

---

# Wisconsin Legislative Council

## AMENDMENT MEMO

---



**Memo published:** February 26, 2024

**Contact:** Amber Otis, Senior Staff Attorney

**2023 Assembly Bill 1087**

**Assembly Amendment 2**

### 2023 ASSEMBLY BILL 1087

2023 Assembly Bill 1087 requires the Department of Health Services (DHS) to: (1) provide supplemental payments to hospitals for the care of high-acuity patients who are eligible for discharge but for whom no setting for safe discharge has been identified; and (2) develop an enhanced reimbursement rate for nursing home residents with certain bariatric or extensive wound care needs.

#### Supplemental Payments to Hospitals

The bill requires DHS to distribute \$5 million per quarter for four quarters starting on July 1, 2024, plus any matching federal funds, to hospitals based on a hospital's percentage of the total number of qualifying avoidable patient days reported by all hospitals for the applicable quarterly reporting period.

The bill specifies: (1) the quarterly dates on which DHS must distribute the supplemental payments to hospitals; (2) the dates by which a hospital must submit to DHS the hospital's qualifying avoidable patient days in order to receive a portion of that quarterly supplemental funding; and (3) the relevant dates within which the hospital must identify its total number of its qualifying avoidable patient days for which it seeks payment.

Under the bill, a "qualifying avoidable patient day" means any day after the seventh consecutive day on which a high-acuity patient was eligible for discharge from a hospital, as reasonably identified by the hospital, and the hospital was not able to identify a setting to which the patient could be safely discharged. A "high-acuity patient" means a hospital patient with certain bariatric care needs, as specified in the bill, or who has a disability, a need for extensive wound care, mental illness, high behavior needs, a substantive use disorder, is receiving intravenous fluid or medication, or requires dialysis.

The bill requires DHS to submit any necessary request to the U.S. Department of Health and Human Services for a state plan amendment or waiver of federal Medicaid law to receive federal matching funds for the supplemental payments to hospitals, but requires DHS to implement the supplemental payment program regardless of whether any such federal approval is received.

#### Enhanced Rate for Nursing Homes

The bill requires DHS to develop enhanced rates for reimbursement under the Medical Assistance program for nursing home residents with bariatric and extensive wound care needs and who are admitted on or after July 1, 2024.

The bill specifies that the calculated cost of the enhanced rate may not exceed \$10 million and, when seeking reimbursement, a nursing home may not claim both the bariatric enhanced rate and the extensive wound care enhanced rate for the same resident at the same time.

In developing the enhanced rate for bariatric care needs, DHS must apply all of the following standards:

- A nursing home must identify bariatric care needs at admission using methods provided in the bill.
- The enhanced rate must be available for the duration of a resident's stay at the nursing home, and may be used to provide reimbursement for specialized mattresses, diets, medical supplies, extra staff for transfers, as well as more expensive or specialized transportation services.
- A resident for whom the enhanced rate is sought must be admitted to the nursing home directly from a hospital, be non- or semi-ambulatory, and need at least a two-person assist with a lift.

In developing the enhanced rate for extensive wound care needs, DHS must apply all of the following standards:

- A nursing home must identify extensive wound care needs by a prior authorization process that includes consideration of the number and stage of wounds, and the cost and frequency of necessary interventions and supplies, including vacuum-assisted closure of wounds, nutritional supplements, specialized mattresses, and wheelchair cushions.
- A resident for whom the enhanced rate is sought must be admitted to the nursing home directly from a hospital, and did not acquire the wound or wounds while a resident of the nursing home.

## **ASSEMBLY AMENDMENT 2**

Assembly Amendment 2 makes changes to the bill regarding both the supplemental payments to hospitals and the enhanced nursing home rates.

Regarding the supplemental hospital payments, Assembly Amendment 2 requires a hospital seeking a percentage of each \$5 million quarterly distribution to submit to DHS all of the following information, as applicable, regarding patients contributing to a hospital's qualifying avoidable patient days:

- The payer for each patient at the time of discharge from the hospital.
- For each patient, the most significant condition or reason, in the judgment of the hospital, preventing the discharge of the patient to another facility or setting.
- Each patient's assigned diagnosis related group.
- The number of days after the date of anticipated discharge each patient was in the hospital.
- Each patient's Medicaid identification number.
- Each Medicaid claim number.
- Each patient's county of residence.

With respect to the enhanced nursing home rates, Assembly Amendment 2 clarifies that the calculated cost of the enhanced rates for nursing home residents with bariatric or extensive wound care needs may not exceed \$10 million general purpose revenue (GPR), and that those enhanced rates may not be applied once the \$10 million GPR and any related federal funds have been expended. The amendment also expands the prior authorization process required for the enhanced rate for extensive wound care needs to also include consideration of the amount of time the enhanced rate is needed to address the extensive wound care needs.

Finally, the amendment requires DHS, by June 1, 2025, to report to the Joint Committee on Finance regarding both the supplemental payments to hospitals and the enhanced rates for nursing homes, and further requires that such reports include various information specified in the amendment.

## **BILL HISTORY**

Representative Snyder offered Assembly Amendment 2 on February 22, 2024. That same day, the Assembly adopted the amendment, and passed the bill, as amended, on voice votes.

For a full history of the bill, visit the Legislature's [bill history page](#).

AO:ksm