

State of Wisconsin



2009 Assembly Bill 770

Date of enactment: **April 19, 2010**

Date of publication*: **May 3, 2010**

2009 WISCONSIN ACT 190

AN ACT to repeal 50.38 (1) (a); **to renumber and amend** 36.60 (2) (a) and 50.38 (2); **to amend** 20.435 (4) (w), 25.77 (11), 25.77 (12), 25.772, 36.60 (3), 36.60 (4) (intro.), 36.60 (5) (a), 36.60 (5) (b) (intro.), 36.60 (5) (b) 1., 36.60 (5) (b) 2., 36.60 (5) (b) 3., 36.60 (5) (b) 4., 36.60 (5) (b) 5., 36.60 (8) (b), 36.61 (3), 36.61 (5) (a), 36.61 (5) (b) (intro.), 36.61 (5) (b) 1., 36.61 (5) (b) 2., 36.61 (5) (b) 3., 36.61 (5) (b) 4., 36.61 (5) (b) 5., 49.45 (3) (e) 11., 49.45 (59) (a), 50.38 (3), 50.38 (4), 50.38 (6) (a) 1., 50.38 (6) (a) 2., 50.38 (6) (b), 50.38 (6) (c), 50.38 (7) (d) and 50.38 (8); and **to create** 20.285 (1) (qe), 20.285 (1) (qj), 20.435 (4) (xe), 25.17 (1) (cg), 25.774, 36.60 (1) (d), 36.60 (2) (a) 2., 36.60 (4m), 36.60 (8) (h), 36.61 (1) (e), 36.61 (7) (e), 36.63, 49.45 (3) (e) 12., 50.38 (2) (b), 50.38 (6m) and 50.38 (10) of the statutes; **relating to:** assessment on critical access hospitals; payments to critical access hospitals under the Medical Assistance Program; creating a rural physician residency assistance program; the physician, dentist, and health care provider loan assistance programs; and making appropriations.

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

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

				2009–10	2010–11
20.285	University of Wisconsin System				
(1)	UNIVERSITY EDUCATION RESEARCH AND PUBLIC SERVICE				
(qe)	Rural physician residency assistance program	SEG	B	–0–	750,000
(qj)	Physician and dentist and health care provider loan assistance programs; critical access hospital assessment fund	SEG	B	–0–	250,000

SECTION 2. 20.285 (1) (qe) of the statutes is created to read:

20.285 (1) (qe) *Rural physician residency assistance program.* Biennially, from the critical access hospital assessment fund, the amounts in the schedule for the department of family medicine in the University of Wis-

consin School of Medicine and Public Health to establish and support physician residency positions under s. 36.63.

SECTION 3. 20.285 (1) (qj) of the statutes is created to read:

20.285 (1) (qj) *Physician and dentist and health care provider loan assistance programs; critical access hos-*

* Section 991.11, WISCONSIN STATUTES 2007–08 : Effective date of acts. “Every act and every portion of an act enacted by the legislature over the governor’s partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated” by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

pital assessment fund. Biennially, from the critical access hospital assessment fund, the amounts in the schedule for loan repayments under ss. 36.60 and 36.61.

SECTION 4. 20.435 (4) (w) of the statutes, as affected by 2009 Act Wisconsin 2, is amended to read:

20.435 (4) (w) *Medical Assistance trust fund.* From the Medical Assistance trust fund, biennially, the amounts in the schedule for meeting costs of medical assistance administered under ss. 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5), 49.45, and 49.472 (6), for refunds under s. 50.38 (6) (a) and (6m) (a), and for administrative costs associated with augmenting the amount of federal moneys received under 42 CFR 433.51.

SECTION 5. 20.435 (4) (xe) of the statutes is created to read:

20.435 (4) (xe) *Critical access hospital assessment fund; hospital payments.* From the critical access hospital assessment fund, all moneys received from the assessment under s. 50.38 (2) (b), except moneys appropriated under s. 20.285 (1) (qe) and (qj), to make payments to critical access hospitals required under s. 49.45 (3) (e) 12. for services provided under the Medical Assistance Program under subch. IV of ch. 49; to make refunds under s. 50.38 (6m); and to make the transfer under s. 50.38 (10).

