Wisconsin
Department of Health Services

Biennial Budget Request 2013-2015

September 17, 2012

http://dhs.wisconsin.gov/aboutdhs/

State of Wisconsin
Department of Health Services

Scott Walker, Governor
Dennis G. Smith, Secretary

September 17, 2012

Mr. Mike Huebsch
Secretary
Department of Administration
101 East Wilson Street
Madison, WI 53703

Dear Secretary Huebsch:

I am pleased to submit to you the 2013-15 biennial budget request for the Department of Health Services.

Consistent with the Department of Administration's instructions, the Department's budget request is largely limited to standard cost to continue re-estimates of the Department's entitlement programs as well as operations at its seven direct care facilities. We have also included for your consideration several new savings initiatives.

As always, the largest components of our budget request relate to the Medicaid program. Allow me to put the numbers in context.

First, a substantial percentage of the Department's request is driven by federal policies and requirements. The Department requests $248 million General Program Revenue (GPR) due to a decline in federal Medicaid match rates and an increase in required payments for Medicaid enrollees who also participate in the Medicare program. The federal Medicaid matching rate for Wisconsin is projected to drop by one and a half percentage points compared to assumptions in the 2011-13 budget, which alone increases GPR costs by nearly $200 million in the coming two years. This change is indicative of Wisconsin's economy improving compared to the rest of the country, as the formula is largely based on the state's relative per capita income. Nevertheless, it means a greater share of the cost of our Medicaid programs will be shifted to the state budget even as we strive to control inflation in the overall program.

The Department requests $410 million GPR to reflect the cost to continue re-estimate for Medicaid, based on projected enrollment and estimated expenditures per enrollee. Because Medicaid eligibility is based on income, enrollment is sensitive to the overall performance of the economy. However, although the state unemployment rate has declined, Medicaid enrollment remains near historic highs.

One important factor is the ongoing demand for long term care services for seniors and people with disabilities. In state fiscal year 2011, long term care expenditures reached nearly $2.9 billion and accounted for 43 percent of total Medicaid expenditures. Long term care spending is concentrated among a relatively small number of individuals. Wisconsin Medicaid served 71,247 of our most vulnerable citizens in need of long term care, services and supports.

Overall, we project that long term care costs in managed care, nursing homes, and community fee-for-service will grow by approximately 6% in FY 14 and 5% in FY 15. This increase is driven by enrollment growth as our population continues to age and higher service volumes per enrollee. The 2011-13 budget implemented a temporary enrollment cap for Family Care, PACE/Partnership, and IRIS to enable these programs to be thoroughly evaluated, and the cap was lifted by Wisconsin Act 127 in April 2012. The Department's request assumes these programs remain in existing service areas with no further expansion into new counties. However, we expect more people to enroll in the programs as full entitlement is reached in all existing counties under current law and as people continue to take advantage of opportunities to relocate from institutions to the community.

While enrollment growth reflects previously enacted state law, we have taken steps to decrease average per person costs, enabling the program to be sustainable into the future. To illustrate:

- Per member per month costs for all Family Care enrollees has dropped by 3% from 2010 to 2012.

- People who have enrolled in the program in the first few months since April 2012 cost 23% less than existing enrollees.

- This 2013-15 biennial budget request assumes 1.8% increase per year in per member costs for all enrollees, which is well below health care inflation trends.

We have been able to achieve these favorable trends through greater emphasis on maximizing cost effective community living arrangements, informal supports, and strategies to keep people healthy and independent.

The remainder of the funding requested for Medicaid reflects projected increases in the amount of primary and acute care used by the average enrollee in managed care and fee for service. The federal government requires states to set "actuarially sound" managed care rates based on projected service utilization.

The Department's budget request does not include any eligibility, enrollment, or benefit changes that may occur if the Patient Protection and Affordable Care Act (PPACA) is implemented. We will continue to monitor PPACA developments at the national level over the next several months and will work with your staff to identify any appropriate actions for the Governor's Budget.

There is still great uncertainty about key federal policies that can have a significant impact on the state budget.

Overall, Medicaid expenditures are expected to grow by 3.9% in FY 13, 1.3% in FY 14 and 4.4% in FY 15. According to National Health Expenditures Projections 2011-2020 published by the federal Centers for Medicare and Medicaid Services, Medicaid expenditures nationally will grow by 6% per year through 2015. Overall health care costs are expected to grow by 5.3% annually in 2014 and 2015. These growth rates are before factoring in the possible effects of PPACA. PPACA has done little to reduce the cost of health care. National health care spending has slowed but the changes are related to the weakness of the national economy. Nationally, the number of individuals without health insurance has increased from 2008 levels.

The below average growth we project for Wisconsin's Medicaid program, compared to the national average, stem from the cost savings reforms we have begun to implement in the current biennium. While much work needs to be done, we have taken real steps to control inflationary pressures in the program. These include:

- Receiving approval from the federal government to require BadgerCare Plus adults above 133% of the federal poverty level to pay premiums more closely aligned to what working families pay for health insurance in the private market. We also have strengthened requirements that they rely on any private insurance available to them first before enrolling in Medicaid.

- Working to implement several "medical homes" for individuals with special care needs. A medical home is not a physical place, but rather is a method of delivering care in a coordinated way. We recently won federal approval for a medical home for children in foster care, which we plan to implement this January. We are pursuing similar models for members with other special care needs.

- Expanding our Medicaid audit activities through the new Office of the Inspector General.

- Aligning Medicaid reimbursement policy with Medicare where appropriate.

- Implementing a manager for non-emergency transportation services.

- Reviewing electronic controls within the Medicaid payment system to ensure they are properly enforcing current reimbursement policies and to accurately claim federal funding.

- Accessing information from financial institutions to verify assets reported by Medicaid applicants.

- Requiring self-insured health plans to report third party insurance information for Medicaid members.

- Collaborating with pharmacists and managed care organizations to help members better manage their medications.

It is important to note that the amounts requested for Medicaid primarily reflect growth in the next biennium. We will submit our next quarterly report to the Joint Committee on Finance on Medicaid finances for the current biennium at the end of September. We project that the fiscal situation remains manageable for the current fiscal year.

This budget request also contains several new savings measures for the coming biennium:

- Improve program integrity in Medicaid by verifying state residency for Medicaid applicants through additional electronic database matches.

- Further expand and improve efforts to identify and bill third party health insurance and tort and casualty claims for Medicaid members.

- Improve the accuracy of reimbursement policies to ensure we reimburse for the right service at the appropriate time.

- Convert contract staff to state positions where it is more cost effective. In total, we are requesting to convert 32.25 FTE to state positions.

We are faced with great uncertainty in regards to federal funding for discretionary programs, particularly in public health. Over the years, the state has become increasingly dependent upon federal grants for important public health activities. As the federal government addresses its fiscal challenges, it appears unlikely that discretionary grant funding will keep pace with population and demographic changes. We have already experienced a decline in funding for lead prevention activities, for example.

This request represents a starting point. In the coming months, we will work with you and your staff on further initiatives to advance the Governor’s policy goals and improve the cost effectiveness of Medicaid and other Department programs for the 2013-15 biennium.

Sincerely,

Dennis G. Smith

Dennis G. Smith

TABLE OF CONTENTS

B-7 -- Department of Health Services

		FIRST YEAR			SECOND YEAR		
	Expenditure Items	Adjusted Base Year	Changes to Base	TOTAL BUDGET	Adjusted Base Year	Changes to Base	TOTAL BUDGET
1	Permanent Position Salaries	$304,257,800	($5,444,200)	$298,813,600	$304,257,800	($4,186,200)	$300,071,600
2	Turnover	$0	($2,859,900)	($2,859,900)	$0	($2,859,900)	($2,859,900)
3	Project Position Salaries	$4,400	($4,400)	$0	$4,400	($4,400)	$0
4	LTE/Misc. Salaries	$3,185,400	$0	$3,185,400	$3,185,400	$0	$3,185,400
5	Fringe Benefits	$131,573,800	$950,000	$132,523,800	$131,573,800	$1,515,400	$133,089,200
6	Supplies and Services	$261,922,600	$29,652,400	$291,575,000	$261,922,600	$29,342,700	$291,265,300
7	Permanent Property	$3,882,600	$0	$3,882,600	$3,882,600	$0	$3,882,600
8	Unalloted Reserve	$0	$0	$0	$0	$0	$0
9	Aids to Individuals & Organizations	$7,885,782,300	$341,839,500	$8,227,621,800	$7,885,782,300	$626,459,100	$8,512,241,400
10	Local Assistance	$388,370,000	$11,578,500	$399,948,500	$388,370,000	$12,634,000	$401,004,000
11	One-time Financing	$0	$98,200	$98,200	$0	$0	$0
12	Debt service	$22,179,800	$0	$22,179,800	$22,179,800	$0	$22,179,800
13	Food	$3,454,700	($14,400)	$3,440,300	$3,454,700	$66,900	$3,521,600
14	Variable Non-Food	$22,936,500	$747,900	$23,684,400	$22,936,500	$4,557,600	$27,494,100
15	Internal data processing	$10,827,000	$0	$10,827,000	$10,827,000	$0	$10,827,000
16	Rent (leased and state-owned)	$8,176,600	$709,400	$8,886,000	$8,176,600	$898,300	$9,074,900
17	TOTAL COSTS	$9,046,553,500	$377,253,000	$9,423,806,500	$9,046,553,500	$668,423,500	$9,714,977,000
18	Project Positions Authorized	-	-	-	-	-	-
19	Classified Positions Authorized	5,911.80	39.75	5,951.55	5,911.80	39.75	5,951.55
20	Unclassified Positions Authorized	12.00	-	12.00	12.00	-	12.00

