

2019 DRAFTING REQUEST

Bill

For: **Administration-Budget** Drafter: **swalkenh**
 By: **Ames** Secondary Drafters:
 Date: **2/15/2019** May Contact:

Same as LRB:

Submit via email: **YES**
 Requester's email:
 Carbon copy (CC) to: **DOASBOSatLanguage@wisconsin.gov**
sarah.walkenhorstbarber@legis.wisconsin.gov
tamara.dodge@legis.wisconsin.gov

Pre Topic:

DOA:.....Ames, BB0404 -

Topic:

Pediatric Inpatient Supplement

Instructions:

See attached

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|-----------------------|-----------------------|----------------------|-----------------|-----------------|
| /? | swalkenh 2/19/2019 | anienaja 2/19/2019 | | | |
| /P1 | swalkenh 2/19/2019 | | lparisi 2/19/2019 | | State |
| /P2 | swalkenh 2/20/2019 | aernstr 2/20/2019 | lparisi 2/20/2019 | | State |
| /P3 | | anienaja 2/20/2019 | mbarman 2/20/2019 | | State |

FE Sent For:

<END>

Walkenhorst Barber, Sarah

From: Cathlene Hanaman <cathleneh@gmail.com>
Sent: Friday, February 15, 2019 5:43 PM
To: Dodge, Tamara; Walkenhorst Barber, Sarah
Subject: Fwd: Statutory Language Drafting Request - 2019-21

Sent from my iPhone

Begin forwarded message:

Biennial Budget: 2019-21

Topic: Pediatric Inpatient Supplement

Tracking Code: BB0404

SBO Team: HSI

SBO Analyst: Ames, Kyle
Phone: (608) 266-2214
E-mail: kyle.ames@wisconsin.gov

Agency Acronym: 435

Agency Number: 435

Priority: Low

Intent:

Per Kyle, 2/18, please include language from State Plan Amendment in Statutes to have statutory reference. Then add language regarding request below.

Under the Pediatric Inpatient Supplement, please add language that provides an additional "no more than" \$10,000,000 all funding to all hospitals that are "a free-standing pediatric teaching hospital located in Wisconsin with Medicaid utilization greater than 50 percent."

Attachments: False

Please send completed drafts to SBOSTatlanguage@spsmail.enterprise.wistate.us

9400 Pediatric Supplement

9410 Qualifying Criteria

A hospital qualifies for this pediatric supplement if the hospital meets the following criteria.

- 1) The hospital is an acute care hospital located in Wisconsin.
- 2) During the hospital's fiscal year described here, inpatient days in the hospital's acute care pediatric units and intensive care pediatric units of the licensed facility totaled more than 12,000 days. Days for stays in neonatal intensive care units are not included in this determination. The inpatient days are counted for the hospital's fiscal year that ended in the second calendar year preceding the beginning of the state fiscal year. For example, for the state fiscal year beginning July 1, 2008, the hospital's fiscal year that ended in 2006 is used.

9420 Amount of Payment

The pediatric inpatient supplement is paid as an amount established according to the following method. A total of \$2,000,000 is distributed each state fiscal year among hospitals qualifying for this supplement. This is distributed proportionately among qualifying hospitals based on their number of WMP pediatric days as described below.

A qualifying hospital's pediatric inpatient supplement will be determined as follows:

$$\text{Hospital's annual pediatric supplement} = \frac{\text{WMP Pediatric Days for Hospital}}{\text{Sum of WMP Pediatric Days of All Qualifying Hospitals}} \times \$2,000,000 \text{ Statewide annual funding}$$

WMP pediatric days for the above calculation are a hospital's total covered inpatient days for pediatric WMP recipients, including HMO covered pediatric WMP recipients, for patient discharges occurring in the state fiscal year that began two years prior to the beginning of the current state fiscal year. For example, for a current state fiscal year beginning July 1, 2008 the state fiscal year July 1, 2006 through June 30, 2007 is used. A pediatric patient is a patient that has not attained 18 years of age as of the day of admission. WMP pediatric days do not include: (a) days of WMP recipient stays that are covered in full or part by Medicare and (b) days of WMP covered stays on which the WMP made no payment due to the stay being covered by some other payer such as private hospitalization insurance.

9500 Supplement Payment for Adult Level One Trauma Centers

For services provided on or after July 1, 2012, WMP will provide annual statewide funding of \$4,000,000 per SFY to hospitals with an Adult Level One Trauma Center, as designated by the American College of Surgeons. The WMP makes this payment to hospitals with an Adult Level One Trauma Center to assist with the high costs associated with operating a center with this designation.

The WMP distributes the funds proportionately among qualifying hospitals based on the number of eligible hospitals as described below.