SECTION 6. 25.17 (1) (cg) of the statutes is created to read:

25.17 (1) (cg) Critical access hospital assessment fund (s. 25.774);

SECTION 7. 25.77 (11) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

25.77 (11) All moneys transferred under s. 50.38 (8) and (10).

SECTION 8. 25.77 (12) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

25.77 (12) All moneys recouped and deposited under s. 50.38 (6) (a) 4. and (6m) (a) 4.

SECTION 9. 25.772 of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

25.772 Hospital assessment fund. There is established a separate nonlapsible trust fund designated as the hospital assessment fund, to consist of all moneys received under s. 50.38 (2) (a) from assessments on hospitals other than critical access hospitals and all moneys recouped and deposited under s. 50.38 (6) (a) 3.

SECTION 10. 25.774 of the statutes is created to read:

25.774 Critical access hospital assessment fund. (1) There is established a separate nonlapsible trust fund designated as the critical access hospital assessment fund, to consist of all moneys received under s. 50.38 (2) (b) from assessments on critical access hospitals and all moneys recouped and deposited under s. 50.38 (6m) (a) 3.

SECTION 11. 36.60 (1) (d) of the statutes is created to read:

36.60 (1) (d) "Rural area" has the meaning given in s. 36.63 (1) (c).

SECTION 12. 36.60 (2) (a) of the statutes, as affected by 2009 Wisconsin Act 28, is renumbered 36.60 (2) (a) 1. and amended to read:

36.60 (2) (a) 1. The Except as provided in subd. 2., the board may repay, on behalf of a physician or dentist, up to \$50,000 in educational loans obtained by the physician or dentist from a public or private lending institution for education in an accredited school of medicine or dentistry or for postgraduate medical or dental training.

SECTION 13. 36.60 (2) (a) 2. of the statutes is created to read:

36.60 (2) (a) 2. The board may repay, on behalf of a physician who agrees under sub. (3) to practice in a rural area, up to \$100,000 in educational loans obtained by the physician from a public or private lending institution for education in an accredited school of medicine or for postgraduate medical training.

SECTION 14. 36.60 (3) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (3) AGREEMENT. (a) The board shall enter into a written agreement with the physician, in which the physician agrees to practice at least 32 clinic hours per week for 3 years in one or more eligible practice areas in this state or in a rural area, except that a physician specializing in psychiatry may only agree to practice psychiatry in a mental health shortage area or in a rural area and a physician in the expanded loan assistance program under sub. (9) may only agree to practice at a public or private non-profit entity in a health professional shortage area. The physician shall also agree to care for patients who are insured or for whom health benefits are payable under medicare, medical assistance, or any other governmental program.

(am) The board shall enter into a written agreement with the dentist, in which the dentist agrees to practice at least 32 clinic hours per week for 3 years in one or more dental health shortage areas in this state or in a rural area. The dentist shall also agree to care for patients who are insured or for whom dental health benefits are payable under medicare, medical assistance, or any other governmental program.

(b) The agreement shall specify that the responsibility of the board to make the payments under the agreement is subject to the availability of funds in the appropriations under s. 20.285 (1) (jc) and, (ks), and (qj).

SECTION 15. 36.60 (4) (intro.) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (4) LOAN REPAYMENT. (intro.) Principal Except as provided in sub. (4m), principal and interest due on loans, exclusive of any penalties, may be repaid by the board at the following rate:

SECTION 16. 36.60 (4m) of the statutes is created to read:

36.60 (4m) LOAN REPAYMENT; RURAL PHYSICIANS. If a physician agrees under sub. (3) to practice in a rural area, principal and interest due on the loan, exclusive of any penalties, may be repaid by the board at the following rate:

(a) Up to 40 percent of the principal of the loan or \$40,000, whichever is less, during the first year of participation in the program under this section.

(b) Up to an additional 40 percent of the principal of the loan or \$40,000, whichever is less, during the 2nd year of participation in the program under this section.

(c) Up to an additional 20 percent of the principal of the loan or \$20,000, whichever is less, during the 3rd year of participation in the program under this section.

SECTION 17. 36.60 (5) (a) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (5) (a) The obligation of the board to make payments under an agreement entered into under sub. (3) (b) is subject to the availability of funds in the appropriations under s. 20.285 (1) (j), (k), and (l).

