


To: Listserv

For: County Departments of Human Services Departments
County Departments of Social Services Directors
County 51 Directors
County Fiscal Contacts
County COP and Waiver Coordinators
Human Service Area Coordinators
Area Administrators
Community Integration Specialists

From: Sinikka Santala
Administrator 

Subject: LTC Fiscal Update Memo #4

This memo provides updated information and clarifies procedures regarding County Contribution under managed long-term care expansion. Specifically this memo describes:

1. Technical corrections to the levels of new funding provided to counties for Adult Protective Services (APS) as identified in a September 25, 2007, memorandum from Secretary Hayden to Cheryl Huenink and Mark O'Connell.
2. The Department's method for calculating the initial County Contribution amounts identified by s. 46.281(4) Wis. Stats.
3. Long-term County Contribution amounts as directed by 2007 Wisconsin Act 20.
4. The process by which counties may make payments to the Department for the County Contribution.
5. The process by which the State will provide funding for Adult Protective Services.

This is the fourth in a series of Informational Memorandums on the transition to Family Care and the fiscal implications the transition will have for the home and community-based waiver programs. **The Department will also employ a series of telephone conference calls to clarify the content of these memos, fielding questions and concerns that fiscal staff from the counties may have.**

The first in this series of calls will be scheduled from 11 am to noon on November 14. Additional calls are tentatively scheduled from 11 am to noon on November 28, and December 12. The Home and Community Based Waiver fiscal contacts will also be notified via email of the calls' scheduled times.

1. Technical corrections to the levels of new funding provided to counties for Adult Protective Services (APS) as identified in a September 25, 2007, memorandum from Secretary Hayden to Cheryl Huenink and Mark O'Connell.

The attached table, [Attachment A](#), is a schedule that shows the 2006 Basic County Allocation (BCA) amount for each county and the APS allocation calculated as 2% of a county's BCA. This table

updates the APS amounts in the September 25, 2007 memorandum from Secretary Hayden which included several minor technical errors in the "APS funding" column. As discussed in the September 25th memorandum, the new APS allocation is intended to fund ongoing county responsibilities for adult protective services. Please replace the previously received schedule with [Attachment A](#) to identify the actual APS funding levels your county will realize.

2. The Department's method for calculating the initial County Contribution amounts identified by s. 46.281(4) Wis. Stats. [Attachment B](#) shows the total CY 2006 County Contribution by county and underlying contribution amounts by waiver program used to calculate the contribution. This information is provided to facilitate county verification of the contribution amounts. Please also consider the following:

- County contribution amounts are based on **CY 2006** year end reconciliation, by waiver program, for COP, and the Home and Community Based Waivers for adults and on county supported costs for targeted case management.
- The preliminary waiver county contribution was determined by subtracting state and federal reimbursement by program from the total expenses reported (HSRS and administration) in each program.
- Expenses for children served in the adult waivers and expenses for persons with Mental Illness, who are not otherwise in a Family Care target group, were subtracted from the preliminary contribution amounts. These expenses were subtracted because they are expected to continue for a county after managed long-term care expansion. Children served in the adult waivers and persons with Mental Illness, who are not otherwise in a Family Care target group, are not eligible for Family Care.
- The contribution was further reduced by the amount of COP, family support and foster care continuation funds used to support the adult waiver programs.
- The final waiver county contribution is the amount a county would pay for waiver services with community aids and/or county levy.
- County support of targeted case management costs is added to a county's waiver contribution amount to equal the final contribution amount.

3. Long-term County Contribution amounts as directed by 2007 Wisconsin Act 20

2007 Wisconsin Act 20 includes an incremental reduction for counties currently investing more than 22% of their BCA into the long-term care system. This plan reduces a County's Contribution to the 22% level over a period of five years. The amount of contribution will not change for a County that is already contributing 22% or less. [Attachment C](#) is a schedule showing, for each affected county, its annual County Contribution amount, taking into account the annual reductions. Note: the implementation of this schedule for each county is dependent upon the date on which a Long Term Care MCO begins operations in that county. The table attached shows a generic format, with amounts for Year 1, Year 2, etc.

4. The process by which counties may make payments to the Department for the County Contribution

Act 20 provides counties with two options for paying County Contribution to the Department: 1) through a reduction to their BCA contract; or 2) through a direct payment (payment with a check) to the Department.

The Department will also make available a third payment method. A County can choose to direct the State to have its contribution netted from its monthly reimbursements for state/county contract allocations in the CARS system. The contribution will be deducted from all state/county contract reimbursements in a given month or over multiple month(s) as directed by the county. This approach avoids the need for the county to issue and submit a check to the Department.

In deciding its payment method, the county may wish to consider several factors.

First, for a small number of counties, the amount of the initial, required contribution will exceed the county's BCA level. If this is the case, the county would need to make a payment to the

Department for the remaining contribution amount. In these cases, a county could make a direct payment or have the payment netted from CARS reimbursements for its entire contribution to simplify the process.

Second, the Department adjusts BCA contracts semi-yearly through the Wisconsin Medicaid Cost Reporting (WIMCR) program. In some counties, the WIMCR adjustments may reduce the BCA during the year to less than the Family Care contribution amount. Again, in these cases, the Department will notify the county that it will need to make a payment for the remainder of the contribution.

Each county will be asked to elect one of these options at the time their county begins transitioning clients to the Family Care managed care organization(s). Counties will have the opportunity to change payment methods annually. However, once a method is selected for a year, the method may not be changed mid-year.

5. The process by which the State will provide funding for Adult Protective Services (APS).

The September 25, 2007 memorandum from Secretary Hayden to Cheryl Huenink and Mark O'Connell shows the amount of funding each county will receive for APS. The amount of a county's APS allocation is calculated as 2% of its BCA. The State will provide this new APS funding to a county when a county begins its transition to managed long-term care (a county's transition to managed long-term care begins when its waiver recipients begin enrolling in the managed long-term care MCO). APS funding will be provided to a county as a separate addendum to the State-County contract. Counties will claim this funding through the Community Aids Reporting System (CARS). This funding will have its own CARS profile.

If you have questions or concerns, please contact the following individuals:

- Tom Lawless, Section Chief, Financial Management and Business Services Section – (608) 261-7810 or lawletm@dhfs.state.wi.us
- Anne Olson, Supervisor Fiscal Unit – (608) 264-9870 or olsonac@dhfs.state.wi.us
- Sue Liegel for COP and COP-W – (608) 266-9755 or liegesk@dhfs.state.wi.us
- Lisa Kelly for CIP II – (608) 267-3659 or kellylm@dhfs.state.wi.us
- Erin Warner for CIP 1 or BIW – (608) 261-0646 or warneem@dhfs.state.wi.us

REGIONAL OFFICE CONTACT:

CENTRAL OFFICE CONTACT:

MEMO WEB SITE: http://dhfs.wisconsin.gov/dsl_info/

Attachments:

[Attachment A - 2006 Basic County Allocation \(BCA\)](#) (PDF, 15 KB)

[Attachment B - CY 2006 County Contribution](#) (PDF, 29 KB)

[Attachment C - Annual County Contribution Amount](#) (PDF, 19 KB)

cc: Fredi Bove, DHFS / DLTC
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