal year ~~2010-11~~  
18 2012-13.

19           **SECTION 1392.** 49.175 (1) (g) of the statutes is amended to read:

20           49.175 (1) (g) *State administration of public assistance programs and costs of*  
21 *overpayment collections.* For state administration of public assistance programs and  
22 ~~costs associated with~~ the collection of public assistance overpayments, ~~\$16,985,900~~  
23 in fiscal year ~~2009-10~~ and ~~\$17,091,700~~ \$12,918,900 in each fiscal year ~~2010-11~~.

24           **SECTION 1393.** 49.175 (1) (i) of the statutes is amended to read:

1           49.175 (1) (i) *Emergency assistance*. For emergency assistance under s. 49.138,  
2           \$6,500,000 and for transfer to the department of administration for low-income  
3           energy or weatherization assistance programs, \$6,200,000 in fiscal year 2009-10  
4           2011-12 and \$6,000,000 in fiscal year ~~2010-11~~ 2012-13.

5           **SECTION 1393L.** 49.175 (1) (L) of the statutes is created to read:

6           49.175 (1) (L) *Transitional jobs demonstration project*. For the transitional jobs  
7           demonstration project under s. 49.162, \$12,000,000 in fiscal year 2011-12.

8           **SECTION 1394.** 49.175 (1) (p) of the statutes is amended to read:

9           49.175 (1) (p) *Direct child care services*. For direct child care services under s.  
10           49.155, ~~\$384,987,600~~ \$301,631,000 in fiscal year ~~2009-10~~ 2011-12 and ~~\$402,496,800~~  
11           \$298,523,500 in fiscal year ~~2010-11~~ 2012-13.

12           **SECTION 1395.** 49.175 (1) (q) of the statutes is amended to read:

13           49.175 (1) (q) *Child care state administration and child care licensing*  
14           *activities*. For administration of child care programs under s. 49.155 and the  
15           allocation under s. 49.155 (1g) (c) for child care licensing activities, ~~\$8,534,700~~  
16           \$19,702,100 in fiscal year ~~2009-10~~ 2011-12 and ~~\$8,889,700~~ \$19,783,800 in fiscal  
17           year ~~2010-11~~ 2012-13.

18           **SECTION 1396.** 49.175 (1) (qm) of the statutes is amended to read:

19           49.175 (1) (qm) *Quality care for quality kids*. For the child care quality  
20           improvement activities specified in s. 49.155 (1g), ~~\$5,384,600~~ \$13,486,700 in fiscal  
21           year ~~2009-10~~ 2011-12 and ~~\$5,384,600~~ \$13,169,400 in fiscal year ~~2010-11~~ 2012-13.

22           **SECTION 1397.** 49.175 (1) (r) of the statutes is amended to read:

23           49.175 (1) (r) *Children of recipients of supplemental security income*. For  
24           payments made under s. 49.775 for the support of the dependent children of

1 recipients of supplemental security income, ~~\$29,899,800 in fiscal year 2009-10 and~~  
2 ~~\$29,933,200~~ \$31,232,200 in each fiscal year thereafter.

3 **SECTION 1398.** 49.175 (1) (s) of the statutes is amended to read:

4 49.175 (1) (s) *Kinship care, long-term kinship care, and foster care assistance.*

5 For the kinship care and long-term kinship care programs under s. 48.57 (3m), (3n),  
6 and (3p) and for foster care for relatives under s. 48.62, ~~\$24,435,000 in fiscal year~~  
7 ~~2009-10 and \$24,435,000~~ \$21,375,800 in each fiscal year 2010-11.

8 **SECTION 1399.** 49.175 (1) (v) of the statutes is created to read:

9 49.175 (1) (v) *Program improvement plan.* For services provided under the  
10 child welfare program improvement plan developed under 45 CFR 1355.35, \$680,400  
11 in fiscal year 2011-12 and \$1,360,800 in each fiscal year thereafter.

12 **SECTION 1400.** 49.175 (1) (zh) of the statutes, as affected by 2011 Wisconsin Act  
13 13, is amended to read:

14 49.175 (1) (zh) *Earned income tax credit supplement.* For the transfer of  
15 moneys from the appropriation account under s. 20.437 (2) (md) to the appropriation  
16 account under s. 20.835 (2) (kf) for the earned income tax credit, ~~\$6,664,200 in fiscal~~  
17 ~~year 2009-10 and \$43,664,200 in~~ each fiscal year 2010-11.

18 **SECTION 1402m.** 49.197 (1m) of the statutes is amended to read:

19 49.197 (1m) FRAUD INVESTIGATION. From the appropriations under s. 20.437 (2)  
20 (dz), (kx), (L), (mc), (md), (me), and (nL), the department shall establish a program  
21 to investigate suspected fraudulent activity on the part of recipients of aid to families  
22 with dependent children under s. 49.19, on the part of participants in the Wisconsin  
23 Works program under ss. 49.141 to 49.161, and, if the department of health services  
24 contracts with the department under sub. (5), on the part of recipients of medical  
25 assistance under subch. IV, food stamp benefits under the food stamp program under

1 7 USC 2011 to 2036, supplemental security income payments under s. 49.77,  
2 payments for the support of children of supplemental security income recipients  
3 under s. 49.775, and health care benefits under the Badger Care health care program  
4 under s. 49.665. The department's activities under this subsection may include, but  
5 are not limited to, comparisons of information provided to the department by an  
6 applicant and information provided by the applicant to other federal, state, and local  
7 agencies, development of an advisory welfare investigation prosecution standard,  
8 and provision of funds to county departments under ss. 46.215, 46.22, and 46.23 or  
9 multicounty consortia, as defined in s. 49.78 (1) (br), and to Wisconsin Works  
10 agencies to encourage activities to detect fraud. The department shall cooperate  
11 with district attorneys regarding fraud prosecutions.

12 **SECTION 1405g.** 49.197 (2) of the statutes is repealed and recreated to read:

13 49.197 (2) INCENTIVE PROGRAM FOR LOCAL FRAUD DETECTION. (a) In this  
14 subsection:

- 15 1. "County department" means a county department under s. 46.22 or 46.23.
- 16 2. "Subsidy program" means the child care subsidy program under s. 49.155.
- 17 3. "Tribal governing body" means an elected governing body of a federally  
18 recognized American Indian tribe.

19 (b) 1. Subject to subd. 2., the department shall by rule establish an incentive  
20 program that, using moneys from the allocation under s. 49.175 (1) (p), rewards  
21 county departments, Wisconsin Works agencies, and tribal governing bodies that  
22 administer the subsidy program for identifying fraud in the subsidy program. The  
23 rules shall specify that a county department, Wisconsin Works agency, or tribal  
24 governing body shall receive, for identifying fraudulent activity under the subsidy  
25 program on the part of a child care provider, an amount equal to the average monthly

1 subsidy payment per child during the prior fiscal year, multiplied by the number of  
2 children participating in the subsidy program for whom the provider provides care,  
3 multiplied by 1.5 months. A county department, Wisconsin Works agency, or tribal  
4 governing body may use payments received under this subsection for any purpose for  
5 which moneys under the Temporary Assistance for Needy Families block grant  
6 program may be used under federal law.

7 2. No later than January 1, 2012, the department shall submit its plan for the  
8 incentive program to the cochairpersons of the joint committee on finance for review  
9 by the committee. If the cochairpersons of the committee do not notify the  
10 department that the committee has scheduled a meeting for the purpose of reviewing  
11 the proposed plan within 14 working days after the date of the department's  
12 submittal, the department shall promulgate the rules for the incentive program in  
13 accordance with its proposed plan. If, within 14 working days after the date of the  
14 department's submittal, the cochairpersons of the committee notify the department  
15 that the committee has scheduled a meeting for the purpose of reviewing the  
16 proposed plan, the department may not promulgate the rules for the incentive  
17 program unless the committee approves the proposed plan. If the committee  
18 modifies and approves the proposed plan, the department may promulgate the rules  
19 for the incentive program only as modified by the committee.

20 **SECTION 1408m.** 49.197 (4) of the statutes is amended to read:

21 49.197 (4) COUNTY AND TRIBAL ERROR REDUCTION. If the department of health  
22 services contracts with the department under sub. (5), the department shall provide  
23 funds from the appropriation under s. 20.437 (2) (kx) to counties, multicounty  
24 consortia, as defined in s. 49.78 (1) (br), and governing bodies of federally recognized  
25 American Indian tribes administering Medical Assistance under subch. IV, the food



1 stamp program under 7 USC 2011 to 2036, the supplemental security income  
2 payments program under s. 49.77, the program providing payments for the support  
3 of children of supplemental security income recipients under s. 49.775, and the  
4 Badger Care health care program under s. 49.665 to offset administrative costs of  
5 reducing payment errors in those programs.

