



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4332/5
TJD:wlj&emw

2017 BILL

1 **AN ACT to create** 49.45 (26g), 946.91 (3) (c) 3. and 946.93 (5) (c) 3. of the statutes;
2 **relating to:** intensive care coordination program in the Medical Assistance
3 program.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Health Services to create a program to reimburse hospitals and health care systems for intensive care coordination services provided to Medical Assistance recipients. Subject to some limitations, DHS must develop a process for selecting hospitals and health care systems that submit an application including a description of their programs as specified in the bill, including a statement that the hospital or health care system will use emergency department utilization data to identify Medical Assistance recipients to receive intensive care coordination to reduce use of the emergency department.

Under the bill, DHS reimburses a hospital or health care system participating in the program \$250 initially for each Medical Assistance recipient who is not a Medicare recipient who is enrolled in intensive care coordination for six months. If the participant demonstrates progress in reducing emergency department visits for at least half of its enrollee population, the participant receives an additional \$250 per enrollee. The program participant may enroll each Medical Assistance recipient in the program for an additional six months for an additional initial reimbursement of \$250 per enrollee and, if the participant demonstrates progress in reducing emergency department visits for at least half of its enrollee population, \$250 per enrollee at the end of the additional six months.

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Annually, each hospital and health care system that is eligible for reimbursement shall submit a report containing certain information, as specified in the bill, from which DHS must calculate the costs saved to the Medical Assistance program by avoiding emergency department visits. If DHS calculates a cost savings, DHS must distribute savings to the hospital or health care system as specified in the bill. The bill requires DHS to obtain any necessary approval from the federal Department of Health and Human Services to implement the reimbursement program. DHS may implement any part of the program if the federal department disapproves. The bill requires DHS to implement at least two pilot programs for intensive care coordination by a deadline specified in the bill.

For further information see the *state* 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.** 49.45 (26g) of the statutes is created to read:

2 49.45 **(26g)** INTENSIVE CARE COORDINATION PROGRAM. (a) Subject to par. (i), the
3 department shall create and implement a program to reimburse participating
4 hospitals and health care systems for intensive care coordination services provided
5 to recipients of Medical Assistance under this subchapter who are not enrolled in
6 coverage under Medicare, 42 USC 1395 et seq.

7 (b) To apply to participate in the reimbursement program under this
8 subsection, a hospital or health care system shall submit to the department a
9 description of its intensive care coordination program that includes all of the
10 following:

11 1. A statement that the hospital or health care system will use emergency
12 department utilization data to identify recipients of Medical Assistance to receive
13 intensive care coordination to reduce use of the emergency department by those
14 Medical Assistance recipients.

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1 2. The method the hospital or health care system uses to identify for intensive
2 care coordination a Medical Assistance recipient who uses the emergency
3 department frequently. The hospital or health care system shall specify how it
4 defines frequent emergency department use and may use criteria such as whether
5 a recipient of Medical Assistance visits the emergency room 3 or more times within
6 30 days, 6 or more times within 90 days, or 7 or more times within 12 months.

7 3. A description of the hospital's or health care system's intensive care
8 coordination team consisting of health care providers other than solely physicians,
9 such as nurses; social workers, case managers, or care coordinators; behavioral
10 health specialists; and schedulers.

11 4. A statement that the hospital or health care system will provide to a Medical
12 Assistance recipient enrolled in intensive care coordination through the hospital or
13 health care system all of the following, as appropriate to his or her care:

- 14 a. Discharge instructions and contacts for following up on care and treatment.
- 15 b. Referral information.
- 16 c. Appointment scheduling.
- 17 d. Medication instructions.
- 18 e. Intensive care coordination by a social worker, case manager, nurse, or care
19 coordinator to connect the Medical Assistance recipient to a primary care provider
20 or to a managed care organization.
- 21 f. Information about other health and social resources, such as transportation
22 and housing.

23 5. A statement that the hospital or health care system agrees to share
24 information with the state-designated entity for health information exchange or
25 with another appropriate data-sharing mechanism.

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1 6. The outcomes intended to result from intensive care coordination by the
2 hospital or health care system. Outcomes for a Medical Assistance recipient during
3 a 6-month or 12-month period may include successful connection to primary care
4 or a managed care organization as evidenced by 2 or 3 primary care appointments,
5 successful connection to behavioral health resources and alcohol and other drug
6 abuse resources, as needed, or a decrease in use of the emergency room.

7 (c) The department shall do all of the following:

8 1. Encourage, but not require, any hospital or health care system that seeks
9 to apply to participate in the reimbursement program under this subsection to
10 collaborate with any managed care organization with which it has an agreement to
11 provide services to Medical Assistance recipients. The department may not limit
12 patient populations eligible to participate in the intensive care coordination program
13 under this subsection to either those individuals enrolled in managed care to receive
14 Medical Assistance services or those individuals currently receiving Medical
15 Assistance services on a fee-for-service basis. The department may not deny a
16 hospital or health care system applicant for the reimbursement program under this
17 subsection solely because the applicant does not have an agreement to implement an
18 intensive care coordination program with a managed care organization.

