State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-6073/P2 e P3
TJD/MED/EHS:all

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT ***to repeal*** 49.79 (9) (d) 1., 601.83 (1) (b) and 601.85 (4); ***to renumber and amend*** 49.79 (9) (d) 2., 108.04 (2) (a) 3. (intro.), 108.04 (2) (a) 3. a. to c. and 108.04 (2) (b); ***to amend*** 20.445 (1) (b), 49.175 (2) (a), 49.175 (2) (c), 106.05 (2) (b) (intro.), 106.05 (3) (a), 106.13 (3m) (b) (intro.), 106.18, 106.26 (3) (c) (intro.), 106.272 (1), 106.273 (3) (a) (intro.), 106.273 (3) (b), 106.275 (1) (a), 108.04 (2) (a) (intro.), 108.04 (2) (a) 1., 108.04 (2) (a) 2., 108.04 (2) (bm), 601.83 (1) (a), 601.83 (1) (g) and 601.83 (1) (h); and ***to create*** 20.445 (1) (bz), 20.445 (1) (cg), 20.445 (1) (dg), 20.445 (1) (dr), 20.445 (1) (e), 20.445 (1) (fg), 20.445 (1) (fm), 20.940, 49.45 (2t), 49.45 (23b), 49.791, 108.04 (2) (b) 1. (intro.), 108.04 (2) (b) 2. to 6., 108.04 (2) (bb), 108.04 (2) (bd) and 601.83 (1) (i) of the statutes; **relating to:** federal government waivers and other requests for federal approval; public assistance programs; waivers from work search and registration requirements

1 for certain unemployment insurance benefit claimants; granting rule-making
2 authority; and making an appropriation.

Analysis by the Legislative Reference Bureau

1.

This bill generally provides for legislative oversight of requests for federal approval. The bill prohibits a state, executive branch agency from submitting a request to a federal agency for a waiver or renewal, modification, withdrawal, suspension, or termination of a waiver of federal law or rules or for authorization to implement a pilot program or demonstration project unless legislation has been enacted specifically directing the submission of the request. For any legislation enacted on or after January 1, 2011, that requires submission of a request that has not yet been submitted, the bill requires the applicable state agency to submit an implementation plan to JCF containing an expected timeline with an expected submission date to the federal agency no later than 90 days after the state agency submits the implementation plan to JCF, for which JCF may grant up to three 90-day extensions under its passive review process, and submit its final proposed request to JCF for approval.

Once the request has been submitted to the federal agency, the bill requires the state agency to do all of the following: make biweekly contact with the federal agency to continue negotiations, submit monthly progress reports to JCF on negotiations with the federal agency including descriptions of any portions of the request that the federal agency stated will not be approved, make available on a quarterly basis a representative of the state agency for JCF briefings or hearings, and submit the proposed approval as negotiated with the federal agency to JCF for approval or disapproval before agreeing with the final federal approval. When the federal agency has approved the request in whole or in part and the request has not been fully implemented, the state agency must submit an implementation plan to JCF, submit its final implementation plan to JCF for approval, and make available on a quarterly basis a representative of the state agency for JCF briefings or hearings.

No later than nine months before the expiration of an approved waiver, pilot program, or demonstration project, the state agency must notify JCF of the expiration date and the state agency's intent regarding renewal. If the state agency intends to renew the waiver, program, or project without substantive changes to it, the state agency is not required to comply with all of the procedures specified in the bill for renewal and instead may submit the proposed renewal request for review by JCF under its passive review process.

The chairpersons of JCF may delegate some of the committee's responsibilities under the bill to a legislative standing committee of appropriate subject matter jurisdiction under terms specified by the chairpersons. If JCF determines that the state agency has not made sufficient progress or is not acting in accordance with the enacted legislation requiring the submission of the request, JCF may reduce the agency's appropriation or expenditure authority or change the authorized level of

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full-time equivalent positions for the agency related to the program for which the request is required to be submitted.

2.

This bill requires by statute the Department of Health Services to implement the BadgerCare Reform waiver as it relates to childless adults as approved by the federal Department of Health and Human Services effective October 31, 2018. The 2015-17 and 2017-19 biennial budget acts required DHS to submit a waiver request to the federal DHHS authorizing DHS to take certain actions including imposing premiums on, requiring a health risk assessment of, and time-limiting eligibility for recipients of BadgerCare Plus under the childless adults demonstration project waiver. Effective October 31, 2018, the federal DHHS approved the BadgerCare Reform waiver amendment and extension with some modifications from the request. The bill incorporates certain provisions of the federal approval into the statutes.

Under the bill, DHS must require childless adults demonstration project recipients who are at least 19 years of age but have not attained the age of 50 to participate in, document, and report 80 hours per calendar month of community engagement activities, unless they are exempt or have a temporary exemption for good cause. Qualifying community engagement activities are specified in the bill and include working for money, goods, or services, or as a volunteer, and participating in a program such as the FoodShare employment and training program or Wisconsin Works. DHS must require a recipient, as a condition of eligibility, to complete a health risk assessment and, if the recipient's household income exceeds 50 percent of the federal poverty line, pay a monthly premium of $8 per household with some limited exceptions. The household premium is reduced if a recipient reports on the health risk assessment that he or she is not engaging in certain behaviors that increase health risks or is actively managing certain unhealthy behaviors. DHS must disenroll a recipient for six months if the recipient does not pay the required premium or, if the recipient is not exempt, does not participate for 48 aggregate months in the community engagement activity.

DHS must charge recipients an $8 copayment for nonemergency use of the emergency department and must comply with other requirements imposed by the federal DHHS in its waiver approval effective October 31, 2018. The requirements in the bill must end no sooner than December 31, 2023, and the bill prohibits withdrawal of the requirements and DHS from requesting withdrawal, suspension, or termination of the childless adults demonstration project requirements before that date unless the legislation has been enacted specifically allowing for withdrawal, suspension, or termination.

3.

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This bill incorporates the provisions of chapter DHS 38 of the Wisconsin Administrative Code into the statutes. 2015 Wisconsin Act 55, the biennial budget act for the 2015-16 legislative session, required DHS to promulgate rules to develop and implement a screening, testing, and treatment policy and then to screen and test for illegal use of a controlled substance and treat for substance abuse able-bodied adults who seek to participate in the FoodShare program's employment and training program known as FSET. DHS promulgated chapter DHS 38, Wis. Adm. Code,

regarding substance abuse screening, testing, and treatment for certain department employment and training programs. The bill incorporates the specifications and requirements of that DHS rule into the statutes, requires implementation of the screening, testing, and treatment by October 1, 2019, and requires DHS to follow requirements in this bill as if the screening, testing, and treatment is an approved waiver. In summary, the provisions of the rule and the bill require an agency that is administering FSET to require able-bodied adults who are subject to a work requirement to participate in FoodShare and who seek to participate in FSET to fulfill that work requirement to undergo screening for use of a controlled substance without a prescription, testing for use of a controlled substance in certain circumstances, and treatment, if applicable, for use of the controlled substance in order to be eligible to participate in FSET.

4.

2017 Wisconsin Act 138 required the commissioner of insurance to administer a state-based reinsurance program, the Wisconsin Healthcare Stability Plan (known as WIHSP), and allowed the commissioner to request a waiver under federal law to implement the plan. Under current law, WIHSP makes a reinsurance payment to a health insurance carrier if the claims for an individual who is enrolled in a health benefit plan with that carrier exceed a threshold amount in a benefit year. The federal DHHS approved the commissioner's waiver request under specific terms and conditions dated July 29, 2018. The bill requires the commissioner to administer WIHSP in accordance with those specific terms and conditions. The bill prohibits the commissioner from requesting modification, suspension, withdrawal, or termination of the waiver unless legislation has been enacted directing the modification, suspension, withdrawal, or termination. The bill requires the commissioner to complete and submit any reports, provide any information, and participate in any oversight activities required by the federal DHHS to implement and maintain WIHSP. The bill sets the payment parameters for WIHSP as specified by the federal approval for the 2019 benefit year and prohibits the commissioner from changing those payment parameters for the 2019 benefit year.

5.

This bill prohibits DHS from submitting an amendment to the state's Medical Assistance plan or implementing a change to the reimbursement rate for or making a supplemental payment to a provider under the Medical Assistance program without first submitting the proposed state plan amendment, rate change, or payment to JCF. If the state plan amendment, rate change, or payment has an expected fiscal effect of less than $1,000,000 from all revenue sources over a 12-month period following the implementation date of the amendment, rate change, or payment, then the proposed state plan amendment, rate change, or payment is reviewed under JCF's 14-day, passive review process. If the expected fiscal effect is $1,000,000 or more from all revenue sources over the 12-month period, DHS may submit the proposed state plan amendment, implement the rate change, or make the payment only upon approval by JCF. DHS is not required, however, to submit a proposed rate change or supplemental payment to JCF under the bill if explicit

expenditure authority or funding for the specific change or supplemental payment is included in enacted legislation.