6 **SECTION 1415.** 49.265 (4) (a) of the statutes is amended to read:

7 49.265 (4) (a) The department shall distribute the federal community services  
8 block grant funds received under 42 USC 9903 and ~~deposited in~~ credited to the  
9 ~~appropriations~~ appropriation account under s. 20.437 (1) ~~(me)~~ and ~~(md)~~ (2) (mg).

10 **SECTION 1420m.** 49.43 (2r) of the statutes is created to read:

11 49.43 (2r) “County,” “county department,” and “county department under s.  
12 46.215, 46.22, or 46.23” includes a multicounty consortium in accordance with a  
13 contract under s. 49.78 (2).

14 **SECTION 1422m.** 49.43 (8m) of the statutes is created to read:

15 49.43 (8m) “Multicounty consortium” has the meaning given in s. 49.78 (1) (br).

16 **SECTION 1423k.** 49.45 (2m) of the statutes, as created by 2011 Wisconsin Act  
17 10, is repealed and recreated to read:

18 49.45 (2m) AUTHORIZATION FOR MODIFICATIONS TO PROGRAMS; STUDY. (a) In this  
19 subsection, “Medical Assistance program” includes any program operated under this  
20 subchapter, demonstration program operated under 42 USC 1315, and program  
21 operated under a waiver of federal law relating to medical assistance that is granted  
22 by the federal department of health and human services.

23 (b) The department shall study potential changes to the Medical Assistance  
24 state plan and to waivers of federal law relating to medical assistance obtained from

1 the federal department of health and human services for all of the following  
2 purposes:

3 1. Increasing the cost effectiveness and efficiency of care and the care delivery  
4 system for Medical Assistance programs.

5 2. Limiting switching from private health insurance to Medical Assistance  
6 programs.

7 3. Ensuring the long-term viability and sustainability of Medical Assistance  
8 programs.

9 4. Advancing the accuracy and reliability of eligibility for Medical Assistance  
10 programs and claims determinations and payments.

11 5. Improving the health status of individuals who receive benefits under a  
12 Medical Assistance program.

13 6. Aligning Medical Assistance program benefit recipient and service provider  
14 incentives with health care outcomes.

15 7. Supporting responsibility and choice of medical assistance recipients.

16 (c) Subject to par. (d), if the department determines, as a result of the study  
17 under par. (b), that revision of existing statutes or rules would be necessary to  
18 advance a purpose described in par. (b) 1. to 7., the department may propose a policy  
19 that makes any of the following changes related to Medical Assistance programs:

20 1. Requires cost sharing from program benefit recipients up to the maximum  
21 allowed by federal law or a waiver of federal law.

22 2. Authorizes providers to deny care or services if a program benefit recipient  
23 is unable to share costs, to the extent allowed by federal law or waiver.

24 3. Modifies existing benefits or establishes various benefit packages and offers  
25 different packages to different groups of recipients.

- 1           4. Revises provider reimbursement models for particular services.
- 2           5. Mandates that program benefit recipients enroll in managed care.
- 3           6. Restricts or eliminates presumptive eligibility.
- 4           7. To the extent permitted by federal law, imposes restrictions on providing  
5 benefits to individuals who are not citizens of the United States.
- 6           8. Sets standards for establishing and verifying eligibility requirements.
- 7           9. Develops standards and methodologies to assure accurate eligibility  
8 determinations and redetermines continuing eligibility.
- 9           10. Reduces income levels for purposes of determining eligibility to the extent  
10 allowed by federal law or waiver and subject to the limitations under par. (e) 2.
- 11           (d) Before implementing a policy proposed under par. (c) that conflicts with a  
12 statute, and before submitting any amendment or waiver request under par. (e) that  
13 is necessary to implement any such policy, the department shall submit to the joint  
14 committee on finance the proposed amendment or waiver request and estimates of  
15 the projected cost savings associated with that amendment or waiver request. If the  
16 cochairpersons of the committee do not notify the department within 14 working  
17 days after the date of the department's submittal that the committee has scheduled  
18 a meeting for the purpose of reviewing the proposed amendment or waiver request,  
19 the proposed amendment or waiver request may be submitted to the federal  
20 department of health and human services. If, within 14 working days after the date  
21 of the department's submittal, the cochairpersons of the committee notify the  
22 department that the committee has scheduled a meeting for the purpose of reviewing  
23 the proposed amendment or waiver request, the proposed amendment or waiver  
24 requested may be submitted only on approval of the committee.

1 (e) 1. Subject to par. (d), the department shall submit an amendment to the  
2 state Medical Assistance plan or request a waiver of federal laws related to medical  
3 assistance, if necessary, to the extent necessary to implement any policy created  
4 under par. (c). If the federal department of health and human services does not allow  
5 the amendment or does not grant the waiver, the department may not implement the  
6 policy.

7 2. The department shall request a waiver from the secretary of the federal  
8 department of health and human services to permit the department to have in effect  
9 eligibility standards, methodologies, and procedures under the state Medical  
10 Assistance plan or waivers of federal laws related to medical assistance that are more  
11 restrictive than those in place on March 23, 2010. If the waiver request does not  
12 receive federal approval before December 31, 2011, the department shall reduce  
13 income levels on July 1, 2012, for the purposes of determining eligibility to 133  
14 percent of the federal poverty line for adults who are not pregnant and not disabled,  
15 to the extent permitted under 42 USC 1396a (gg), if the department follows the  
16 procedures under 42 USC 1396a (gg) (3).

17 (f) Within 90 days after the effective date of this paragraph .... [LRB inserts  
18 date], and every 90 days thereafter, the department shall submit to the joint  
19 committee on finance a report that contains all of the following information:

20 1. An updated description of any Medical Assistance program changes  
21 implemented by the department, including any amendments to the Medical  
22 Assistance state plan.

23 2. An updated estimate of the projected savings associated with any changes  
24 described under subd. 1.

1           3. An updated projection of the total Medical Assistance program benefit  
2 expenditures during the fiscal biennium and an analysis of how these projected  
3 expenditures compare to the funding provided in the 2011-13 biennial budget act.

4           **SECTION 1423m.** 49.45 (2m) of the statutes, as affected by 2011 Wisconsin Act  
5 .... (this act), is repealed.

6           **SECTION 1424p.** 49.45 (3) (n) of the statutes, as created by 2011 Wisconsin Act  
7 10, is repealed and recreated to read:

8           49.45 (3) (n) This subsection does not apply if the department creates a policy  
9 under sub. (2m) (c) 4., to the extent that the policy conflicts with this subsection.

10          **SECTION 1424q.** 49.45 (3) (n) of the statutes, as affected by 2011 Wisconsin Act  
11 .... (this act), is repealed.

12          **SECTION 1427.** 49.45 (5m) (am) of the statutes is amended to read:

13          49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriation accounts  
14 under s. 20.435 (4) (b), (gm), (o), (w) and (xc), the department shall distribute not  
15 more than \$5,000,000 in each fiscal year, to provide supplemental funds to rural  
16 hospitals that, as determined by the department, have high utilization of inpatient  
17 services by patients whose care is provided from governmental sources, except that  
18 the department may not distribute funds to a rural hospital to the extent that the  
19 distribution would exceed any limitation under 42 USC 1396b (i) (3).

20          **SECTION 1428.** 49.45 (6m) (a) 6. of the statutes is amended to read:

21          49.45 (6m) (a) 6. “Resource Utilization Groupings III” means a comparative  
22 resource utilization grouping that classifies each facility resident based on  
23 information obtained from performing, for the resident, a minimum data set  
24 assessment developed by the federal Centers for Medicare and Medicaid Services.

25          **SECTION 1429.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

1           49.45 **(6m)** (ag) (intro.) Payment for care provided in a facility under this  
2 subsection made under s. 20.435 (4) (b), (gm), (o), (pa), or (w) shall, except as provided  
3 in pars. (bg), (bm), and (br), be determined according to a prospective payment  
4 system updated annually by the department. The payment system shall implement  
5 standards that are necessary and proper for providing patient care and that meet  
6 quality and safety standards established under subch. II of ch. 50 and ch. 150. The  
7 payment system shall reflect all of the following:

8           **SECTION 1430.** 49.45 (6m) (ag) 3p. a. of the statutes is amended to read:

9           49.45 **(6m)** (ag) 3p. a. The system shall may incorporate acuity measurements  
10 under the most recent Resource Utilization Groupings ~~III~~ methodology to determine  
11 factors for case-mix adjustment.