SECTION 18. 36.60 (5) (b) (intro.) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (5) (b) (intro.) If the cost of repaying the loans of all eligible applicants, when added to the cost of loan repayments scheduled under existing agreements, exceeds the total amount in the appropriations under s. 20.285 (1) (j), (k), and (l), the board shall establish priorities among the eligible applicants based upon the following considerations:

SECTION 19. 36.60 (5) (b) 1. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (5) (b) 1. The degree to which there is an extremely high need for medical care in the eligible practice area or health professional shortage area, or rural area in which a physician desires to practice and the degree to which there is an extremely high need for dental care in the dental health shortage area or rural area in which a dentist desires to practice.

SECTION 20. 36.60 (5) (b) 2. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (5) (b) 2. The likelihood that a physician will remain in the eligible practice area or health professional shortage area, or rural area, and that a dentist will remain in the dental health shortage area or rural area, in which he or she desires to practice after the loan repayment period.

SECTION 21. 36.60 (5) (b) 3. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (5) (b) 3. The per capita income of the eligible practice area or health professional shortage area, or rural area in which a physician desires to practice and of the dental health shortage area or rural area in which a dentist desires to practice.

SECTION 22. 36.60 (5) (b) 4. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (5) (b) 4. The financial or other support for physician recruitment and retention provided by individuals, organizations, or local governments in the eligible practice area or health professional shortage area, or rural area in which a physician desires to practice and for dentist recruitment and retention provided by individuals, organizations, or local governments in the dental health shortage area or rural area in which a dentist desires to practice.

SECTION 23. 36.60 (5) (b) 5. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (5) (b) 5. The geographic distribution of the physicians and dentists who have entered into loan repayment agreements under this section and the geographic distribution of the eligible practice areas, health professional shortage areas, and dental health shortage areas, and rural areas in which the eligible applicants desire to practice.

SECTION 24. 36.60 (8) (b) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (8) (b) Identify eligible practice areas and rural areas with an extremely high need for medical care and dental health shortage areas and rural areas with an extremely high need for dental care.

SECTION 25. 36.60 (8) (h) of the statutes is created to read:

36.60 (8) (h) Notwithstanding subs. (3) (b) and (5) (a) and (b), ensure that moneys appropriated under s. 20.285 (1) (l) are used under this section only to repay loans on behalf of physicians and dentists who agree to practice in a rural area.

SECTION 26. 36.61 (1) (e) of the statutes is created to read:

36.61 (1) (e) "Rural area" has the meaning given in s. 36.63 (1) (c).

SECTION 27. 36.61 (3) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (3) AGREEMENT. (a) The board shall enter into a written agreement with the health care provider. In the agreement, the health care provider shall agree to practice at least 32 clinic hours per week for 3 years in one or more eligible practice areas in this state or in a rural area, except that a health care provider in the expanded loan assistance program under sub. (8) who is not a dental hygienist may only agree to practice at a public or private nonprofit entity in a health professional shortage area.

(b) The agreement shall specify that the responsibility of the board to make the payments under the agreement is subject to the availability of funds in the appropriations under s. 20.285 (1) (j), (k), and (l).

SECTION 28. 36.61 (5) (a) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (a) The obligation of the board to make payments under an agreement entered into under sub. (3) is

subject to the availability of funds in the appropriations under s. 20.285 (1) (j) ~~and (k), and (q).~~

SECTION 29. 36.61 (5) (b) (intro.) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) (intro.) If the cost of repaying the loans of all eligible applicants, when added to the cost of loan repayments scheduled under existing agreements, exceeds the total amount in the appropriations under s. 20.285 (1) (j) ~~and (k), and (q)~~, the board shall establish priorities among the eligible applicants based upon the following considerations:

SECTION 30. 36.61 (5) (b) 1. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) 1. The degree to which there is an extremely high need for medical care in the eligible practice area ~~or~~ health professional shortage area, or rural area in which an eligible applicant who is not a dental hygienist desires to practice and the degree to which there is an extremely high need for dental care in the dental health shortage area or rural area in which an eligible applicant who is a dental hygienist desires to practice.

SECTION 31. 36.61 (5) (b) 2. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) 2. The likelihood that an eligible applicant will remain in the eligible practice area ~~or~~ health professional shortage area, or rural area in which he or she desires to practice after the loan repayment period.

SECTION 32. 36.61 (5) (b) 3. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) 3. The per capita income of the eligible practice area ~~or~~ health professional shortage area, or rural area in which an eligible applicant desires to practice.

