

DEPARTMENT OF HEALTH SERVICES
DIVISION OF HEALTH CARE ACCESS AND
ACCOUNTABILITY
ADMINISTRATOR'S MEMO SERIES

NOTICE: 11-02
(Amended)

DATE: August 1, 2011
DISPOSAL DATE:

RE: Income Maintenance
Regionalization Initiative for
January 1, 2012 through
December 31, 2012

TO: County Departments of Human Services Directors
County Departments of Social Services Directors
Tribal Chairpersons/Human Services Facilitators
Tribal Economic Support Directors

FROM: Brett Davis, Administrator
Division of Health Care Access and Accountability

PURPOSE

This amended administrator's memo describes the transition of Administration of Income Maintenance Services from a County based model to an Income Maintenance Consortia model beginning January 1, 2012.

BACKGROUND

Currently, the Department of Health Services (DHS) contracts with local County and tribal agencies to administer Income Maintenance (IM) Programs. The programs are funded with state, federal, and local funds. In addition, the state operates and manages the Enrollment Services Center (ESC), which serves individuals without dependent children statewide, and Milwaukee Enrollment Services (MILES) is a state managed and County staffed hybrid model that serves Milwaukee County residents.

As part of the 2011-2013 biennial budget the Legislature directed the Department to contract with no more than 10 multi-county consortia to provide Income Maintenance Services, excluding the Milwaukee Enrollment Services (MILES) and tribal income maintenance agencies. The Department is also responsible for creating an IM Administration Unit, described below.

Counties must notify DHS of the composition of their proposed consortia by October 1, 2011, and the Department must certify the consortia by October 31, 2011. Full implementation of Regionalized model is to occur on January 1, 2012.

KEY ELEMENTS OF IM CONSORTIA

- 10 consortia, MilES, and the Tribes
- Need to be certified by October 31, 2011
- Start date is January 1, 2012
- Contracting with only lead agency (or entity representing the consortia)
- Centralized functions to create efficiencies such as a statewide scanning unit and regional call centers
- New prevention fraud activities
- Change in allocation methodology and funding levels

GOAL

The Legislature's goal in Income Maintenance Consortia is to continue high quality customer service at the local level while achieving administrative and cost efficiencies statewide to address the state's difficult fiscal situation.

- Increased administrative efficiencies
- Continued local presence
- Standardization of service delivery

IM ADMINISTRATION UNIT

The Income Maintenance Administration Unit will be responsible for performing centralized functions on a state wide basis. These include:

- Operating a centralized document processing unit
- HMO Enrollment services
- Maintaining CARES
- Providing IT and licenses for call/change centers operated by consortia
- Performing second party reviews
- Administering Wisconsin Funeral and Cemetery Aids Program (WFCAP)
- Providing IM worker training
- Contracting with consortia and tribal governing bodies, including establishing performance requirements

LOCAL AGENCY FUNCTIONS

These functions will be performed within the consortia, MilES, or by the Tribal Agencies:

- Conducting application processing
- Eligibility processing services

- Providing in-person services
- Coordination with state staff and consortia partners to ensure provision of the following administrative functions:
 - Subrogation
 - Benefit recovery
 - Fair hearings
 - Fraud prevention and identification

The Department will also work with the consortia to coordinate training and second party review functions.

OPT OUT

County agencies have the discretion to opt out of providing income maintenance services. However, the Department is encouraging all County agencies to explore all options to participate in a consortia. Should a County "opt out" of providing IM services the County must pay to DHS an amount of funding equal to the County's local contribution toward IM services in 2009.

FUNDING

Below is a summary of the funding available beginning in state fiscal year 2013. This budget assumes a 50% federal match to every dollar spent.

Overall funding levels for local agency contracts have decreased by 15.5% from previous budget years.

In addition to state and federal funding, the biennial budget requires counties to contribute local funds to their consortia equal to their local income maintenance "overmatch" amount in CY 09.

2011-13 Biennial Budget			
Annual Funding Levels for Income Maintenance Functions, beginning in FY 13			

Category	Funding		
	GPR/County	FED	Total
A. Centralized Services			
1. Staff Costs	\$2,757,100	\$2,757,100	\$5,514,200
2. Document Processing Unit	\$2,093,000	\$2,093,000	\$4,186,000
3. Call Center Licenses	\$2,150,000	\$2,150,000	\$4,300,000
4. CARES Infrastructure Costs	\$2,500,000	\$2,500,000	\$5,000,000
Subtotal	\$9,500,100	\$9,500,100	\$19,000,200
B. Milwaukee Enrollment Services	\$14,500,700	\$14,500,700	\$29,001,400
C. Fraud Funding			

1. State Staff and Contracts	\$750,000	\$750,000	\$1,500,000
2. Contracts to Counties and Tribes*	\$250,000	\$250,000	\$500,000
Subtotal	\$1,000,000	\$1,000,000	\$2,000,000
D. Funding to County Consortia and Tribes			
Income Maintenance Contract to			
1. Counties/Tribes*	\$13,624,500	\$13,624,600	\$27,249,100
County Maintenance of Effort +			
2. Federal Match	\$20,084,050	\$20,084,050	\$40,168,100
Subtotal	\$33,708,550	\$33,708,650	\$67,417,200
E. Total Income Maintenance Funding	\$58,709,350	\$58,709,450	\$117,418,800

Consortia will continue to be eligible to receive federal matching funds for allowable Income Maintenance activities.