19 2. Respond to the hospital or health care system indicating whether additional
20 information is required to evaluate the application for the reimbursement program
21 under this subsection.

22 3. After consulting with hospitals, health care systems, and other providers,
23 develop uniform outcome measures to use in determining the efficacy of the program.

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1 4. If the hospital or health care system is selected for the reimbursement
2 program under this subsection, provide a description of the process for enrolling
3 Medical Assistance recipients in intensive care coordination for reimbursement.

4 5. If the department does not receive a proposal for the reimbursement program
5 under this subsection, solicit proposals for the reimbursement program under this
6 subsection from other health care providers under s. 146.81 (1).

7 (d) The department shall provide as reimbursement for intensive care
8 coordination to participants in the program under this subsection \$250 initially for
9 each Medical Assistance recipient who is not enrolled in coverage under Medicare,
10 42 USC 1395 et seq., the hospital or health care system enrolls in intensive care
11 coordination. The initial enrollment for each recipient lasts for 6 months, and if the
12 participant demonstrates progress in reducing emergency department visits for at
13 least half of its enrollee population, the participant receives an additional \$250 for
14 each enrollee at the end of the 6 months. The program participant may enroll each
15 Medical Assistance recipient in one additional 6-month period for an additional
16 \$250 per enrollee initial reimbursement payment and \$250 per enrollee at the end
17 of the additional 6-month period if the participant demonstrates progress in
18 reducing emergency department visits for at least half of its enrollee population. The
19 department shall pay no more than \$1,500,000 cumulatively in each fiscal year from
20 all funding sources for reimbursements under this paragraph.

21 (e) Annually, each hospital and health care system that is participating in the
22 reimbursement program under this subsection shall submit a report to the
23 department containing all of the following:

24 1. The number of Medical Assistance recipients served by intensive care
25 coordination.

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1 2. For each Medical Assistance recipient who is not enrolled in coverage under
2 Medicare, 42 USC 1395 et seq., the number of emergency department visits for a
3 period before enrollment of that recipient in intensive care coordination and the
4 number of emergency department visits for the same recipient during the same
5 period after enrollment in intensive care coordination.

6 3. Any demonstrated outcomes, as specified by the department under par. (c)
7 3., for Medical Assistance recipients.

8 4. Any other information required by the department.

9 (f) For each hospital or health care system eligible for the reimbursement
10 program under this subsection, the department shall calculate the costs saved to the
11 Medical Assistance program by avoiding emergency department visits by
12 subtracting the sum of reimbursements made under par. (d) to the participant from
13 the sum of costs of visits to the emergency department as reported under par. (e) 2.
14 that were expected to occur without intensive care coordination but did not because
15 of enrollment in the program under this subsection. If the result of the calculation
16 is positive in the first 6 months of the recipient's enrollment in the program under
17 this subsection, the department shall distribute 25 percent of the amount saved to
18 the hospital, health care system, or managed care organization subject to pars. (g)
19 and (i). If the result of the calculation is positive after 12 months of the recipient's
20 enrollment in the program under this subsection, the department shall distribute a
21 share of the savings to the hospital, health care system, or managed care
22 organization such that the total amount of shared savings payments made equals
23 half of the savings for the entire 12-month period, subject to pars. (g) and (i).

24 (g) If a hospital or health care system participating in the program under this
25 subsection provides services to Medical Assistance recipients enrolled in managed

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1 care, the department shall make any payment under the program under this
2 subsection under par. (d) or (f) to the managed care organization with which the
3 hospital or health care system has an agreement to provide services to Medical
4 Assistance recipients. The managed care organization shall pass the payments
5 made under pars. (d) and (f) on to the hospital or health care system no later than
6 30 days after receiving the payment from the department. The department shall
7 make payments under pars. (d) and (f) to a hospital or health care system that
8 provides services to Medical Assistance recipients who are not enrolled in managed
9 care directly to the hospital or health care system.

10 (h) No later than 24 months after the date on which the first hospital or health
11 care system is able to enroll individuals in the intensive care coordination program
12 under this subsection, the department shall submit a report to the joint committee
13 on finance summarizing the information reported under par. (e) including the costs
14 saved by avoiding emergency department visits as calculated under par. (f).

15 (i) The department shall seek any necessary approval from the federal
16 department of health and human services to implement the program under this
17 subsection. If the federal department of health and human services disapproves the
18 request for approval, the department may implement the reimbursement under par.
19 (d), the savings distribution under par. (f), or both or any part of the program under
20 this subsection.

21 (j) If the federal department of health and human services does not disapprove
22 a request for approval under par. (i) or if federal approval is not required, the
23 department shall implement at least 2 pilot programs under this subsection by the
24 later of September 1, 2018, or the date that is 30 days after the date of federal
25 approval, if approval is needed.

