



State of Wisconsin  
2025 - 2026 LEGISLATURE

LRB-2047/P3

SWB:skw

DOA:.....Bollhorst, BB0569 - Eliminate Legislative Oversight of State Plan Amendments and Waivers

**FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION**

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

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*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

***Eliminating legislative oversight of federal waivers.***

Current law, as created by [2017 Wisconsin Act 370](#), prohibits DHS from submitting a request to a federal agency for a waiver or renewal, modification, withdrawal, suspension, or termination of a waiver of federal law or rules or for authorization to implement a pilot program or demonstration project unless legislation has been enacted specifically directing the submission of the request. For any legislation that requires submission of a request that has not yet been submitted, current law requires DHS to submit an implementation plan to JCF and submit its final proposed request to JCF for approval. Current law requires DHS to take certain actions and submit monthly progress reports to JCF once a request has been submitted to the federal agency. When the federal agency has approved the request in whole or in part and the request has not been fully implemented, current law requires DHS to submit its final implementation plan to JCF for approval. Current law allows JCF to reduce from moneys allocated for state operations or administrative functions the agency's appropriation or expenditure authority or change the authorized level of full-time equivalent positions for the agency related to the program for which the request is required to be submitted if JCF determines that the state agency has not made sufficient progress or is not acting in accordance with the enacted legislation requiring the submission of the request. This bill eliminates the requirement that legislation be enacted in order for DHS to submit a request for a waiver or renewal, modification, withdrawal, suspension, or termination of a waiver of federal law or rules or for authorization to implement a pilot program or demonstration project. The bill also eliminates the legislative review procedure for requests for waivers, pilot programs, or demonstration projects required by current law created by Act 370.

***Eliminating legislative review of Medicaid state plan amendments***

The Medical Assistance program provides health services to individuals who have limited financial resources, is the state's Medicaid program, and is jointly funded by the state and federal governments through a detailed agreement known

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as the state plan. Under current law created by [2017 Wisconsin Act 370](#), DHS is required to submit to JCF under its passive review process any proposed Medical Assistance state plan amendment and any proposed change to a reimbursement rate for or supplemental payment to a Medical Assistance provider that has an expected fiscal effect of \$7,500,000 or more from all revenue sources over a 12-month period. The bill eliminates this requirement to submit for JCF review Medical Assistance state plan amendments, changes to reimbursement rates, or supplemental payments.

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

**SECTION 1.** 20.940 of the statutes is repealed.

**SECTION 2.** 49.45 (2t) of the statutes is repealed.

**SECTION 3.** 49.45 (41) (d) of the statutes is amended to read:

49.45 (41) (d) The department shall, ~~in accordance with all procedures set forth under s. 20.940,~~ request a waiver under [42 USC 1315](#) or submit a Medical Assistance state plan amendment to the federal department of health and human services to obtain any necessary federal approval required to provide reimbursement to crisis urgent care and observation facilities certified under s. 51.036 for crisis intervention services under this subsection. ~~If the department determines submission of a state plan amendment is appropriate, the department shall, notwithstanding whether the expected fiscal effect of the amendment is \$7,500,000 or more, submit the amendment to the joint committee on finance for review in accordance with the procedures under sub. (2t).~~ If federal approval is granted or no federal approval is required, the department shall provide reimbursement under s. 49.46 (2) (b) 15. If federal approval is necessary but is not granted, the department may not provide reimbursement for crisis intervention services provided by crisis urgent care and observation facilities.

**BILL****SECTION 4**

**SECTION 4.** 256.23 (5) of the statutes is amended to read:

256.23 (5) ~~In accordance with s. 20.940, the~~ The department shall submit to the federal department of health and human services a request for any state plan amendment, waiver or other approval that is required to implement this section and s. 49.45 (3) (em). If federal approval is required, the department may not implement the collection of the fee under sub. (2) until it receives approval from the federal government to obtain federal matching funds.

**SECTION 5.** 601.83 (1) (a) of the statutes is amended to read:

601.83 (1) (a) The commissioner shall administer a state-based reinsurance program known as the healthcare stability plan in accordance with the specific terms and conditions approved by the federal department of health and human services dated July 29, 2018. Before December 31, 2023, the commissioner may not request from the federal department of health and human services a modification, suspension, withdrawal, or termination of the waiver under [42 USC 18052](#) under which the healthcare stability plan under this subchapter operates unless legislation has been enacted specifically directing the modification, suspension, withdrawal, or termination. Before December 31, 2023, the commissioner may request renewal, without substantive change, of the waiver under [42 USC 18052](#) under which the health care stability plan operates ~~in accordance with s. 20.940 (4)~~ unless legislation has been enacted that is contrary to such a renewal request. ~~The commissioner shall comply with applicable timing in and requirements of s. 20.940.~~

(END)