



2005 SENATE BILL 662

March 9, 2006 – Introduced by Senators ROBSON and SCHULTZ, cosponsored by Representatives BENEDICT and SHERIDAN. Referred to Committee on Health, Children, Families, Aging and Long Term Care.

1 **AN ACT to amend** 49.45 (6m) (ar) 1. a. of the statutes; **relating to:** requiring the
2 Department of Health and Family Services to treat 4 counties as one labor
3 region for purposes of Medical Assistance nursing home reimbursement.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Health and Family Services (DHFS) reimburses nursing homes for services provided to recipients of Medical Assistance (MA), under a formula that includes allowable direct care costs. DHFS must establish standards for payment of allowable direct care costs that are based on direct care costs for all nursing homes in Wisconsin, and adjust the standards to reflect regional labor cost variations. Currently, except for nursing homes in Douglas, Pierce, and St. Croix counties, DHFS makes this adjustment by using the labor region designations under the federal Medicare Program, weighted to MA patient day costs, based on Wisconsin nursing home-specific average wages, excluding county-owned nursing homes. For nursing homes in Douglas, Pierce, and St. Croix counties, however, DHFS must make the adjustment using the Medicare Program hospital wage index.

This bill requires DHFS to treat as one labor region, the counties of Dane, Iowa, Columbia, and Rock, for purposes of MA nursing home reimbursement.