6.

Under current law, the Department of Children and Families is directed to allocate in each fiscal year specific amounts of money, including federal moneys received under the Temporary Assistance for Needy Families (TANF) block grant program, for various public assistance programs (commonly known as the TANF schedule). Under current law, DCF may reallocate funds that are allocated for one purpose in the TANF schedule for any other purpose in the TANF schedule if the secretary of administration approves the reallocation. Also under current law, if the TANF moneys received from the federal government are less than the amounts appropriated for the purposes under the TANF schedule, DCF is required to create a plan for reducing the amounts of moneys allocated under the TANF schedule and to carry it out if the secretary of administration approves the plan. This bill replaces the authority of the secretary to approve a reallocation or a plan to reduce the moneys allocated under the TANF schedule with passive review by the Joint Committee on Finance.

7.

Under current law, a claimant for unemployment insurance benefits is generally required to conduct searches for work each week to be eligible for unemployment benefits and to register for work. Current law provides that a claimant who is laid off is exempt from these requirements if the claimant reasonably expects to be reemployed by the former employer and the Department of Workforce Development verifies that expectation. Administrative rules promulgated by DWD require DWD to grant a claimant a waiver of the work search and registration requirements for eight weeks if the claimant reasonably expects to be reemployed with the claimant's employer within that period and allow an additional four-week extension of that waiver. The rules also provide additional reasons a claimant may qualify for a waiver and require claimants for whom the requirements are not waived to provide verification of having complied with work search and registration requirements.

This bill eliminates DWD's authority to establish waivers from work search and registration requirements and codifies the current waivers contained in DWD's rules. However, the bill allows DWD to modify or eliminate a waiver, or to create additional waivers, if doing so is necessary to comply with federal law or is specifically allowed under federal law. The bill also codifies the requirement that a claimant provide verification of having complied with work search and registration requirements.

8.

This bill separates a single appropriation to the Department of Workforce Development for various workforce training programs, commonly referred to as the Fast Forward program, into a separate appropriation for each program. The bill appropriates the following amounts for each of the following programs for fiscal year 2018-19:

1. Career and technical education incentive grants — $3,500,000

2. Technical education equipment grants — $500,000
3. Teacher development program grants — $0
4. Apprenticeship programs — $225,000
5. Local youth apprenticeship grants — $2,233,700
6. Employment transit assistance grants — $464,800
7. Youth summer jobs programs in 1st class cities (currently only the city of Milwaukee) — $422,400

Under the bill, DWD may request that the Joint Committee on Finance transfer moneys from the Fast Forward appropriation account to the appropriation accounts for the teacher development program grants and local youth apprenticeship grants to fund those grant programs.

The bill also converts the Fast Forward appropriation from a continuing appropriation to an annual appropriation.

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.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

				2017-18	2018-19
3	**20.445 Workforce development, department of**				
4	(1) WORKFORCE DEVELOPMENT				
5	(bz) Career and technical education				
6	incentive grants	GPR	A	-0-	3,500,000
7	(cg) Technical education equipment				
8	grants	GPR	A	-0-	500,000
9	(dg) Teacher development program				
10	grants	GPR	A	-0-	-0-
11	(dr) Apprenticeship programs	GPR	A	-0-	225,000

(e)	Local youth apprenticeship grants	GPR	A	-0-	2,233,700
(fg)	Employment transit assistance grants	GPR	A	-0-	464,800
(fm)	Youth summer jobs programs	GPR	A	-0-	422,400

SECTION 2. 20.445 (1) (b) of the statutes is amended to read:

20.445 **(1)** (b) *Workforce training; programs, grants, and services.* ~~As a continuing appropriation, the~~ The amounts in the schedule for the ~~local youth apprenticeship grants under s. 106.13 (3m), youth summer jobs programs under s. 106.18, employment transit assistance grants under s. 106.26,~~ workforce training programs, grants, and services under s. 106.27 (1), (1g), (1j), and (1r)~~, teacher development program grants under s. 106.272, career and technical education incentive grants under s. 106.273 (3), technical education equipment grants under s. 106.275, and apprentice programs under subch. I of ch. 106~~.

SECTION 3. 20.445 (1) (bz) of the statutes is created to read:

20.445 **(1)** (bz) *Career and technical education incentive grants.* The amounts in the schedule for the career and technical education incentive grants under s. 106.273 (3).

SECTION 4. 20.445 (1) (cg) of the statutes is created to read:

20.445 **(1)** (cg) *Technical education equipment grants.* The amounts in the schedule for the technical education equipment grants under s. 106.275.

SECTION 5. 20.445 (1) (dg) of the statutes is created to read:

20.445 **(1)** (dg) *Teacher development program grants.* The amounts in the schedule for the teacher development program grants under s. 106.272.

1 **SECTION 6.** 20.445 (1) (dr) of the statutes is created to read:

2 20.445 **(1)** (dr) *Apprenticeship programs.* The amounts in the schedule for the
3 apprentice programs under subch. I of ch. 106.

4 **SECTION 7.** 20.445 (1) (e) of the statutes is created to read:

5 20.445 **(1)** (e) *Local youth apprenticeship grants.* The amounts in the schedule
6 for local youth apprenticeship grants under s. 106.13 (3m).

7 **SECTION 8.** 20.445 (1) (fg) of the statutes is created to read:

8 20.445 **(1)** (fg) *Employment transit assistance grants.* The amounts in the
9 schedule for the employment transit assistance grants under s. 106.26.

10 **SECTION 9.** 20.445 (1) (fm) of the statutes is created to read:

11 20.445 **(1)** (fm) *Youth summer jobs programs.* The amounts in the schedule for
12 youth summer jobs programs in 1st class cities under s. 106.18.

13 **SECTION 10.** 20.940 of the statutes is created to read:

14 **20.940 Legislative authorization and oversight of requests to federal**
15 **government. (1)** DEFINITION. In this section, "state agency" means any office,
16 department, or independent agency in the executive branch of state government,
17 other than the Board of Regents of the University of Wisconsin System.

18 **(2)** LEGISLATIVE AUTHORIZATION REQUIRED. A state agency may not submit a
19 request to a federal agency for a waiver or a renewal, modification, withdrawal,
20 suspension, or termination of a waiver of federal law or rules or for authorization to
21 implement a pilot program or demonstration project unless legislation has been
22 enacted specifically directing the submission of the request for a waiver, renewal,
23 modification, withdrawal, suspension, termination, or authorization.

24 **(3)** LEGISLATIVE OVERSIGHT OF REQUESTS TO FEDERAL AGENCIES. If submission to
25 a federal agency of a request for a waiver or renewal, modification, withdrawal,

suspension, or termination of a waiver of federal law or rules or for authorization to implement a pilot program or demonstration project is required in legislation enacted on or after January 1, 2011, the state agency that is required to submit the request shall do all of the following that apply:

(a) When the request has not been submitted to the applicable federal agency, do all of the following:

1. Beginning 60 days after the enactment of the legislation requiring the request or March 1, 2019, whichever is later, submit to the joint committee on finance an implementation plan describing the state agency's plan for submitting the request including an expected timeline for submitting the request in which the submission date is no later than 90 days after submission of the implementation plan under this subdivision. If the state agency is unable to submit the request by the date specified in the implementation plan, the state agency may request from the joint committee on finance an extension not to exceed 90 days in a written submission that includes a report on the progress toward submission of the request and the reason an extension is needed. If the cochairpersons of the joint committee on finance do not notify the state agency within 14 working days after the date of the request for an extension under this subdivision that the committee has scheduled a meeting for the purpose of reviewing the extension request, the extension is considered granted. If, within 14 working days after the date of the request for an extension under this subdivision, the cochairpersons of the committee notify the state agency that the committee has scheduled a meeting for the purpose of reviewing the extension request, the state agency may consider the extension granted only upon approval by the committee. No more than 3 90-day extensions may be granted under this subdivision.

1 2. When the state agency has finalized its proposed request before submitting
2 the request to the federal agency, submit the proposed request to the joint committee
3 on finance for approval by the committee. The state agency may submit the proposed
4 request to the appropriate federal agency only upon approval by the committee. The
5 procedures under s. 13.10 do not apply to this subdivision.

6 (b) When the request has been submitted to the applicable federal agency but
7 has not been denied or approved by that federal agency, do all of the following:

8 1. Contact no less frequently than biweekly the federal agency considering the
9 request to continue negotiations in furtherance of approval of the request.