B-7 -- Department of Health Services

	ANNUAL SUMMARY					BIENNIAL SUMMARY			
SOURCE OF FUNDS	ADJUSTED BASE YEAR	1ST YEAR	2ND YEAR	1ST YEAR FTE	2ND YEAR FTE	DOUBLED (BYD)	BIENNIAL REQUEST	CHANGE FROM BYD ($)	CHANGE FROM BYD (%)
GPR	$2,824,510,600	$3,076,487,800	$3,219,836,600	2,483.62	2,483.62	$5,649,021,200	$6,296,324,400	$647,303,200	11.5%
A	$2,199,001,100	$2,439,289,300	$2,564,793,400	-	-	$4,398,002,200	$5,004,082,700	$606,080,500	13.8%
L	$320,851,900	$329,111,500	$343,524,200	-	-	$641,703,800	$672,635,700	$30,931,900	4.8%
S	$304,657,600	$308,087,000	$311,519,000	2,483.62	2,483.62	$609,315,200	$619,606,000	$10,290,800	1.7%
PR	$540,116,500	$566,222,100	$568,394,700	2,313.75	2,313.75	$1,080,233,000	$1,134,616,800	$54,383,800	5.0%
A	$245,222,000	$299,120,800	$300,890,400	-	-	$490,444,000	$600,011,200	$109,567,200	22.3%
L	$5,357,600	$5,357,600	$5,357,600	-	-	$10,715,200	$10,715,200	$0	0.0%
S	$289,536,900	$261,743,700	$262,146,700	2,313.75	2,313.75	$579,073,800	$523,890,400	($55,183,400)	-9.5%
SEG	$818,734,700	$823,721,100	$820,968,600	2.00	2.00	$1,637,469,400	$1,644,689,700	$7,220,300	0.4%
A	$818,418,800	$823,403,400	$820,650,600	-	-	$1,636,837,600	$1,644,054,000	$7,216,400	0.4%
S	$315,900	$317,700	$318,000	2.00	2.00	$631,800	$635,700	$3,900	0.6%
Total - Non Federal									
A	$3,262,641,900	$3,561,813,500	$3,686,334,400	-	-	$6,525,283,800	$7,248,147,900	$722,864,100	11.1%
L	$326,209,500	$334,469,100	$348,881,800	-	-	$652,419,000	$683,350,900	$30,931,900	4.7%
S	$594,510,400	$570,148,400	$573,983,700	4,799.37	4,799.37	$1,189,020,800	$1,144,132,100	($44,888,700)	-3.8%
PR - F	$4,863,191,700	$4,957,375,500	$5,105,777,100	1,164.18	1,164.18	$9,726,383,400	$10,063,152,600	$336,769,200	3.5%
A	$4,523,327,500	$4,588,594,000	$4,735,634,100	-	-	$9,046,655,000	$9,324,228,100	$277,573,100	3.1%
L	$100,705,800	$103,523,200	$103,483,700	-	-	$201,411,600	$207,006,900	$5,595,300	2.8%
S	$239,158,400	$265,258,300	$266,659,300	1,164.18	1,164.18	$478,316,800	$531,917,600	$53,600,800	11.2%
Total - Federal									
A	$4,523,327,500	$4,588,594,000	$4,735,634,100	-	-	$9,046,655,000	$9,324,228,100	$277,573,100	3.1%
L	$100,705,800	$103,523,200	$103,483,700	-	-	$201,411,600	$207,006,900	$5,595,300	2.8%
S	$239,158,400	$265,258,300	$266,659,300	1,164.18	1,164.18	$478,316,800	$531,917,600	$53,600,800	11.2%
GPR	$2,824,510,600	$3,076,487,800	$3,219,836,600	2,483.62	2,483.62	$5,649,021,200	$6,296,324,400	$647,303,200	11.5%
A	$2,199,001,100	$2,439,289,300	$2,564,793,400	-	-	$4,398,002,200	$5,004,082,700	$606,080,500	13.8%
L	$320,851,900	$329,111,500	$343,524,200	-	-	$641,703,800	$672,635,700	$30,931,900	4.8%
S	$304,657,600	$308,087,000	$311,519,000	2,483.62	2,483.62	$609,315,200	$619,606,000	$10,290,800	1.7%
PR	$5,403,308,200	$5,523,597,600	$5,674,171,800	3,477.93	3,477.93	$10,806,616,400	$11,197,769,400	$391,153,000	3.6%
A	$4,768,549,500	$4,887,714,800	$5,036,524,500	-	-	$9,537,099,000	$9,924,239,300	$387,140,300	4.1%
L	$106,063,400	$108,880,800	$108,841,300	-	-	$212,126,800	$217,722,100	$5,595,300	2.6%
S	$528,695,300	$527,002,000	$528,806,000	3,477.93	3,477.93	$1,057,390,600	$1,055,808,000	($1,582,600)	-0.2%
SEG	$818,734,700	$823,721,100	$820,968,600	2.00	2.00	$1,637,469,400	$1,644,689,700	$7,220,300	0.4%
A	$818,418,800	$823,403,400	$820,650,600	-	-	$1,636,837,600	$1,644,054,000	$7,216,400	0.4%
S	$315,900	$317,700	$318,000	2.00	2.00	$631,800	$635,700	$3,900	0.6%
Total									
A	$7,785,969,400	$8,150,407,500	$8,421,968,500	-	-	$15,571,938,800	$16,572,376,000	$1,000,437,200	6.4%
L	$426,915,300	$437,992,300	$452,365,500	-	-	$853,830,600	$890,357,800	$36,527,200	4.3%
S	$833,668,800	$835,406,700	$840,643,000	5,963.55	5,963.55	$1,667,337,600	$1,676,049,700	$8,712,100	0.5%
Grand Total	$9,046,553,500	$9,423,806,500	$9,714,977,000	5,963.55	5,963.55	$18,093,107,000	$19,138,783,500	$1,045,676,500	5.8%

B-7 -- Division of Public Health

		FIRST YEAR			SECOND YEAR		
	Expenditure Items	Adjusted Base Year	Changes to Base	TOTAL BUDGET	Adjusted Base Year	Changes to Base	TOTAL BUDGET
1	Permanent Position Salaries	$22,689,500	($261,700)	$22,427,800	$22,689,500	($261,700)	$22,427,800
2	Turnover	$0	($562,800)	($562,800)	$0	($562,800)	($562,800)
3	Project Position Salaries	$4,200	($4,200)	$0	$4,200	($4,200)	$0
4	LTE/Misc. Salaries	$159,400	$0	$159,400	$159,400	$0	$159,400
5	Fringe Benefits	$9,768,100	$208,600	$9,976,700	$9,768,100	$208,600	$9,976,700
6	Supplies and Services	$25,608,100	$241,100	$25,849,200	$25,608,100	$241,000	$25,849,100
7	Permanent Property	$35,000	$0	$35,000	$35,000	$0	$35,000
8	Unalloted Reserve	$0	$0	$0	$0	$0	$0
9	Aids to Individuals & Organizations	$207,259,100	($5,967,900)	$201,291,200	$207,259,100	($4,122,800)	$203,136,300
10	Local Assistance	$2,683,200	$0	$2,683,200	$2,683,200	$0	$2,683,200
11	One-time Financing	$0	$0	$0	$0	$0	$0
12	Debt service	$0	$0	$0	$0	$0	$0
13	Food	$0	$0	$0	$0	$0	$0
14	Variable Non-Food	$92,500	$0	$92,500	$92,500	$0	$92,500
15	Internal data processing	$1,278,100	$0	$1,278,100	$1,278,100	$0	$1,278,100
16	Rent (leased and state-owned)	$1,827,900	$5,300	$1,833,200	$1,827,900	$5,600	$1,833,500
17	TOTAL COSTS	$271,405,100	($6,341,600)	$265,063,500	$271,405,100	($4,496,300)	$266,908,800
18	Project Positions Authorized	-	-	-	-	-	-
19	Classified Positions Authorized	389.95	(6.80)	383.15	389.95	(6.80)	383.15
20	Unclassified Positions Authorized	1.00	-	1.00	1.00	-	1.00

