



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-0536/P1
TJD:amn

DOA:.....Bollhorst, BB0131 - Disproportionate share hospital payment increase

FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Disproportionate share hospital payments

Current law requires DHS to make payments under the Medical Assistance program to hospitals that serve a disproportionate share of low-income patients. These hospitals are referred to as “disproportionate share hospitals,” and the payments are known as DSH payments. DHS must pay \$27,500,000 in each fiscal year, cumulatively, as the state share of DSH payments and must also pay to the disproportionate share hospitals the amounts contributed by the federal government. For a hospital to receive a DSH payment under current law, the hospital must be a Wisconsin hospital providing a wide array of services that meets applicable requirements under federal law and for which at least 6 percent of all total inpatient days at the hospital are Medical Assistance recipients’ inpatient days. Current law provides mechanisms for determining how DSH payments are distributed among eligible hospitals and imposes some limits on payments, including that no single hospital may receive more than \$4,600,000 per fiscal year. This bill increases, if the state adopts the Medicaid expansion, the state share of the cumulative amount of DSH payments in a fiscal year to \$47,500,000 and increases

the single hospital limit to \$7,950,000. The Medicaid expansion, as authorized under the Patient Protection and Affordable Care Act, allows a state to provide benefits under the Medicaid program to individuals who have an income up to 133 percent of the federal poverty line and who were previously ineligible for Medicaid, and in exchange, the Affordable Care Act then provides that the federal government pays an increased percentage of the cost of the benefits for those newly eligible individuals.

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

SECTION 1. 49.45 (3m) (a) (intro.) of the statutes is amended to read:

49.45 **(3m)** (a) (intro.) Subject to par. (e) (d) and notwithstanding sub. (3) (e), from the appropriations under s. 20.435 (4) (b) and (o), in each fiscal year, the department shall pay to hospitals that serve a disproportionate share of low-income patients an amount equal to the sum of \$27,500,000, as the state share of payments, and the matching federal share of payments. The department may make a payment to a hospital under this subsection under the calculation method described in par. (b) if the hospital meets all of the following criteria:

****NOTE: I changed the cross-reference under this paragraph as I believe it was incorrect. If you do not want to correct this cross-reference, please advise and I will remove it from the draft.

SECTION 2. 49.45 (3m) (cm) of the statutes is created to read:

49.45 **(3m)** (cm) Notwithstanding the total amount of state share paid to hospitals under par. (a) and the limit paid to a single hospital under par. (b) 3. a., if the department has expanded eligibility under section 2001 (a) (1) (C) of the Patient Protection and Affordable Care Act, P.L. [111-148](#), for the Medical Assistance program under this subchapter, the department shall pay as the state share to hospitals \$47,500,000 under par. (a) and pay no single hospital more than \$7,950,000 under par. (b) 3. a.

(END)