

Tony Evers
Governor



Roger Frings
Chairperson

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Vice-Chairperson

Kevin Florek
Secretary

State of Wisconsin

State Council on Alcohol and Other Drug Abuse

1 West Wilson Street, P.O. Box 7851
Madison, Wisconsin 53707-7851

March 4, 2021

SENT VIA MAIL AND EMAIL

TO: Members, State Assembly and State Senate

FROM: Roger Frings, Chairperson, State Council on Alcohol and other Drug Abuse
Roger A. Frings

RE: Support for Budget Line Item – Reimbursement of Room and Board Expenses

On behalf of the State Council on Alcohol and Other Drug Abuse (SCAODA), I am requesting that you consider taking action pursuant to a motion approved by the full Council last December 4th. The motion pertains to a non-covered expense under the new residential substance use disorder (SUD) treatment Medicaid benefit that began on February 1st. The approved motion reads, “*SCAODA encourages the Governor and Legislature to establish funding to cover Wisconsin Medicaid members’ costs of room and board in Residential SUD Treatment, through execution of individual contractual agreements with Wisconsin Administrative Rule DHS 75.11 and 75.14 Residential Treatment Providers.*”

In approving this motion, the full Council believes it is essential for the State to provide funding to cover room and board costs in order to promote greater participation by residential SUD treatment providers in the new Medicaid benefit program, so that additional consumers in need of such treatment can receive those services. Under federal regulations, Medicaid reimbursements cannot cover room and board costs. Without such coverage, many treatment providers cannot afford to participate in the new benefit program, thereby depriving many additional consumers of the opportunity to receive necessary residential SUD treatment.

The Council encourages state lawmakers to approve \$3,274,600 in annual GPR funds, over two years, proposed in Governor Evers’ 2021-23 biennial budget that specifically covers room and board costs for residential SUD treatment providers enrolled in Medicaid, as described under Department of Health Services Recommendation #38. (See Budget Recommendation #38 for the proposed Department of Health Services budget on page 276 of the Governor’s 2021-23 Executive Budget.) Furthermore, the Council suggests that those funds be distributed in a manner that will cover actual room and board costs incurred by each treatment provider.

I am also including a copy of the Motion language with additional explanation supporting the motion, and the Council’s motion approval documentation for your review and consideration.

For further information, please contact me at Roger.Frings@wisconsin.gov or Michael Derr of the Department of Health Services at Michael.Derr@dhs.wisconsin.gov. Thank you very much for your consideration on this request.

cc: DHS Deputy Secretary Julie Willems Van Dijk
Katie Domina, Office of the Governor
Members, State Council on Alcohol and Other Drug Abuse
Michael Derr, DHS, Bureau of Prevention Treatment and Recovery

Attachments

2021 Proposed Legislation

[SB-022](#) **Liquor Sales** (Felzkowski, Mary) – Also [AB-032](#). The retail sale of intoxicating liquor by the glass for consumption away from the licensed premises. Allows certain alcohol beverage retailers to sell intoxicating liquor by the glass for consumption away from the licensed premises if the retailer seals the container of intoxicating liquor with a tamper-evident seal before the intoxicating liquor is removed from the premises. *Referred to Senate Committee on Government Operations, Legal Review & Consumer Protection. Committee public hearing on 2/4/21. [Also: Referred to Assembly State Affairs. Committee public hearing on 2/10/21. Executive Session on 2/11/21 – Amendment #1 not adopted, 4-9. Passage recommended, 13-0.]* (“Cocktails to Go bill”)

[SB-049](#) **Opioid Data System** (Testin, Patrick) (Also [AB-041](#)). Opioid and methamphetamine data system and making an appropriation. Requires the Department of Administration to issue a request for proposals to establish and maintain an opioid and methamphetamine data system to collect, format, analyze, and disseminate information on opioid and methamphetamine use as specified in the bill. DOA must collaborate with and collect data from DHS, the DOC, the DOJ, DSPS, and DCF and any other applicable agencies for the opioid and methamphetamine data system. *Referred to Senate Health Committee on 2/9/21. Committee public hearing on 2/11/21 – Passage recommended, 4-1. [Also: Referred to Assembly Substance Abuse and Prevention Committee on 2/10/21.]*