A qualifying hospital's inpatient supplement is determined as follows:

$$\text{Hospital's annual trauma supplement} = \frac{\text{Qualifying Trauma Hospital}}{\text{Total Number of Hospitals Qualifying as Trauma Hospital}} \times \$4,000,000 \text{ Statewide Annual Funding}$$



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2090(?)
SWB:... Ann
1P1

DOA:.....Ames, BB0404 - Pediatric Inpatient Supplement

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

SA/
xref

IN 2/1a

No gen.

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

1. Pediatric Inpatient Supplement

This bill establishes in statute reference to supplemental funding totaling \$2,000,000 to be provided by DHS to certain acute care hospitals located in Wisconsin that have a total of more than 12,000 inpatient days in the hospital's acute care pediatric units and intensive care pediatric units, not including neonatal intensive care units. In addition, under the bill, DHS may pay up to an additional \$10,000,000 each state fiscal year to any hospital that is a free-standing pediatric teaching hospital located in Wisconsin that has a Medicaid inpatient utilization rate greater than 50 percent.

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

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

2 SECTION 1. 49.45 (6xm) of the statutes is created to read:

1 49.45 (6xm) PEDIATRIC INPATIENT SUPPLEMENT. (a) In this subsection, "pediatric
2 Medical Assistance recipient" means a person receiving benefits under the Medical
3 Assistance program that has not attained 18 years of age as of the day of admission
4 to a hospital.

5 (b) The department shall pay to hospitals under this subsection an amount
6 equal to the sum of \$2,000,000 ^{referring} under the calculation method described in par. (c) if
7 the hospital meets all of the following criteria:

8 1. The hospital is an acute care hospital located in this state.

9 2. During the hospital's fiscal year, the inpatient days in the hospital's acute
10 care pediatric units and intensive care pediatric units totaled more than 12,000 days,
11 not including neonatal intensive care units. For purposes of this subsection, the
12 hospital ^{↑ s} fiscal year is the hospital ^{↑ s} fiscal year that ended in the ^{2nd} second calendar year
13 preceding the beginning of the state fiscal year.

14 (c) The department shall distribute the total amount of moneys described
15 under par. (b) to be paid to a hospital by dividing a hospital's total covered inpatient
16 days for pediatric Medical Assistance recipients by the sum of inpatient days for
17 pediatric Medical Assistance recipients at all qualifying hospitals and then
18 multiplying that number by \$2,000,000.

****NOTE: Please confirm whether this description accurately reflects the intended calculation.

19 (d) Notwithstanding par. (b), the department may pay up to an additional
20 \$10,000,000 ⁱⁿ each state fiscal year to any hospital that is a free-standing pediatric
21 teaching hospital located in Wisconsin that has a percentage calculated under ^{5.} 49.45
22 (3m) (b) 1. a. greater than 50 percent.

****NOTE: Do you want to specify the source of the appropriation? There are state appropriations such as s. 49.45 (4) (b), (o), and (w) sufficient to cover this supplement, but

20.435

if you would like to specify, as some do, that this money should come from a specific fund,
we could include that information.

1

(END)

Walkenhorst Barber, Sarah

From: Ames, Kyle - DOA
Sent: Tuesday, February 19, 2019 5:54 PM
To: Walkenhorst Barber, Sarah
Cc: Dombrowski, Cynthia A - DOA
Subject: -2090/P1

Sarah –

First note: Please provide language that allows the Department to dictate the disbursement of the \$2 million.
Second note: Please provide funding from (4) (b), (o) and (w)

Please change the 50 percent threshold to 45 percent.

Thanks again for the quick turnaround!

Kyle



KYLE AMES | Executive Budget and Policy Analyst
Department of Administration
Division of Executive Budget and Finance
Kyle.Ames@wisconsin.gov
Main: (608) 266-2214 |



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2090/P1
SWB:amn

ake
IPZ
RMR

DOA:.....Ames, BB0404 - Pediatric Inpatient Supplement

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

IN 2/19
INSERT

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE ✓

1. Pediatric Inpatient Supplement distributed

This bill establishes in statute reference to supplemental funding totaling \$2,000,000 to be provided by DHS to certain acute care hospitals located in Wisconsin that have a total of more than 12,000 inpatient days in the hospital's acute care pediatric units and intensive care pediatric units, not including neonatal intensive care units. In addition, under the bill, DHS may pay up to an additional \$10,000,000 in each state fiscal year to any hospital that is a free-standing pediatric teaching hospital located in Wisconsin that has a Medicaid inpatient utilization rate greater than 50 percent. 45 ✓

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

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

2 SECTION 1. 49.45 (6xm) of the statutes is created to read:

INS
2-1

1 49.45 (6xm) PEDIATRIC INPATIENT SUPPLEMENT. (a) In this subsection, "pediatric
2 Medical Assistance recipient" means a person receiving benefits under the Medical
3 Assistance program that has not attained 18 years of age as of the day of admission
4 to a hospital.

5 (b) The department shall pay to a hospital under this subsection an amount
6 equal to the sum of \$2,000,000 using the calculation method described in par. (c) if
7 the hospital meets all of the following criteria:

- 8 1. The hospital is an acute care hospital located in this state.
- 9 2. During the hospital's fiscal year, the inpatient days in the hospital's acute
10 care pediatric units and intensive care pediatric units totaled more than 12,000 days,
11 not including neonatal intensive care units. For purposes of this subsection, the
12 hospital's fiscal year is the hospital's fiscal year that ended in the 2nd calendar year
13 preceding the beginning of the state fiscal year.

14 (c) The department shall distribute the total amount of moneys described
15 under par. (b) to be paid to a hospital by dividing a hospital's total covered inpatient
16 days for pediatric Medical Assistance recipients by the sum of inpatient days for
17 pediatric Medical Assistance recipients at all qualifying hospitals and then
18 multiplying that number by \$2,000,000.

***NOTE: Please confirm whether this description accurately reflects the intended calculation.

19 (d) Notwithstanding par. (b), the department may pay up to an additional
20 \$10,000,000 in each state fiscal year to any hospital that is a free-standing pediatric
21 teaching hospital located in Wisconsin that has a percentage calculated under s.
22 49.45 (3m) (b) 1. a. greater than 50⁴⁵ percent.

***NOTE: Do you want to specify the source of the appropriation? There are state appropriations such as s. 20.435 (4) (b), (o), and (w) sufficient to cover this supplement,

from the appropriations under s. 20.435 (b), (o), and (w)

but if you would like to specify, as some do, that this money should come from a specific fund, we could include that information.

1

(END)

**2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2090/P2ins
SWB:amn

INSERT 2-1

- ① (a) From the appropriations under s. 20.435 (b), (o), and (w), the department
2 shall, using a method determined by the department, distribute a total sum of
3 \$2,000,000 each state fiscal year to hospitals that meet all of the following criteria:

(END INSERT 2-1)

Walkenhorst Barber, Sarah

From: Ames, Kyle - DOA
Sent: Wednesday, February 20, 2019 10:24 AM
To: Walkenhorst Barber, Sarah
Cc: Dombrowski, Cynthia A - DOA
Subject: 2090/P2

Sarah:

The draft language looks great for the current pediatric supplement. It provides the department with flexibility.

Please mirror the language from line 3 for part b. Language may include: "the department may distribute an additional sum of \$10 million in each state fiscal year..." The intent is to distribute a sum of \$10 million to pediatric hospitals that reach that threshold. The current language may be interpreted as paying up to \$10 million to each hospital that meets the requirements.

Please let me know if you have any questions.

Kyle



KYLE AMES | Executive Budget and Policy Analyst
Department of Administration
Division of Executive Budget and Finance
Kyle.Ames@wisconsin.gov
Main: (608) 266-2214 |



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2090/P2
SWB:amn&ahe

1/P3
RMR

DOA:.....Ames, BB0404 - Pediatric Inpatient Supplement

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

IN 2/20

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

1. Pediatric Inpatient Supplement

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 2 under s. 20.435 (4) (b), (o), and (w), the department shall, using a method determined
 3 by the department, distribute a total sum of \$2,000,000 each state fiscal year to
 4 hospitals that meet all of the following criteria:

- 5 1. The hospital is an acute care hospital located in this state.
- 6 2. During the hospital's fiscal year, the inpatient days in the hospital's acute
 7 care pediatric units and intensive care pediatric units totaled more than 12,000 days,
 8 not including neonatal intensive care units. For purposes of this subsection, the
 9 hospital's fiscal year is the hospital's fiscal year that ended in the 2nd calendar year
 10 preceding the beginning of the state fiscal year.

11 (b) Notwithstanding par. (a), from the appropriations under s. 20.435 (b), (o),
 12 and (w) the department may ^{using a method determined} pay up to an additional ^{distribute total sum of} \$10,000,000 in each state fiscal
 13 year to ^{any} hospital that ^{is a} free-standing pediatric teaching ^{hospital} located in
 14 Wisconsin that ^{has} a percentage calculated under s. 49.45 (3m) (b) 1. a. greater than
 15 45 percent.

(END)



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2090/P3
SWB:amn&ahe

DOA:.....Ames, BB0404 - Pediatric Inpatient Supplement

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

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