10 2. Beginning 30 days after the date of submission of the request to the federal
11 agency or March 1, 2019, whichever is later, and monthly thereafter, submit to the
12 joint committee on finance a progress report on negotiations with the federal agency
13 toward approval of the request. The state agency shall request from the federal
14 agency a description in writing of any portions of the request that the federal agency
15 has stated will not be approved and reasons for not approving. The state agency shall
16 include in its monthly report under this subdivision any written description from the
17 federal agency regarding any portion of the request that the federal agency has
18 stated will not be approved.

19 3. Beginning 90 days after the date of submission of the request to the federal
20 agency, or March 1, 2019, whichever is later, and quarterly thereafter, make
21 available to the joint committee on finance a representative of the state agency to
22 brief the committee or provide testimony at a committee hearing at the committee's
23 request. The state agency shall ensure that at least one representative of the state
24 agency appearing in person before the committee has sufficient personal knowledge

1 of the negotiations and progress toward approval of the request to respond to
2 inquiries and requests for information by the committee.

3 4. Before final approval of the request by the federal agency, submit the
4 proposed approval as negotiated with the federal agency to the joint committee on
5 finance for approval or disapproval. The joint committee on finance may approve or
6 disapprove but may not modify the proposed approval as negotiated with the federal
7 agency. The state agency may agree to final approval of the request only upon
8 approval by the joint committee on finance. If the joint committee on finance
9 disapproves, the state agency shall withdraw the request or renegotiate the request
10 with the federal agency and resubmit the proposed approval as renegotiated to the
11 joint committee on finance for approval or disapproval. The procedures under s.
12 13.10 do not apply to this subdivision.

13 (c) When the request has been approved in whole or in part by the applicable
14 federal agency but has not been fully implemented by the applicable state agency, do
15 all of the following:

16 1. Beginning 60 days after the date of approval of any portion of the request by
17 the applicable federal agency, or March 1, 2019, whichever is later, submit to the joint
18 committee on finance an implementation plan for the approved portions of the
19 request including the expected timeline for final implementation of the request in
20 accordance with the federal agency's approval. When the state agency submits an
21 implementation plan that it considers its final implementation plan, the state
22 agency may not implement the approved portions of the request until the joint
23 committee on finance approves the final implementation plan. The procedures
24 under s. 13.10 do not apply to this subdivision.

1 2. Beginning 30 days after the date of submission of the implementation plan
2 and monthly thereafter, submit to the joint committee on finance a progress report
3 on implementation of the approved portions of the request.
4 3. Beginning 90 days after the date of approval of any portion of the request by
5 the federal agency, or March 1, 2019, whichever is later, and quarterly thereafter,
6 make available to the joint committee on finance a representative of the state agency
7 to brief the committee or provide testimony at a committee hearing at the
8 committee's request. The state agency shall ensure that at least one representative
9 of the state agency appearing in person before the committee has sufficient personal
10 knowledge of the negotiations and progress toward implementation of the approval
11 of the request to respond to inquiries and requests for information by the committee.
12 **(4)** REQUESTS FOR RENEWAL. No later than 9 months before the expiration of an
13 approved waiver of federal law, pilot program, or demonstration project for which no
14 legislation has been enacted specifying that the waiver, program, or project must be
15 suspended or terminated, the state agency shall submit a written notice to the joint
16 committee on finance of the expiration date and the state agency's intent regarding
17 renewal. If the state agency intends to request substantive changes to the waiver,
18 program, or project in its request to the federal agency, the state agency shall comply
19 with the procedures under sub. (3). If the state agency intends to renew the waiver,
20 program, or project without substantive changes, notwithstanding sub. (3) and
21 before submitting the renewal request to the federal agency, the state agency shall
22 submit a proposed renewal request to the joint committee on finance. If the
23 cochairpersons of the joint committee on finance do not notify the state agency within
24 14 working days after the date of the submittal of the proposed renewal request
25 under this subsection that the committee has scheduled a meeting for the purpose

of reviewing the proposed renewal request, the state agency may submit the proposed renewal request. If, within 14 working days after the date of the submittal of the proposed renewal request under this subsection, the cochairpersons of the committee notify the state agency that the committee has scheduled a meeting for the purpose of reviewing the proposed renewal request, the state agency may submit the proposed renewal request only upon approval by the committee. After reviewing the proposed renewal request and determining any changes requested are substantive, the cochairpersons of the joint committee on finance may require the state agency to comply with any of the procedures under sub. (3). The procedures under s. 13.10 do not apply to this subsection.

(5) DELEGATION TO STANDING COMMITTEE. The cochairpersons of the joint committee on finance may delegate to a standing committee of the legislature of appropriate subject matter jurisdiction any of the responsibilities of the joint committee on finance under sub. (3). The cochairpersons shall specify the terms of a delegation under this subsection and shall determine what constitutes an approval under a delegation under this subsection.

(6) FUNDING OR POSITION REDUCTION FOR NONCOMPLIANCE. If the joint committee on finance determines that the applicable state agency has not made sufficient progress in submitting the request, negotiating with the federal agency, or implementing an approved portion of a request or is not acting in accordance with the enacted legislation requiring the submission of the request, the joint committee on finance may reduce the state agency's appropriation or expenditure authority, whichever is applicable, or change the authorized level of full-time equivalent positions for the state agency related to the program for which the request is required to be submitted. The procedures under s. 13.10 do not apply to this subsection.

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SECTION 11. 49.175 (2) (a) of the statutes is amended to read:

49.175 **(2)** (a) The department may not reallocate funds that are allocated under a paragraph under sub. (1) for any purpose specified in a paragraph under sub. (1) ~~if the secretary of administration approves the reallocation~~ unless the department first notifies the joint committee on finance in writing of the proposed reallocation. If the cochairpersons of the committee do not notify the department within 14 working days after the date of the department's notification that the committee has scheduled a meeting to review the proposed reallocation, the department may make the proposed reallocation. If, within 14 working days after the date of the department's notification, the cochairpersons of the committee notify the department that the committee has scheduled a meeting to review the proposed reallocation, the department may make the proposed reallocation only upon approval of the committee.

SECTION 12. 49.175 (2) (c) of the statutes is amended to read:

49.175 **(2)** (c) If the amounts of federal block grant moneys that are required to be credited to the appropriation accounts under s. 20.437 (2) (mc) and (md) are less than the amounts appropriated under s. 20.437 (2) (mc) and (md), the department shall submit a plan to the ~~secretary of administration~~ joint committee on finance for reducing the amounts of moneys allocated under sub. (1). ~~If the secretary of administration approves the plan, the amounts of moneys required to be allocated under sub. (1) may be reduced as proposed by the department and~~ If the cochairpersons of the committee do not notify the department within 14 working days after the date the department submits the plan that the committee has scheduled a meeting to review the proposed reduction plan, the department shall allocate the moneys as specified in the plan. If, within 14 working days after the date

1 the department submits the plan, the cochairpersons of the committee notify the
2 department that the committee has scheduled a meeting to review the proposed
3 reduction plan, the department may allocated the moneys as specified in the plan
4 only upon approval of the committee.

5 **SECTION 13.** 49.45 (2t) of the statutes is created to read:

6 49.45 **(2t)** SUBMISSION OF STATE PLAN AMENDMENTS AND PROVIDER PAYMENTS. (a)
7 The department may not submit a Medical Assistance state plan amendment to the
8 federal department of health and human services or implement a change to the
9 reimbursement rate for or make a supplemental payment to a provider under the
10 Medical Assistance program under this subchapter when the amendment, rate
11 change, or payment has an expected fiscal effect of less than $1,000,000 from all
12 revenue sources over a 12-month period following the implementation date of the
13 amendment, rate change, or payment without submitting the proposed state plan
14 amendment, rate change, or payment to the joint committee on finance for review.
15 If the cochairpersons of the joint committee on finance do not notify the department
16 within 14 working days after the date of the submittal under this paragraph that the
17 committee has scheduled a meeting for the purpose of reviewing the proposed state
18 plan amendment, rate change, or payment, the department may submit the state
19 plan amendment, implement the rate change, or make the payment. If, within 14
20 working days after the date of the submittal under this paragraph by the
21 department, the cochairpersons of the committee notify the department that the
22 committee has scheduled a meeting for the purpose of reviewing the proposed state
23 plan amendment, rate change, or payment, the department may submit the state
24 plan amendment, implement the rate change, or make the payment only upon
25 approval by the committee.

1 (b) The department may not submit a Medical Assistance state plan
2 amendment to the federal department of health and human services or implement
3 a change to the reimbursement rate for or make a supplemental payment to a
4 provider under the Medical Assistance program under this subchapter when the
5 amendment, rate change, or payment has an expected fiscal effect of $1,000,000 or
6 more from all revenue sources over a 12-month period following the implementation
7 date of the amendment, rate change, or payment without submitting the proposed
8 state plan amendment, rate change, or payment to the joint committee on finance for
9 review. The department may submit the proposed state plan amendment,
10 implement the rate change, or make the payment only upon approval by the
11 committee of the proposed state plan amendment, rate change, or payment
12 submitted under this paragraph.

