



State of Wisconsin  
2017 - 2018 LEGISLATURE

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TJD:emw&wlj

**ASSEMBLY AMENDMENT 2,  
TO ASSEMBLY BILL 885**

February 13, 2018 - Offered by JOINT COMMITTEE ON FINANCE.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 5, line 6: after that line insert:

3 **“SECTION 3c.** 49.45 (23) (a) of the statutes is amended to read:

4 49.45 (23) (a) The department shall request a waiver from the secretary of the  
5 federal department of health and human services to permit the department to  
6 conduct a demonstration project to provide health care coverage to adults who are  
7 under the age of 65, who have family incomes not to exceed ~~100~~ 133 percent of the  
8 poverty line ~~before application of the 5 percent income disregard under 42 CFR~~  
9 ~~435.603 (d), except as provided in s. 49.471 (4g),~~ and who are not otherwise eligible  
10 for medical assistance under this subchapter, the Badger Care health care program  
11 under s. 49.665, or Medicare under 42 USC 1395 et seq.

12 **SECTION 3d.** 49.471 (1) (cr) of the statutes is created to read:

1           49.471 (1) (cr) “Enhanced federal medical assistance percentage” means a  
2 federal medical assistance percentage described under 42 USC 1396d (y) or (z).

3           **SECTION 3e.** 49.471 (4) (a) 4. b. of the statutes is amended to read:

4           49.471 (4) (a) 4. b. ~~The Except as provided in sub. (4g), the individual’s family~~  
5 ~~income does not exceed 100 133 percent of the poverty line before application of the~~  
6 ~~5 percent income disregard under 42 CFR 435.603 (d).~~

7           **SECTION 3f.** 49.471 (4g) of the statutes is created to read:

8           49.471 (4g) MEDICAID EXPANSION; FEDERAL MEDICAL ASSISTANCE PERCENTAGE. (a)  
9 For services provided to individuals described under sub. (4) (a) 4. and s. 49.45 (23),  
10 the department shall comply with all federal requirements to qualify for the highest  
11 available enhanced federal medical assistance percentage. The department shall  
12 submit any amendment to the state medical assistance plan, request for a waiver of  
13 federal Medicaid law, or other approval request required by the federal government  
14 to provide services to the individuals described under sub. (4) (a) 4. and s. 49.45 (23)  
15 and qualify for the highest available enhanced federal medical assistance  
16 percentage.

17           (b) If the department does not qualify for an enhanced federal medical  
18 assistance percentage, or if the enhanced federal medical assistance percentage  
19 obtained by the department is lower than printed in federal law as of July 1, 2013,  
20 for individuals eligible under sub. (4) (a) 4. or s. 49.45 (23), the department shall  
21 submit to the joint committee on finance a fiscal analysis comparing the cost to  
22 maintain coverage for adults who are not pregnant and not elderly with family  
23 incomes up to 133 percent of the poverty line to the cost of limiting eligibility to those  
24 adults with family incomes up to 100 percent of the poverty line. The department  
25 may reduce income eligibility for adults who are not pregnant and not elderly from

1 family incomes of up to 133 percent of the poverty line to family incomes of up to 100  
2 percent of the poverty line only if this reduction in income eligibility levels is  
3 approved by the joint committee on finance.

4 **SECTION 3g.** 49.471 (4m) of the statutes is created to read:

5 49.471 (4m) PURCHASE OPTIONS FOR BADGERCARE PLUS AND THE ASSISTANCE FOR  
6 CHILDLESS ADULTS DEMONSTRATION PROJECT. (a) 1. The department shall, if required,  
7 request a waiver from or submit amendments to the state Medical Assistance plan  
8 to the secretary of the federal department of health and human services to establish  
9 a program that allows individuals with income above the maximum income  
10 eligibility limit applicable under this section or the assistance for childless adults  
11 demonstration project under s. 49.45 (23), and who otherwise meet the eligibility  
12 requirements under this section or under s. 49.45 (23), the option of purchasing  
13 coverage through this section or through the demonstration project under s. 49.45  
14 (23) instead of purchasing an individual health plan through private insurance. The  
15 department shall also include a request for any federal waiver or state Medical  
16 Assistance plan amendments necessary to allow an option for small businesses to  
17 purchase coverage for their employees under this section as part of the small  
18 business health options program through an exchange under 42 USC 18031.

