

2011-13 Biennial Budget

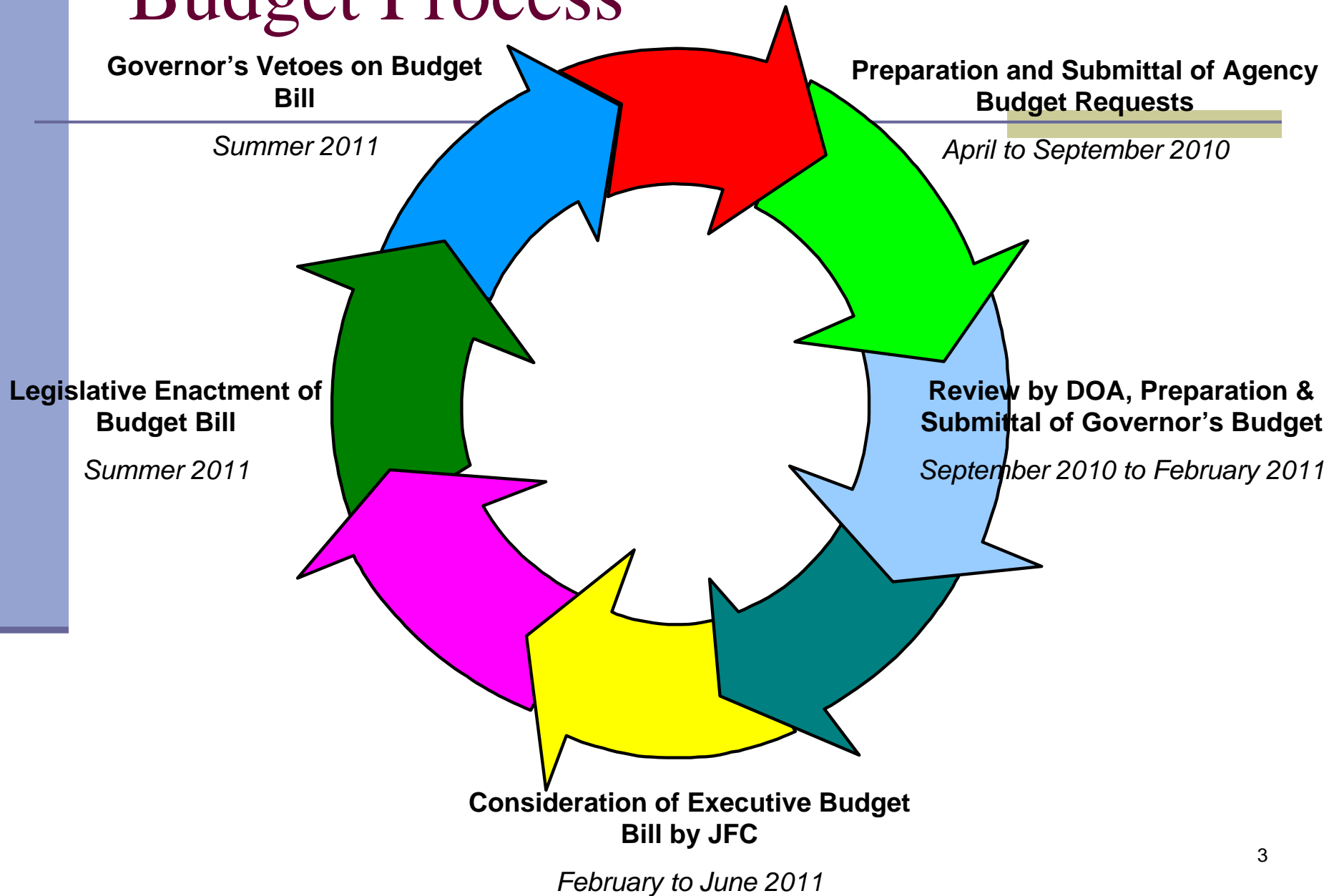
Major Provisions for the Department of Health Services



Overview

- Budget Process
- Medicaid Benefits
- Medicaid Administration and Other Re-estimates
- Public Health and Mental Health
- Institutions
- Department-wide