13 (c) Notwithstanding pars. (a) and (b), the department is not required to submit
14 a proposed change to a reimbursement rate for or supplemental payment to a
15 provider under the Medical Assistance program under this subchapter to the joint
16 committee on finance under par. (a) or (b) if explicit expenditure authority or funding
17 for the specific change or supplemental payment is included in enacted legislation.

18 **SECTION 14.** 49.45 (23b) of the statutes is created to read:

19 49.45 **(23b)** CHILDLESS ADULTS DEMONSTRATION PROJECT REFORM WAIVER
20 IMPLEMENTATION REQUIRED. (a) In this subsection:

21 1. "Community engagement activity" includes any of the following:

22 a. Work in exchange for money, goods, or services.

23 b. Unpaid work, such as volunteer work or community service.

24 c. Self-employment.

1 d. Participation in a work, job training, or job search program, as approved by
2 the department, including the employment and training program under s. 49.79 (9),
3 the Wisconsin Works program under ss. 49.141 to 49.161, programs under the federal
4 workforce innovation and opportunity act, and tribal work programs.
5 2. "Exempt individual" means an individual who is any of the following:
6 a. Receiving temporary or permanent disability benefits from the federal or
7 state government or a private source.
8 b. Determined by the department to be physically or mentally unable to work.
9 c. Verified as unable to work in a statement from a social worker or other health
10 care professional.
11 d. Experiencing chronic homelessness.
12 e. Serving as primary caregiver for a person who cannot care for himself or
13 herself.
14 f. Receiving or applying for unemployment compensation and complying with
15 the work requirements for unemployment compensation.
16 g. Participating regularly in an alcohol or other drug abuse treatment or
17 rehabilitation program, except for alcoholics anonymous or narcotics anonymous but
18 including cultural interventions specific to American Indian tribes or bands.
19 h. Attending high school at least half time or enrolled in an institution of higher
20 education, including vocational programs or high school equivalency programs, at
21 least half time.
22 i. Exempt from work requirements under the food stamp program under s.
23 49.79.

1 (b) Beginning as soon as practicable after October 31, 2018, and ending no
2 sooner than December 31, 2023, the department shall do all of the following with
3 regard to the childless adults demonstration project under sub. (23):
4 1. Require in each month persons, except exempt individuals, who are eligible
5 to receive Medical Assistance under sub. (23) and who are at least 19 years of age but
6 have not attained the age of 50 to participate in, document, and report 80 hours per
7 calendar month of community engagement activities. The department, after finding
8 good cause, may grant a temporary exemption from the requirement under this
9 subdivision upon request of a Medical Assistance recipient.
10 2. Require persons with incomes of at least 50 percent of the poverty line to pay
11 premiums in accordance with par. (c) as a condition of eligibility for Medical
12 Assistance under sub. (23).
13 3. Require as a condition of eligibility for Medical Assistance under sub. (23)
14 completion of a health risk assessment.
15 4. Charge recipients of Medical Assistance under sub. (23) an $8 copayment for
16 nonemergency use of the emergency department in accordance with 42 USC 1396o-1
17 (e) (1) and 42 CFR 447.54.
18 5. Disenroll from Medical Assistance under sub. (23) for 6 months any
19 individual who does not pay a required premium under subd. 2. and any individual
20 who is required under subd. 1. to participate in a community engagement activity but
21 who does not participate for 48 aggregate months in the community engagement
22 activity.
23 (c) 1. Persons who are eligible for the demonstration project under sub. (23) and
24 who have monthly household income that exceeds 50 percent of the poverty line shall
25 pay a monthly premium amount of $8 per household. A person who is eligible to

1 receive an item or service furnished by an Indian health care provider is exempt from
2 the premium requirement under this subdivision.

3 2. The department may disenroll under par. (b) 5. a person for nonpayment of
4 a required monthly premium only at annual eligibility redetermination after
5 providing notice and reasonable opportunity for the person to pay. If a person who
6 is disenrolled for nonpayment of premiums pays all owed premiums or becomes
7 exempt from payment of premiums, he or she may reenroll in Medical Assistance
8 under sub. (23).

9 3. The department shall reduce the amount of the required household premium
10 by up to half for a recipient of Medical Assistance under sub. (23) who does not engage
11 in certain behaviors that increase health risks or who attests to actively managing
12 certain unhealthy behaviors.

13 (d) The department shall comply with any other requirements not specified
14 elsewhere in this subsection that are imposed by the federal department of health
15 and human services in its approval effective October 31, 2018.

16 (e) Before December 31, 2023, the demonstration project requirements under
17 this subsection may not be withdrawn and the department may not request from the
18 federal government withdrawal, suspension, or termination of the demonstration
19 project requirements under this subsection unless legislation has been enacted
20 specifically allowing for the withdrawal, suspension, or termination.

21 (f) The department shall comply with all applicable timing in and requirements
22 of s. 20.940.

23 **SECTION 15.** 49.79 (9) (d) 1. of the statutes is repealed.

24 **SECTION 16.** 49.79 (9) (d) 2. of the statutes is renumbered 49.79 (9) (d) and
25 amended to read:

1 49.79 **(9)** (d) Subject to ~~the promulgation of rules under subd. 1.~~ s. 49.791, the
2 department shall screen and, if indicated, test and treat participants in an
3 employment and training program under this subsection who are able-bodied adults
4 for illegal use of a controlled substance without a valid prescription for the controlled
5 substance. Eligibility for an able-bodied adult to participate in an employment and
6 training program under this subsection is subject to s. 49.791.

7 **SECTION 17.** 49.791 of the statutes is created to read:

8 **49.791 Substance abuse screening, testing, and treatment for**
9 **employment and training programs. (1)** DEFINITIONS. In this section:

10 (a) "Able-bodied adult" has the meaning given in s. 49.79 (1) (am).

11 (b) "Administering agency" means an administrative agency within the
12 executive branch under ch. 15 or an entity that contracts with the state such as a
13 single county consortia under s. 49.78 (1r), a multicounty consortia under s. 49.78 (1)
14 (br), or a tribal governing body under s. 49.78 (1) (cr).

15 (c) "Confirmation test" means an analytical procedure used to quantify a
16 specific controlled substance or its metabolite in a specimen through a test that is
17 different in scientific principle from that of the initial test procedure and capable of
18 providing the requisite specificity, sensitivity, and quantitative accuracy to
19 positively confirm use of a controlled substance.

20 (d) "Controlled substance" has the meaning given in s. 49.79 (1) (b).

21 (e) "Employment and training program" means the food stamp employment
22 and training program under s. 49.79 (9).

23 (f) "Food stamp program" has the meaning given in s. 49.79 (1) (c).

24 (g) "Medical review officer" means a licensed medical provider who is employed
25 by or providing services under a contract to a qualified drug testing vendor, has

1 knowledge of substance abuse disorders and laboratory testing procedures, and has
2 the necessary training and experience to interpret and evaluate an individual's
3 positive test result in relation to the individual's medical history and valid
4 prescriptions.

5 (h) "Metabolite" means a chemical present in the body when a controlled
6 substance is being broken down through natural metabolic processes that can be
7 detected or measured as a positive indicator that a controlled substance associated
8 with the metabolite has been used.

9 (i) "Prescription" means a current order for a controlled substance that
10 indicates the specific regimen and duration of the order and that is transmitted
11 electronically or in writing by an individual authorized in this state to order the
12 controlled substance.

13 (j) "Qualified drug testing vendor" means a laboratory certified by the federal
14 centers for medical and medicaid services under the federal Clinical Laboratory
15 Improvement Amendments of 1988 to collect a specimen, carry out laboratory
16 analysis of the specimen, store the specimen for a confirmation test if required,
17 complete a confirmation test, and provide review by a medical review officer.

18 (k) "Screening" means completing a questionnaire specified by the department
19 regarding an individual's current and prior use of any controlled substance.

20 (L) "Specimen" means tissue, fluid, or any other product of the human body
21 required to be submitted by an individual for testing under this section.

22 (m) "Trauma-informed" means operating under the understanding of the
23 science of adverse childhood experiences, toxic stress, trauma, and resilience,
24 incorporating that understanding into organizational culture, policies, programs,
25 and practices, and adhering to trauma-informed principles such as safety,

1 trustworthiness and transparency, peer support, collaboration and mutuality,
2 empowerment, and cultural, historical, and gender issue recognition.

3 (n) "Treatment" means any service that is conducted under clinical supervision
4 to assist an individual through the process of recovery from controlled substance
5 abuse, including screening, application of approved placement criteria, intake,
6 orientation, assessment, individualized treatment planning, intervention,
7 individual or group and family counseling, referral, discharge planning, after care
8 or continuing care, record keeping, consultation with other professionals regarding
9 treatment services, recovery and case management, crisis intervention, education,
10 employment, and problem resolution in life skills functioning.

