

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-4960/1	Introduction Number SB-479
Subject Use of intergovernmental transfer funds for county nursing home services provided to family care recipients	
Fiscal Effect	
State:	
<input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:	
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
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Date 3/6/02	

Fiscal Estimate Narratives
DHFS 3/6/02

LRB Number 01-4960/1	Introduction Number SB-479	Estimate Type Original
Subject		
Use of intergovernmental transfer funds for county nursing home services provided to family care recipients		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, \$77,100,000 in supplemental payments is annually distributed to county- and municipal-owned nursing homes. These supplemental payments are in addition to regular per diem payments that nursing homes receive for the care of Medical Assistance (MA) recipients. These supplemental payments are currently allocated based on the amount of the nursing home's unreimbursed costs (costs in excess of the regular per diem payments) related to serving persons under MA.

Senate Bill 479 would allow the Department of Health and Family Services, beginning in 2002-03, to distribute a portion of the \$77,100,000 in supplemental payments to Care Management Organizations (CMOs) in the Family Care program. The bill specifies that the Department would determine this amount as part of the MA state plan amendment process. This reference in the bill to the MA state plan may not be appropriate since the Family Care payment methodology is specified in the Family Care Contract with CMS (Centers for Medicare and Medicaid), and the annual CMO payment rates are subject to federal review when the annual CMO contract and related materials detailing the determination of those rates are submitted to CMS for approval.

Some Family Care CMOs contract with county- and municipal-owned nursing homes for the provision of nursing home services to CMO enrollees. Senate Bill 479 would create a mechanism that would allow the Department to use part of the supplemental funding to support CMO payments that could, in turn, be used by the CMOs to fund higher payments to county- and municipal-owned nursing homes for services to CMO enrollees. Federal regulations prohibit the state from making separate payments to providers that serve MA recipients that are participating in a managed care program, other than the payment made to the managed care organization. This regulation prohibits Wisconsin from making direct payments to nursing homes based on serving an enrollee of a Family Care CMO.

Senate Bill 479 would not have any state fiscal effect since the impact of the bill only affects the allocation of the \$77,100,000 supplemental appropriation.

Long-Range Fiscal Implications