12           **SECTION 1430c.** 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

13           49.45 **(6m)** (ar) 1. a. The department shall establish standards for payment of  
14 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily  
15 serve the developmentally disabled, that take into account direct care costs for a  
16 sample of all of those facilities in this state and separate standards for payment of  
17 allowable direct care costs, for facilities that primarily serve the developmentally  
18 disabled, that take into account direct care costs for a sample of all of those facilities  
19 in this state. The standards shall be adjusted by the department for regional labor  
20 cost variations. The department shall treat as a single labor region the counties of  
21 Dane, Dodge, Iowa, Columbia, Sauk, and Rock and shall adjust payment so that the  
22 direct care cost targets of facilities in Dane, Iowa, Columbia, and Sauk counties are  
23 not reduced as a result of including facilities in Dodge and Rock County Counties in  
24 this labor region. For facilities in Douglas, Dunn, Pierce, and St. Croix counties, the  
25 department shall perform the adjustment by use of the wage index that is used by

1 the federal department of health and human services for hospital reimbursement  
2 under 42 USC 1395 to 1395ggg.

3 **SECTION 1430d.** 49.45 (6m) (n) of the statutes, as created by 2011 Wisconsin  
4 Act 10, is repealed and recreated to read:

5 49.45 (6m) (n) This subsection does not apply if the department creates a policy  
6 under sub. (2m) (c) 4., to the extent that the policy conflicts with this subsection.

7 **SECTION 1430e.** 49.45 (6m) (n) of the statutes, as affected by 2011 Wisconsin  
8 Act .... (this act), is repealed.

9 **SECTION 1431.** 49.45 (6tw) of the statutes is amended to read:

10 49.45 (6tw) PAYMENTS TO CITY HEALTH DEPARTMENTS. From the appropriation  
11 account under s. 20.435 (7) (b), if the department selects the payment procedure  
12 under s. 49.45 (52) (a), the department may make payments to local health  
13 departments, as defined under s. 250.01 (4) (a) 3. Payment under this subsection to  
14 such a local health department may not exceed on an annualized basis payment  
15 made by the department to the local health department under s. 49.45 (6t), 2003  
16 stats., for services provided by the local health department in 2002.

17 **SECTION 1432.** 49.45 (6v) (b) of the statutes is amended to read:

18 49.45 (6v) (b) The department shall, each year, submit to the joint committee  
19 on finance a report for the previous fiscal year, except for the 1997-98 fiscal year, that  
20 provides information on the utilization of beds by recipients of medical assistance in  
21 facilities and a discussion and detailed projection of the likely balances,  
22 expenditures, encumbrances and carry over of currently appropriated amounts in  
23 the appropriation accounts under s. 20.435 (4) (b), (gm), and (o).

24 **SECTION 1433d.** 49.45 (6x) (a) of the statutes is renumbered 49.45 (6x) (a)  
25 (intro.) and amended to read:

1           49.45 (6x) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation  
2 accounts under s. 20.435 (4) (b), ~~(gm)~~, (o), and (w), the department shall distribute  
3 ~~not more than \$4,748,000 in each fiscal year, to provide funds to an essential access~~  
4 ~~city hospital~~ all of the following, except that the department may not allocate funds  
5 to ~~an essential access city~~ a hospital to the extent that the allocation would exceed  
6 any limitation under 42 USC 1396b (i) (3);

7           **SECTION 1433f.** 49.45 (6x) (a) 1. to 3. of the statutes are created to read:

8           49.45 (6x) (a) 1. Not more than \$2,997,700 in fiscal year 2011-12 and not more  
9 than \$2,988,700 in each fiscal year after fiscal year 2011-12 to an essential access  
10 city hospital that has previously received the supplemental payment for being an  
11 essential access city hospital.

12           2. Not more than \$999,200 in fiscal year 2011-12 and not more than \$996,200  
13 in each fiscal year after fiscal year 2011-12 to a hospital that would qualify for an  
14 essential access city hospital supplemental payment, under the criteria described in  
15 the 2010-11 inpatient hospital state plan, except that the hospital did not meet the  
16 criteria to be an essential access city hospital during fiscal year 1995-96.

17           3. If the federal department of health and human services allows the payment,  
18 \$300,000 from the appropriation account under s. 20.435 (4) (b) annually to a  
19 hospital that meets all of the following criteria:

20           a. The hospital is located in a city that has a municipal border that is also a state  
21 border.

22           b. The hospital has a Medical Assistance recipient patient mix that consists of  
23 at least 25 percent of residents from a state that borders this state.

24           c. The hospital is located in a city with a poverty level, as determined from the  
25 2000 U.S. census, that is greater than 5 percent.



1 d. The hospital is located in a city with a population of less than 15,000 people.

2 **SECTION 1434.** 49.45 (6y) (a) of the statutes is amended to read:

3 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the appropriation accounts  
4 under s. 20.435 (4) (b), (gm), (o), and (w), the department may distribute funding in  
5 each fiscal year to provide supplemental payment to hospitals that enter into a  
6 contract under s. 49.02 (2) to provide health care services funded by a relief block  
7 grant, as determined by the department, for hospital services that are not in excess  
8 of the hospitals' customary charges for the services, as limited under 42 USC 1396b  
9 (i) (3). If no relief block grant is awarded under this chapter or if the allocation of  
10 funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the  
11 department may distribute funds to hospitals that have not entered into a contract  
12 under s. 49.02 (2).

13 **SECTION 1435.** 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), (gm), (o), and (w), the department may distribute  
16 funding in each fiscal year to supplement payment for services to hospitals that enter  
17 into indigent care agreements, in accordance with the approved state plan for  
18 services under 42 USC 1396a, with relief agencies that administer the medical relief  
19 block grant under this chapter, if the department determines that the hospitals serve  
20 a disproportionate number of low-income patients with special needs. If no medical  
21 relief block grant under this chapter is awarded or if the allocation of funds to such  
22 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department  
23 may distribute funds to hospitals that have not entered into indigent care  
24 agreements. The department may not distribute funds under this subsection to the  
25 extent that the distribution would do any of the following:

1           **SECTION 1435y.** 49.45 (8) (b) of the statutes, as affected by 2011 Wisconsin Act  
2           10, is repealed and recreated to read:

3           49.45 (8) (b) Unless otherwise provided by the department by a policy created  
4           under sub. (2m) (c), reimbursement under s. 20.435 (4) (b), (gm), (o), and (w) for home  
5           health services provided by a certified home health agency or independent nurse  
6           shall be made at the home health agency's or nurse's usual and customary fee per  
7           patient care visit, subject to a maximum allowable fee per patient care visit that is  
8           established under par. (c).

9           **SECTION 1436b.** 49.45 (8) (b) of the statutes, as affected by 2011 Wisconsin Act  
10          .... (this act), is amended to read:

11          49.45 (8) (b) ~~Unless otherwise provided by the department by a policy created~~  
12          ~~under sub. (2m) (c), reimbursement~~ Reimbursement under s. 20.435 (4) (b), (gm), (o),  
13          and (w) for home health services provided by a certified home health agency or  
14          independent nurse shall be made at the home health agency's or nurse's usual and  
15          customary fee per patient care visit, subject to a maximum allowable fee per patient  
16          care visit that is established under par. (c).

17          **SECTION 1436h.** 49.45 (8) (c) of the statutes, as affected by 2011 Wisconsin Act  
18          10, is repealed and recreated to read:

19          49.45 (8) (c) The department shall establish a maximum statewide allowable  
20          fee per patient care visit, for each type of visit with respect to provider, that may be  
21          no greater than the cost per patient care visit, as determined by the department from  
22          cost reports of home health agencies, adjusted for costs related to case management,  
23          care coordination, travel, record keeping and supervision, unless otherwise provided  
24          by the department by a policy created under sub. (2m) (c).

1           **SECTION 1436i.** 49.45 (8) (c) of the statutes, as affected by 2011 Wisconsin Act  
2 .... (this act), is amended to read:

3           49.45 (8) (c) The department shall establish a maximum statewide allowable  
4 fee per patient care visit, for each type of visit with respect to provider, that may be  
5 no greater than the cost per patient care visit, as determined by the department from  
6 cost reports of home health agencies, adjusted for costs related to case management,  
7 care coordination, travel, record keeping and supervision, ~~unless otherwise provided~~  
8 ~~by the department by a policy created under sub. (2m) (c).~~

9           **SECTION 1436y.** 49.45 (8r) of the statutes, as affected by 2011 Wisconsin Act 10,  
10 is repealed and recreated to read:

11           49.45 (8r) PAYMENT FOR CERTAIN OBSTETRIC AND GYNECOLOGICAL CARE. Unless  
12 otherwise provided by the department by a policy created under sub. (2m) (c), the rate  
13 of payment for obstetric and gynecological care provided in primary care shortage  
14 areas, as defined in s. 36.60 (1) (cm), or provided to recipients of medical assistance  
15 who reside in primary care shortage areas, that is equal to 125% of the rates paid  
16 under this section to primary care physicians in primary care shortage areas, shall  
17 be paid to all certified primary care providers who provide obstetric or gynecological  
18 care to those recipients.