19 2. The department shall seek any federal waiver and state Medical Assistance  
20 plan amendments necessary to allow individuals who qualify under subd. 1. to use  
21 advanced tax credits and cost-sharing credits, if eligible, to purchase one of the  
22 options described under subd. 1.

23 (b) 1. The department shall coordinate the administration of the purchase  
24 options under this subsection with the programs under this section and s. 49.45 (23)  
25 to maximize efficiency and improve the continuity of care, consistent with the

1 requirements of this section and s. 49.45 (23). The department shall seek to  
2 implement mechanisms to ensure the long-term financial sustainability of the  
3 programs under this section and s. 49.45 (23). These mechanisms must address  
4 issues related to minimizing adverse selection, the state financial risk and  
5 contribution, and negative impacts to premiums in the individual and group  
6 insurance markets.

7 2. The purchase option program shall include, at a minimum, all of the  
8 following attributes:

9 a. Establishment of an annual per enrollee premium rate similar to the average  
10 rate paid by the state to managed care plan contractors.

11 b. Establishment of a benefit set equal to the benefits covered under this section  
12 and s. 49.45 (23).

13 c. Annual enrollment that is limited to the same annual open enrollment  
14 periods established for the programs under this section and s. 49.45 (23).

15 d. The ability for the department to adjust the purchase option's actuarial value  
16 to a value no lower than 87 percent.

17 e. Reimbursement mechanisms for addressing potential increased costs to the  
18 programs under this section and s. 49.45 (23).

19 (c) By March 1, 2019, the department of health services shall submit a report  
20 to the appropriate standing committee in each house of the legislature under s.  
21 13.172 (3) that provides information on the status of the request for a federal waiver  
22 and the results from actuarial and economic analyses that are necessary for a waiver  
23 proposal.

24 (d) If any necessary waiver or amendments to the state plan described under  
25 par. (a) 1. are approved, the department shall implement the program. If the

1 department is authorized to implement the program, and if any waiver or state plan  
2 amendment described under par. (a) 2. is necessary and is approved, or if the  
3 department determines neither a waiver nor state plan amendment is necessary, the  
4 department shall allow the purchase options described under par. (a) 2.”.

5 **2.** Page 14, line 4: after that line insert:

6 “(2m) INCREASING MEDICAL ASSISTANCE REIMBURSEMENT RATES. The department  
7 of health services shall amend the state Medicaid plan to increase reimbursement  
8 rates for providers of medical and long-term care services providers under the  
9 Medical Assistance program for dates of service on and after July 1, 2018.”.

10 **3.** Page 14, line 9: after that line insert:

11 “(2m) MEDICAID EXPANSION. In the schedule under section 20.005 (3) of the  
12 statutes for the appropriation to the department of health services under section  
13 20.435 (4) (b) of the statutes, the dollar amount for fiscal year 2018-19 is decreased  
14 by \$203,000,000 to provide Medical Assistance to certain adults with family incomes  
15 up to 133 percent of the federal poverty line.

16 (3m) MEDICAL ASSISTANCE REIMBURSEMENT RATES. In the schedule under section  
17 20.005 (3) of the statutes for the appropriation to the department of health services  
18 under section 20.435 (4) (b) of the statutes, the dollar amount for fiscal year 2018-19  
19 is increased by \$203,000,000 to provide a purchase option under BadgerCare Plus  
20 under section 49.471 (4m) of the statutes.

21 **SECTION 13m. Effective dates.** This act takes effect on the day after  
22 publication, except as follows:

