

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-5867/1	Introduction Number AB-1087
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Description
 supplemental payments to hospitals with avoidable patient days and an enhanced rate to nursing homes for bariatric and extensive wound care under the Medical Assistance program

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes
 - No
- Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs 3. Increase Revenue
 - Permissive Mandatory Permissive Mandatory
 - 2. Decrease Costs 4. Decrease Revenue
 - Permissive Mandatory Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected

Affected Ch. 20 Appropriations

GPR
 FED
 PRO
 PRS
 SEG
 SEGS
 s. 20.435 (4) (b) and (4) (o)

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Fiscal Estimate Narratives

DHS 2/22/2024

LRB Number	23-5867/1	Introduction Number	AB-1087	Estimate Type	Original
Description supplemental payments to hospitals with avoidable patient days and an enhanced rate to nursing homes for bariatric and extensive wound care under the Medical Assistance program					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires Wisconsin Medicaid, in SFY 2025, to make quarterly supplemental payments to hospitals with qualifying avoidable patient days. Under this provision, the Department must distribute to qualifying hospitals \$5.0 million GPR per SFY quarter, \$20.0 million GPR in total, plus any available federal matching funds. Under the provisions of this bill, the Department must submit a Medicaid state plan amendment or waiver to the federal government seeking federal matching funds for these supplemental payments but requires Medicaid to disburse the \$20.0 million GPR supplemental payments regardless of the availability of federal Medicaid matching funds. If the State's application for federal Medicaid matching funds is approved, total payments to hospitals under this provision would be approximately \$50.5 million All Funds in SFY 2025.

This bill also requires Wisconsin Medicaid, in SFY 2025, to provide no more than \$10.0 million in enhanced funding to nursing homes to support bariatric and extensive wound care needs for Medicaid-eligible individuals admitted for care on or after July 1, 2024. A separate bill, AB 1086, appropriates \$10.0 million GPR for these payments. In addition, as Medicaid payments, the enhance reimbursement may qualify for federal matching funds in addition to the amounts appropriated in AB 1086. However, regardless of the availability of federal matching funds, this bill caps total payments under this section at \$10 million All Funds.

The provisions of this bill are expected to increase GPR costs in the Medicaid program by \$30.0 million in SFY 2025. If federal Medicaid matching funds are approved for the hospital supplement provision, the Medicaid program expects additional costs of approximately \$30.5 million FED in SFY 2025, for a total estimated cost of \$60.5 million All Funds in SFY 2025.

Long-Range Fiscal Implications