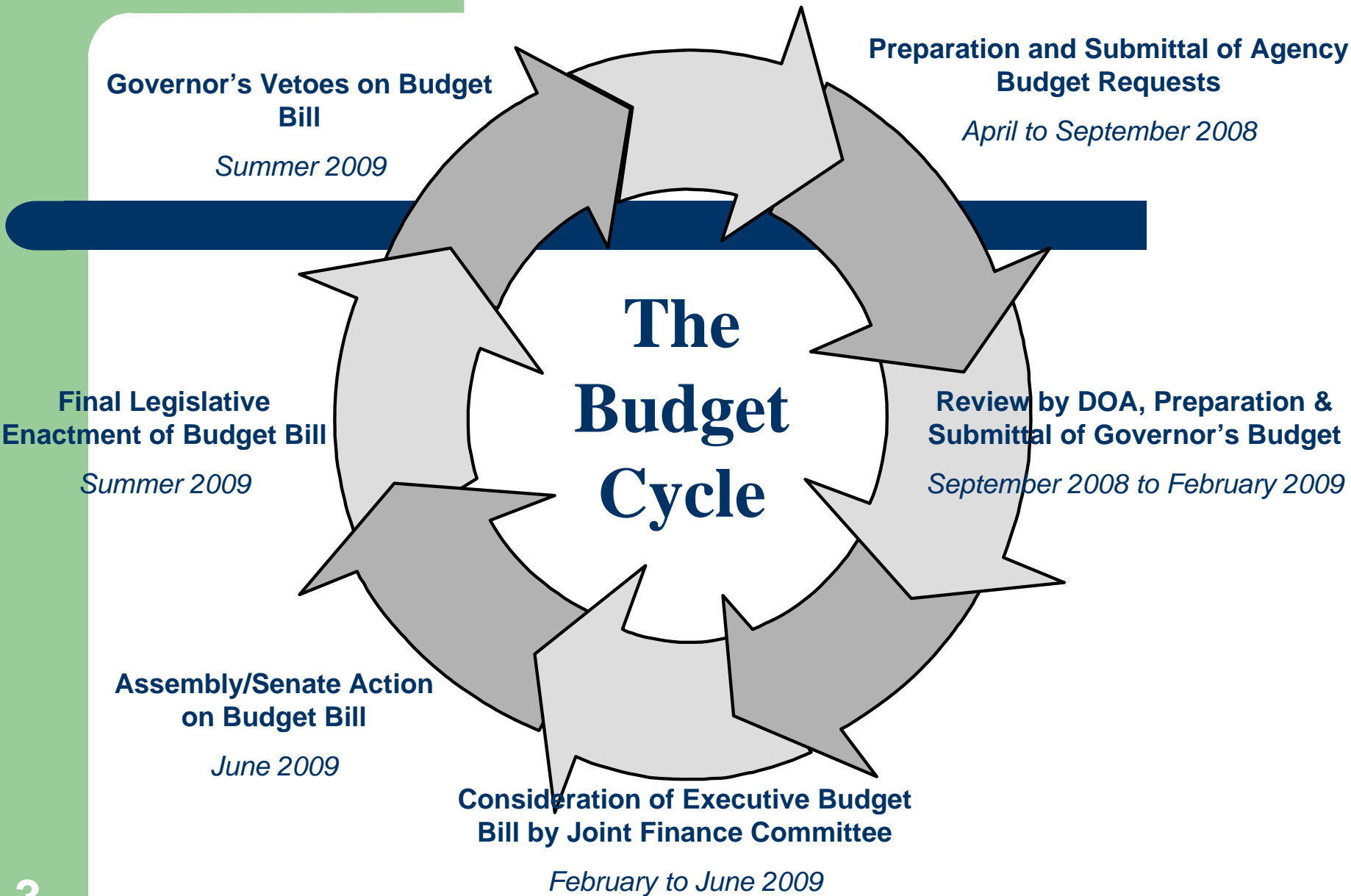


**Governor Jim Doyle's
2009-11 Biennial Budget
Department of Health Services**

Governor's 2009-11 Budget: DHS

- Process
- Overall State Budget
- Themes
- Summary of Major Items



Governor's Budget: Themes

- Enhance our local schools
- Invest in higher education
- Improve health care
- Ensure essential public safety services
- Protect and support families and children
- Grow our economy
- Use additional federal resources wisely
- Eliminate low-priority state government services
- Continue fiscal responsibility