SECTION 33. 36.61 (5) (b) 4. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) 4. The financial or other support for health care provider recruitment and retention provided by individuals, organizations or local governments in the eligible practice area ~~or~~ health professional shortage area, or rural area in which an eligible applicant desires to practice.

SECTION 34. 36.61 (5) (b) 5. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) 5. The geographic distribution of the health care providers who have entered into loan repayment agreements under this section and the geographic location of the eligible practice area ~~or~~ health professional shortage area, or rural area in which an eligible applicant desires to practice.

SECTION 35. 36.61 (7) (e) of the statutes is created to read:

36.61 (7) (e) Notwithstanding subs. (3) (b) and (5) (a) and (b), ensure that moneys appropriated under s. 20.285 (1) (qj) are used under this section only to repay loans on behalf of health care providers who agree to practice in a rural area.

SECTION 36. 36.63 of the statutes is created to read:

36.63 Rural physician residency assistance program. (1) In this section:

(a) "Department" means the department of family medicine in the University of Wisconsin School of Medicine and Public Health.

(b) "Physician" means a physician, as defined in s. 448.01 (5), who specializes in family practice, general surgery, internal medicine, obstetrics, pediatrics or psychiatry.

(c) "Rural area" means any of the following:

1. A city, town, or village in this state that has a population of less than 20,000 and that is at least 15 miles from any city, town, or village that has a population of at least 20,000.

2. An area in this state that is not an urbanized area, as defined by the federal bureau of the census.

(2) (a) The department shall establish and support physician residency positions to which one of the following applies:

1. The residency position is in a hospital that is located in a rural area or in a clinic staffed by physicians who admit patients to a hospital located in a rural area.

2. The residency position includes a rural rotation, begun after June 30, 2010, which consists of at least 8 weeks of training experience in a hospital that is located in a rural area or in a clinic staffed by physicians who admit patients to a hospital located in a rural area.

(b) In establishing and supporting residency positions under par. (a), the department shall give preference to residency programs that actively recruit graduates of the University of Wisconsin School of Medicine and Public Health and the Medical College of Wisconsin.

(3) Annually by December 1, the department shall submit a plan for increasing the number of physician residency programs that include a majority of training experience in a rural area to the Rural Wisconsin Health Cooperative, the Wisconsin Hospital Association, and the Wisconsin Medical Society. The plan shall include a detailed proposed budget for expending the moneys appropriated to the board under s. 20.285 (1) (qe) and demonstrate that the moneys do not supplant existing funding. The department shall consider comments made by the organizations in formulating its final budget.

(4) Annually by December 1, the department shall submit to the joint committee on finance a report that includes all of the following:

(a) The number of physician residency positions that existed in the 2009–10 fiscal year, and in each fiscal year beginning after the effective date of this paragraph ... [LRB inserts date], that included a majority of training experience in a rural area.

(b) 1. The number of such physician residency positions funded in whole or in part under this section in the previous fiscal year.

2. The eligibility criteria met by each such residency position and the hospital or clinic with which the position is affiliated.

3. The medical school attended by the physician filling each such residency position.

4. The year the Accreditation Council for Graduate Medical Education certified the residency position.

5. The reason the residency position had not been funded.

SECTION 37. 49.45 (3) (e) 11. of the statutes, as created by [2009 Wisconsin Act 2](#), is amended to read:

49.45 (3) (e) 11. The department shall use a portion of the moneys collected under s. 50.38 (2) (a) to pay for services provided by eligible hospitals, as defined in s. 50.38 (1), other than critical access hospitals, under the Medical Assistance Program under this subchapter, including services reimbursed on a fee-for-service basis and services provided under a managed care system. For state fiscal year 2008-09, total payments required under this subdivision, including both the federal and state share of Medical Assistance, shall equal the amount collected under s. 50.38 (2) (a) for fiscal year 2008-09 divided by 57.75 percent. For each state fiscal year after state fiscal year 2008-09, total payments required under this subdivision, including both the federal and state share of Medical Assistance, shall equal the amount collected under s. 50.38 (2) (a) for the fiscal year divided by 61.68 percent.

