



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-0649/P1
JPC:cdc

DOA:.....Stinebrink, BB0188 - Setting nursing home rates

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

Acuity-based billing in nursing homes and community-based residential facilities

Under current law, payment for health care provided in a nursing home or a community-based residential facility under the Medical Assistance program is determined by prospective payment systems updated annually by DHS. DHS is required to implement an acuity-based payment rate system for determining payments to nursing homes and community-based residential facilities for all allowable, nonbillable services of a registered nurse, licensed practical nurse, or nurse aide. This bill makes several changes to the acuity-based payment rate system implemented by DHS to allow DHS to align the state's rate-setting methodology with an updated Patient Driven Payment Model established by the federal Centers for Medicare and Medicaid Services. Currently, DHS follows a Resource Utilization Groupings model. Further, the bill allows DHS to use data from calendar years other than calendar year 2020 or calendar year 2021 if DHS determines that either or both of those years are inappropriate bases for prospective rate setting due to fluctuations in costs caused by the COVID-19 pandemic.

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:

SECTION 1. 49.45 (6m) (a) 6. of the statutes is repealed.

SECTION 2. 49.45 (6m) (ag) 3p. a. to c. of the statutes are amended to read:

49.45 **(6m)** (ag) 3p. a. The system may incorporate acuity measurements ~~under the most recent Resource Utilization Groupings methodology~~ to determine factors for case-mix adjustment.

b. ~~Four times annually, for~~ For each facility resident who is a Medical Assistance recipient on March 31, June 30, September 30, or December 31, as applicable, the system shall determine the average case-mix index by use of the factors specified under subd. 3p. a.

c. The system ~~shall~~ may incorporate payment adjustments for dementia, behavioral needs, or other complex medical conditions.

SECTION 9119. Nonstatutory provisions; Health Services

(1) USE OF COST REPORT DATA FOR RATE SETTING. For purposes of determining payments for a facility under s. 49.45 (6m) (am), the department of health services may use data other than data from calendar year 2020 or calendar year 2021 if the department of health services determines that calendar year 2020 or calendar year 2021 are not appropriate bases for prospective rate setting due to fluctuations in costs caused by the COVID-19 pandemic.

(END)