19           **SECTION 1437b.** 49.45 (8r) of the statutes, as affected by 2011 Wisconsin Act  
20 .... (this act), is amended to read:

21           49.45 (8r) PAYMENT FOR CERTAIN OBSTETRIC AND GYNECOLOGICAL CARE. ~~Unless~~  
22 ~~otherwise provided by the department by a policy created under sub. (2m) (c), the~~ The  
23 rate of payment for obstetric and gynecological care provided in primary care  
24 shortage areas, as defined in s. 36.60 (1) (cm), or provided to recipients of medical  
25 assistance who reside in primary care shortage areas, that is equal to 125% of the

1 rates paid under this section to primary care physicians in primary care shortage  
2 areas, shall be paid to all certified primary care providers who provide obstetric or  
3 gynecological care to those recipients.

4 **SECTION 1437e.** 49.45 (8v) of the statutes, as affected by 2011 Wisconsin Act  
5 10, is repealed and recreated to read:

6 49.45 (8v) INCENTIVE-BASED PHARMACY PAYMENT SYSTEM. The department shall  
7 establish a system of payment to pharmacies for legend and over-the-counter drugs  
8 provided to recipients of medical assistance that has financial incentives for  
9 pharmacists who perform services that result in savings to the medical assistance  
10 program. Under this system, the department shall establish a schedule of fees that  
11 is designed to ensure that any incentive payments made are equal to or less than the  
12 documented savings unless otherwise provided by the department by a policy  
13 created under sub. (2m)(c). The department may discontinue the system established  
14 under this subsection if the department determines, after performance of a study,  
15 that payments to pharmacists under the system exceed the documented savings  
16 under the system.

17 **SECTION 1437f.** 49.45 (8v) of the statutes, as affected by 2011 Wisconsin Act ...  
18 (this act), is amended to read:

19 49.45 (8v) INCENTIVE-BASED PHARMACY PAYMENT SYSTEM. The department shall  
20 establish a system of payment to pharmacies for legend and over-the-counter drugs  
21 provided to recipients of medical assistance that has financial incentives for  
22 pharmacists who perform services that result in savings to the medical assistance  
23 program. Under this system, the department shall establish a schedule of fees that  
24 is designed to ensure that any incentive payments made are equal to or less than the  
25 documented savings ~~unless otherwise provided by the department by a policy~~

1 ~~created under sub. (2m)(c).~~ The department may discontinue the system established  
2 under this subsection if the department determines, after performance of a study,  
3 that payments to pharmacists under the system exceed the documented savings  
4 under the system.

5 **SECTION 1437h.** 49.45 (9p) of the statutes is created to read:

6 49.45 (9p) PRIOR AUTHORIZATION PROHIBITED FOR WHEELCHAIR REPAIRS. (a) In this  
7 subsection, "recipient of medical assistance" means an individual who receives  
8 medical assistance under any of the following:

- 9 1. A program operated under this subchapter.
- 10 2. A demonstration program operated under 42 USC 1315.
- 11 3. A program operated under a waiver of federal law relating to medical  
12 assistance that is granted by the federal department of health and human services.

13 (b) The department may not require any person to obtain prior authorization  
14 from the department for a repair to a wheelchair used by a recipient of medical  
15 assistance that satisfies the following criteria:

- 16 1. If the repair is to a power wheelchair, the cost of the repair is less than \$300.
- 17 2. If the repair is to a manual wheelchair, the cost of the repair is less than \$150.
- 18 3. The cost of the repair is a covered benefit under the program of which the  
19 individual is a recipient.

20 **SECTION 1437j.** 49.45 (18) (ac) of the statutes, as affected by 2011 Wisconsin  
21 Act 10, is repealed and recreated to read:

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

1 under s. 49.46 (2). The service provider shall collect the specified or allowable  
2 copayment, coinsurance, or deductible, unless the service provider determines that  
3 the cost of collecting the copayment, coinsurance, or deductible exceeds the amount  
4 to be collected. The department shall reduce payments to each provider by the  
5 amount of the specified or allowable copayment, coinsurance, or deductible. Unless  
6 otherwise provided by the department by a policy created under sub. (2m) (c), no  
7 provider may deny care or services because the recipient is unable to share costs, but  
8 an inability to share costs specified in this subsection does not relieve the recipient  
9 of liability for these costs.

10 **SECTION 1437k.** 49.45 (18) (ac) of the statutes, as affected by 2011 Wisconsin  
11 Act .... (this act), is amended to read:

12 49.45 (18) (ac) Except as provided in pars. (am) to (d), and subject to par. (ag),  
13 any person eligible for medical assistance under s. 49.46, 49.468, or 49.47, or for the  
14 benefits under s. 49.46 (2) (a) and (b) under s. 49.471 shall pay up to the maximum  
15 amounts allowable under 42 CFR 447.53 to 447.58 for purchases of services provided  
16 under s. 49.46 (2). The service provider shall collect the specified or allowable  
17 copayment, coinsurance, or deductible, unless the service provider determines that  
18 the cost of collecting the copayment, coinsurance, or deductible exceeds the amount  
19 to be collected. The department shall reduce payments to each provider by the  
20 amount of the specified or allowable copayment, coinsurance, or deductible. ~~Unless~~  
21 ~~otherwise provided by the department by a policy created under sub. (2m) (c), no~~ No  
22 provider may deny care or services because the recipient is unable to share costs, but  
23 an inability to share costs specified in this subsection does not relieve the recipient  
24 of liability for these costs.

1           **SECTION 1437n.** 49.45 (18) (ag) (intro.) of the statutes, as affected by 2011  
2 Wisconsin Act 10, is repealed and recreated to read:

3           49.45 (18) (ag) (intro.) Except as provided in pars. (am), (b), and (c), and subject  
4 to par. (d), a recipient specified in par. (ac) shall pay all of the following, unless  
5 otherwise provided by the department by a policy created under sub. (2m) (c):

6           **SECTION 1437o.** 49.45 (18) (ag) (intro.) of the statutes, as affected by 2011  
7 Wisconsin Act .... (this act), is amended to read:

8           49.45 (18) (ag) (intro.) Except as provided in pars. (am), (b), and (c), and subject  
9 to par. (d), a recipient specified in par. (ac) shall pay all of the following, ~~unless~~  
10 ~~otherwise provided by the department by a policy created under sub. (2m) (c):~~

11           **SECTION 1437q.** 49.45 (18) (b) (intro.) of the statutes, as affected by 2011  
12 Wisconsin Act 10, is repealed and recreated to read:

13           49.45 (18) (b) (intro.) Unless otherwise provided by the department by a policy  
14 created under sub. (2m) (c), the following services are not subject to recipient cost  
15 sharing under this subsection:

16           **SECTION 1437r.** 49.45 (18) (b) (intro.) of the statutes, as affected by 2011  
17 Wisconsin Act .... (this act), is amended to read:

18           49.45 (18) (b) (intro.) ~~Unless otherwise provided by the department by a policy~~  
19 ~~created under sub. (2m) (c), the~~ The following services are not subject to recipient cost  
20 sharing under this subsection:

21           **SECTION 1437t.** 49.45 (18) (d) of the statutes, as affected by 2011 Wisconsin Act  
22 10, is repealed and recreated to read:

23           49.45 (18) (d) No person who designates a pharmacy or pharmacist as his or  
24 her sole provider of prescription drugs and who so uses that pharmacy or pharmacist  
25 is liable under this subsection for more than \$12 per month for prescription drugs

1 received, unless otherwise provided by the department by a policy created under sub.  
2 (2m) (c).

3 **SECTION 1437u.** 49.45 (18) (d) of the statutes, as affected by 2011 Wisconsin Act  
4 .... (this act), is amended to read:

5 49.45 (18) (d) No person who designates a pharmacy or pharmacist as his or  
6 her sole provider of prescription drugs and who so uses that pharmacy or pharmacist  
7 is liable under this subsection for more than \$12 per month for prescription drugs  
8 received, ~~unless otherwise provided by the department by a policy created under sub.~~  
9 ~~(2m) (c).~~

10 **SECTION 1438d.** 49.45 (23) (a) of the statutes, as affected by 2011 Wisconsin Act  
11 10, is repealed and recreated to read:

12 49.45 (23) (a) The department shall request a waiver from the secretary of the  
13 federal department of health and human services to permit the department to  
14 conduct a demonstration project to provide health care coverage for basic primary  
15 and preventive care to adults who are under the age of 65, who have family incomes  
16 not to exceed 200 percent of the poverty line, and who are not otherwise eligible for  
17 medical assistance under this subchapter, the Badger Care health care program  
18 under s. 49.665, or Medicare under 42 USC 1395 et seq. If the department creates  
19 a policy under sub. (2m) (c) 10., this paragraph does not apply to the extent that it  
20 conflicts with the policy.

21 **SECTION 1438e.** 49.45 (23) (a) of the statutes, as affected by 2011 Wisconsin Act  
22 .... (this act), is amended to read:

23 49.45 (23) (a) The department shall request a waiver from the secretary of the  
24 federal department of health and human services to permit the department to  
25 conduct a demonstration project to provide health care coverage for basic primary



1 and preventive care to adults who are under the age of 65, who have family incomes  
2 not to exceed 200 percent of the poverty line, and who are not otherwise eligible for  
3 medical assistance under this subchapter, the Badger Care health care program  
4 under s. 49.665, or Medicare under 42 USC 1395 et seq. ~~If the department creates~~  
5 ~~a policy under sub. (2m) (e) 10., this paragraph does not apply to the extent that it~~  
6 ~~conflicts with the policy.~~

7 **SECTION 1438h.** 49.45 (23) (b) of the statutes, as affected by 2011 Wisconsin Act  
8 10, is repealed and recreated to read:

9 49.45 (23) (b) If the waiver is granted and in effect, the department may  
10 promulgate rules defining the health care benefit plan, including more specific  
11 eligibility requirements and cost-sharing requirements. Unless otherwise provided  
12 by the department by a policy created under sub. (2m) (c), cost sharing may include  
13 an annual enrollment fee, which may not exceed \$75 per year. Notwithstanding s.  
14 227.24 (3), the plan details under this subsection may be promulgated as an  
15 emergency rule under s. 227.24 without a finding of emergency. If the waiver is  
16 granted and in effect, the demonstration project under this subsection shall begin on  
17 January 1, 2009, or on the effective date of the waiver, whichever is later.

18 **SECTION 1438i.** 49.45 (23) (b) of the statutes, as affected by 2011 Wisconsin Act  
19 .... (this act), is amended to read:

20 49.45 (23) (b) If the waiver is granted and in effect, the department may  
21 promulgate rules defining the health care benefit plan, including more specific  
22 eligibility requirements and cost-sharing requirements. ~~Unless otherwise provided~~  
23 ~~by the department by a policy created under sub. (2m) (e), cost~~ Cost sharing may  
24 include an annual enrollment fee, which may not exceed \$75 per year.  
25 Notwithstanding s. 227.24 (3), the plan details under this subsection may be

1 promulgated as an emergency rule under s. 227.24 without a finding of emergency.  
2 If the waiver is granted and in effect, the demonstration project under this subsection  
3 shall begin on January 1, 2009, or on the effective date of the waiver, whichever is  
4 later.

5 **SECTION 1438L.** 49.45 (24g) (c) of the statutes, as affected by 2011 Wisconsin  
6 Act 10, is repealed and recreated to read:

7 49.45 (24g) (c) The department's proposal under par. (a) shall specify increases  
8 in reimbursement rates for providers that satisfy the conditions under par. (a) 1. or  
9 2., and shall provide for payment of a monthly per-patient care coordination fee to  
10 those providers. The department shall set the increases in reimbursement rates and  
11 the monthly per-patient care coordination fee so that together they provide  
12 sufficient incentive for providers to satisfy a condition under par. (a) 1. or 2. The  
13 proposal shall specify effective dates for the increases in reimbursement rates and  
14 the monthly per-patient care coordination fee that are no sooner than July 1, 2011.  
15 If the department creates a policy under sub. (2m) (c) 4., this paragraph does not  
16 apply to the extent that it conflicts with the policy.

17 **SECTION 1438m.** 49.45 (24g) (c) of the statutes, as affected by 2011 Wisconsin  
18 Act .... (this act), is amended to read:

19 49.45 (24g) (c) The department's proposal under par. (a) shall specify increases  
20 in reimbursement rates for providers that satisfy the conditions under par. (a) 1. or  
21 2., and shall provide for payment of a monthly per-patient care coordination fee to  
22 those providers. The department shall set the increases in reimbursement rates and  
23 the monthly per-patient care coordination fee so that together they provide  
24 sufficient incentive for providers to satisfy a condition under par. (a) 1. or 2. The  
25 proposal shall specify effective dates for the increases in reimbursement rates and

1 the monthly per-patient care coordination fee that are no sooner than July 1, 2011.  
2 ~~If the department creates a policy under sub. (2m) (c) 4., this paragraph does not~~  
3 ~~apply to the extent that it conflicts with the policy.~~

4 **SECTION 1439.** 49.45 (24m) (intro.) of the statutes is amended to read:

5 49.45 (24m) (intro.) From the appropriation accounts under s. 20.435 (4) (b),  
6 (gm), (o), and (w), in order to test the feasibility of instituting a system of  
7 reimbursement for providers of home health care and personal care services for  
8 medical assistance recipients that is based on competitive bidding, the department  
9 shall:

10 **SECTION 1439n.** 49.45 (24r) of the statutes, as affected by 2011 Wisconsin Act  
11 .... (this act), is repealed.

12 **SECTION 1439w.** 49.45 (24r) (a) of the statutes is amended to read:

13 49.45 (24r) (a) The department shall implement any waiver granted by the  
14 secretary of the federal department of health and human services to permit the  
15 department to conduct a demonstration project to provide family planning, as  
16 defined in s. 253.07 (1) (a), under medical assistance to any woman between the ages  
17 of 15 and 44 whose family income does not exceed 200% of the poverty line for a family  
18 the size of the woman's family. If the department creates a policy under sub. (2m)  
19 (c) 10., this paragraph does not apply to the extent that it conflicts with the policy.

20 **SECTION 1439x.** 49.45 (24r) (b) of the statutes is amended to read:

21 49.45 (24r) (b) The department may request an amended waiver from the  
22 secretary to permit the department to conduct a demonstration project to provide  
23 family planning to any man between the ages of 15 and 44 whose family income does  
24 not exceed 200 percent of the poverty line for a family the size of the man's family.  
25 If the amended waiver is granted, the department may implement the waiver. If the

1 department creates a policy under sub. (2m) (c) 10., this paragraph does not apply  
2 to the extent that it conflicts with the policy.

3 **SECTION 1441b.** 49.45 (24s) of the statutes is created to read:

4 49.45 (24s) FAMILY PLANNING PROJECT. (a) The department shall request a  
5 waiver from the secretary of the federal department of health and human services  
6 to permit the department to provide optional services for family planning, as defined  
7 in s. 253.07 (1) (a), under medical assistance to any female between the ages of 15  
8 and 44 whose family income does not exceed 200 percent of the poverty line for a  
9 family the size of the female's family, unless otherwise provided by the department  
10 by a policy created under sub. (2m) (c) 10. The department shall implement any  
11 waiver granted.

12 (b) The department shall request a waiver, or an amendment to the waiver  
13 requested under par. (a), from the secretary of the federal department of health and  
14 human services to require all of the following:

15 1. As a condition of receiving services under par. (a), parental notification for  
16 family planning services for any female under 18 years of age.

17 2. The department to determine eligibility to receive family planning services  
18 under par. (a) for a female under 18 years of age using the family income of the  
19 female's parent or guardian instead of only the female's income.

20 **SECTION 1441bg.** 49.45 (24s) (a) of the statutes, as created by 2011 Wisconsin  
21 Act ... (this act), is amended to read:

22 49.45 (24s) (a) The department shall request a waiver from the secretary of the  
23 federal department of health and human services to permit the department to  
24 provide optional services for family planning, as defined in s. 253.07 (1) (a), under  
25 medical assistance to any female between the ages of 15 and 44 whose family income

1 does not exceed 200 percent of the poverty line for a family the size of the female's  
2 family, ~~unless otherwise provided by the department by a policy created under sub-~~  
3 ~~(2m)(c) 10.~~ The department shall implement any waiver granted.

4 **SECTION 1441c.** 49.45 (25g) (c) of the statutes, as affected by 2011 Wisconsin  
5 Act 10, is repealed and recreated to read:

6 49.45 **(25g)** (c) The department's proposal under par. (b) shall specify increases  
7 in reimbursement rates for providers that satisfy the conditions under par. (b), and  
8 shall provide for payment of a monthly per-patient care coordination fee to those  
9 providers. The department shall set the increases in reimbursement rates and the  
10 monthly per-patient care coordination fee so that together they provide sufficient  
11 incentive for providers to satisfy a condition under par. (b) 1. or 2. The proposal shall  
12 specify effective dates for the increases in reimbursement rates and the monthly  
13 per-patient care coordination fee that are no sooner than January 1, 2011. The  
14 increases in reimbursement rates and monthly per-patient care coordination fees  
15 that are not provided by the federal government shall be paid from the appropriation  
16 under. s. 20.435 (1) (am). If the department creates a policy under sub. (2m) (c) 4.,  
17 this paragraph does not apply to the extent it conflicts with the policy.

18 **SECTION 1441d.** 49.45 (25g) (c) of the statutes, as affected by 2011 Wisconsin  
19 Act .... (this act), is amended to read:

20 49.45 **(25g)** (c) The department's proposal under par. (b) shall specify increases  
21 in reimbursement rates for providers that satisfy the conditions under par. (b), and  
22 shall provide for payment of a monthly per-patient care coordination fee to those  
23 providers. The department shall set the increases in reimbursement rates and the  
24 monthly per-patient care coordination fee so that together they provide sufficient  
25 incentive for providers to satisfy a condition under par. (b) 1. or 2. The proposal shall

1 specify effective dates for the increases in reimbursement rates and the monthly  
2 per-patient care coordination fee that are no sooner than January 1, 2011. The  
3 increases in reimbursement rates and monthly per-patient care coordination fees  
4 that are not provided by the federal government shall be paid from the appropriation  
5 under s. 20.435 (1) (am). ~~If the department creates a policy under sub. (2m) (c) 4.,~~  
6 ~~this paragraph does not apply to the extent it conflicts with the policy.~~

7 **SECTION 1441f.** 49.45 (27) of the statutes, as affected by 2011 Wisconsin Act 10,  
8 is repealed and recreated to read:

9 49.45 (27) ELIGIBILITY OF ALIENS. A person who is not a U.S. citizen or an alien  
10 lawfully admitted for permanent residence or otherwise permanently residing in the  
11 United States under color of law may not receive medical assistance benefits except  
12 as provided under 8 USC 1255a (h) (3) or 42 USC 1396b (v), unless otherwise  
13 provided by the department by a policy created under sub. (2m) (c).

14 **SECTION 1441g.** 49.45 (27) of the statutes, as affected by 2011 Wisconsin Act  
15 .... (this act), is amended to read:

16 49.45 (27) ELIGIBILITY OF ALIENS. A person who is not a U.S. citizen or an alien  
17 lawfully admitted for permanent residence or otherwise permanently residing in the  
18 United States under color of law may not receive medical assistance benefits except  
19 as provided under 8 USC 1255a (h) (3) or 42 USC 1396b (v), ~~unless otherwise~~  
20 ~~provided by the department by a policy created under sub. (2m) (c).~~

21 **SECTION 1442g.** 49.45 (39) (b) 1. of the statutes, as affected by 2011 Wisconsin  
22 Act 10, is repealed and recreated to read:

23 49.45 (39) (b) 1. 'Payment for school medical services.' If a school district or a  
24 cooperative educational service agency elects to provide school medical services and  
25 meets all requirements under par. (c), the department shall reimburse the school

1 district or the cooperative educational service agency for 60% of the federal share of  
2 allowable charges for the school medical services that it provides, unless otherwise  
3 provided by the department by a policy created under sub. (2m) (c), and, as specified  
4 in subd. 2., for allowable administrative costs. If the Wisconsin Center for the Blind  
5 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf  
6 and Hard of Hearing elects to provide school medical services and meets all  
7 requirements under par. (c), the department shall reimburse the department of  
8 public instruction for 60% of the federal share of allowable charges for the school  
9 medical services that the Wisconsin Center for the Blind and Visually Impaired or  
10 the Wisconsin Educational Services Program for the Deaf and Hard of Hearing  
11 provides, unless otherwise provided by the department by a policy created under sub.  
12 (2m) (c), and, as specified in subd. 2., for allowable administrative costs. A school  
13 district, cooperative educational service agency, the Wisconsin Center for the Blind  
14 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf  
15 and Hard of Hearing may submit, and the department shall allow, claims for common  
16 carrier transportation costs as a school medical service unless the department  
17 receives notice from the federal health care financing administration that, under a  
18 change in federal policy, the claims are not allowed. If the department receives the  
19 notice, a school district, cooperative educational service agency, the Wisconsin  
20 Center for the Blind and Visually Impaired, or the Wisconsin Educational Services  
21 Program for the Deaf and Hard of Hearing may submit, and the department shall  
22 allow, unreimbursed claims for common carrier transportation costs incurred before  
23 the date of the change in federal policy. The department shall promulgate rules  
24 establishing a methodology for making reimbursements under this paragraph. All  
25 other expenses for the school medical services provided by a school district or a

1 cooperative educational service agency shall be paid for by the school district or the  
2 cooperative educational service agency with funds received from state or local taxes.  
3 The school district, the Wisconsin Center for the Blind and Visually Impaired, the  
4 Wisconsin Educational Services Program for the Deaf and Hard of Hearing, or the  
5 cooperative educational service agency shall comply with all requirements of the  
6 federal department of health and human services for receiving federal financial  
7 participation.

8 **SECTION 1442h.** 49.45 (39) (b) 1. of the statutes, as affected by 2011 Wisconsin  
9 Act .... (this act), is amended to read:

10 49.45 **(39)** (b) 1. 'Payment for school medical services.' If a school district or a  
11 cooperative educational service agency elects to provide school medical services and  
12 meets all requirements under par. (c), the department shall reimburse the school  
13 district or the cooperative educational service agency for 60% of the federal share of  
14 allowable charges for the school medical services that it provides, ~~unless otherwise~~  
15 ~~provided by the department by a policy created under sub. (2m) (e),~~ and, as specified  
16 in subd. 2., for allowable administrative costs. If the Wisconsin Center for the Blind  
17 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf  
18 and Hard of Hearing elects to provide school medical services and meets all  
19 requirements under par. (c), the department shall reimburse the department of  
20 public instruction for 60% of the federal share of allowable charges for the school  
21 medical services that the Wisconsin Center for the Blind and Visually Impaired or  
22 the Wisconsin Educational Services Program for the Deaf and Hard of Hearing  
23 provides, ~~unless otherwise provided by the department by a policy created under sub.~~  
24 ~~(2m) (e),~~ and, as specified in subd. 2., for allowable administrative costs. A school  
25 district, cooperative educational service agency, the Wisconsin Center for the Blind



1 and Visually Impaired or the Wisconsin Educational Services Program for the Deaf  
2 and Hard of Hearing may submit, and the department shall allow, claims for common  
3 carrier transportation costs as a school medical service unless the department  
4 receives notice from the federal health care financing administration that, under a  
5 change in federal policy, the claims are not allowed. If the department receives the  
6 notice, a school district, cooperative educational service agency, the Wisconsin  
7 Center for the Blind and Visually Impaired, or the Wisconsin Educational Services  
8 Program for the Deaf and Hard of Hearing may submit, and the department shall  
9 allow, unreimbursed claims for common carrier transportation costs incurred before  
10 the date of the change in federal policy. The department shall promulgate rules  
11 establishing a methodology for making reimbursements under this paragraph. All  
12 other expenses for the school medical services provided by a school district or a  
13 cooperative educational service agency shall be paid for by the school district or the  
14 cooperative educational service agency with funds received from state or local taxes.  
15 The school district, the Wisconsin Center for the Blind and Visually Impaired, the  
16 Wisconsin Educational Services Program for the Deaf and Hard of Hearing, or the  
17 cooperative educational service agency shall comply with all requirements of the  
18 federal department of health and human services for receiving federal financial  
19 participation.

20 **SECTION 1443.** 49.45 (51) (a) of the statutes is amended to read:

21 49.45 (51) (a) By November 1 annually, the department shall provide to the  
22 department of revenue information concerning the estimated amounts of  
23 supplements payable from the appropriation accounts under s. 20.435 (4) (b) and  
24 (gm) to specific local governmental units for the provision of transportation for  
25 medical care, as specified under s. 49.46 (2) (b) 3., during the fiscal year. Beginning

1 November 1, 2004, the information that the department provides under this  
2 paragraph shall include any adjustments necessary to reflect actual claims  
3 submitted by service providers in the previous fiscal year.

4 **SECTION 1444.** 49.45 (52) (title) of the statutes is amended to read:

5 49.45 (52) (title) PAYMENT ADJUSTMENTS; FEDERAL FUNDING FOR CERTAIN SERVICES.