11 (o) "Treatment program" means a program certified by the department to
12 provide treatment for controlled substance abuse as a medically managed inpatient
13 service, a medically monitored treatment service, a day treatment service, an
14 outpatient treatment service, a transitional residential treatment service, or a
15 narcotic treatment service for opiate addiction or, as approved by the department,
16 psychosocial rehabilitation services.

17 (p) "Treatment provider" means a provider of treatment for controlled
18 substance abuse certified by the department, a provider certified under s. 440.88, or
19 a licensed professional who meets criteria established by the department of safety
20 and professional services.

21 **(2)** NOTICE OF REQUIREMENT. An administering agency shall provide
22 information in a format approved by the department to any individual who expresses
23 interest in or is referred to participate in an employment and training program to
24 explain the requirement for participants in certain employment and training

1 programs to undergo screening, testing, and treatment for abuse of controlled
2 substances.

3 **(3)** ADMINISTERING AND EVALUATING A CONTROLLED SUBSTANCE ABUSE SCREENING
4 QUESTIONNAIRE. (a) At the time of application and at annual redetermination for
5 eligibility in the food stamp program, an administering agency shall administer to
6 any able-bodied adult who is subject to the work requirement under s. 49.79 (10) (a)
7 and intends on meeting the work requirement through participation in the
8 employment and training program a controlled substance abuse screening
9 questionnaire approved by the department, which may include questions related to
10 controlled substance abuse-related criminal background and controlled substance
11 abuse. The administering agency shall determine whether answers to the controlled
12 substance abuse screening questionnaire indicate possible use of a controlled
13 substance without a valid prescription by the able-bodied adult.

14 (b) 1. An able-bodied adult who is administered a controlled substance abuse
15 screening questionnaire under par. (a) shall answer all questions on the screening
16 questionnaire, sign and date the questionnaire, and submit the questionnaire to the
17 administering agency.

18 2. If the able-bodied adult indicates on the screening questionnaire submitted
19 under subd. 1. the prescribed use of a controlled substance, the able-bodied adult
20 shall provide evidence of the valid prescription to the administering agency.

21 (c) An able-bodied adult who is administered a controlled substance abuse
22 screening questionnaire under par. (a) and who fails to comply with the requirements
23 under par. (b) is not eligible to participate in the employment and training program,
24 and the administering agency may not refer the individual to participate in the
25 employment and training program. An able-bodied adult who is denied eligibility

1 for participation in the employment and training program for failure to complete the
2 requirements under par. (b) may complete the requirements under par. (b) at any
3 time while eligible for the food stamp program.

4 (d) An able-bodied adult who completes a controlled substance abuse screening
5 questionnaire under this subsection and whose answers to the screening
6 questionnaire do not indicate possible abuse of a controlled substance has satisfied
7 the requirements of this section and may participate in an employment and training
8 program subject to this section.

9 **(4)** TESTING FOR USE OF A CONTROLLED SUBSTANCE REQUIRED. (a) *Individuals*
10 *required to undergo testing; exception.* 1. Except as provided in subd. 2., an
11 administering agency shall require an able-bodied adult whose answers on the
12 controlled substance abuse screening questionnaire submitted under sub. (3)
13 indicate possible use of a controlled substance without a prescription to undergo a
14 test for the use of a controlled substance.

15 2. An administering agency may not require an able-bodied adult whose
16 answers on the controlled substance abuse screening questionnaire submitted under
17 sub. (3) indicate possible use of a controlled substance and who also indicates
18 readiness to enter treatment for controlled substance abuse to undergo a test for the
19 use of a controlled substance.

20 (b) *Nature of testing required.* A test for use of a controlled substance under
21 this subsection consists of laboratory analysis of a specimen collected from an
22 able-bodied adult described in par. (a) in a manner specified by the department that
23 is consistent with guidelines from the federal department of health and human
24 services by a qualified drug testing vendor or a provider approved by the department.

1 The qualified drug testing vendor or other provider shall analyze the specimen for
2 the presence of controlled substances specified by the department.

3 (c) *Contracts for testing services.* 1. The administering agency, subject to the
4 department's approval, may contract with a trauma-informed qualified drug testing
5 vendor to collect a specimen, carry out laboratory analysis of the specimen, store the
6 specimen for confirmatory testing if required, complete confirmatory testing, provide
7 review by a medical review officer, and document and report test results to the
8 administering agency.

9 2. The department may require administering agencies to use a specific drug
10 testing service procured through state contracting if the department determines that
11 volume discounts or other preferential pricing terms may be achieved through a
12 statewide contract.

13 (d) *Effects of refusal to submit to drug test.* 1. An able-bodied adult who is
14 required to undergo a test for the use of a controlled substance under par. (a) but who
15 refuses to submit to a drug test by doing any of the following is ineligible to
16 participate in the employment and training program until the individual agrees to
17 be tested for use of a controlled substance and test results have been reported:

18 a. Failing or refusing to appear for a scheduled drug test without good cause.

19 b. Failing or refusing to complete a form or release of information required for
20 testing, including any form or release required by the qualified drug testing vendor
21 to permit the vendor to report test results to the administering agency or
22 department.

23 c. Failing or refusing to provide a valid specimen for testing.

24 d. Failing or refusing to provide verification of identity to the testing vendor.

1 2. The administering agency may direct an able-bodied adult who initially
2 refused to submit to a drug test under subd. 1. and subsequently agrees to submit
3 to a test to undergo drug testing on a random basis at any time within 10 business
4 days after the able-bodied adult agrees to submit to a test.

5 (e) *Confirmation test required.* If an able-bodied adult tests positive for the use
6 of a controlled substance, the qualified drug testing vendor shall perform a
7 confirmation test using the same specimen obtained for the initial drug test. The
8 vendor's medical review officer who is responsible for determining the presence of a
9 controlled substance under par. (b) shall interpret all drug test results that are not
10 negative.

11 (f) *Accepting test results from other programs.* For purposes of this section, an
12 administering agency may use results of a drug test performed by the administering
13 agency for the purpose of eligibility for another state program, including a work
14 experience program under s. 49.162, 49.36, or 108.133, performed at the request of
15 the department of corrections, or performed by other drug testing providers as
16 approved by the department to determine whether to refer an able-bodied adult to
17 treatment if all of the following apply:

18 1. The test results are provided directly to the administering agency.

19 2. The test results include tests for all controlled substances required by the
20 department to be tested under this section.

21 3. The test occurred within 90 days before the results are provided to the
22 administering agency.

23 (g) *Effect of a negative test.* An able-bodied adult who undergoes a test for use
24 of a controlled substance under this subsection and tests negative for use of a
25 controlled substance or who tests positive for use of a controlled substance but

1 provides to the administering agency a prescription for each controlled substance for
2 which the adult tests positive is not prohibited from participating in an employment
3 and training program.

4 (h) *Effect of a positive test.* An able-bodied adult who undergoes a test for use
5 of a controlled substance under this subsection, whose test results are positive, and
6 who does not provide evidence of a prescription for the controlled substance, as
7 determined by the qualified drug testing vendor's medical review officer, is required
8 to participate in treatment under sub. (5) to participate in an employment and
9 training program.

10 **(5)** PARTICIPATION IN TREATMENT REQUIRED. (a) *Individuals required to*
11 *participate in treatment.* An able-bodied adult who is described under sub. (4) (a)
12 or (h) is required to participate in trauma-informed treatment to be eligible to
13 participate in an employment and training program.

14 (b) *Referral for treatment; monitoring.* The applicable administering agency
15 shall provide to every able-bodied adult who is required to participate in treatment
16 under par. (a) information about treatment programs and county-specific
17 assessment and enrollment activities required for entry into treatment. The
18 applicable administering agency shall monitor the able-bodied adult's progress in
19 entering and completing treatment and the results of random testing for the use of
20 a controlled substance carried out during and at the conclusion of treatment.

21 (c) *Evaluation and assessment.* A treatment provider shall conduct a
22 trauma-informed substance abuse evaluation and assessment of each able-bodied
23 adult and take any of the following actions, as appropriate, based on the evaluation
24 and assessment:

1. If the treatment provider determines the able-bodied adult does not need treatment, notify the administering agency that the able-bodied adult does not need treatment.

2. If the treatment provider determines the able-bodied adult is in need of treatment, refer the individual to an appropriate treatment program to begin treatment and notify the administering agency of the referral and the expected start date and duration of treatment.

3. If a treatment provider determines the able-bodied adult is in need of treatment but is unable to refer the adult because there is a waiting list for enrollment, enter the able-bodied adult on the waiting list and notify the administering agency of the date the adult is expected to be enrolled.