Overall State Budget

The Governor's Budget solves the overall state budget deficit with the following measures:

2009-11 Budget Gap (\$5.95 billion)

Actions to balance the budget:

Spending Reductions \$2.25 billion

Federal Stimulus Funds \$2.10 billion

Revenue Changes \$1.35 billion

Other Measures \$0.25 billion

Total: \$5.95 billion

DHS Specific Themes

- Fully Fund Existing Health Care/Long Term Care Programs for Vulnerable Populations
- Continue Major Health Care Initiatives
- Promote Evidence-Based Care Focused on Outcomes
- Protect Health and Safety of Wisconsin Citizens

Medicaid/BadgerCare Plus Reestimate

- Requests increase of \$915.9 million AF (\$77 million GPR) in FY10 and \$1.1 billion AF (\$99.2 million GPR) in FY11 to fund the current program.
- Maintains existing eligibility and benefits
- Includes:
 - Projected caseload increases
 - Service intensity/utilization changes for fee for service and managed care
 - Cost-to-continue for Family Care MCOs implementing in the 2007-09 Biennium

Medicaid/BC Plus Reestimate (Cont'd)

- Reestimate also includes:
 - Implementation of BadgerCare Plus expansion for Childless Adults
 - Revenue from Hospital Assessment
- Federal Stimulus Funding:
 - Budget assumes savings due to enhanced federal matching rates in federal stimulus legislation (\$1.1 billion FY 09 through FY 11)

Other Medicaid Related Items

- SeniorCare Reestimate:
 - Fully funds existing benefits
 - Decrease of \$61.4 million AF (\$19.2 million GPR) in FY10 and \$48.7 million (\$15.1 million GPR) in FY11 due to:
 - Stabilized caseloads
 - Increases in drug rebates
 - More moderate drug inflation
 - Updated federal matching rates
- SeniorCare Supplemental Dispensing Fee
 - Eliminates 5% supplement to dispensing fee to pharmacists for SeniorCare prescriptions.
 - Supplement is no longer necessary to ensure adequate pharmacy participation
 - Creates savings of \$4,113,800 GPR/biennium

Other Medicaid-Related Items

- Family Planning Waiver: Expansion to males at or below 200% of federal poverty level: \$280,300 GPR savings/biennium.
- Insurance Payment Intercept –Creates automated claim payment intercept program to increase collections of overdue child support and Medicaid recoveries -- \$3,382,900 GPR savings/biennium
- Transportation Manager
 - Statewide entity to schedule and reimburse specialized medical vehicle and common carrier transportation for Medicaid recipients beginning in CY 10
 - Family Care MCOs will manage all transportation for their consumers
 - Estimated to generate \$7 million GPR savings in 2009-11 through more efficient dispatch, ride sharing, and fraud reduction.

Other Medicaid Related Items

- Income Maintenance Administration
 - County contracts will decrease from \$52 million in CY 09 to \$46.5 million in both CY 10 and CY 11 due to the end of one time supplemental funding and 1% reduction in base funding
 - Medicaid Fraud Prevention – County contracts reduced to available collections revenue; decrease of \$500,000 GPR per year
 - General Relief Programs – Ends funding to counties beginning with July 2009 dates of service due to statewide implementation of BadgerCare Plus Childless Adults expansion.
- FoodShare – Discontinues “state optional” FoodShare benefits for certain non-citizens

Medicaid Childless Adults Expansion

- Continues expansion of Medicaid services for childless adults who are below 200% of the federal poverty level
- Began in Milwaukee County in January 2009 and expands statewide in July 2009
- Funded with revenue from hospital assessment

Community Aids

- **DHS Community Aids Basic County Allocation:**
 - Reduced by 1% or \$4.1 million in CY 10 and CY 11
 - In CY 10, one time replacement of GPR with \$4.2 million in federal Substance Abuse Block Grant funds
- **Department of Children and Families BCA:**
 - Reduced by 14% or \$9.5 million in CY 10 and 16% or \$11.1 million in CY 11, mainly due to reductions in federal IV-E funding
- **Timing of Contract Payment**
 - On an ongoing basis, counties will receive BCA payments later in the calendar year, which will generate \$55 million GPR in one time savings in FY 10

