



State of Wisconsin
2009 - 2010 LEGISLATURE
June 2009 Special Session

LRB-3024/1
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SENATE BILL 1

June 24, 2009 – Introduced by COMMITTEE ON SENATE ORGANIZATION. Referred to Joint Committee on Finance.

- 1 **AN ACT to affect** 2009 Wisconsin Act 2, section 9122 (1) (d); **relating to:** the
2 hospital assessment, Medical Assistance, and making appropriations.

Analysis by the Legislative Reference Bureau

Currently, hospitals must pay an annual assessment for the privilege of operating in Wisconsin. Critical access hospitals, institutes for mental disease, and psychiatric hospitals are exempt from the assessment. The total amount of the assessment, which is apportioned among hospitals according to gross patient revenues, is \$275,445,100 for fiscal year 2008–09. Current law requires that each hospital pay its assessment for fiscal year 2008–09 in two equal payments due on March 31 and June 30, 2009. The assessment revenues are used to pay for hospital and other services under the Medical Assistance program.

Also under current law, the Department of Health Services (DHS) must make one-time payments in fiscal year 2008–09 to certain rural border hospitals that are not critical access hospitals. The payments are either \$250,000 or \$500,000 per hospital, depending on the portion of the hospital's revenue derived from the Medical Assistance program.

This bill increases the total amount of the hospital assessment for fiscal year 2008–09 to \$335,945,100, and provides that the two hospital assessment payments for fiscal year 2008–09 need not be equal. The bill increases appropriations from the hospital assessment fund and the Medical Assistance trust fund to permit expenditure of the additional hospital assessment revenue; increases program revenue funding for administration of the Medical Assistance program and the hospital assessment; and decreases general purpose revenue funding for the Medical

Assistance program. The bill also increases the fiscal year 2008–09 payments to rural border hospitals.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 2009 Wisconsin Act 2, section 9122 (1) (d) is amended to read:

2 [2009 Wisconsin Act 2] Section 9122 (1) (d) *Independent rural hospital*
3 *supplement.* In state fiscal year 2008–09, from the appropriation account under
4 section 20.435 (4) (b) of the statutes and, if the federal government authorizes federal
5 financial participation under the federal Medicaid program for payments under this
6 paragraph, from the appropriation account under section 20.435 (4) (o) of the
7 statutes, the department of health services shall pay independent, rural, hospitals
8 that are in counties that border another state and that are not critical access
9 hospitals one of the following amounts:

10 1. If the percentage of the hospital’s gross patient revenue that is attributable
11 to the Medical Assistance Program under subchapter IV of chapter 49 of the statutes
12 is less than 7 percent, ~~\$250,000~~ \$750,000.

13 2. If the percentage of the hospital’s gross patient revenue that is attributable
14 to the Medical Assistance Program under subchapter IV of chapter 49 of the statutes
15 is equal to or greater than 7 percent, ~~\$500,000~~ \$1,000,000.

16 **SECTION 2. Nonstatutory provisions.**

17 (1) HOSPITAL ASSESSMENT PAYMENTS. Notwithstanding 2009 Wisconsin Act 2,
18 section 9122 (1) (a), the amounts of the 2 hospital assessment payments imposed on
19 eligible hospitals under section 50.38 (2) of the statutes for the second fiscal year of
20 the fiscal biennium in which this subsection takes effect need not be equal.

1 **SECTION 3. Fiscal changes.**

2 (1) HOSPITAL ASSESSMENT AMOUNT. In the schedule under section 20.005 (3) of
3 the statutes for the appropriation to the department of health services under section
4 20.435 (4) (xc) of the statutes, as affected by the acts of 2009, the dollar amount is
5 increased by \$60,500,000 for the second fiscal year of the fiscal biennium in which
6 this subsection takes effect to increase funding for the purposes for which the
7 appropriation is made.

8 (2) MEDICAL ASSISTANCE TRUST FUND APPROPRIATION. In the schedule under
9 section 20.005 (3) of the statutes for the appropriation to the department of health
10 services under section 20.435 (4) (w) of the statutes, as affected by the acts of 2009,
11 the dollar amount is increased by \$27,782,900 for the second fiscal year of the fiscal
12 biennium in which this subsection takes effect to increase funding for the purposes
13 for which the appropriation is made.

14 (3) ADMINISTRATIVE COSTS. In the schedule under section 20.005 (3) of the
15 statutes for the appropriation to the department of health services under section
16 20.435 (4) (jw) of the statutes, as affected by the acts of 2009, the dollar amount is
17 increased by \$138,900 for the second fiscal year of the fiscal biennium in which this
18 subsection takes effect to increase funding for the purposes for which the
19 appropriation is made.

20 (4) MEDICAL ASSISTANCE GENERAL PURPOSE REVENUE APPROPRIATION. In the
21 schedule under section 20.005 (3) of the statutes for the appropriation to the
22 department of health services under section 20.435 (4) (b) of the statutes, as affected
23 by the acts of 2009, the dollar amount is decreased by \$26,644,000 for the second

1 fiscal year of the fiscal biennium in which this subsection takes effect to decrease
2 funding for the purposes for which the appropriation is made.

3 (END)