B-7 -- Division of Public Health

SOURCE OF FUNDS	ADJUSTED BASE YEAR	1ST YEAR	2ND YEAR	1ST YEAR FTE	2ND YEAR FTE	DOUBLED (BYD)	BIENNIAL REQUEST	CHANGE FROM BYD ($)	CHANGE FROM BYD (%)
	ANNUAL SUMMARY					**BIENNIAL SUMMARY**			
GPR	$35,324,500	$35,185,300	$35,185,300	34.28	34.28	$70,649,000	$70,370,600	($278,400)	-0.4%
A	$30,458,400	$30,458,400	$30,458,400	-	-	$60,916,800	$60,916,800	$0	0.0%
L	$583,300	$583,300	$583,300	-	-	$1,166,600	$1,166,600	$0	0.0%
S	$4,282,800	$4,143,600	$4,143,600	34.28	34.28	$8,565,600	$8,287,200	($278,400)	-3.3%
PR	$39,402,300	$39,321,100	$39,321,000	119.76	119.76	$78,804,600	$78,642,100	($162,500)	-0.2%
A	$4,164,000	$4,164,000	$4,164,000	-	-	$8,328,000	$8,328,000	$0	0.0%
S	$35,238,300	$35,157,100	$35,157,000	119.76	119.76	$70,476,600	$70,314,100	($162,500)	-0.2%
SEG	$315,900	$317,700	$318,000	2.00	2.00	$631,800	$635,700	$3,900	0.6%
S	$315,900	$317,700	$318,000	2.00	2.00	$631,800	$635,700	$3,900	0.6%
Total - Non Federal									
A	$34,622,400	$34,622,400	$34,622,400	-	-	$69,244,800	$69,244,800	$0	0.0%
L	$583,300	$583,300	$583,300	-	-	$1,166,600	$1,166,600	$0	0.0%
S	$39,837,000	$39,618,400	$39,618,600	156.04	156.04	$79,674,000	$79,237,000	($437,000)	-0.6%
PR - F	$196,362,400	$190,239,400	$192,084,500	228.11	228.11	$392,724,800	$382,323,900	($10,400,900)	-2.7%
A	$160,324,100	$154,356,200	$156,201,300	-	-	$320,648,200	$310,557,500	($10,090,700)	-3.2%
S	$36,038,300	$35,883,200	$35,883,200	228.11	228.11	$72,076,600	$71,766,400	($310,200)	-0.4%
Total - Federal									
A	$160,324,100	$154,356,200	$156,201,300	-	-	$320,648,200	$310,557,500	($10,090,700)	-3.2%
L	$0	$0	$0	-	-	$0	$0	$0	0.0%
S	$36,038,300	$35,883,200	$35,883,200	228.11	228.11	$72,076,600	$71,766,400	($310,200)	-0.4%
GPR	$35,324,500	$35,185,300	$35,185,300	34.28	34.28	$70,649,000	$70,370,600	($278,400)	-0.4%
A	$30,458,400	$30,458,400	$30,458,400	-	-	$60,916,800	$60,916,800	$0	0.0%
L	$583,300	$583,300	$583,300	-	-	$1,166,600	$1,166,600	$0	0.0%
S	$4,282,800	$4,143,600	$4,143,600	34.28	34.28	$8,565,600	$8,287,200	($278,400)	-3.3%
PR	$235,764,700	$229,560,500	$231,405,500	347.87	347.87	$471,529,400	$460,966,000	($10,563,400)	-2.2%
A	$164,488,100	$158,520,200	$160,365,300	-	-	$328,976,200	$318,885,500	($10,090,700)	-3.1%
S	$71,276,600	$71,040,300	$71,040,200	347.87	347.87	$142,553,200	$142,080,500	($472,700)	-0.3%
SEG	$315,900	$317,700	$318,000	2.00	2.00	$631,800	$635,700	$3,900	0.6%
S	$315,900	$317,700	$318,000	2.00	2.00	$631,800	$635,700	$3,900	0.6%
Total									
A	$194,946,500	$188,978,600	$190,823,700	-	-	$389,893,000	$379,802,300	($10,090,700)	-2.6%
L	$583,300	$583,300	$583,300	-	-	$1,166,600	$1,166,600	$0	0.0%
S	$75,875,300	$75,501,600	$75,501,800	384.15	384.15	$151,750,600	$151,003,400	($747,200)	-0.5%
Grand Total	$271,405,100	$265,063,500	$266,908,800	384.15	384.15	$542,810,200	$531,972,300	($10,837,900)	-2.0%

B-7 -- Division of Mental Health and Substance Abuse Services and Long Term Care Services; Facilities

		FIRST YEAR			SECOND YEAR		
	Expenditure Items	Adjusted Base Year	Changes to Base	TOTAL BUDGET	Adjusted Base Year	Changes to Base	TOTAL BUDGET
1	Permanent Position Salaries	$191,288,900	($5,464,100)	$185,824,800	$191,288,900	($5,464,100)	$185,824,800
2	Turnover	$0	($32,100)	($32,100)	$0	($32,100)	($32,100)
3	Project Position Salaries	$0	$0	$0	$0	$0	$0
4	LTE/Misc. Salaries	$2,197,300	$0	$2,197,300	$2,197,300	$0	$2,197,300
5	Fringe Benefits	$82,685,500	($495,700)	$82,189,800	$82,685,500	($495,600)	$82,189,900
6	Supplies and Services	$44,575,100	$3,276,700	$47,851,800	$44,575,100	$3,554,800	$48,129,900
7	Permanent Property	$955,700	$0	$955,700	$955,700	$0	$955,700
8	Unalloted Reserve	$0	$0	$0	$0	$0	$0
9	Aids to Individuals & Organizations	$9,608,200	($562,800)	$9,045,400	$9,608,200	($144,800)	$9,463,400
10	Local Assistance	$250,000	$0	$250,000	$250,000	$0	$250,000
11	One-time Financing	$0	$0	$0	$0	$0	$0
12	Debt service	$22,179,800	$0	$22,179,800	$22,179,800	$0	$22,179,800
13	Food	$3,454,700	($14,400)	$3,440,300	$3,454,700	$66,900	$3,521,600
14	Variable Non-Food	$22,844,000	$747,900	$23,591,900	$22,844,000	$4,557,600	$27,401,600
15	Internal data processing	$2,782,500	$0	$2,782,500	$2,782,500	$0	$2,782,500
16	Rent (leased and state-owned)	$176,800	$0	$176,800	$176,800	$0	$176,800
17	TOTAL COSTS	$382,998,500	($2,544,500)	$380,454,000	$382,998,500	$2,042,700	$385,041,200
18	Project Positions Authorized	-	-	-	-	-	-
19	Classified Positions Authorized	3,858.34	(9.00)	3,849.34	3,858.34	(9.00)	3,849.34
20	Unclassified Positions Authorized	-	-	-	0.00	-	-

B-7 -- Division of Mental Health and Substance Abuse Services and Long Term Care Services; Facilities

	ANNUAL SUMMARY					BIENNIAL SUMMARY			
SOURCE OF FUNDS	ADJUSTED BASE YEAR	1ST YEAR	2ND YEAR	1ST YEAR FTE	2ND YEAR FTE	DOUBLED (BYD)	BIENNIAL REQUEST	CHANGE FROM BYD ($)	CHANGE FROM BYD (%)
GPR	$206,492,200	$210,928,700	$215,150,800	1,890.88	1,890.88	$412,984,400	$426,079,500	$13,095,100	3.2%
A	$9,195,600	$10,209,500	$10,905,600	-	-	$18,391,200	$21,115,100	$2,723,900	14.8%
S	$197,296,600	$200,719,200	$204,245,200	1,890.88	1,890.88	$394,593,200	$404,964,400	$10,371,200	2.6%
PR	$176,506,300	$169,525,300	$169,890,400	1,958.46	1,958.46	$353,012,600	$339,415,700	($13,596,900)	-3.9%
A	$500,000	$500,000	$500,000	-	-	$1,000,000	$1,000,000	$0	0.0%
L	$250,000	$250,000	$250,000	-	-	$500,000	$500,000	$0	0.0%
S	$175,756,300	$168,775,300	$169,140,400	1,958.46	1,958.46	$351,512,600	$337,915,700	($13,596,900)	-3.9%
Total - Non Federal									
A	$9,695,600	$10,709,500	$11,405,600	-	-	$19,391,200	$22,115,100	$2,723,900	14.1%
L	$250,000	$250,000	$250,000	-	-	$500,000	$500,000	$0	0.0%
S	$373,052,900	$369,494,500	$373,385,600	3,849.34	3,849.34	$746,105,800	$742,880,100	($3,225,700)	-0.4%
Total - Federal									
A	$0	$0	$0	-	-	$0	$0	$0	0.0%
L	$0	$0	$0	-	-	$0	$0	$0	0.0%
S	$0	$0	$0	-	-	$0	$0	$0	0.0%
GPR	$206,492,200	$210,928,700	$215,150,800	1,890.88	1,890.88	$412,984,400	$426,079,500	$13,095,100	3.2%
A	$9,195,600	$10,209,500	$10,905,600	-	-	$18,391,200	$21,115,100	$2,723,900	14.8%
S	$197,296,600	$200,719,200	$204,245,200	1,890.88	1,890.88	$394,593,200	$404,964,400	$10,371,200	2.6%
PR	$176,506,300	$169,525,300	$169,890,400	1,958.46	1,958.46	$353,012,600	$339,415,700	($13,596,900)	-3.9%
A	$500,000	$500,000	$500,000	-	-	$1,000,000	$1,000,000	$0	0.0%
L	$250,000	$250,000	$250,000	-	-	$500,000	$500,000	$0	0.0%
S	$175,756,300	$168,775,300	$169,140,400	1,958.46	1,958.46	$351,512,600	$337,915,700	($13,596,900)	-3.9%
Total									
A	$9,695,600	$10,709,500	$11,405,600	-	-	$19,391,200	$22,115,100	$2,723,900	14.1%
L	$250,000	$250,000	$250,000	-	-	$500,000	$500,000	$0	0.0%
S	$373,052,900	$369,494,500	$373,385,600	3,849.34	3,849.34	$746,105,800	$742,880,100	($3,225,700)	-0.4%
Grand Total	$382,998,500	$380,454,000	$385,041,200	3,849.34	3,849.34	$765,997,000	$765,495,200	($501,800)	-0.1%

B-7 -- Division of Health Care Access and Accountability

		FIRST YEAR			SECOND YEAR		
	Expenditure Items	**Adjusted Base Year**	**Changes to Base**	**TOTAL BUDGET**	**Adjusted Base Year**	**Changes to Base**	**TOTAL BUDGET**
1	Permanent Position Salaries	$46,406,200	($6,303,500)	$40,102,700	$46,406,200	($5,050,500)	$41,355,700
2	Turnover	$0	($1,242,300)	($1,242,300)	$0	($1,242,300)	($1,242,300)
3	Project Position Salaries	$100	($100)	$0	$100	($100)	$0
4	LTE/Misc. Salaries	$179,400	$0	$179,400	$179,400	$0	$179,400
5	Fringe Benefits	$20,149,000	($2,274,100)	$17,874,900	$20,149,000	($1,711,200)	$18,437,800
6	Supplies and Services	$146,297,000	$25,074,400	$171,371,400	$146,297,000	$24,497,300	$170,794,300
7	Permanent Property	$0	$0	$0	$0	$0	$0
8	Unalloted Reserve	$0	$0	$0	$0	$0	$0
9	Aids to Individuals & Organizations	$7,486,009,900	$349,370,700	$7,835,380,600	$7,486,009,900	$623,224,100	$8,109,234,000
10	Local Assistance	$76,017,400	$4,294,300	$80,311,700	$76,017,400	$4,847,800	$80,865,200
11	One-time Financing	$0	$93,000	$93,000	$0	$0	$0
12	Debt service	$0	$0	$0	$0	$0	$0
13	Food	$0	$0	$0	$0	$0	$0
14	Variable Non-Food	$0	$0	$0	$0	$0	$0
15	Internal data processing	$1,402,800	$0	$1,402,800	$1,402,800	$0	$1,402,800
16	Rent (leased and state-owned)	$2,068,400	$0	$2,068,400	$2,068,400	$0	$2,068,400
17	TOTAL COSTS	$7,778,530,200	$369,012,400	$8,147,542,600	$7,778,530,200	$644,565,100	$8,423,095,300
18	Project Positions Authorized	-	-	-	-	-	-
19	Classified Positions Authorized	916.24	(58.25)	857.99	916.24	(58.25)	857.99
20	Unclassified Positions Authorized	1.00	-	1.00	1.00	-	1.00

