



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2013 Assembly Bill 232**

**Assembly Substitute  
Amendment 1**

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### **Background**

Under state and federal law, a county or elected governing body of a federally recognized American Indian tribe or band (county or tribe) may retain a portion of an incorrect overpayment made in various public assistance programs if overpayment is recovered due to the efforts of an employee or officer of the county or tribe. These programs include Medical Assistance (MA), the supplemental nutrition assistance program, commonly referred to in Wisconsin as FoodShare, and Wisconsin Works. The MA and FoodShare programs are administered by the Department of Health Services (DHS) and the Wisconsin Works program is administered by the Department of Children and Families (DCF).

### **2013 Assembly Bill 232**

2013 Assembly Bill 232 (hereinafter, "the bill") requires DHS, or DCF, whichever is applicable, to establish an optional incentive program, by rule, to provide a reward payment to a county having a population under 750,000 (Milwaukee County) or tribe if any employee or officer of the county or tribe identifies fraudulent activity in the MA, FoodShare, and Wisconsin Works programs. The bill authorizes the county or tribe to use the reward payment for any purpose.

The optional incentive programs must include all of the following:

- A county or tribe must choose to either: (1) receive a reward payment; or (2) retain the funds that are allowed under current law.
- The amount of a reward payment is equal to 20% of the amount that DHS determines will be saved in the program as a result of eliminating the identified

fraudulent activity during the 12-month period after it is eliminated. A county or tribe that receives a reward payment may not retain any funds that are incorrectly paid as a result of the identified fraudulent activity and then recovered due to the efforts of an employee or officer of the county or tribe.

The bill also requires that, if DHS determines that it needs a waiver to allow a reward payment from the federal Department of Health and Human Services for the MA program or the federal Department of Agriculture for the FoodShare program, DHS must apply for a waiver and may not implement the incentive program unless it is granted. Likewise, if DCF determines that it needs a waiver to allow a reward payment from the federal Department of Health and Human Services for the Wisconsin Works program, DCF must apply for a waiver and may not implement the incentive program unless it is granted.

### **Assembly Substitute Amendment 1**

Assembly Substitute Amendment 1 makes the following changes to the bill:

- Eliminates the provisions requiring DCF to establish an optional incentive program for Wisconsin Works so that only DHS is required to establish an optional incentive program for MA and FoodShare.
- Requires the county or tribe to do all of the following before it is eligible for a reward payment:
  - Investigates the identified fraudulent activity and determines that fraud occurred.
  - Establishes a claim for any overpaid benefits related to the identified fraudulent activity.
  - Pursues criminal prosecution for the identified fraudulent activity if directed to do so by DHS.
- Includes the appropriations for Medicaid benefits to the list of appropriations from which DHS may make a reward payment.

### **Bill History**

Representative Weininger introduced Assembly Substitute Amendment 1 on February 24, 2014. On March 11, 2014, the Assembly Committee on Urban and Local Affairs voted to recommend adoption of Assembly Substitute Amendment 1 by a vote of Ayes, 9; and Noes, 0; and subsequently voted to recommend passage of the bill, as amended, by a vote of Ayes, 9; and Noes, 0.

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