(d) *Eligibility when treatment not needed or on waiting list.* 1. An able-bodied adult described in par. (c) 1. is determined to have satisfied the requirements of this section and is eligible under this section to participate in an employment and training program.

2. An able-bodied adult who is on a waiting list for enrollment in an appropriate treatment program under par. (c) 3. shall continue to take all necessary steps to continue seeking enrollment in the appropriate treatment program. The able-bodied adult is eligible under this section to participate in an employment and training program while on the waiting list if the adult is not eligible for immediate enrollment in another appropriate treatment program.

(e) *Satisfying treatment requirement through another program.* An administering agency shall accept as satisfying the requirements of this subsection participation in any treatment program. The able-bodied adult satisfying the requirements of this subsection by participating in another treatment program shall

1 execute a release of information to allow the administering agency to obtain
2 verification of successful participation in that treatment program.

3 (f) *Effects of refusal to submit to treatment.* An able-bodied adult who is
4 required to participate in treatment under par. (a) but who refuses to participate in
5 treatment by doing any of the following is ineligible to participate in the employment
6 and training program until the individual agrees to participate in treatment while
7 still eligible for the food stamp program:

8 1. Failing or refusing to complete a form or release required for treatment
9 program administration, including a form or release required by the treatment
10 provider in order to share information with the administering agency about the
11 able-bodied adult's participation in treatment.

12 2. Failing or refusing to participate in a controlled substance test required by
13 the treatment provider or the administering agency during the course of required
14 treatment, including any random controlled substance testing directed by the
15 treatment provider or administering agency.

16 3. Failing or refusing to meet attendance or participation requirements
17 established by the treatment provider.

18 4. Failing or refusing to complete a substance abuse assessment.

19 (g) *Completion of required treatment.* An able-bodied adult required under par.
20 (a) to participate in treatment is considered to have successfully completed
21 treatment if all applicable components identified under par. (c) are satisfied.

22 (h) *Work requirements while in treatment.* An able-bodied adult who is
23 participating in an employment and training program is exempt from complying
24 with requirements to work a specified number of hours under s. 49.79 (9) or (10) while
25 participating in treatment under this subsection.

1 **(6)** EFFECT OF COMPLETION, WITHDRAWAL, OR TERMINATION FROM EMPLOYMENT AND
2 TRAINING PROGRAM. An able-bodied adult who satisfies any of the following is no
3 longer subject to s. 49.79 (9) (d) or this section:
4 (a) The able-bodied adult has completed or voluntarily withdrawn from
5 participation in an employment and training program.
6 (b) The able-bodied adult is terminated from an employment and training
7 program for reasons unrelated to this section.
8 (c) The able-bodied adult is no longer subject to the requirements of s. 49.79
9 (10).
10 **(7)** CONFIDENTIALITY OF RECORDS. Completed screening questionnaires,
11 prescriptions, testing results, and treatment records relating to this section may not
12 be disclosed except for purposes connected with the administration of an
13 employment and training program or except when disclosure is otherwise authorized
14 by law or by written consent from the individual who is the subject of the record. The
15 department may establish administrative, physical, and technical safeguard
16 procedures administering agencies must follow to assure compliance with state and
17 federal laws related to public assistance program records, drug testing and
18 treatment records, and medical records.
19 **(8)** APPEALS. An adverse decision under this section may be appealed under 7
20 CFR 273.15 and procedures established in rules promulgated by the division of
21 hearings and appeals.
22 **(9)** PAYMENT OF COSTS FOR SCREENING, TESTING, AND TREATMENT. (a) The
23 department shall pay for all costs related to screening able-bodied adults under sub.
24 (3), including the costs of producing, administering, and reviewing screening
25 questionnaires.

1 (b) The department shall pay for all costs related to testing able-bodied adults
2 under sub. (4), including any costs related to contracting with qualified drug testing
3 vendors under sub. (4) (c).

4 (c) The department shall pay costs for treatment under sub. (5) that are not
5 covered by the Medical Assistance program under subch. IV of ch. 49 or other private
6 insurance. Payments by the department under this paragraph shall be at rates no
7 higher than the rates paid for comparable services under the Medical Assistance
8 program.

9 **SECTION 18.** 106.05 (2) (b) (intro.) of the statutes is amended to read:

10 106.05 **(2)** (b) (intro.) Subject to par. (c) and sub. (3), from the appropriation
11 under s. 20.445 (1) ~~(b)~~ (dr), the department may provide to an apprentice described
12 in par. (a) 1. or the apprentice's sponsor a completion award equal to 25 percent of
13 the cost of tuition incurred by the apprentice or sponsor or $1,000, whichever is less.
14 If the department provides a completion award under this subsection, the
15 department shall pay the award as follows:

16 **SECTION 19.** 106.05 (3) (a) of the statutes is amended to read:

17 106.05 **(3)** (a) If the amount of funds to be distributed under sub. (2) exceeds
18 the amount available in the appropriation under s. 20.445 (1) ~~(b)~~ (dr) for completion
19 awards under sub. (2), the department may reduce the reimbursement percentage
20 or deny applications for completion awards that would otherwise qualify under sub.
21 (2). In that case, the department shall determine the reimbursement percentage and
22 eligibility on the basis of the dates on which apprentices and sponsors become eligible
23 for completion awards.

24 **SECTION 20.** 106.13 (3m) (b) (intro.) of the statutes is amended to read:

1 106.13 **(3m)** (b) (intro.) From the appropriation under s. 20.445 (1) ~~(b)~~ (e), the
2 department may award grants to applying local partnerships for the implementation
3 and coordination of local youth apprenticeship programs. A local partnership shall
4 include in its grant application the identity of each public agency, nonprofit
5 organization, individual, and other person who is a participant in the local
6 partnership, a plan to accomplish the implementation and coordination activities
7 specified in subds. 1. to 6., and the identity of a fiscal agent who ~~shall be~~ is responsible
8 for receiving, managing, and accounting for the grant moneys received under this
9 paragraph. Subject to par. (c), a local partnership that is awarded a grant under this
10 paragraph may use the grant moneys awarded for any of the following
11 implementation and coordination activities:

12 **SECTION 21.** 106.18 of the statutes is amended to read:

13 **106.18 Youth programs in 1st class cities.** From the appropriation account
14 under s. 20.445 (1) ~~(b)~~ (fm), the department shall implement and operate youth
15 summer jobs programs in 1st class cities.

16 **SECTION 22.** 106.26 (3) (c) (intro.) of the statutes is amended to read:

17 106.26 **(3)** (c) (intro.) To make grants from the appropriation under s. 20.445
18 (1) ~~(b)~~ (fg) to eligible applicants to conduct projects or to match a federal grant
19 awarded to an eligible applicant to conduct a project. Grants by the department are
20 subject to all of the following requirements:

21 **SECTION 23.** 106.272 (1) of the statutes is amended to read:

22 106.272 **(1)** From the appropriation under s. 20.445 (1) ~~(b)~~ (dg), the department
23 shall award grants to the school board of a school district or to the governing body
24 of a private school, as defined under s. 115.001 (3d), or to a charter management
25 organization that has partnered with an educator preparation program approved by

the department of public instruction and headquartered in this state to design and implement a teacher development program.

SECTION 24. 106.273 (3) (a) (intro.) of the statutes is amended to read:

106.273 **(3)** (a) (intro.) From the appropriation under s. 20.445 (1) ~~(b)~~ (bz), the department shall ~~allocate not less than $3,500,000 in each fiscal year for incentive grants to school districts under this subsection. From that allocation, the department shall~~ annually award all of the following incentive grants to school districts:

SECTION 25. 106.273 (3) (b) of the statutes is amended to read:

106.273 **(3)** (b) If the amount ~~allocated under par. (a)~~ available in the appropriation under s. 20.445 (1) (bz) in any fiscal year is insufficient to pay the full amount per student under par. (a) 1m. and 2m., the department may prorate the amount of the department's payments among school districts eligible for incentive grants under this subsection.

SECTION 26. 106.275 (1) (a) of the statutes is amended to read:

106.275 **(1)** (a) From the appropriation under s. 20.445 (1) ~~(b)~~ (cg), the department ~~may allocate up to $500,000 in each fiscal year for technical education equipment grants to school districts under this section. From that allocation, the department~~ may award technical education equipment grants under this section in the amount of not more than $50,000 to school districts whose grant applications are approved under sub. (2) (b).

SECTION 27. 108.04 (2) (a) (intro.) of the statutes is amended to read:

108.04 **(2)** (a) (intro.) Except as provided in ~~par.~~ pars. (b) ~~and~~ to (bd), sub. (16) (am) and (b), and s. 108.062 (10) and (10m) and as otherwise expressly provided, a claimant is eligible for benefits as to any given week only if all of the following apply:

1 **SECTION 28.** 108.04 (2) (a) 1. of the statutes is amended to read:

2 108.04 **(2)** (a) 1. ~~Except as provided in s. 108.062 (10), the individual~~ The
3 claimant is able to work and available for work during that week~~;~~.