B-7 -- Division of Health Care Access and Accountability

	ANNUAL SUMMARY					BIENNIAL SUMMARY			
SOURCE OF FUNDS	ADJUSTED BASE YEAR	1ST YEAR	2ND YEAR	1ST YEAR FTE	2ND YEAR FTE	DOUBLED (BYD)	BIENNIAL REQUEST	CHANGE FROM BYD ($)	CHANGE FROM BYD (%)
GPR	$2,237,370,000	$2,473,113,300	$2,598,238,400	284.10	284.10	$4,474,740,000	$5,071,351,700	$596,611,700	13.3%
A	$2,142,459,600	$2,381,733,900	$2,506,541,900	-	-	$4,284,919,200	$4,888,275,800	$603,356,600	14.1%
L	$25,578,400	$26,592,900	$27,077,100	-	-	$51,156,800	$53,670,000	$2,513,200	4.9%
S	$69,332,000	$64,786,500	$64,619,400	284.10	284.10	$138,664,000	$129,405,900	($9,258,100)	-6.7%
PR	$223,228,300	$258,505,900	$262,307,400	11.22	11.22	$446,456,600	$520,813,300	$74,356,700	16.7%
A	$181,895,200	$239,435,200	$243,236,700	-	-	$363,790,400	$482,671,900	$118,881,500	32.7%
L	$1,858,100	$1,858,100	$1,858,100	-	-	$3,716,200	$3,716,200	$0	0.0%
S	$39,475,000	$17,212,600	$17,212,600	11.22	11.22	$78,950,000	$34,425,200	($44,524,800)	-56.4%
SEG	$818,418,800	$823,403,400	$820,650,600	-	-	$1,636,837,600	$1,644,054,000	$7,216,400	0.4%
A	$818,418,800	$823,403,400	$820,650,600	-	-	$1,636,837,600	$1,644,054,000	$7,216,400	0.4%
Total - Non Federal									
A	$3,142,773,600	$3,444,572,500	$3,570,429,200	-	-	$6,285,547,200	$7,015,001,700	$729,454,500	11.6%
L	$27,436,500	$28,451,000	$28,935,200	-	-	$54,873,000	$57,386,200	$2,513,200	4.6%
S	$108,807,000	$81,999,100	$81,832,000	295.32	295.32	$217,614,000	$163,831,100	($53,782,900)	-24.7%
PR - F	$4,499,513,100	$4,592,520,000	$4,741,898,900	563.67	563.67	$8,999,026,200	$9,334,418,900	$335,392,700	3.7%
A	$4,313,004,800	$4,384,576,600	$4,532,573,300	-	-	$8,626,009,600	$8,917,149,900	$291,140,300	3.4%
L	$37,041,800	$36,842,000	$36,892,300	-	-	$74,083,600	$73,734,300	($349,300)	-0.5%
S	$149,466,500	$171,101,400	$172,433,300	563.67	563.67	$298,933,000	$343,534,700	$44,601,700	14.9%
Total - Federal									
A	$4,313,004,800	$4,384,576,600	$4,532,573,300	-	-	$8,626,009,600	$8,917,149,900	$291,140,300	3.4%
L	$37,041,800	$36,842,000	$36,892,300	-	-	$74,083,600	$73,734,300	($349,300)	-0.5%
S	$149,466,500	$171,101,400	$172,433,300	563.67	563.67	$298,933,000	$343,534,700	$44,601,700	14.9%
GPR	$2,237,370,000	$2,473,113,300	$2,598,238,400	284.10	284.10	$4,474,740,000	$5,071,351,700	$596,611,700	13.3%
A	$2,142,459,600	$2,381,733,900	$2,506,541,900	-	-	$4,284,919,200	$4,888,275,800	$603,356,600	14.1%
L	$25,578,400	$26,592,900	$27,077,100	-	-	$51,156,800	$53,670,000	$2,513,200	4.9%
S	$69,332,000	$64,786,500	$64,619,400	284.10	284.10	$138,664,000	$129,405,900	($9,258,100)	-6.7%
PR	$4,722,741,400	$4,851,025,900	$5,004,206,300	574.89	574.89	$9,445,482,800	$9,855,232,200	$409,749,400	4.3%
A	$4,494,900,000	$4,624,011,800	$4,775,810,000	-	-	$8,989,800,000	$9,399,821,800	$410,021,800	4.6%
L	$38,899,900	$38,700,100	$38,750,400	-	-	$77,799,800	$77,450,500	($349,300)	-0.5%
S	$188,941,500	$188,314,000	$189,645,900	574.89	574.89	$377,883,000	$377,959,900	$76,900	0.0%
SEG	$818,418,800	$823,403,400	$820,650,600	-	-	$1,636,837,600	$1,644,054,000	$7,216,400	0.4%
A	$818,418,800	$823,403,400	$820,650,600	-	-	$1,636,837,600	$1,644,054,000	$7,216,400	0.4%
Total									
A	$7,455,778,400	$7,829,149,100	$8,103,002,500	-	-	$14,911,556,800	$15,932,151,600	$1,020,594,800	6.8%
L	$64,478,300	$65,293,000	$65,827,500	-	-	$128,956,600	$131,120,500	$2,163,900	1.7%
S	$258,273,500	$253,100,500	$254,265,300	858.99	858.99	$516,547,000	$507,365,800	($9,181,200)	-1.8%
Grand Total	$7,778,530,200	$8,147,542,600	$8,423,095,300	858.99	858.99	$15,557,060,400	$16,570,637,900	$1,013,577,500	6.5%

B-7 -- Division of Mental Health and Substance Abuse Services

		FIRST YEAR			SECOND YEAR		
	Expenditure Items	**Adjusted Base Year**	**Changes to Base**	**TOTAL BUDGET**	**Adjusted Base Year**	**Changes to Base**	**TOTAL BUDGET**
1	Permanent Position Salaries	$3,215,800	$63,000	$3,278,800	$3,215,800	$63,000	$3,278,800
2	Turnover	$0	$0	$0	$0	$0	$0
3	Project Position Salaries	$0	$0	$0	$0	$0	$0
4	LTE/Misc. Salaries	$83,500	$0	$83,500	$83,500	$0	$83,500
5	Fringe Benefits	$1,351,800	$109,800	$1,461,600	$1,351,800	$109,800	$1,461,600
6	Supplies and Services	$5,369,900	($414,500)	$4,955,400	$5,369,900	($425,300)	$4,944,600
7	Permanent Property	$0	$0	$0	$0	$0	$0
8	Unalloted Reserve	$0	$0	$0	$0	$0	$0
9	Aids to Individuals & Organizations	$26,482,700	($2,487,600)	$23,995,100	$26,482,700	($5,285,600)	$21,197,100
10	Local Assistance	$33,069,300	$1,956,900	$35,026,200	$33,069,300	$1,956,900	$35,026,200
11	One-time Financing	$0	$0	$0	$0	$0	$0
12	Debt service	$0	$0	$0	$0	$0	$0
13	Food	$0	$0	$0	$0	$0	$0
14	Variable Non-Food	$0	$0	$0	$0	$0	$0
15	Internal data processing	$24,000	$0	$24,000	$24,000	$0	$24,000
16	Rent (leased and state-owned)	$401,000	$0	$401,000	$401,000	$0	$401,000
17	TOTAL COSTS	$69,998,000	($772,400)	$69,225,600	$69,998,000	($3,581,200)	$66,416,800
18	Project Positions Authorized	-	-	-	-	-	-
19	Classified Positions Authorized	52.42	3.00	55.42	52.42	3.00	55.42
20	Unclassified Positions Authorized	1.00	-	1.00	1.00	-	1.00