[SB-056](#) **Alcohol** (Stroebel, Duey) (Also [AB-70](#)). Remote orders for the sale of alcohol beverages to be picked up on retail licensed premises. Allows most alcohol beverage retailers to make online or telephone sales of alcohol beverages to be picked up by the customer at parking spaces that are part of the retail licensed premises. The bill also prohibits municipalities from imposing by ordinance additional restrictions on these sales. *Referred to Senate Committee on Government Operations, Legal Review & Consumer Protection. Committee public hearing held on 2/4/21. [Also: AB-70 introduced and referred to Assembly Committee on State Affairs on 2/18/21.]* (Click n’ Collect bill”)

[SB-057](#) **Alcohol** (Stroebel, Duey) (Also [AB-71](#)). Alcohol beverages delivery and the face-to-face requirement for retail sales of alcohol beverages. Allows most alcohol beverages retailers to make online or telephone sales of alcohol beverages and deliver the alcohol beverages to the customer or to have the alcohol beverages delivered to the customer by an independent third-party delivery service. *Referred to Senate Government Operations, Legal Review & Consumer Protection. Committee public hearing held on 2/4/21. [Also: AB-71 introduced and referred to Assembly Committee on State Affairs on 2/18/21.]* (“Alcohol delivery bill”)

[LRB-0435 Memo Marijuana](#) (Sortwell, Shae) Possession of not more than 10 grams of marijuana and providing a penalty. *Deadline: Monday, February 8, 5 pm*

Governor Evers' Marijuana Proposal: [Governor Evers announced](#) over the weekend he will include a provision in his 2021-23 budget proposal to legalize, regulate, and tax marijuana in Wisconsin. The proposal would be to legalize recreational marijuana. His announcement says, "Legalizing marijuana is expected to generate more than \$165 million annually beginning in the second year of the biennium (Fiscal Year (FY) 23). The governor proposes setting aside \$80 million of the revenue generated by marijuana to reinvest in communities across the state through a new Community Reinvestment Fund. Beginning in FY23, the Community Reinvestment Fund will fund \$30 million in equity grants through the Department of Health Services, the Department of Administration, and the Department of Children and Families, respectively; \$5 million to fund grants to underserved communities through the Wisconsin Economic Development Corporation; and provide more than \$34 million to support sparsity aid, which goes to small, rural school districts. The remaining revenue would be deposited into the state's general fund."

Governor Evers' 2021-23 Budget Proposal: The Governor recommends expanding Medicaid benefits, to include \$3,274,600 in GPR funds per year over two years to cover room and board costs associated with residential substance use disorder (RSUD) treatment services provided by Medicaid treatment providers. (Medicaid benefits cannot cover room and board costs for RSUD treatment.) (See Governor's Budget Recommendation #38 for the proposed Department of Health Services budget on page 276 of the Governor's 2021-23 Executive Budget.)

February 2021 and 2021 YTD Excise Tax Revenues

Sales Type:	Month: February		Percent Change	Year-to-date through February		Percent Change
	FY20	FY21		FY20	FY21	
Cigarette Stamp	34,990,554.05	34,633,821.49	-1.02%	312,384,900.62	306,474,869.69	-1.89%
Cigarette Refund	-2,681,433.81	-466,692.85		-543,439.08	-1,253,668.55	
Cigarette (Net)	32,309,120.24	34,167,128.64	5.75%	311,841,461.54	305,221,201.14	-2.12%
Vapor Products	303,564.71	126,681.03	-58.27%	819,547.36	629,441.81	-23.20%
Tobacco Products	6,698,626.82	7,309,575.57	9.12%	52,927,548.40	52,734,144.80	-0.37%
Wine	273,348.88	250,122.25	-8.50%	2,387,803.83	2,660,473.07	11.42%
Liquor	3,542,877.60	4,003,232.02	12.99%	29,416,835.43	34,337,600.75	16.73%
Apple Cider	4,733.47	4,913.74	3.81%	36,195.93	36,327.19	0.36%
Liquor	3,820,959.95	4,258,268.01	11.44%	31,840,835.19	37,034,401.01	16.31%
Beer	665,612.40	579,857.68	-12.88%	4,780,514.27	5,494,446.85	14.93%
Total Excise	43,797,884.12	46,441,510.93	6.04%	402,209,906.76	401,113,635.61	-0.27%

Proposed DHS Rule 75

https://docs.legis.wisconsin.gov/code/chr/all/cr_20_047

This is the link for the Clearinghouse Rules page related to DHS 75. DHS submitted proposed Rule DHS 75 to the Legislature on Feb. 5, 2021. For further information, you can contact:

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