6 **SECTION 1445.** 49.45 (52) of the statutes is renumbered 49.45 (52) (a) 1. and  
7 amended to read:

8 49.45 (52) (a) 1. ~~Beginning on January 1, 2003~~ If the department provides the  
9 notice under par. (c) selecting the payment procedure in this paragraph, the  
10 department may, from the appropriation account under s. 20.435 (7) (b), make  
11 Medical Assistance payment adjustments to county departments under s. 46.215,  
12 46.22, 46.23, ~~or~~ 51.42, or 51.437 or to local health departments, as defined in s. 250.01  
13 (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and  
14 (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16., except for  
15 services specified under s. 49.46 (2) (b) 6. b. and c. provided to children participating  
16 in the early intervention program under s. 51.44. Payment adjustments under this  
17 subsection paragraph shall include the state share of the payments. The total of any  
18 payment adjustments under this subsection paragraph and Medical Assistance  
19 payments made from appropriation accounts under s. 20.435 (4) (b), (gm), (o), and  
20 (w), may not exceed applicable limitations on payments under 42 USC 1396a (a) (30)  
21 (A).

22 **SECTION 1446.** 49.45 (52) (a) 2. of the statutes is created to read:

23 49.45 (52) (a) 2. The department may require a county department or local  
24 health department to submit a certified cost report that meets the requirements of

1 the federal department of health and human services for covered services described  
2 in subd. 1.

3 **SECTION 1447.** 49.45 (52) (b) of the statutes is created to read:

4 49.45 (52) (b) If the department provides the notice under par. (c) selecting the  
5 payment procedure in this paragraph, all of the following apply:

6 1. Annually, a county department under s. 46.215, 46.22, 46.23, 51.42, or 51.437  
7 shall submit a certified cost report that meets the requirements of the federal  
8 department of health and human services for covered services under s. 49.46 (2) (a)  
9 2. and 4. d. and f. and (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13.,  
10 15., and 16., except for services specified under s. 49.46 (2) (b) 6. b. and c. provided  
11 to children participating in the early intervention program under s. 51.44.

12 2. For services described under subd. 1., the department shall base the amount  
13 of a claim for federal medical assistance funds on certified cost reports submitted by  
14 county departments under subd. 1. to the extent the reports comply with federal  
15 requirements.

16 3. The department shall pay county departments a percentage of the federal  
17 funds claimed under subd. 2. for services described under subd. 1., which percentage  
18 is established in the most recent biennial budget.

19 4. The department may pay a local health department, as defined in s. 250.01  
20 (4), that submits certified cost reports for services described under subd. 1. a  
21 percentage of the federal funds claimed for those services, which percentage is  
22 established in the most recent biennial budget.

23 **SECTION 1448.** 49.45 (52) (c) of the statutes is created to read:

24 49.45 (52) (c) The department shall select a payment procedure under either  
25 par. (a) or (b) and may change which procedure under par. (a) or (b) is selected. The

1 department shall notify each county department and local health department, as  
2 applicable, of the selected payment procedure before the date on which payment for  
3 services is made under that selected or newly selected procedure.

4 **SECTION 1449.** 49.45 (53) of the statutes is amended to read:

5 49.45 (53) PAYMENTS FOR CERTAIN SERVICES. Beginning on January 1, 2003, the  
6 department may, from the appropriation account under s. 20.435 (7) (b), make  
7 Medical Assistance payments to providers for covered services under ss. 49.46 (2) (a)  
8 4. d. and (b) 6. j. and m. and 49.471 (1) (f) that are provided before January 1, 2012.

9 **SECTION 1453e.** 49.46 (1) (n) of the statutes, as created by 2011 Wisconsin Act  
10 10, is repealed and recreated to read:

11 49.46 (1) (n) If the department creates a policy under s. 49.45 (2m) (c) 8., 9., or  
12 10., this subsection does not apply to the extent that it conflicts with the policy.

13 **SECTION 1453f.** 49.46 (1) (n) of the statutes, as created by 2011 Wisconsin Act  
14 .... (this act), is repealed.

15 **SECTION 1453h.** 49.46 (2) (a) (intro.) of the statutes, as affected by 2011  
16 Wisconsin Act 10, is repealed and recreated to read:

17 49.46 (2) (a) (intro.) Except as provided in par. (be) and unless otherwise  
18 provided by the department by a policy created under s. 49.45 (2m) (c), the  
19 department shall audit and pay allowable charges to certified providers for medical  
20 assistance on behalf of recipients for the following federally mandated benefits:

21 **SECTION 1453i.** 49.46 (2) (a) (intro.) of the statutes, as affected by 2011  
22 Wisconsin Act .... (this act), is amended to read:

23 49.46 (2) (a) (intro.) Except as provided in par. (be) ~~and unless otherwise~~  
24 ~~provided by the department by a policy created under s. 49.45 (2m) (c), the~~

1 department shall audit and pay allowable charges to certified providers for medical  
2 assistance on behalf of recipients for the following federally mandated benefits:

3 **SECTION 1453k.** 49.46 (2) (b) (intro.) of the statutes, as affected by 2011  
4 Wisconsin Act 10, is repealed and recreated to read:

5 49.46 (2) (b) (intro.) Except as provided in pars. (be) and (dc) and unless  
6 otherwise provided by the department by a policy created under s. 49.45 (2m) (c), the  
7 department shall audit and pay allowable charges to certified providers for medical  
8 assistance on behalf of recipients for the following services:

9 **SECTION 1453L.** 49.46 (2) (b) (intro.) of the statutes, as affected by 2011  
10 Wisconsin Act .... (this act), is amended to read:

11 49.46 (2) (b) (intro.) Except as provided in pars. (be) and (dc) ~~and unless~~  
12 ~~otherwise provided by the department by a policy created under s. 49.45 (2m) (c), the~~  
13 department shall audit and pay allowable charges to certified providers for medical  
14 assistance on behalf of recipients for the following services:

15 **SECTION 1453m.** 49.46 (2) (c) 2. of the statutes is amended to read:

16 49.46 (2) (c) 2. For an individual who is entitled to coverage under ~~part~~ Part  
17 A of medicare Medicare, entitled to coverage under ~~part~~ Part B of medicare Medicare,  
18 meets the eligibility criteria under sub. (1), and meets the limitation on income under  
19 subd. 6., ~~medical assistance~~ Medical Assistance shall include payment of the  
20 deductible and coinsurance portions of ~~medicare~~ Medicare services under 42 USC  
21 1395 to 1395zz ~~which that~~ are not paid under 42 USC 1395 to 1395zz, including those  
22 ~~medicare~~ Medicare services that are not included in the approved state plan for  
23 services under 42 USC 1396; the monthly premiums payable under 42 USC 1395v;  
24 the monthly premiums, if applicable, under 42 USC 1395i-2 (d); and the late  
25 enrollment penalty, if applicable, for premiums under ~~part~~ Part A of medicare

1 Medicare. Payment of coinsurance for a service under ~~part~~ Part B of medicare  
2 Medicare under 42 USC 1395j to 1395w, ~~other than payment of coinsurance for~~  
3 ~~outpatient hospital services,~~ and payment of deductibles and coinsurance for  
4 inpatient hospital services under Part A of Medicare may not exceed the allowable  
5 charge for the service under ~~medical assistance~~ Medical Assistance minus the  
6 ~~medicare~~ Medicare payment.

7 **SECTION 1453n.** 49.46 (2) (c) 3. of the statutes is amended to read:

8 49.46 (2) (c) 3. For an individual who is only entitled to coverage under ~~part~~  
9 Part A of medicare Medicare, meets the eligibility criteria under sub. (1), and meets  
10 the limitation on income under subd. 6., ~~medical assistance~~ Medical Assistance shall  
11 include payment of the deductible and coinsurance portions of ~~medicare~~ Medicare  
12 services under 42 USC 1395 to 1395i ~~which that~~ are not paid under 42 USC 1395 to  
13 1395i, including those ~~medicare~~ Medicare services that are not included in the  
14 approved state plan for services under 42 USC 1396; the monthly premiums, if  
15 applicable, under 42 USC 1395i-2 (d); and the late enrollment penalty, if applicable,  
16 for premiums under ~~part~~ Part A of medicare Medicare. Payment of deductibles and  
17 coinsurance for inpatient hospital services under Part A of Medicare may not exceed  
18 the allowable charge for the service under Medical Assistance minus the Medicare  
19 payment.