B-7 -- Division of Mental Health and Substance Abuse Services

	ANNUAL SUMMARY					BIENNIAL SUMMARY			
SOURCE OF FUNDS	ADJUSTED BASE YEAR	1ST YEAR	2ND YEAR	1ST YEAR FTE	2ND YEAR FTE	DOUBLED (BYD)	BIENNIAL REQUEST	CHANGE FROM BYD ($)	CHANGE FROM BYD (%)
GPR	$21,834,500	$21,981,900	$21,981,900	15.19	15.19	$43,669,000	$43,963,800	$294,800	0.7%
L	$19,191,400	$19,191,400	$19,191,400	-	-	$38,382,800	$38,382,800	$0	0.0%
S	$2,643,100	$2,790,500	$2,790,500	15.19	15.19	$5,286,200	$5,581,000	$294,800	5.6%
PR	$6,356,300	$6,548,500	$6,548,500	7.60	7.60	$12,712,600	$13,097,000	$384,400	3.0%
A	$1,083,500	$1,083,500	$1,083,500	-	-	$2,167,000	$2,167,000	$0	0.0%
L	$1,619,900	$1,619,900	$1,619,900	-	-	$3,239,800	$3,239,800	$0	0.0%
S	$3,652,900	$3,845,100	$3,845,100	7.60	7.60	$7,305,800	$7,690,200	$384,400	5.3%
Total - Non Federal									
A	$1,083,500	$1,083,500	$1,083,500	-	-	$2,167,000	$2,167,000	$0	0.0%
L	$20,811,300	$20,811,300	$20,811,300	-	-	$41,622,600	$41,622,600	$0	0.0%
S	$6,296,000	$6,635,600	$6,635,600	22.79	22.79	$12,592,000	$13,271,200	$679,200	5.4%
PR - F	$41,807,200	$40,695,200	$37,886,400	33.63	33.63	$83,614,400	$78,581,600	($5,032,800)	-6.0%
A	$17,595,700	$15,108,100	$12,310,100	-	-	$35,191,400	$27,418,200	($7,773,200)	-22.1%
L	$19,700,300	$21,657,200	$21,657,200	-	-	$39,400,600	$43,314,400	$3,913,800	9.9%
S	$4,511,200	$3,929,900	$3,919,100	33.63	33.63	$9,022,400	$7,849,000	($1,173,400)	-13.0%
Total - Federal									
A	$17,595,700	$15,108,100	$12,310,100	-	-	$35,191,400	$27,418,200	($7,773,200)	-22.1%
L	$19,700,300	$21,657,200	$21,657,200	-	-	$39,400,600	$43,314,400	$3,913,800	9.9%
S	$4,511,200	$3,929,900	$3,919,100	33.63	33.63	$9,022,400	$7,849,000	($1,173,400)	-13.0%
GPR	$21,834,500	$21,981,900	$21,981,900	15.19	15.19	$43,669,000	$43,963,800	$294,800	0.7%
L	$19,191,400	$19,191,400	$19,191,400	-	-	$38,382,800	$38,382,800	$0	0.0%
S	$2,643,100	$2,790,500	$2,790,500	15.19	15.19	$5,286,200	$5,581,000	$294,800	5.6%
PR	$48,163,500	$47,243,700	$44,434,900	41.23	41.23	$96,327,000	$91,678,600	($4,648,400)	-4.8%
A	$18,679,200	$16,191,600	$13,393,600	-	-	$37,358,400	$29,585,200	($7,773,200)	-20.8%
L	$21,320,200	$23,277,100	$23,277,100	-	-	$42,640,400	$46,554,200	$3,913,800	9.2%
S	$8,164,100	$7,775,000	$7,764,200	41.23	41.23	$16,328,200	$15,539,200	($789,000)	-4.8%
Total									
A	$18,679,200	$16,191,600	$13,393,600	-	-	$37,358,400	$29,585,200	($7,773,200)	-20.8%
L	$40,511,600	$42,468,500	$42,468,500	-	-	$81,023,200	$84,937,000	$3,913,800	4.8%
S	$10,807,200	$10,565,500	$10,554,700	56.42	56.42	$21,614,400	$21,120,200	($494,200)	-2.3%
Grand Total	$69,998,000	$69,225,600	$66,416,800	56.42	56.42	$139,996,000	$135,642,400	($4,353,600)	-3.1%

B-7 -- Division of Quality Assurance

		FIRST YEAR			SECOND YEAR		
	Expenditure Items	Adjusted Base Year	Changes to Base	TOTAL BUDGET	Adjusted Base Year	Changes to Base	TOTAL BUDGET
1	Permanent Position Salaries	$13,172,900	($11,700)	$13,161,200	$13,172,900	($11,700)	$13,161,200
2	Turnover	$0	($316,500)	($316,500)	$0	($316,500)	($316,500)
3	Project Position Salaries	$0	$0	$0	$0	$0	$0
4	LTE/Misc. Salaries	$20,700	$0	$20,700	$20,700	$0	$20,700
5	Fringe Benefits	$5,721,900	$140,100	$5,862,000	$5,721,900	$140,100	$5,862,000
6	Supplies and Services	$6,993,600	($756,400)	$6,237,200	$6,993,600	($756,400)	$6,237,200
7	Permanent Property	$0	$0	$0	$0	$0	$0
8	Unalloted Reserve	$0	$0	$0	$0	$0	$0
9	Aids to Individuals & Organizations	$548,200	($413,700)	$134,500	$548,200	($413,700)	$134,500
10	Local Assistance	$0	$0	$0	$0	$0	$0
11	One-time Financing	$0	$0	$0	$0	$0	$0
12	Debt service	$0	$0	$0	$0	$0	$0
13	Food	$0	$0	$0	$0	$0	$0
14	Variable Non-Food	$0	$0	$0	$0	$0	$0
15	Internal data processing	$284,100	$0	$284,100	$284,100	$0	$284,100
16	Rent (leased and state-owned)	$862,700	($6,300)	$856,400	$862,700	($6,300)	$856,400
17	TOTAL COSTS	$27,604,100	($1,364,500)	$26,239,600	$27,604,100	($1,364,500)	$26,239,600
18	Project Positions Authorized	-	-	-	-	-	-
19	Classified Positions Authorized	229.40	7.00	236.40	229.40	7.00	236.40
20	Unclassified Positions Authorized	-	-	-	0.00	-	-

B-7 -- Division of Quality Assurance

	ANNUAL SUMMARY					BIENNIAL SUMMARY			
SOURCE OF FUNDS	ADJUSTED BASE YEAR	1ST YEAR	2ND YEAR	1ST YEAR FTE	2ND YEAR FTE	DOUBLED (BYD)	BIENNIAL REQUEST	CHANGE FROM BYD ($)	CHANGE FROM BYD (%)
GPR	$5,546,200	$5,415,400	$5,415,400	55.08	55.08	$11,092,400	$10,830,800	($261,600)	-2.4%
S	$5,546,200	$5,415,400	$5,415,400	55.08	55.08	$11,092,400	$10,830,800	($261,600)	-2.4%
PR	$5,695,000	$5,580,500	$5,580,500	45.74	45.74	$11,390,000	$11,161,000	($229,000)	-2.0%
A	$413,700	$0	$0	-	-	$827,400	$0	($827,400)	-100.0%
S	$5,281,300	$5,580,500	$5,580,500	45.74	45.74	$10,562,600	$11,161,000	$598,400	5.7%
Total - Non Federal									
A	$413,700	$0	$0	-	-	$827,400	$0	($827,400)	-100.0%
S	$10,827,500	$10,995,900	$10,995,900	100.82	100.82	$21,655,000	$21,991,800	$336,800	1.6%
PR - F	$16,362,900	$15,243,700	$15,243,700	135.58	135.58	$32,725,800	$30,487,400	($2,238,400)	-6.8%
S	$16,362,900	$15,243,700	$15,243,700	135.58	135.58	$32,725,800	$30,487,400	($2,238,400)	-6.8%
Total - Federal									
A	$0	$0	$0	-	-	$0	$0	$0	0.0%
S	$16,362,900	$15,243,700	$15,243,700	135.58	135.58	$32,725,800	$30,487,400	($2,238,400)	-6.8%
GPR	$5,546,200	$5,415,400	$5,415,400	55.08	55.08	$11,092,400	$10,830,800	($261,600)	-2.4%
S	$5,546,200	$5,415,400	$5,415,400	55.08	55.08	$11,092,400	$10,830,800	($261,600)	-2.4%
PR	$22,057,900	$20,824,200	$20,824,200	181.32	181.32	$44,115,800	$41,648,400	($2,467,400)	-5.6%
A	$413,700	$0	$0	-	-	$827,400	$0	($827,400)	-100.0%
S	$21,644,200	$20,824,200	$20,824,200	181.32	181.32	$43,288,400	$41,648,400	($1,640,000)	-3.8%
Total									
A	$413,700	$0	$0	-	-	$827,400	$0	($827,400)	-100.0%
S	$27,190,400	$26,239,600	$26,239,600	236.40	236.40	$54,380,800	$52,479,200	($1,901,600)	-3.5%
Grand Total	$27,604,100	$26,239,600	$26,239,600	236.40	236.40	$55,208,200	$52,479,200	($2,729,000)	-4.9%

B-7 -- Division of Long Term Care Services

		FIRST YEAR			SECOND YEAR		
	Expenditure Items	Adjusted Base Year	Changes to Base	TOTAL BUDGET	Adjusted Base Year	Changes to Base	TOTAL BUDGET
1	Permanent Position Salaries	$9,006,200	$462,800	$9,469,000	$9,006,200	$462,800	$9,469,000
2	Turnover	$0	($230,300)	($230,300)	$0	($230,300)	($230,300)
3	Project Position Salaries	$100	($100)	$0	$100	($100)	$0
4	LTE/Misc. Salaries	$121,900	$0	$121,900	$121,900	$0	$121,900
5	Fringe Benefits	$3,911,800	$308,100	$4,219,900	$3,911,800	$308,100	$4,219,900
6	Supplies and Services	$18,012,400	$0	$18,012,400	$18,012,400	$0	$18,012,400
7	Permanent Property	$0	$0	$0	$0	$0	$0
8	Unalloted Reserve	$0	$0	$0	$0	$0	$0
9	Aids to Individuals & Organizations	$153,580,100	$1,900,800	$155,480,900	$153,580,100	$13,201,900	$166,782,000
10	Local Assistance	$271,586,700	$4,827,300	$276,414,000	$271,586,700	$5,329,300	$276,916,000
11	One-time Financing	$0	$0	$0	$0	$0	$0
12	Debt service	$0	$0	$0	$0	$0	$0
13	Food	$0	$0	$0	$0	$0	$0
14	Variable Non-Food	$0	$0	$0	$0	$0	$0
15	Internal data processing	$2,775,400	$0	$2,775,400	$2,775,400	$0	$2,775,400
16	Rent (leased and state-owned)	$814,300	$0	$814,300	$814,300	$0	$814,300
17	TOTAL COSTS	$459,808,900	$7,268,600	$467,077,500	$459,808,900	$19,071,700	$478,880,600
18	Project Positions Authorized	-	-	-	-	-	-
19	Classified Positions Authorized	161.45	-	161.45	161.45	-	161.45
20	Unclassified Positions Authorized	1.00	-	1.00	1.00	-	1.00

