



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-4546/P2
TJD:cdc

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT** *to repeal* 49.45 (6m) (a) 6.; and *to amend* 49.45 (6m) (ag) 3p. a. to c. of
2 the statutes; **relating to:** acuity-based payment rate system in Medical
3 Assistance program (suggested as remedial legislation by the Department of
4 Health Services).

Analysis by the Legislative Reference Bureau

Currently, the Department of Health Services pays Medical Assistance program reimbursement to nursing homes and community-based residential facilities for nonbillable services of a registered nurse, licensed practical nurse, or nurse aide through an acuity-based payment rate system. Currently this acuity-based payment rate system may incorporate acuity measurements under Resource Utilization Groupings methodology to determine case-mix adjustment factors; must include payment adjustments for dementia, behavioral needs, or other complex medical conditions; and allows for incentives or providing high quality of care. This bill eliminates the requirement that the acuity measurements be derived from Resource Utilization Grouping methodology and allows, instead of requires, the acuity-based payment rate system to incorporate payment adjustments for dementia, behavioral needs, or other complex medical conditions.

Currently, the acuity-based payment rate system must determine, four times annually, the average case-mix index by use of the factors incorporated in the system for each resident who is a recipient of Medical Assistance on March 31, June 30, September 30, or December 31. This bill eliminates the language that the determination must be made four times annually.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Health Services and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 49.45 (6m) (a) 6. of the statutes is repealed.

NOTE: SECTIONS 1 and 2 eliminate the requirement that acuity-based payments for nonbillable services of a registered nurse, licensed practical nurse, or nurse aide under the Medical Assistance program must be derived from a comparative resource utilization grouping methodology. According to DHS, it will implement an acuity-specific billing project as a replacement for the current methodology.

SECTION 2. 49.45 (6m) (ag) 3p. a. to c. of the statutes are amended to read:

49.45 **(6m)** (ag) 3p. a. The system may incorporate acuity measurements under the most recent Resource Utilization Groupings methodology to determine factors for case-mix adjustment.

b. ~~Four times annually, for~~ For each facility resident who is a Medical Assistance recipient on March 31, June 30, September 30, or December 31, as applicable, the system shall determine the average case-mix index by use of the factors specified under subd. 3p. a.

c. The system shall may incorporate payment adjustments for dementia, behavioral needs, or other complex medical conditions.

NOTE: SECTION 2 eliminates the requirement that the acuity-based payment rate system determination must be made four times per year. The SECTION also makes incorporation of payment adjustments for dementia, behavioral needs, or other complex medical conditions permissive rather than mandatory.

(END)