Budget Process



Biennial Medicaid Savings Target

	GOVERNOR'S BUDGET		FINAL BUDGET BILL	
	GPR	AF	GPR	AF
Implemented Medicaid cost efficiencies	\$193.6M	\$503.6M	\$163.0M	\$425.3M
Budget authorized Medicaid reforms/efficiencies	\$190.5M	\$466.6M	\$181.8M	\$444.6M
Targeted budget reforms	\$34.9M	\$69.0M	\$17.8M	\$55.5M
Family Care freeze	\$115.9M	\$290.8M	\$105.9M	\$265.6M
Total	\$543.9M	\$1,330.0M	\$468.5M	\$1,191.0M

Medicaid Benefits: Overview

- Funds Cost to Continue “Base Re-Estimate” for Medicaid and BadgerCare Plus
- Authority to Implement Reforms / Efficiencies in Medicaid and BadgerCare Plus
 - Such measures as strengthening eligibility standards, aligning coverage and cost share with private insurance, creating incentives to achieve better outcomes
 - DHS must submit changes to Joint Finance Committee for approval
 - DHS to request waiver from the Patient Protection and Affordable Care Act (PPACA) maintenance of effort requirements
 - If waiver not granted by January 1, 2012, DHS must comply with federal requirements under (PPACA) and instead end enrollment for non-disabled, non-pregnant adults above 133% of federal poverty level

Medicaid Benefits: Family Care

- Caps Further Enrollment Growth in the Family Care, Partnership, PACE, and IRIS programs in 2011-13 Biennial Budget
 - Requires DHS to evaluate the program, given its rapid growth in recent years
 - Enrollment cap to be administered by ADRC service area, across all four programs
 - Exceptions Include:
 - Individuals Relocating from Institutions to Community (if resided 90 or more days or facility is closing)
 - \$12 million All Funds per year to fund long term care services for waitlist individuals in urgent need of services, until a permanent placement becomes available through turnover

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Medicaid Benefits: Family Care

(continued)

■ ADRCs

- Cost to Continue for Existing Aging and Disability Resource Centers and **New** ADRCs in Remaining Counties

■ County Family Care Contribution

- Current Phase Down Formula Maintained

Medicaid: Other Long Term Care

■ Nursing Home Reimbursement:

- Assumes 1% increase in nursing home acuity in each fiscal year
- Increases county nursing home supplemental payment from \$38.1 million AF to \$39.1 million AF per year
- Exempts Veterans Homes from nursing home bed tax
- Changes to Labor/Wage Index Regions for Rate Setting Purposes beginning January 1, 2013

■ Children's Waivers:

- Funds cost to continue for existing placements
- \$42.4 million AF per year for autism waiver services, serving 2,500 children by FY 13
- \$26 million AF per year for non-autism waiver services for 1,613 state funded placements
- Creates appropriation to implement Third Party Administrator for Waivers, to comply with new federal requirements

Medicaid: Other Services

- Medicaid Reimbursement for Medicare Part A Services
 - Limits reimbursement to a provider so that combined Medicare/Medicaid reimbursement does not exceed Medicaid rate
- WIMCR
 - Enables DHS to streamline program for counties and state, if federal requirements are met.
- Essential Access City Hospital (EACH) Supplemental Payment
 - Reallocates \$4.7 million AF grant to provide the funding to three hospitals rather than one
- End Stage Renal Disease
 - Adjust reimbursement rates to Medicaid and Disease Aids program providers to equal 80% of Medicare rates.

Medicaid: SeniorCare

- Maintains existing eligibility and benefit coverage in the program

Total Medicaid Funding

	FY 12		FY 13	
	GPR	All Funds	GPR	All Funds
Base Funding	\$1.416B	\$6.447B	\$1.416B	\$6.447B
New Funding Level	\$2.061B	\$7.200B	\$2.015B	\$7.162B
<i>Change to Base</i>	<i>\$645M</i>	<i>\$753M</i>	<i>\$599M</i>	<i>\$715M</i>

Medicaid Caseload Assumptions (Average Monthly Caseload)

	FY 11	FY 12	FY 13
Elderly	37,700	36,900	36,200
People w/ disabilities	168,100	174,700	178,700
BadgerCare Plus	796,200	809,900	801,400
Other Enrollees	95,100	100,600	104,600
Total Enrollees	1,097,100	1,122,100	1,120,900
<i>% change from prior year</i>	<i>5.0%</i>	<i>2.3%</i>	<i>(0.1)%</i>

