

**Public Notice**  
**Health Services**  
*Medicaid Reimbursement for Inpatient Hospital Services*  
*for Department of Corrections Inmates:*  
*Acute Care Hospitals*

The State of Wisconsin reimburses hospitals for inpatient hospital services provided to Medicaid recipients under the authority of Title XIX of the Social Security Act and Chapter 49 of the Wisconsin Statutes. This program, administered by the State's Department of Health Services (DHS), is called Medicaid or Medical Assistance.

As authorized under 2013 Wisconsin Act 20, Wisconsin Medicaid reimburses hospitals for state prison inmate inpatient hospital stays, when the inmate has been determined eligible for Medicaid, for dates of admission on or after April 1, 2014. Inmates receive services on a fee-for-service basis. Acute care hospitals that provide services to inmates are reimbursed at a percentage of their usual and customary charge. Critical access hospitals that provide services to inmates are reimbursed according to their current methodology, which is based on Diagnosis Related Groupings (DRGs). Wisconsin Medicaid will reimburse professional services related to a Medicaid-eligible inmate hospital stay (e.g., laboratory services, physician services, radiology services, or durable medical equipment) at the current maximum allowable fee. Other services, such as outpatient hospital services, including observations, will not be reimbursed by Wisconsin Medicaid for inmates. Emergency room (ER) services are only considered inpatient services if the patient is admitted to the hospital directly from the ER and is counted on the midnight census; otherwise, ER visits are considered outpatient services.

Section 7340 of the inpatient hospital state plan provides for reimbursement for state prison inmate inpatient hospital stays at 49 percent of the acute care hospitals usual and customary charge, while other types of hospitals are reimbursed according to their existing WMP reimbursement methodology.

Effective July 1, 2017, DHS will be amending the inpatient hospital state plan regarding reimbursement for state prison inmate inpatient hospital stays. The following changes will be contained in the July 1, 2017 inpatient hospital state plan amendment:

- Effective July 1, 2017, acute care hospitals that provide services to Medicaid-eligible inmates will be reimbursed at a percentage of their usual and customary charge equal to the average in-state acute care hospital cost to charge ratio.

This notification is intended to provide notice of the type of changes that are included in the amendment. It is not intended to constitute a final determination of the actual reimbursement rates.

## **Proposed Change**

It is estimated that these changes will reduce the projected annual aggregate Medicaid expenditures in state fiscal year 2018 by \$3,392,366 (All Funds), composed of \$1,400,878 state general purpose revenue (GPR) and \$1,991,488 federal match (Federal). State fiscal year 2018 is the period of time from July 1, 2017 through June 30, 2018.

The Department's proposal involves no change to the definition of those eligible to receive benefits under Medicaid. The set of benefits available to eligible recipients remains the same; this proposal changes only Wisconsin Medicaid reimbursement policies. The effective date for these proposed changes will be July 1, 2017.

## **Copies of the Proposed Change**

A copy of the proposed change may be obtained free of charge at your local county agency or by calling or writing as follows:

### **Regular Mail**

Division of Medicaid Services  
P.O. Box 309  
Madison, WI 53701-0309

### **State Contact**

Ben Nerad, Hospital Rate Setting Section Chief  
Bureau of Fiscal Management  
(608) 261-8397 (phone)  
(608)266-1096 (fax)

[Benjamin.Nerad@wisconsin.gov](mailto:Benjamin.Nerad@wisconsin.gov)

A copy of the proposed change is available for review at the main office of any county department of social services or human services.

## **Written Comments**

Written comments are welcome. Written comments on the proposed change may be submitted by fax, email, or regular mail per the above information. All written comments received will be reviewed, considered, and made available for public review between the hours of 7:45 a.m. and 4:30 p.m. daily in Room 350 of the State Office Building, 1 West Wisconsin Street, Madison, Wisconsin. Revisions may be made to the proposed change based on comments received.