Family Care Expansion

- Expansion of Family Care continues in 09-11 biennium, though at a slower pace
 - By the end of 09-11 biennium, there will be ADRCs in 61 counties, and MCOs in 59 counties
 - 40,600 total enrollees by end of FY 11
- Budget maintains current policy for phasedown of county contribution to no more than 22% of BCA
- Adult Protective Services Allocation continued

Family Care Expansion - Cont'd

- ADRCs
 - New Aging and Disability Resource Centers (ADRCs) are funded in counties that become new MCO sites
 - For new ADRCs, activities and funding for Disability Benefit Specialists begin 6 months after start date
 - Current funding formula maintained, due to budget constraints.
- MCOs
 - 22 new counties implement in 2009-11; 13 counties delayed until 2011-13
 - Timeline for enrolling waitlist individuals extended from 2 years to 3 years
- Total increase for Family Care Expansion: \$113.1 million All Funds (\$6.2 million GPR)

Long Term Care, Cont'd:

- Nursing Home Rate Increase – 2% in FY 10 and further 2% in FY 11,
 - Funded with increase in nursing home bed assessment
 - Assessment increases from \$75 to \$170, which generates \$26 million GPR savings in addition to rate increase
- Nursing Home Bed Transfers – Statutory change to allow licensed beds to transfer between different owners statewide, with DHS approval
- Nursing Home Appeals Board Funding – Eliminated as savings measure (\$1.36 million AF/year)

Long Term Care, Cont'd

- SSI and Caretaker Supplement Benefits – request \$8.2 million GPR/biennium to fully fund benefits
- CIP 1A Redesign for Placements from State Centers:
 - Eliminate \$325/day reduction requirement for state centers
 - Fund community placements at full plan costs
 - Manage center and community costs within overall budget “cap”
- Southern Wisconsin Center Restructuring – funding and position adjustments to reflect placement of individuals to the community and expansion of short term program. 100 placements are anticipated in 2009-11.
- Office of the Blind and Visually Impaired – Provides \$514,400 in federal income augmentation funding to support OBVI existing services
- Continues \$600,000 per year in supplemental funding for Elderly Benefit Specialists through Office of the Commissioner of Insurance

Services to Children with Disabilities

- Significant increase in children's long-term care waiver capacity to address waitlist of children with long-term care needs
 - \$3.2 million GPR/\$8 million AF provided for additional capacity, which will serve 1000 new children over 4 years
 - Funding is combination of unspent program funding in 07-09 biennium, accumulated parental fee revenue, and reallocation of base funding from lower priority program
- Birth to 3 Program
 - \$2 million in additional funding to counties in Birth to Three program through increased federal Medicaid funding
 - Authorizes DHS to apply for federal waiver to generate additional federal funding, which will be used for GPR savings
- Separate bill introduced to mandate insurance coverage of services to treat autism
 - Projected to eliminate waitlist for autism services by FY11

Other Long Term Care Programs

- Medicaid Purchase Plan (MAPP) – For MAPP participants who retire from work, exempts assets in Independence Accounts for regular Medicaid eligibility purposes
- Quality Home Care Authority – statewide authority for home care workers hired by Family Care and IRIS waiver consumers who self direct their services.
- Budget Savings Measures include reductions to the following grants:
 - Supported Employment (100%/\$60,000/year)
 - Independent Living Centers (20% of total revenue/\$558,300/year)
 - Epilepsy Grants (11%/\$16,500/year)
 - Guardianship Technical Assistance Grant (100%/\$100,000/year)
 - Alzheimer’s Family Caregiver Support Program – Phased out in counties as Family Care implements (\$915,200 GPR savings over biennium)
 - Other GPR/PR funded grants receive approximately 1% reduction

Mental Health and Substance Abuse

Mental Health Institutes:

- Counties will be charged non federal share of care costs for children and elderly patients at Winnebago and Mendota Mental Health Institutes
- Currently, counties pay only for non elderly adults at MHIs
- Local law enforcement will be required to consult with county crisis staff before admitting patients to the MHIs
- Treatment to competency patients maximum stay reduced from 12 to 6 months

Community Services:

- CSP, crisis intervention, and CCS : Increase of \$1 million GPR in FY 10 and \$3 million GPR in FY 11
- Allows counties to claim federal Medicaid for community recovery services under s. 1915(i) of Social Security Act (estimated \$7 million FED annually)
- Provide \$381,100 AF for expanded Medicaid reimbursement for Substance Abuse screening, brief intervention, and treatment (SBIRT) to identify and address substance abuse conditions in Medicaid recipients beginning in FY 11

Mental Health and Substance Abuse

- Wisconsin Resource Center – New mental health treatment center for female inmates
 - Scheduled to open in early 2011
 - 113 FTE and \$4.6 million GPR in FY11
- Winnebago Mental Health Institute – Improved staffing for forensic unit to meet standards of care
 - 6.0 FTE and \$698,000 GPR/biennium
- Sand Ridge Secure Treatment Center – Reestimates population to assume growth of 12 patients per year through FY 11

Health Facility Regulation

- Proposed Fee Increase for Assisted Living Facilities
 - 27% fee increase for CBRFs, Adult Family Homes, Adult Day Care, and certified Residential Care Apartment Complexes
 - Increase needed to fully fund existing licensing staff; last increase was in 2000
 - Also request authority to implement future increases by administrative rule
- Proposed \$200 Fee for Facility Reinspections
 - Applies to nursing homes, hospitals, home health agencies, hospices, CBRFs, adult family homes, certified RCACs, adult day care.
 - Assessed when DHS must revisit provider to verify plan of correction.

Health Facility Regulation – Cont'd

- 1-2 Bed Adult Family Homes (AFH) Regulations
 - DHS DQA will conduct initial certification and complaint investigation of 1-2 bed AFHs
 - Existing 1-2 bed county homes will not need to be recertified
- Personal Care Agencies
 - Budget expands types of entities that can become Medicaid certified personal care providers, subject to certification by DQA

Public Health

- Increase in Tobacco Tax
 - State increase of 75 cents per cigarette pack
 - Federal increase of \$1.01 per cigarette pack
 - Total taxes per cigarette pack will be \$3.53
 - Total State revenue increase of \$142.6 million in FY 10 and \$148.3 million in FY 11
- Statewide Workplace Smoking Ban
 - \$1,171,800 AF (\$449,500 GPR) in estimated Medicaid savings in 2009-11 due reductions in heart attacks, low birthweight infants, respiratory disease among children below age 5.

Public Health

- Vital Records Automation Project – Continue fee increases implemented in the 2007-09 budget to fund automated system for birth, death, marriage, and other records.
- Birth Certificate Fee Increase --- \$2 increase per copy for foster care public information campaign and for healthy birth outcomes initiatives.
- Domestic Partner Registry
 - Registry to be maintained by county Registers of Deeds
 - Registered domestic partners would be extended certain dependent or survivor benefits for employee benefits, health and mental health and after-death decision making, probate matters, property matters, and motor vehicle titles

Public Health Cont'd

- Cancer Registry – Expands access to Wisconsin Cancer Reporting System data to qualified researchers and allows DHS to charge a fee for access.
- Women, Infants, and Children (WIC) – Statutory changes and funding transfers to retain WIC and TEFAP in DHS
 - 2007-09 budget had transferred the program to Department of Children and Families, but DHS continued day to day operations due to federal requirements.
- Budget Savings Measures include reductions to the following GPR funded grants:
 - Primary Health Care for Homeless (100%/\$125,000/year)
 - Community Health Centers (9%/\$561,000/year)
 - Marquette Dental School Clinic Services (6%/\$168,000/year)
 - Tobacco Control Program (6%/\$900,000/year)
 - Poison Control Program (48%/\$204,300/year)
 - Other GPR/PR funded grants receive 1% reduction

DHS State Operations

- \$24.6 million GPR in administrative savings
 - Maintain 11.5% position vacancy rate (outside of institutions)
 - Reduced state operations contracts
 - Shifts to federal or program revenue funding
 - Re-estimate population growth for Sand Ridge Secure Treatment Center
- Agency Human Resources Staff Consolidation – HR staff will be consolidated under the state Office of State Employment Relations
- Institution Staffing
 - Fully funds facility overtime costs
 - Assumes DHS will pursue aggressive recruitment efforts to ensure direct care positions do not remain vacant due to turnover