B-7 -- Division of Long Term Care Services

SOURCE OF FUNDS	ANNUAL SUMMARY ADJUSTED BASE YEAR	1ST YEAR	2ND YEAR	1ST YEAR FTE	2ND YEAR FTE	BIENNIAL SUMMARY DOUBLED (BYD)	BIENNIAL REQUEST	CHANGE FROM BYD ($)	CHANGE FROM BYD (%)
GPR	$305,379,600	$312,482,000	$326,410,500	57.00	57.00	$610,759,200	$638,892,500	$28,133,300	4.6%
A	$16,887,500	$16,887,500	$16,887,500	-	-	$33,775,000	$33,775,000	$0	0.0%
L	$275,498,800	$282,493,900	$296,422,400	-	-	$550,997,600	$578,916,300	$27,918,700	5.1%
S	$12,993,300	$13,100,600	$13,100,600	57.00	57.00	$25,986,600	$26,201,200	$214,600	0.8%
PR	$58,524,000	$55,595,600	$53,563,700	16.44	16.44	$117,048,000	$109,159,300	($7,888,700)	-6.7%
A	$55,165,600	$51,938,100	$49,906,200	-	-	$110,331,200	$101,844,300	($8,486,900)	-7.7%
L	$1,629,600	$1,629,600	$1,629,600	-	-	$3,259,200	$3,259,200	$0	0.0%
S	$1,728,800	$2,027,900	$2,027,900	16.44	16.44	$3,457,600	$4,055,800	$598,200	17.3%
Total - Non Federal									
A	$72,053,100	$68,825,600	$66,793,700	-	-	$144,106,200	$135,619,300	($8,486,900)	-5.9%
L	$277,128,400	$284,123,500	$298,052,000	-	-	$554,256,800	$582,175,500	$27,918,700	5.0%
S	$14,722,100	$15,128,500	$15,128,500	73.44	73.44	$29,444,200	$30,257,000	$812,800	2.8%
PR - F	$95,905,300	$98,999,900	$98,906,400	89.01	89.01	$191,810,600	$197,906,300	$6,095,700	3.2%
A	$32,402,900	$34,553,100	$34,549,400	-	-	$64,805,800	$69,102,500	$4,296,700	6.6%
L	$43,963,700	$44,774,000	$44,684,200	-	-	$87,927,400	$89,458,200	$1,530,800	1.7%
S	$19,538,700	$19,672,800	$19,672,800	89.01	89.01	$39,077,400	$39,345,600	$268,200	0.7%
Total - Federal									
A	$32,402,900	$34,553,100	$34,549,400	-	-	$64,805,800	$69,102,500	$4,296,700	6.6%
L	$43,963,700	$44,774,000	$44,684,200	-	-	$87,927,400	$89,458,200	$1,530,800	1.7%
S	$19,538,700	$19,672,800	$19,672,800	89.01	89.01	$39,077,400	$39,345,600	$268,200	0.7%
GPR	$305,379,600	$312,482,000	$326,410,500	57.00	57.00	$610,759,200	$638,892,500	$28,133,300	4.6%
A	$16,887,500	$16,887,500	$16,887,500	-	-	$33,775,000	$33,775,000	$0	0.0%
L	$275,498,800	$282,493,900	$296,422,400	-	-	$550,997,600	$578,916,300	$27,918,700	5.1%
S	$12,993,300	$13,100,600	$13,100,600	57.00	57.00	$25,986,600	$26,201,200	$214,600	0.8%
PR	$154,429,300	$154,595,500	$152,470,100	105.45	105.45	$308,858,600	$307,065,600	($1,793,000)	-0.6%
A	$87,568,500	$86,491,200	$84,455,600	-	-	$175,137,000	$170,946,800	($4,190,200)	-2.4%
L	$45,593,300	$46,403,600	$46,313,800	-	-	$91,186,600	$92,717,400	$1,530,800	1.7%
S	$21,267,500	$21,700,700	$21,700,700	105.45	105.45	$42,535,000	$43,401,400	$866,400	2.0%
Total									
A	$104,456,000	$103,378,700	$101,343,100	-	-	$208,912,000	$204,721,800	($4,190,200)	-2.0%
L	$321,092,100	$328,897,500	$342,736,200	-	-	$642,184,200	$671,633,700	$29,449,500	4.6%
S	$34,260,800	$34,801,300	$34,801,300	162.45	162.45	$68,521,600	$69,602,600	$1,081,000	1.6%
Grand Total	$459,808,900	$467,077,500	$478,880,600	162.45	162.45	$919,617,800	$945,958,100	$26,340,300	2.9%

B-7 -- Executive Services

		FIRST YEAR			SECOND YEAR		
	Expenditure Items	Adjusted Base Year	Changes to Base	TOTAL BUDGET	Adjusted Base Year	Changes to Base	TOTAL BUDGET
1	Permanent Position Salaries	$18,478,300	$6,071,000	$24,549,300	$18,478,300	$6,076,000	$24,554,300
2	Turnover	$0	($475,900)	($475,900)	$0	($475,900)	($475,900)
3	Project Position Salaries	$0	$0	$0	$0	$0	$0
4	LTE/Misc. Salaries	$423,200	$0	$423,200	$423,200	$0	$423,200
5	Fringe Benefits	$7,985,700	$2,953,200	$10,938,900	$7,985,700	$2,955,600	$10,941,300
6	Supplies and Services	$15,066,500	$2,231,100	$17,297,600	$15,066,500	$2,231,300	$17,297,800
7	Permanent Property	$2,891,900	$0	$2,891,900	$2,891,900	$0	$2,891,900
8	Unalloted Reserve	$0	$0	$0	$0	$0	$0
9	Aids to Individuals & Organizations	$2,294,100	$0	$2,294,100	$2,294,100	$0	$2,294,100
10	Local Assistance	$4,763,400	$500,000	$5,263,400	$4,763,400	$500,000	$5,263,400
11	One-time Financing	$0	$5,200	$5,200	$0	$0	$0
12	Debt service	$0	$0	$0	$0	$0	$0
13	Food	$0	$0	$0	$0	$0	$0
14	Variable Non-Food	$0	$0	$0	$0	$0	$0
15	Internal data processing	$2,280,100	$0	$2,280,100	$2,280,100	$0	$2,280,100
16	Rent (leased and state-owned)	$2,025,500	$710,400	$2,735,900	$2,025,500	$899,000	$2,924,500
17	TOTAL COSTS	$56,208,700	$11,995,000	$68,203,700	$56,208,700	$12,186,000	$68,394,700
18	Project Positions Authorized	-	-	-	-	-	-
19	Classified Positions Authorized	304.00	103.80	407.80	304.00	103.80	407.80
20	Unclassified Positions Authorized	8.00	-	8.00	8.00	-	8.00

B-7 -- Executive Services

	ANNUAL SUMMARY					BIENNIAL SUMMARY			
SOURCE OF FUNDS	ADJUSTED BASE YEAR	1ST YEAR	2ND YEAR	1ST YEAR FTE	2ND YEAR FTE	DOUBLED (BYD)	BIENNIAL REQUEST	CHANGE FROM BYD ($)	CHANGE FROM BYD (%)
GPR	$12,563,600	$17,381,200	$17,454,300	147.09	147.09	$25,127,200	$34,835,500	$9,708,300	38.6%
L	$0	$250,000	$250,000	-	-	$0	$500,000	$500,000	0.0%
S	$12,563,600	$17,131,200	$17,204,300	147.09	147.09	$25,127,200	$34,335,500	$9,208,300	36.7%
PR	$30,404,300	$31,145,200	$31,183,200	154.53	154.53	$60,808,600	$62,328,400	$1,519,800	2.5%
A	$2,000,000	$2,000,000	$2,000,000	-	-	$4,000,000	$4,000,000	$0	0.0%
S	$28,404,300	$29,145,200	$29,183,200	154.53	154.53	$56,808,600	$58,328,400	$1,519,800	2.7%
Total - Non Federal									
A	$2,000,000	$2,000,000	$2,000,000	-	-	$4,000,000	$4,000,000	$0	0.0%
L	$0	$250,000	$250,000	-	-	$0	$500,000	$500,000	0.0%
S	$40,967,900	$46,276,400	$46,387,500	301.62	301.62	$81,935,800	$92,663,900	$10,728,100	13.1%
PR - F	$13,240,800	$19,677,300	$19,757,200	114.18	114.18	$26,481,600	$39,434,500	$12,952,900	48.9%
L	$0	$250,000	$250,000	-	-	$0	$500,000	$500,000	0.0%
S	$13,240,800	$19,427,300	$19,507,200	114.18	114.18	$26,481,600	$38,934,500	$12,452,900	47.0%
Total - Federal									
A	$0	$0	$0	-	-	$0	$0	$0	0.0%
L	$0	$250,000	$250,000	-	-	$0	$500,000	$500,000	0.0%
S	$13,240,800	$19,427,300	$19,507,200	114.18	114.18	$26,481,600	$38,934,500	$12,452,900	47.0%
GPR	$12,563,600	$17,381,200	$17,454,300	147.09	147.09	$25,127,200	$34,835,500	$9,708,300	38.6%
L	$0	$250,000	$250,000	-	-	$0	$500,000	$500,000	0.0%
S	$12,563,600	$17,131,200	$17,204,300	147.09	147.09	$25,127,200	$34,335,500	$9,208,300	36.7%
PR	$43,645,100	$50,822,500	$50,940,400	268.71	268.71	$87,290,200	$101,762,900	$14,472,700	16.6%
A	$2,000,000	$2,000,000	$2,000,000	-	-	$4,000,000	$4,000,000	$0	0.0%
L	$0	$250,000	$250,000	-	-	$0	$500,000	$500,000	0.0%
S	$41,645,100	$48,572,500	$48,690,400	268.71	268.71	$83,290,200	$97,262,900	$13,972,700	16.8%
Total									
A	$2,000,000	$2,000,000	$2,000,000	-	-	$4,000,000	$4,000,000	$0	0.0%
L	$0	$500,000	$500,000	-	-	$0	$1,000,000	$1,000,000	0.0%
S	$54,208,700	$65,703,700	$65,894,700	415.80	415.80	$108,417,400	$131,598,400	$23,181,000	21.4%
Grand Total	$56,208,700	$68,203,700	$68,394,700	415.80	415.80	$112,417,400	$136,598,400	$24,181,000	21.5%

DEPARTMENT OF HEALTH SERVICES

AGENCY DESCRIPTION

The department is headed by a secretary, who is appointed by the Governor with the advice and consent of the Senate. The department has six divisions.