MA/FoodShare Eligibility Administration

- Reforms “Income Maintenance” System
- Counties will:
 - Form up to 10 consortia
 - Consortia will perform call/change center functions, application processing and eligibility functions, ongoing case management, and lobby services
 - Contribute county funds to consortia at least at CY 09 levels
- DHS will:
 - Issue contracts to consortia based on caseload
 - Establish performance measures, operate IT systems
 - Operate the funeral and cemetery aids program
 - Operate eligibility functions in Milwaukee County; replace Milwaukee county workers with state FTE
 - Milwaukee’s Community Aids reduced by \$2.7 million
 - Operate a statewide document processing center

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MA/FoodShare Eligibility Administration

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- FoodShare State Only Program
 - Effective July 2011, ends state program that funded benefits for individuals who do not meet federal residency/citizenship requirements
- Medicaid Contracts Re-estimate
 - Increase of \$34 million GPR over the biennium to fund contracts to administer Medicaid and FoodShare benefits

Other Re-estimates

■ Funeral and Cemetery Aids Program

- Increases funding by \$7.9 million GPR based on caseload re-estimate

■ Chronic Disease Aids Program

- Reduce funding by \$1.1 million based on caseload projection and rate change for end stage renal disease providers

■ SSI / Caretaker Supplement

- Provide increase \$9,640,000 GPR and \$2.4 million TANF based on caseload re-estimate

Public Health and Mental Health

■ Family Planning Grant

- Rename GPR grant program “Women’s Health Block Grant”; reduce by 10%
- Specify the funds may be allocated for activities that the funds currently support
- DHS may allocate the funds to public entities only; those entities may subcontract with private entities with limitations

■ Family Planning Only Medicaid Benefit

- End coverage for men
- Directs DHS to apply for federal waiver to continue coverage for women

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Public Health and Mental Health

(continued)

■ Grant Funding

- Reduces most GPR and Program Revenue Funded Grants by 10%, as part of shared budget deficit solution
- Tobacco Control Grants reduced by \$1,535,000 GPR per year; new funding level is \$5,315,000 annually
- Provides \$850,000 GPR per year for grants to non-profit dental clinics
- Provides \$250,000 GPR in FY 13 to support school-based dental sealant program

■ Community Aids Basic County Allocation (BCA)

- Maintain BCA at CY 11 levels
- Exception: Milwaukee County BCA adjustment related to Income Maintenance

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Public Health and Mental Health

(continued)

- Newborn Screening Test Fees
 - Requires DHS to set fee by rule, rather than State Lab of Hygiene Board
- Patient Health Care Records Fee
 - Revises statutory fees that providers may charge for copies of patient records; requires DHS to update them based on consumer price index. MA recipients can received copies at a reduced rate
- Community Recovery Services
 - Allows counties to use GPR grant to match federal Medicaid funds for certain community mental health services
- High Cost Tribal Mental Health Placements
 - Continues \$250,000 PR per year to fund high cost placements by tribal courts

Institutions

- **Mental Health Institute Population Split**
 - Increase of \$8,884,600 GPR and a reduction of (\$11,674,400) PR per year in both FY 12 and FY 13 to reflect smaller civilly-committed population. Reduce 35.95 FTE vacant positions
- **Transfer Units from Wisconsin Resource Center to Sand Ridge**
 - Reduce funding by \$10.9 million GPR biennially and 59.25 FTE for transfer of sexually violent persons units to Sand Ridge
- **Southern Wisconsin Center Re-estimate**
 - Restore 103.65 FTE and related spending authority because actual community placements were fewer than 2009-11 budget assumed

Department-wide Items

- Long Term Position Vacancies
 - Eliminate 52.36 FTE long term vacant positions department-wide
- Increase Employee Benefits Contribution
 - Reduce funding by \$22.9 million AF per year (\$9.6 million GPR) per year for higher employee contributions for health and pension benefits

Total DHS Funding: Biennium

	Funding		FTE	
	GPR	All Funds	GPR	All Funds
Base Funding	\$4.264B	\$16.258B	2,229.72	5,574.71
New Funding Level	\$5.652B	\$18.092B	2,439.17	5,873.30
Change to Base	\$1.388B	\$1.834B	209.45	298.59
<i>% change</i>	<i>32.5%</i>	<i>11.3%</i>	<i>9.4%</i>	<i>5.4%</i>