SECTION 38. 49.45 (3) (e) 12. of the statutes is created to read:

49.45 (3) (e) 12. The department shall use a portion of the moneys collected under s. 50.38 (2) (b) to pay for services provided by critical access hospitals under the Medical Assistance Program under this subchapter, including services reimbursed on a fee-for-service basis and services provided under a managed care system. For each state fiscal year, total payments required under this subdivision, including both the federal and state share of Medical Assistance, shall equal the amount collected under s. 50.38 (2) (b) for the fiscal year divided by 61.68 percent.

SECTION 39. 49.45 (59) (a) of the statutes, as created by [2009 Wisconsin Act 2](#), is amended to read:

49.45 (59) (a) The department shall, from the appropriation ~~account~~ accounts under s. 20.435 (4) (xc) and (xe), pay each health maintenance organization with which it contracts to provide medical assistance a monthly amount that the health maintenance organization shall use to make payments to hospitals under par. (b).

SECTION 40. 50.38 (1) (a) of the statutes, as created by [2009 Wisconsin Act 2](#), is repealed.

SECTION 41. 50.38 (2) of the statutes, as created by [2009 Wisconsin Act 2](#), is renumbered 50.38 (2) (a) and amended to read:

50.38 (2) (a) For the privilege of doing business in this state, there is imposed on each eligible hospital that is not a critical access hospital an assessment each state fiscal year that is equal to a uniform percentage, determined under sub. (3), of the hospital's gross patient revenues, as reported under s. 153.46 (5) and determined by the department. The assessments shall be deposited in the hospital assessment fund.

SECTION 42. 50.38 (2) (b) of the statutes is created to read:

50.38 (2) (b) For the privilege of doing business in this state, there is imposed on each critical access hospital an assessment each state fiscal year that is equal to a uniform percentage, determined under sub. (3), of the critical access hospital's gross inpatient revenues, as reported under s. 153.46 (5) and determined by the department. The assessments shall be deposited in the critical access hospital assessment fund.

SECTION 43. 50.38 (3) of the statutes, as created by [2009 Wisconsin Act 2](#), is amended to read:

50.38 (3) The department shall establish the percentage that is applicable under sub. (2) (a) and (b) so that the total amount of assessments collected under ~~this section sub. (2) (a)~~ in a state fiscal year is equal to the amount in the schedule under s. 20.005 (3) for the appropriation under s. 20.435 (4) (xc) for that fiscal year.

SECTION 44. 50.38 (4) of the statutes, as created by [2009 Wisconsin Act 2](#), is amended to read:

50.38 (4) Except as provided in sub. (5), each eligible hospital shall pay the applicable annual assessment under sub. (2) in 4 equal amounts that are due by September 30, December 31, March 31, and June 30 of each year.

SECTION 45. 50.38 (6) (a) 1. of the statutes, as created by [2009 Wisconsin Act 2](#), is amended to read:

50.38 (6) (a) 1. If the federal government does not provide federal financial participation under the federal Medicaid program for amounts collected under ~~this section sub. (2) (a)~~ that are used to make payments required under s. 49.45 (3) (e) 11. or (5r), that are transferred under sub. (8) and used to make payments from the Medical Assistance trust fund, or that are transferred under sub. (9) and expended under ~~under~~ s. 20.435 (4) (jw), the department shall, from the fund from which the payment or expenditure was made, refund eligible hospitals, other than critical access hospitals, the amount for which the federal government does not provide federal financial participation.

SECTION 46. 50.38 (6) (a) 2. of the statutes, as created by [2009 Wisconsin Act 2](#), is amended to read:

50.38 (6) (a) 2. If the department makes a refund under subd. 1. as result of failure to obtain federal financial participation under the federal Medicaid program for a payment required under s. 49.45 (3) (e) 11. or (5r) or a payment from the Medical Assistance trust fund, the department shall recoup the part of the payment for

which the federal government does not provide federal financial participation.

SECTION 47. 50.38 (6) (b) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

50.38 (6) (b) On June 30 of each state fiscal year, the department shall, from the appropriation account under s. 20.435 (4) (xc), refund to eligible hospitals, other than critical access hospitals, the difference between the amount in the schedule under s. 20.005 (3) for that appropriation and the amount expended or encumbered from that appropriation in the fiscal year.

SECTION 48. 50.38 (6) (c) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

50.38 (6) (c) The department shall allocate any refund under this subsection to eligible hospitals, other than critical access hospitals, in proportion to the percentage of the total assessments collected under sub. (2) (a) that each hospital paid.