GUIDING PRINCIPLES

I. We serve the citizens who have entrusted us with important responsibilities and funds they earned.
II. Our healthcare costs are not sustainable at current levels. We need new models for care delivery, regulation development, prevention strategies, risk sharing and purchasing.
III. In this transformation, we must enhance the role of our citizens as primary stakeholders in managing their health and associated costs.
IV. Competition, choice, and transparency are critical elements to these emerging models if we are to increase the value of healthcare to our citizens.
V. Public programs shall complement rather than compete against the private market. We will work to eliminate cost shifting to the private sector and among different systems (acute, mental health, long-term care).
VI. We will continue to provide support systems to help vulnerable people lead fulfilling, self-directed, healthy lives that promote independence, while recognizing the value of and utilizing supports from families and the community.
VII. We will actively promote collaboration in pursuit of innovation, increased value and improved outcomes for the benefit of all our citizens.
VIII. We will align resources to achieve positive outcomes and hold ourselves accountable for achieving results.

ACCOUNTABILITY MEASURES

- Triple the number of individuals who self-direct their long-term services and supports.
- Expand the use of integrated healthcare for all individuals with complex medical needs who are enrolled in publicly-financed health care programs.
- Ensure every child while in the foster care system has a medical home.
- Reduce the rate of growth in the per capita cost of each population group.
- Adopt innovative models of care such as peer supports for special populations.
- Reduce the prevalence of acquired pressure ulcers in acute care and long-term care settings.
- Reduce the incidence of falls in Wisconsin nursing homes.
- State Mental Health Institutes (MHI) transmit continuing care plan (including all required elements) to the next level of care provider within 5 days of the patient's discharge.
- Monitor the incidence of civil patient re-admission within 30 days following treatment at Mendota Mental Health Institute (MMHI) and Winnebago Mental Health Institute (WMHI).
- Reduce the incidence of preventable admissions and re-admissions to institution-based care.
- Ensure that the three state Centers meet the Baldrige National Quality Indicators and participate in the Wisconsin Center for Performance Excellence program.

- Expand and improve program integrity efforts to increase compliance and reduce the incidence and risk of fraud or misuse of department funds.
- Improve management and control funds appropriated to administer the Medicaid program.
- Reduce preterm, low birth weight and infant mortality rates for BadgerCare Plus HMO members in Southeastern Wisconsin.

MISSION

To support economic prosperity and quality of life, the Department of Health Services (DHS) exercises multiple roles in the protection and promotion of the health and safety of the people of Wisconsin.

STRATEGY

The department supports policies vital to a fair and vibrant marketplace that delivers affordable, high-quality healthcare to our citizens and leverages our state's tradition of strong health outcomes, innovation and world-class provision of healthcare.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Public Health Services Planning, Regulation and Delivery

1. Measure: Adopt innovative models of care for special populations.

   Goal: To provide QuitLine tobacco cessation services for up to 8,000 BadgerCare Plus adults and First Breath face-to-face cessation counseling for up to 3,000 pregnant BadgerCare Plus members using financial incentives as a tool for increasing engagement in treatment and increasing quit rates.

   Objective/Activity: Create structure and process to link BadgerCare Plus members in South Central and Northeastern WI to the Quitline by January 2012.

   Objective/Activity: Create structure and process to link BadgerCare Plus pregnant women in Southeastern WI to First Breath by January 2012.

   Objective/Activity: Implement protocols for evaluation by March 2012. Evaluate effectiveness and ROI of individual incentives on tobacco cessation by December 2015.

2. Measure: Reduce preterm, low birth weight and infant mortality rates for BadgerCare Plus HMO members in Southeastern Wisconsin.

   Goal: Improve the capacity for monitoring and tracking birth outcomes among BadgerCare Plus members by race/ethnicity.

   Objective/Activity: Design and implement a web-based data system to improve access to the high-risk registry, improve data management and identify trends in care delivery.

Goal: Expand reviews of fetal and infant deaths to better understand the causes and identify interventions to reduce such deaths.

Objective/Activity: Increase the proportion of fetal and infant deaths (< age1) that are reviewed by local or regional teams using a standardized process, including the collection of uniform data elements.

Goal: Continue the Medical Home Pilot for High-Risk Pregnant Women and the Poor Birth Outcome Assessment.

Objective/Activity: Explore the feasibility of expanding the Medical Home Pilot to other high-risk populations and/or counties.

Goal: Develop and implement a pay-for-performance (P4P) healthy birth outcome measure.

Goal: Improve breast feeding initiation and duration rates through the use of peer counselors. Monitor use of 17-alphahydroxyprogesterone (17-P) for pregnant women who have had a previous preterm birth and address policy issues, as appropriate. Identify metrics for P4P measure and develop baselines.

Objective/Activity: Examine breast feeding initiation and duration rates for women receiving peer counseling services compared to women without peer counseling.

Objective/Activity: Define and identify women with a previous preterm birth who should be given 17-P to develop a baseline.

Program 2: Mental Health and Developmental Disabilities Services; Facilities

3. Measure: Ensure that the three state centers meet the Baldrige National Quality Indicators and participate in the Wisconsin Center for Performance Excellence program.

   Goal: Each center achieves high quality standards, as measured by the Baldrige benchmarks for quality.

   Objective/Activity: All centers will have a visible mission, vision and values.

   Objective/Activity: All centers will have a strategic plan with 2-3 strategic objectives.

   Objective/Activity: All centers will measure and track key customer satisfaction over time.

   Objective/Activity: All centers will establish a set of performance indicators that are regularly reviewed by center leaders.

   Objective/Activity: All centers will assess employees’ satisfaction/engagement and address key issues.

   Objective/Activity: All centers will have 1-3 defined process improvement projects focused on improving resident care.

4. Measure: Monitor the incidence of civil re-admissions to MMHI and WMHI.

   Goal: Reduce the number of civil patients who are re-admitted to a state MHI within 30 days of discharge following treatment at MMHI and WMHI.

   Objective/Activity: Track the number of civil patients who are re-admitted to a state MHI within 30 days of discharge following treatment.

5. Measure: State MHI transmit continuing care plan (including all required elements) to the next level of care provider within 5 days of the patient's discharge.

   Goal: To have all continuing care plans transmitted to the next level of care provider within 5 days of the patient's discharge.

   Objective/Activity: Track the percentage of continuing care plans transmitted to the next level of care provider within 5 days of the patient's discharge.

Program 4: Health Care Access and Accountability

6. Measure: Reduce the incidence of preventable admissions and readmissions to institutional-based care.

   Goal: To improve the quality of care and eventually reduce the cost of care provided by hospitals to Wisconsin Medicaid Fee for Service (FFS) members.

   Objective/Activity: Implement an initial Pay for Performance (P4P) program for hospitals serving FFS members in addition to the current assessment-based P4P initiative by July 2012.

   Objective/Activity: Enhance hospital quality with the use of new claims analysis software and additional P4P measures aligned with Federal and State quality initiatives.

7. Measure: Expand the use of integrated health care for all individuals with complex medical needs who are enrolled in publicly-financed health care programs.

   Goal: To improve care coordination and reduce costs. DHS will seek approval from CMS for a State Plan Amendment (SPA) to implement health homes for Fee-For-Service (FFS) and BadgerCare Plus populations.

   Objective/Activity: Establish health homes for FFS/SSI and BadgerCare Plus populations.

   Objective/Activity: Create new reimbursement models for care management services.

8. Measure: Reduce the rate of growth in the per capita cost of each population group.

   Goal: Reduce the rate of growth in the per member cost of individuals in the Medicaid program.

9. Measure: Improve management and control funds appropriated to administer the Medicaid program.

   Goal: Fully implement a new fiscal control planning and monitoring process in order to more closely manage and control the Medicaid administrative budget.

   Goal: Address any funding gaps and bring costs in the Medicaid administration appropriations into closer balance through revenue and/or expenditure changes.

   Objective/Activity: Develop a fiscal monitoring tool that presents budget, actual and projection data for the Medicaid administrative appropriations in a timely, accurate, consistent and accessible manner.

   Objective/Activity: Establish monthly Medicaid administrative appropriation review meetings to present and discuss fiscal reports generated from the fiscal monitoring tool.

Program 5: Mental Health and Substance Abuse Services Planning, Regulation and Delivery

10. Measure: Adopt innovative models of care.

    Goal: Implement s. 1937 state plan amendment for mental health services.

    Objective/Activity: By June 30, 2012, Wisconsin will have transitioned community recovery services to a s. 1937 benchmark benefit plan.

Program 6: Quality Assurance Services Planning, Regulation and Delivery

11. Measure: Reduce the prevalence of facility acquired pressure ulcers in long-term care settings.

    Goal: Reduce the percent of nursing home residents with pressure ulcers.

    Objective/Activity: Analyze and report the latest data on a quarterly basis as updated information becomes available.

Program 7: Long Term Care Services Administration and Delivery

12. Measure: Adopt innovative models of care - Virtual PACE.

    Goal: Secure approval for and implementation of the Virtual PACE program from the Centers for Medicare and Medicaid Services (CMS).

    Objective/Activity: Implementation of four pilots in different regions in Wisconsin.

    Objective/Activity: Enter into contractual arrangements with providers.

    Objective/Activity: Enroll members into program.

