



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 26, 2009

Joint Committee on Finance

Paper #418

UW Payment to General Fund (DHS)

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CURRENT LAW

The University of Wisconsin Hospitals and Clinics (UW Hospital) provides inpatient and outpatient hospital services to enrollees in the state's medical assistance (MA) program. Under MA program rules, UW Hospital is eligible for supplemental payments for the amounts by which the costs it incurs to provide those MA services exceed the program's typical reimbursement rates (an amount referred to as the MA deficit). Recent analysis conducted by the Department of Health Services (DHS), and approved by the federal Centers for Medicare and Medicaid Services (CMS), indicates that for the period 1990 through 2006, the UW Hospital's MA deficit eligible for these supplemental payments is approximately \$49 million (all funds).

GOVERNOR

Require the University of Wisconsin Hospitals and Clinics Authority, no later than June 30, 2009, to pay to the state, for deposit into the general fund, an amount equal to \$49 million.

MODIFICATION

Modify AB 75 by requiring the \$49 million transfer to the state general fund be made from the University of Wisconsin System's general operations receipts appropriation (s. 20.285(1)(iz)) rather than from the University of Wisconsin Hospitals and Clinics Authority.

Explanation: AB 75 incorrectly required the \$49 million payment to the general fund be made from the University of Wisconsin Hospitals and Clinics Authority. This modification corrects AB 75 so as to direct that the \$49 million payment be made from the UW System's general operations receipts appropriation, consistent with the Governor's intent.

Prepared by: Eric Peck