4 **SECTION 29.** 108.04 (2) (a) 2. of the statutes is amended to read:

5 108.04 **(2)** (a) 2. ~~Except as provided in s. 108.062 (10m), as of that week, the~~
6 ~~individual~~ The claimant has registered for work ~~as directed~~ in the manner prescribed
7 by the department~~;~~ by rule.

8 **SECTION 30.** 108.04 (2) (a) 3. (intro.) of the statutes is renumbered 108.04 (2)
9 (a) 3. and amended to read:

10 108.04 **(2)** (a) 3. The ~~individual~~ claimant conducts a reasonable search for
11 suitable work during that week~~, unless the search requirement is waived under par.~~
12 ~~(b) or s. 108.062 (10m)~~ and provides verification of that search to the department.
13 The search for suitable work must include at least 4 actions per week that constitute
14 a reasonable search as prescribed by rule of the department. In addition, the
15 department may, by rule, require ~~an individual~~ a claimant to take more than 4
16 reasonable work search actions in any week. The department shall require a
17 uniform number of reasonable work search actions for similar types of claimants.
18 ~~This subdivision does not apply to an individual if the department determines that~~
19 ~~the individual is currently laid off from employment with an employer but there is~~
20 ~~a reasonable expectation of reemployment of the individual by that employer. In~~
21 ~~determining whether the individual has a reasonable expectation of reemployment~~
22 ~~by an employer, the department shall request the employer to verify the individual's~~
23 ~~employment status and shall also consider other factors, including:~~

24 **SECTION 31.** 108.04 (2) (a) 3. a. to c. of the statutes are renumbered 108.04 (2)
25 (b) 1. a. to c. and amended to read:

108.04 **(2)** (b) 1. a. The history of layoffs and reemployments by the employer~~;~~.

b. Any information that the employer furnished to the ~~individual~~ claimant or the department concerning the ~~individual's~~ claimant's anticipated reemployment date~~; and~~.

c. Whether the ~~individual~~ claimant has recall rights with the employer under the terms of any applicable collective bargaining agreement~~; and~~.

SECTION 32. 108.04 (2) (b) of the statutes is renumbered 108.04 (2) (b) (intro.) and amended to read:

108.04 **(2)** (b) (intro.) The ~~requirements for registration for work and search for work shall be prescribed by rule of the department, and the~~ department ~~may by general rule~~ shall, except as provided under par. (bd), waive ~~these requirements~~ the registration for work requirement under ~~certain stated conditions.~~ par. (a) 2. if any of the following applies:

SECTION 33. 108.04 (2) (b) 1. (intro.) of the statutes is created to read:

108.04 **(2)** (b) 1. (intro.) The department determines that the claimant is currently laid off from employment with an employer but there is a reasonable expectation of reemployment of the claimant by that employer within a period of 8 weeks, which may be extended up to an additional 4 weeks but not to exceed a total of 12 weeks. In determining whether the claimant has a reasonable expectation of reemployment by an employer, the department shall request the employer to verify the claimant's employment status and shall consider all of the following:

SECTION 34. 108.04 (2) (b) 2. to 6. of the statutes are created to read:

108.04 **(2)** (b) 2. The claimant has a reasonable expectation of starting employment with a new employer within 4 weeks and the employer has verified the

1 anticipated starting date with the department. A waiver under this subdivision may
2 not exceed 4 weeks.

3 3. The claimant has been laid off from work and routinely obtains work through
4 a labor union referral and all of the following apply:

5 a. The union is the primary method used by workers to obtain employment in
6 the claimant's customary occupation.

7 b. The union maintains records of unemployed members and the referral
8 activities of these members, and the union allows the department to inspect those
9 records.

10 c. The union provides, upon the request of the department, any information
11 regarding a claimant's registration with the union or any referrals for employment
12 it has made to the claimant.

13 d. Prospective employers of the claimant seldom place orders with the public
14 employment office for jobs requiring occupational skills similar to those of the
15 claimant.

16 e. The claimant is registered for work with a union and satisfies the
17 requirements of the union relating to job referral procedures, and maintains
18 membership in good standing with the union.

19 f. The union enters into an agreement with the department regarding the
20 requirements of this subdivision.

21 4. The claimant is summoned to serve as a prospective or impaneled juror.

22 5. The requirements are waived under s. 108.04 (16) or 108.062 (10m), or the
23 claimant is enrolled in and satisfactorily participating in a self-employment
24 assistance program or another program established under state or federal law and

1 the program provides that claimants who participate in the program shall be waived
2 by the department from work registration requirements.
3 6. The claimant is unable to complete registration due to circumstances that
4 the department determines are beyond the claimant's control.
5 **SECTION 35.** 108.04 (2) (bb) of the statutes is created to read:
6 108.04 **(2)** (bb) The department shall, except as provided under par. (bd), waive
7 the work search requirement under par. (a) 3. if any of the following applies:
8 1. A reason specified in par (b) 1., 2., 3., or 4.
9 2. The claimant performs any work for his or her customary employer.
10 3. The requirements are waived under s. 108.04 (16) or 108.062 (10m), or the
11 claimant is enrolled in and satisfactorily participating in a self-employment
12 assistance program or another program established under state or federal law and
13 the program provides that claimants who participate in the program shall be waived
14 by the department from work search requirements.
15 4. The claimant has not complied with the requirement because of an error
16 made by personnel of the department.
17 5. The claimant's most recent employer failed to post appropriate notice posters
18 as to claiming unemployment benefits as required by the department by rule, and
19 the claimant was not aware of the work search requirement.
20 6. The claimant has been referred for reemployment services, is participating
21 in such services, or is not participating in such services, but has good cause for failure
22 to participate. For purposes of this subdivision, a claimant has good cause if he or she
23 is unable to participate due to any of the following:
24 a. A reason specified in subd. 3. or par (b) 4.
25 b. The claimant is employed.

c. The claimant is attending a job interview.

d. Circumstances that the department determines are beyond the claimant's control.

SECTION 36. 108.04 (2) (bd) of the statutes is created to read:

108.04 **(2)** (bd) The department may, by rule, do any of the following if doing so is necessary to comply with a requirement under federal law or is specifically allowed under federal law:

1. Modify the availability of any waiver under par. (b) or (bb).

2. Establish additional waivers from the requirements under par. (a) 2. and 3.

SECTION 37. 108.04 (2) (bm) of the statutes is amended to read:

108.04 **(2)** (bm) A claimant is ineligible to receive benefits for any week for which there is a determination that the claimant failed to ~~conduct a reasonable search for suitable~~ comply with the registration for work and work ~~and~~ search requirements under par. (a) 2. or 3. or failed to provide verification to the department that the claimant complied with those requirements, unless the department has ~~not~~ waived ~~the search requirement~~ those requirements under par. (b), (bb), or (bd) or s. 108.062 (10m). If the department has paid benefits to a claimant for any such week, the department may recover the overpayment under s. 108.22.

SECTION 38. 601.83 (1) (a) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read:

601.83 **(1)** (a) ~~Subject to par. (b), the~~ The commissioner shall administer a state-based reinsurance program known as the healthcare stability plan in accordance with the specific terms and conditions approved by the federal department of health and human services dated July 29, 2018. Before December 31, 2023, the commissioner may not request from the federal department of health and

1 human services a modification, suspension, withdrawal, or termination of the waiver
2 under 42 USC 18052 under which the healthcare stability plan under this
3 subchapter operates unless legislation has been enacted specifically directing the
4 modification, suspension, withdrawal, or termination. Before December 31, 2023,
5 the commissioner may request renewal, without substantive change, of the waiver
6 under 42 USC 18052 under which the health care stability plan operates in
7 accordance with s. 20.940 (4) unless legislation has been enacted that is contrary to
8 such a renewal request. The commissioner shall comply with applicable timing in
9 and requirements of s. 20.940.

10 **SECTION 39.** 601.83 (1) (b) of the statutes, as created by 2017 Wisconsin Act 138,
11 is repealed.

12 **SECTION 40.** 601.83 (1) (g) of the statutes, as created by 2017 Wisconsin Act 138,
13 is amended to read:

14 601.83 **(1)** (g) The commissioner may promulgate any rules necessary to
15 implement the healthcare stability plan under this section, except that any rules
16 promulgated under this paragraph shall seek to maximize federal funding for the
17 healthcare stability plan and shall comply with this section and with the approval
18 by the federal department of health and human services dated July 29, 2018. The
19 commissioner may promulgate rules necessary to implement this section as
20 emergency rules under s. 227.24. Notwithstanding s. 227.24 (1) (a) and (3), the
21 commissioner is not required to provide evidence that promulgating a rule under this
22 paragraph as an emergency rule is necessary for the preservation of the public peace,
23 health, safety, or welfare and is not required to provide a finding of emergency for a
24 rule promulgated under this paragraph. An emergency rule promulgated by the

1 commissioner under this paragraph before January 1, 2019, remains in effect until
2 it is superseded by a subsequent permanent rule.