No additional funding will be provided to the consortia beyond that amount allocated in the above for the base IM functions. Separate contracts will be provided for FSET and fraud funding.

ALLOCATIONS AT THE LOCAL AGENCY LEVEL

The Department met with the Workload and Finance Workgroup, a subcommittee of the Income Maintenance Advisory Committee (IMAC), to discuss possible methods for allocating the available funding to the local agencies. Provided below is a summary of the options and the recommendations provided by the participants. The following options were discussed at the meeting:

- Option A: Redistribute available funding based on caseload. Tribal agency funding would be reduced based on caseload levels. This could not begin until April 1, 2012.
- Option B: Redistribute available funding based on caseload for only County agencies. Tribes would be retained at their current funding level.
- Option C: Redistribute available funding based on caseload for the counties with a reduction of 15.5% for the tribal allocation from their current levels. (This percentage is based on the reduction of state IM funding from the previous year.)
- Option D: In the event additional tribal agencies are interested in becoming income maintenance agencies, the allocation will need to be re-evaluated.

The recommendation from this group was to allocate funds based on the methodology in Option C. This option was deemed the most fair and equitable in terms of taking a representative share of the funding from all agencies. However, if the tribes can be part

of a consortium, the counties represented preferred Option A (allocating to all agencies based on caseload).

Based on the recommendation of Workload and Finance, the counties will be held at the allocation that would occur with a 15.5% reduction to the tribal allocation. However, the state will make up the difference so that the tribes remain whole through September 2012. County agencies will be allocated \$13,303,592 GPR (approximately \$26,607,184 with 50% fed match), while the tribal allocation will be \$363,121 GPR (would have been reduced to \$320,908 GPR). The allocations per agency are included in the attached spreadsheet.

DHS continues to work with IMAC and the WI County Human Service Association to develop funding allocations that support operation of income maintenance consortia across the state.

RANDOM MOMENT SAMPLING (RMS) SHORTFALL

Random Moment Sampling is a sampling methodology to determine what County workers are doing at a set point in time. The information obtained from this process is used in claiming the federal matching funds to the state funding provided. Historically, there has been a shortfall in available funding.

The Department will cover the shortfall for calendar year 2011, however, the shortfall risk for calendar year 2012 will be shared equally between the counties and the state. With an estimated annual RMS shortfall of approximately \$1.5 million, each (state and counties) would be responsible for approximately \$750,000, assuming that the historical trends hold true. The Department is currently discussing options for reconciling these costs at year end.

The Department is committed to focus on training on how to accurately respond to RMS queries and on what costs are eligible to report as IM expenses to further reduce the risk for this shortfall. Options on how to address the RMS shortfall for future years (CY13 and beyond) will be discussed at a future time.

ENROLLMENT SERVICES CENTER TRANSITION

On July 26, 2011 DHS submitted a Corrective Action Plan to FNS that outlined the timeline for transitioning ESC cases to the counties of residence. On August 11, 2011 the plan was approved.

October 1, 2011: All childless adult ESC cases that reside in Milwaukee County and stop in or call MiLES for issues related to their cases will be dealt with by MiLES staff and the case will be transferred from the ESC to MiLES. Also, all priority service FoodShare ESC applications that are completed at Coggs, UMOS, and Robles will be processed by MiLES staff and after processing will be retained by MiLES. This represents about 1,500 FoodShare cases per month for five months. This workload will be assumed by existing

Miles staff and new merit staff hired at Miles this fall. The current Miles self-service team will be replaced with state staff beginning January 1, 2012.

November 1, 2011: FoodShare Only renewals will be transferred from the ESC to the county of residence upon renewal completion. The renewals represent about 6,000 FoodShare cases per month for three months. Approximately 35% of these cases (2,100 per month) will be transferred to Miles and 65% (3,900 cases per month) to the 10 consortia.

December 1, 2011: FoodShare Only renewals and new applications will be transferred from ESC to county of residence upon completion of renewal or confirmation. The volume of new applications is about 2,000 per month for two months of which approximately 35% will be transferred to Miles.

January 1, 2012: All FoodShare renewals and new applications are transferred from ESC to county of residence upon completion of renewal or confirmation. The estimated volume of this action is 1,500 cases transferred in January.

All actions taken between August and January will result in about 31,000, or nearly one-third of the ESC's total FoodShare caseload, being transferred to counties prior to January 1, 2012. Of the 31,000 cases, approximately 10,800 will be transferred to Miles and 20,200 cases will be transferred to the 10 consortia.

January 1 - March 31, 2012: Transfer all remaining ESC cases to regional consortia. The ESC will stop accepting new applications sometime between January 1 and March 31, 2012. While the goal is to accomplish this as soon as possible, our first priority will continue to be maintaining quality service to the public.

The case load impact data has been provided to counties and trainings will be offered in November to County staff on the processing of BadgerCare Plus (BC+) Core Plan cases, the only case type that will be new to staff. Please note no cases containing BC+ Core will be transferred until December 1, 2011.

MORE INFORMATION

Legislative Fiscal Bureau Paper #355: Income Maintenance Centralization and FoodShare Transfer (Health Services and Children and Families)

<http://legis.wisconsin.gov/lfb/2011-13%20Budget/Budget%20Papers/355.pdf>

Budget Summary: Pages 338-345

<http://legis.wisconsin.gov/lfb/2011-13%20Budget/Joint%20Finance/dhs.pdf>

Motions:

<http://www.thewheelerreport.com/releases/June11/0606/0606motion.pdf>

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