SECTION 49. 50.38 (6m) of the statutes is created to read:

50.38 (6m) (a) 1. If the federal government does not provide federal financial participation under the federal Medicaid program for amounts collected under sub. (2) (b) that are used to make payments required under s. 49.45 (3) (e) 12. or that are transferred under sub. (10) and used to make payments from the Medical Assistance trust fund, the department shall, from the fund from which the payment or expenditure was made, refund critical access hospitals the amount for which the federal government does not provide federal financial participation.

2. If the department makes a refund under subd. 1. as result of failure to obtain federal financial participation under the federal Medicaid program for a payment required under s. 49.45 (3) (e) 12. or a payment from the Medical Assistance trust fund, the department shall recoup the part of the payment for which the federal government does not provide federal financial participation.

3. Moneys recouped under subd. 2. for payments made from the critical access hospital assessment fund shall be deposited in the critical access hospital assessment fund.

4. Moneys recouped under subd. 2. for payments made from the Medical Assistance trust fund shall be deposited in the Medical Assistance trust fund.

(b) On June 30 of each state fiscal year, the department shall, from the appropriation account under s. 20.435 (4) (xe), refund to critical access hospitals any unencumbered moneys in the critical access hospital assessment fund.

(c) The department shall allocate any refund under this subsection to critical access hospitals in proportion to the percentage of the total assessments collected under sub. (2) (b) that each critical access hospital paid.

SECTION 50. 50.38 (7) (d) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

50.38 (7) (d) The total amount of payment increases the department made, in connection with implementation of the hospital assessment assessments under sub. (2), for inpatient and outpatient hospital services that are reimbursed on a fee-for-service basis.

SECTION 51. 50.38 (8) of the statutes is amended to read:

50.38 (8) In each state fiscal year, the secretary of administration shall transfer from the hospital assessment fund to the Medical Assistance trust fund an amount equal to the amount in the schedule under s. 20.005 (3) for the appropriation under s. 20.435 (4) (xc) for that fiscal year minus the state share of payments to hospitals required under s. 49.45 (3) (e) 11., and minus any refunds paid to hospitals from the hospital assessment fund under sub. (6) (a) in that fiscal year.

SECTION 52. 50.38 (10) of the statutes is created to read:

50.38 (10) In each state fiscal year, the secretary of administration shall transfer from the critical access hospital assessment fund to the Medical Assistance trust fund an amount equal to the amount collected under sub. (2) (b) minus the state share of the amount required to be expended under s. 49.45 (3) (e) 12., minus the amounts appropriated under s. 20.285 (1) (qe) and (qj), and minus any refunds paid to critical access hospitals from the critical access hospital assessment fund under sub. (6m) (a) in that fiscal year.

SECTION 53. Nonstatutory provisions.

(1) STATE PLAN AMENDMENT. The department of health services shall submit a state medicaid plan amendment to the secretary of the federal department of health and human services that provides for the critical access hospital assessment under section 50.38 (2) (b) of the statutes, as created by this act, and expenditure of revenue from the critical access hospital assessment as provided in this act. If the secretary of the federal department of health and human services disapproves the state medicaid plan amendment, the department of health services shall refund to critical access hospitals all of the moneys collected from the critical access hospital assessment in the fiscal biennium in which this subsection takes effect and, notwithstanding section 50.38 (2) (b) of the statutes, as created by this act, stop collecting moneys under the critical access hospital assessment.

(2) BUDGETING PRACTICES. This act does not affect any requirements under section 16.46 of the statutes. The departments of administration and health services shall review, reestimate, and request general purpose revenue for payments to critical access hospitals under the Medical Assistance Program under subchapter IV of chapter 49 of the statutes as needed.

SECTION 54. Fiscal changes.

(1) MEDICAL ASSISTANCE TRUST FUND. In the schedule under section 20.005 (3) of the statutes for the appropria-

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tion to the department of health services under section 20.435 (4) (w) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$3,680,500 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purposes for which the appropriation is made.

SECTION 55. Initial applicability.

(1) The treatment of section 49.45 (3) (e) 12. of the statutes first applies to services provided by critical access hospitals on July 1, 2010.

SECTION 56. Effective date.

(1) This act takes effect on July 1, 2010.