3 **SECTION 41.** 601.83 (1) (h) of the statutes, as created by 2017 Wisconsin Act 138,
4 is amended to read:

5 601.83 **(1)** (h) In 2019 and in each subsequent year, the commissioner may
6 expend no more than $200,000,000 from all revenue sources for the healthcare
7 stability plan under this section, unless the joint committee on finance under s. 13.10
8 has increased this amount upon request by the commissioner. The commissioner
9 shall ensure that sufficient funds are available for the healthcare stability plan
10 under this section to operate as described in the approval of the federal department
11 of health and human services dated July 29, 2018.

12 **SECTION 42.** 601.83 (1) (i) of the statutes is created to read:

13 601.83 **(1)** (i) The commissioner shall complete and submit any reports, provide
14 any information, and participate in any oversight activities required by the federal
15 department of health and human services to implement and maintain the healthcare
16 stability plan under this subchapter.

17 **SECTION 43.** 601.85 (4) of the statutes, as created by 2017 Wisconsin Act 138,
18 is repealed.

19 **SECTION 44. Nonstatutory provisions.**

20 (1) REQUESTS FOR APPROPRIATION TRANSFERS. During the 2018-19 fiscal year, the
21 department of workforce development may submit to the joint committee on finance
22 one or more requests to transfer moneys from the appropriation account under s.
23 20.445 (1) (b) to the appropriation accounts under s. 20.445 (1) (dg) and (e) for the
24 purpose of funding the grant programs under ss. 106.13 (3m) and 106.272. If the

1 committee approves a request in whole or in part, the committee may transfer
2 moneys without making any of the findings required under s. 13.101 (4).

3 (2) REQUIREMENTS FOR EXISTING CHILDLESS ADULTS MEDICAL ASSISTANCE
4 RECIPIENTS. Notwithstanding the requirement in s. 49.45 (23b) to begin as soon as
5 practicable after October 31, 2018, all of the following apply to the demonstration
6 project under s. 49.45 (23) and (23b):

7 (a) The 48-month eligibility period for current recipients of Medical Assistance
8 under s. 49.45 (23) who are not participating in an activity that qualifies as a
9 community engagement activity begins no sooner than October 31, 2019, or no
10 sooner than the first of the month when the eligibility of a recipient has been
11 established, if all beneficiaries who will be subject to the community engagement
12 activity requirement have been adequately notified.

13 (b) The requirement for current recipients of Medical Assistance under s. 49.45
14 (23) to complete a health risk assessment applies no sooner than October 31, 2019.

Insert 41-15

15 (4) → (3) WISCONSIN HEALTHCARE STABILITY PLAN 2019 PAYMENT PARAMETERS.
16 Notwithstanding 2017 Wisconsin Act 138, SECTION 11 (1), for the 2019 benefit year,
17 the commissioner of insurance shall set as payment parameters for the healthcare
18 stability plan under subch. VII of ch. 601 an attachment point of $50,000, a
19 coinsurance rate of 50 percent, and a reinsurance cap of $250,000. The commissioner
20 of insurance may not adjust the payment parameters for the 2019 benefit year.

21 (5) → (4) DRUG TESTING AND TREATMENT IMPLEMENTATION DEADLINE. The department
22 of health services shall implement the substance abuse screening, testing, and
23 treatment under s. 49.791 by no later than October 1, 2019, and before
24 implementation shall comply with s. 20.940 (3) (c) as if the screening, testing, and

1 treatment under s. 49.791 is a request approved on the effective date of this
2 subsection.

3 **SECTION 45. Fiscal changes.**

4 (1) WORKFORCE DEVELOPMENT; WORKFORCE TRAINING APPROPRIATION DECREASE. In
5 the schedule under s. 20.005 (3) for the appropriation to the department of workforce
6 development under s. 20.445 (1) (b), the dollar amount for fiscal year 2018-19 is
7 decreased by $7,345,900.

8 **SECTION 46. Effective dates.** This act takes effect on the day after publication,
9 except as follows:

10 (1) WISCONSIN HEALTHCARE STABILITY PLAN. The treatment of s. 601.85 (4) takes
11 effect on December 31, 2018.

12 **(END)**

1 INSERT A-TJD-1

from moneys allocated for state operations or administrative functions
2 END INSERT A-TJD-1

3 INSERT A-TJD-2

DHS

The bill requires DHS to implement the childless adults BadgerCare Reform waiver by no later than November 1, 2019. If DHS is unable to fully implement the project reforms by November 1, 2019, the department may request from JCF an extension not to exceed 90 days in a written submission that includes a report on the progress toward implementation of the project and the reason an extension is needed, which JCF will review under its 14-day passive review process. Similarly to other waiver implementation requirements, if JCF determines that DHS has not complied with the implementation deadline, has not made sufficient progress in implementing the BadgerCare Reform waiver, or has not complied other requirements under this bill relating to approved waiver implementation, JCF may reduce from moneys allocated for state operations or administrative functions the DHS's appropriation or expenditure authority, whichever is applicable, or change the authorized level of full-time equivalent positions for DHS related to the Medical Assistance program.
4 END INSERT A-TJD-2

5 INSERT 13-22

6 from moneys allocated for state operations or administrative functions

7 END INSERT 13-22

8 INSERT NONSTAT TJD

9 (3) IMPLEMENTATION OF CHILDLESS ADULT DEMONSTRATION PROJECT.

10 (a) The department of health services shall implement the childless adults
11 demonstration project reforms in accordance with s. 49.45 (23b) by no later than
12 November 1, 2019. If the department of health services is unable to fully implement
13 the project reforms by November 1, 2019, the department may request from the joint
14 committee on finance an extension not to exceed 90 days in a written submission that
15 includes a report on the progress toward implementation of the project and the

reason an extension is needed. If the cochairpersons of the joint committee on finance do not notify the department of health services within 14 working days after the date of the request for an extension under this subdivision that the committee has scheduled a meeting for the purpose of reviewing the extension request, the extension is considered granted. If, within 14 working days after the date of the request for an extension under this subdivision, the cochairpersons of the committee notify the department of health services that the committee has scheduled a meeting for the purpose of reviewing the extension request, the department may consider the extension granted only upon approval by the committee. The department of health services may request additional extensions under the procedure under this paragraph.

(b) If the joint committee on finance determines that the department of health services has not complied with the deadline under par. (a), has not made sufficient progress in implementing s. 49.45 (23) (b), or has not complied with s. 20.940 (3) (c) in relation to the implementation of s. 49.45 (23) (b), the joint committee on finance may reduce from moneys allocated for state operations or administrative functions the department of health services's appropriation or expenditure authority, whichever is applicable, or change the authorized level of full-time equivalent positions for the department of health services related to the Medical Assistance program. The procedures under s. 13.10 do not apply to this subsection.

END INSERT NONSTAT TJD

State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-6073/P3
TJD/MED/EHS:all

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT ***to repeal*** 49.79 (9) (d) 1., 601.83 (1) (b) and 601.85 (4); ***to renumber and amend*** 49.79 (9) (d) 2., 108.04 (2) (a) 3. (intro.), 108.04 (2) (a) 3. a. to c. and 108.04 (2) (b); ***to amend*** 20.445 (1) (b), 49.175 (2) (a), 49.175 (2) (c), 106.05 (2) (b) (intro.), 106.05 (3) (a), 106.13 (3m) (b) (intro.), 106.18, 106.26 (3) (c) (intro.), 106.272 (1), 106.273 (3) (a) (intro.), 106.273 (3) (b), 106.275 (1) (a), 108.04 (2) (a) (intro.), 108.04 (2) (a) 1., 108.04 (2) (a) 2., 108.04 (2) (bm), 601.83 (1) (a), 601.83 (1) (g) and 601.83 (1) (h); and ***to create*** 20.445 (1) (bz), 20.445 (1) (cg), 20.445 (1) (dg), 20.445 (1) (dr), 20.445 (1) (e), 20.445 (1) (fg), 20.445 (1) (fm), 20.940, 49.45 (2t), 49.45 (23b), 49.791, 108.04 (2) (b) 1. (intro.), 108.04 (2) (b) 2. to 6., 108.04 (2) (bb), 108.04 (2) (bd) and 601.83 (1) (i) of the statutes; **relating to:** federal government waivers and other requests for federal approval; public assistance programs; waivers from work search and registration requirements

1 (1) WISCONSIN HEALTHCARE STABILITY PLAN. The treatment of s. 601.85 (4) takes
2 effect on December 31, 2018.

3 **(END)**