20 **SECTION 1453o.** 49.46 (2) (c) 4. of the statutes is amended to read:

21 49.46 (2) (c) 4. For an individual who is entitled to coverage under ~~part~~ Part  
22 A of medicare Medicare, entitled to coverage under ~~part~~ Part B of medicare Medicare,  
23 and meets the eligibility criteria for ~~medical assistance~~ Medical Assistance under  
24 sub. (1), but does not meet the limitation on income under subd. 6., ~~medical~~  
25 ~~assistance~~ Medical Assistance shall include payment of the deductible and

1 coinsurance portions of ~~medicare~~ Medicare services under 42 USC 1395 to 1395zz  
2 ~~which that~~ are not paid under 42 USC 1395 to 1395zz, including those ~~medicare~~  
3 Medicare services that are not included in the approved state plan for services under  
4 42 USC 1396. Payment of coinsurance for a service under ~~part~~ Part B of ~~medicare~~  
5 Medicare under 42 USC 1395j to 1395w, ~~other than payment of coinsurance for~~  
6 ~~outpatient hospital services, and payment of deductibles and coinsurance for~~  
7 inpatient hospital services under Part A of Medicare may not exceed the allowable  
8 charge for the service under ~~medical assistance~~ Medical Assistance minus the  
9 ~~medicare~~ Medicare payment.

10 **SECTION 1453p.** 49.46 (2) (c) 5. of the statutes is amended to read:

11 49.46 (2) (c) 5. For an individual who is only entitled to coverage under ~~part~~  
12 Part A of ~~medicare~~ Medicare and meets the eligibility criteria for ~~medical assistance~~  
13 Medical Assistance under sub. (1), but does not meet the limitation on income under  
14 subd. 6., ~~medical assistance~~ Medical Assistance shall include payment of the  
15 deductible and coinsurance portions of ~~medicare~~ Medicare services under 42 USC  
16 1395 to 1395i ~~which that~~ are not paid under 42 USC 1395 to 1395i, including those  
17 ~~medicare~~ Medicare services that are not included in the approved state plan for  
18 services under 42 USC 1396. Payment of deductibles and coinsurance for inpatient  
19 hospital services under Part A of Medicare may not exceed the allowable charge for  
20 the service under Medical Assistance minus the Medicare payment.

21 **SECTION 1453q.** 49.46 (2) (c) 5m. of the statutes is amended to read:

22 49.46 (2) (c) 5m. For an individual who is only entitled to coverage under ~~part~~  
23 Part B of ~~medicare~~ Medicare and meets the eligibility criteria under sub. (1), but does  
24 not meet the limitation on income under subd. 6., ~~medical assistance~~ Medical  
25 Assistance shall include payment of the deductible and coinsurance portions of

1 ~~medicare~~ Medicare services under 42 USC 1395j to 1395w, including those ~~medicare~~  
2 Medicare services that are not included in the approved state plan for services under  
3 42 USC 1396. Payment of coinsurance for a service under ~~part~~ Part B of ~~medicare,~~  
4 ~~other than payment of coinsurance for outpatient hospital services,~~ Medicare may  
5 not exceed the allowable charge for the service under ~~medical assistance~~ Medical  
6 Assistance minus the ~~medicare~~ Medicare payment.

7 **SECTION 1453r.** 49.465 (2) (intro.) of the statutes, as affected by 2011 Wisconsin  
8 Act 10, is repealed and recreated to read:

9 49.465 (2) (intro.) Unless otherwise provided by the department by a policy  
10 created under s. 49.45 (2m) (c), a pregnant woman is eligible for medical assistance  
11 benefits, as provided under sub. (3), during the period beginning on the day on which  
12 a qualified provider determines, on the basis of preliminary information, that the  
13 woman's family income does not exceed the highest level for eligibility for benefits  
14 under s. 49.46 (1) or 49.47 (4) (am) or (c) 1. and ending as follows:

15 **SECTION 1453s.** 49.465 (2) (intro.) of the statutes, as affected by 2011 Wisconsin  
16 Act .... (this act), is amended to read:

17 49.465 (2) (intro.) ~~Unless otherwise provided by the department by a policy~~  
18 ~~created under s. 49.45 (2m) (c), a~~ A pregnant woman is eligible for medical assistance  
19 benefits, as provided under sub. (3), during the period beginning on the day on which  
20 a qualified provider determines, on the basis of preliminary information, that the  
21 woman's family income does not exceed the highest level for eligibility for benefits  
22 under s. 49.46 (1) or 49.47 (4) (am) or (c) 1. and ending as follows:

23 **SECTION 1455.** 49.468 (1) (b) of the statutes is amended to read:

24 49.468 (1) (b) For an elderly or disabled individual who is entitled to coverage  
25 under ~~part~~ Part A of ~~medicare~~ Medicare, entitled to coverage under ~~part~~ Part B of



1     ~~medicare~~ Medicare, and who does not meet the eligibility criteria for ~~medical~~  
2     ~~assistance~~ Medical Assistance under s. 49.46 (1), 49.465, 49.47 (4), or 49.471 but  
3     meets the limitations on income and resources under par. (d), ~~medical assistance~~  
4     Medical Assistance shall pay the deductible and coinsurance portions of ~~medicare~~  
5     Medicare services under 42 USC 1395 to 1395zz ~~which that~~ are not paid under 42  
6     USC 1395 to 1395zz, including those ~~medicare~~ Medicare services that are not  
7     included in the approved state plan for services under 42 USC 1396; the monthly  
8     premiums payable under 42 USC 1395v; the monthly premiums, if applicable, under  
9     42 USC 1395i-2 (d); and the late enrollment penalty, if applicable, for premiums  
10    under ~~part~~ Part A of Medicare. Payment of coinsurance for a service under  
11    ~~part~~ Part B of Medicare under 42 USC 1395j to 1395w, ~~other than payment~~  
12    ~~of coinsurance for outpatient hospital services, and payment of deductibles and~~  
13    ~~coinsurance for inpatient hospital services under Part A of Medicare~~ may not exceed  
14    the allowable charge for the service under ~~medical assistance~~ Medical Assistance  
15    minus the ~~medicare~~ Medicare payment.

16           **SECTION 1456.** 49.468 (1) (c) of the statutes is amended to read:

17           49.468 (1) (c) For an elderly or disabled individual who is only entitled to  
18    coverage under ~~part~~ Part A of Medicare and who does not meet the  
19    eligibility criteria for ~~medical assistance~~ Medical Assistance under s. 49.46 (1),  
20    49.465, 49.47 (4), or 49.471 but meets the limitations on income and resources under  
21    par. (d), ~~medical assistance~~ Medical Assistance shall pay the deductible and  
22    coinsurance portions of ~~medicare~~ Medicare services under 42 USC 1395 to 1395i  
23    ~~which that~~ are not paid under 42 USC 1395 to 1395i, including those ~~medicare~~  
24    Medicare services that are not included in the approved state plan for services under  
25    42 USC 1396; the monthly premiums, if applicable, under 42 USC 1395i-2 (d); and

1 the late enrollment penalty for premiums under ~~part~~ Part A of medicare Medicare,  
2 if applicable. Payment of deductibles and coinsurance for inpatient hospital services  
3 under Part A of Medicare may not exceed the allowable charge for the service under  
4 Medical Assistance minus the Medicare payment.

5 **SECTION 1457p.** 49.47 (4) (a) (intro.) of the statutes, as affected by 2011  
6 Wisconsin Act 10, is repealed and recreated to read:

7 49.47 (4) (a) (intro.) Unless otherwise provided by the department by a policy  
8 created under s. 49.45 (2m) (c), any individual who meets the limitations on income  
9 and resources under pars. (b) to (c) and who complies with pars. (cm) and (cr) shall  
10 be eligible for medical assistance under this section if such individual is:

11 **SECTION 1457q.** 49.47 (4) (a) (intro.) of the statutes, as affected by 2011  
12 Wisconsin Act .... (this act), is amended to read:

13 49.47 (4) (a) (intro.) ~~Unless otherwise provided by the department by a policy~~  
14 ~~created under s. 49.45 (2m) (c), any~~ Any individual who meets the limitations on  
15 income and resources under pars. (b) to (c) and who complies with pars. (cm) and (cr)  
16 shall be eligible for medical assistance under this section if such individual is:

17 **SECTION 1459.** 49.47 (4) (i) 1. of the statutes is amended to read:

18 49.47 (4) (i) 1. The department shall request a waiver from the secretary of the  
19 federal department of health and human services to permit the application of subd.  
20 2. The waiver shall request approval to implement the waiver on a statewide basis,  
21 unless the department of health services determines that statewide implementation  
22 of the waiver would present an obstacle to the approval of the waiver by the secretary  
23 of the federal department of health and human services, in which case the waiver  
24 shall request approval to implement the waiver in 48 pilot counties to be selected by  
25 the department of health services. Within 30 days after August 12, 1993, the