    Objective/Activity: Achieve budget savings.

13. Measure: Ensure every child while in the foster care system has a medical home.

    Goal: To provide comprehensive, coordinated health care services for children in out-of home care (OHC).

    Objective/Activity: Draft and secure approval of a s. 1937 state plan amendment to provide coordinated, trauma-informed health care under a medical home framework to children in out-of-home care in southeast Wisconsin. The new plan would: Provide for improved continuity of care; address the specific health care needs of children in OHC, including behavioral and dental health; define and provide appropriate access to medical histories for children in OHC; gain the support of critical stakeholders.

    Objective/Activity: Prepare to implement the plan in the southeast region of the state, with the intention of eventually expanding statewide.

14. Measure: Reduce the incidence of falls in Wisconsin nursing homes.

    Goal: DHS will build on existing work with the nursing home industry and other stakeholders to determine which nursing home falls prevention programs are effective and spread their use.

    Objective/Activity: Identify nursing home falls prevention programs in Wisconsin.

    Objective/Activity: Evaluate them for effectiveness.

    Objective/Activity: Spread use of the falls prevention programs found to be effective and track their utilization.

    Objective/Activity: Track incidence of falls in Wisconsin nursing homes.

15. Measure: Triple the number of individuals who self-direct their long term services and supports.

    Goal: To triple the number in the IRIS program from 3,292 in 2011 to 10,700 in 2015.

    Objective/Activity: Track the number of individuals who self-direct their long term services and supports.

Program 8: Office of the Inspector General (OIG)

16. Measure: Expand and improve program integrity efforts to increase compliance and reduce the incidence and risk of fraudulent or misuse of department funds.

    Goal: To reduce waste, fraud and abuse related to DHS programs.

    Objective/Activity: To establish a new OIG with wide ranging department-wide oversight responsibilities by October, 2011.

    Objective/Activity: To have a fully functioning OIG, ready to incorporate additional resources to fight fraud and abuse provided under 2011 Act 32, by July 1, 2012.

PERFORMANCE MEASURES

2011 – 15 GOALS AND ACTUALS

Measure Number	Performance Measure	Performance Data		Future Goals		
		Actual 2011 (or most current available)	**Actual 2012 (or est. if not available)**	**Goal 2013**	**Goal 2014**	**Goal 2015**
1	Percent of BadgerCare Plus HMO members who smoke.[1]	38%	38%	37%	36%	35%
2	Percent of pregnant women receiving a prenatal visit within the 1st trimester.[2]	83.67% (2010)	83.67% est.	85%	86%	87%
	Percent of women who had a post-partum visit between 21 -56 days after delivery.[3]	64.38% (2009)	64.38% est.	66%	67%	68%
	Percent of pregnant women who smoke.[4]	27% (2010)	27% est.	26%	25%	24%
3	Number of individuals voluntarily choosing to relocate from a State Center to the community.	3 (fy)	2	5	4	4
4	Percent of civil patients re-admitted to MMHI within 30 days of discharge following treatment.	7.3%	8.05% (Jan – Jun)	7.8%	7.8%	7.8%
	Percent of civil patients re-admitted to WMHI within 30 days of discharge following treatment.	9.5%	7.20% (Jan – Aug)	7.8%	7.8%	7.8%
5	Percent of continuing care plans transmitted to the next level of care provider within 5 days of discharge (MMHI).[5]	85.98%	97.55% (Q1 & Q2)	90%	90%	90%
	Percent of continuing care plans transmitted to the next level of care provider within 5 days of discharge (WMHI).[6]	75.79%	84% (Q1 & Q2)	90%	90%	90%
6	Percent of patients readmitted to hospitals after 30 days.	17.5% (2010)	NA	Hospital Specific Goals	Hospital Specific Goals	Hospital Specific Goals
8	Reduce the rate of growth in the per member cost of individuals in the Medicaid program.	$6,135 (fy)	$6,325 (3.1%)	$6,622 (4.7%)	$6,649 (0.4%)	$6,848 (3.0%)
9	Implement improved fiscal monitoring and controls for Medicaid administration.	In Progress	Implemented	Imple-mented	Further Automate	Further Automate
10	Wisconsin to receive an approved 1937 Benchmark Benefit Plan for mental health services from CMS.	In Progress	In Progress	Completed	Completed	Completed

[1] Estimated percent of smokers among Medicaid population according to the CDC.
[2] HEDIS 2011 Quality Compass Report, national data for 2010.
[3] HEDIS 2011 Quality Compass Report, national data for 2010.
[4] http://www.dhfs.wi.us/wish/ Maternal Smoking Prevalence Module
[5] Civil and forensic
[6] Civil and forensic

Measure Number	Performance Measure	Performance Data		Future Goals		
		Actual 2011 (or most current available)	Actual 2012 (or est. if not available)	Goal 2013	Goal 2014	Goal 2015
11	Percent nursing home residents with pressure ulcers .	2.48%	3.07% (Q1 & Q2)	2.8%	2.6%	2.4%
13	Percent of foster children in southeast Wisconsin who have a medical home.	0%	0%	100%	100%	100%
14	Average percent of Wisconsin nursing homes with falls.	21.1%	20% (April 2011 – March 2012)	20.7%	19.7%	18.3%
	Number of nursing home citations related to preventable accidents.	229	113 (Jan-June)	224	213	198
15	Triple number of individuals self-directing services in the IRIS program.	3,292 (1/11)	6,192 (6/12)	7,890	9,800	10,700
16	Claims established for Medical Assistance and Food Share program overpayments (client and non-client error) in dollars.	$4.6 million	$5.5 million (est.)	$6.1 million	$6.3 million	$6.3 million
	Dollars recovered per dollar spent by the Inspector General.	18.49	21.47 (est.)	22.0	23.0	23.0

Notes: Measures #7 and #12 are in the development phase.
Data in calendar years unless otherwise noted.

Turnover Reduction
(DIN 3001)

This decision item removes 3% of permanent salaries under the assumption that savings will result from position vacancies in appropriations with at least 50 FTE.

Fiscal Effect Summary

Source of Funds	FY14			FY15			Biennial Total		
	Dollars		FTE	Dollars		FTE	Dollars		FTE
GPR	$	(822,200)	-	$	(822,200)	-	$	(1,644,400)	-
PR	$	(433,900)	-	$	(433,900)	-	$	(867,800)	-
FED	$	(1,602,300)	-	$	(1,602,300)	-	$	(3,204,600)	-
SEG	$	(6,000)	-	$	(6,000)	-	$	(12,000)	-
Total	$	(2,864,400)	-	$	(2,864,400)	-	$	(5,728,800)	-

Full Funding of Continuing Position Salaries and Fringe Benefits
(DIN 3003)

The Department requests increases or decreases to adjust base salary and fringe benefit levels to documented actual levels. The new agency fringe rate is applied to the adjusted salary levels.

Fiscal Effect Summary

Source of Funds	FY14			FY15			Biennial Total		
	Dollars		FTE	Dollars		FTE	Dollars		FTE
GPR	$	(6,020,300)	-	$	(6,020,300)	-	$	(12,040,600)	-
PR	$	(11,135,800)	-	$	(11,135,800)	-	$	(22,271,600)	-
FED	$	(1,413,100)	(0.00)	$	(1,413,100)	(0.00)	$	(2,826,200)	(0.00)
SEG	$	2,500	-	$	2,500	-	$	5,000	-
Total	$	(18,566,700)	(0.00)	$	(18,566,700)	(0.00)	$	(37,133,400)	(0.00)

Overtime
(DIN 3007)

The Department requests funds for overtime costs for the Division of Mental Health and Substance Abuse Services mental health institutions and secure treatment facilities, and the Division of Long Term Care centers for people with developmental disabilities.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ 2,024,300	-	$ 2,024,300	-	$ 4,048,600	-
PR	$ 4,291,500	-	$ 4,291,500	-	$ 8,583,000	-
FED	$ -	-	$ -	-	$ -	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ 6,315,800	-	$ 6,315,800	-	$ 12,631,600	-

Night and Weekend Differential Pay
(DIN 3008)

The Department requests funding for salary and fringe increments for employees entitled to a wage premium. These increases cover holiday, night, weekend differential, nurse responsibility, specialty standby/on-call and permanent payments.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ 1,993,000	-	$ 1,993,100	-	$ 3,986,100	-
PR	$ 2,527,500	-	$ 2,527,500	-	$ 5,055,000	-
FED	$ 105,600	-	$ 105,600	-	$ 211,200	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ 4,626,100	-	$ 4,626,200	-	$ 9,252,300	-

Full Funding of Lease and Directed Move Costs
(DIN 3010)

The Department requests funding for the 2013-15 estimated costs of state-owned rent and private lease payments based on actual charges in the first year of the current biennium.

Fiscal Effect Summary

Source of Funds	FY14			FY15			Biennial Total		
		Dollars	FTE		Dollars	FTE		Dollars	FTE
GPR	$	1,036,000	-	$	1,107,900	-	$	2,143,900	-
PR	$	(206,300)	-	$	(168,300)	-	$	(374,600)	-
FED	$	(119,300)	-	$	(40,600)	-	$	(159,900)	-
SEG	$	5,300	-	$	5,600	-	$	10,900	-
Total	$	715,700	-	$	904,600	-	$	1,620,300	-

Food Re-Estimate
(DIN 4502)

The Department requests $23,000 GPR and ($37,400) PR in FY14 and $78,900 GPR and ($12,000) PR in FY15 to fund food services costs for the facilities administered by the Division of Mental Health and Substance Abuse Services and the Division of Long Term Care. These facilities include Mendota and Winnebago Mental Health Institutes, the Wisconsin Resource Center, Sand Ridge Secure Treatment Center, and Central, Northern and Southern Centers for People with Developmental Disabilities.

Fiscal Effect Summary

Source of Funds	FY14			FY15			Biennial Total		
		Dollars	FTE		Dollars	FTE		Dollars	FTE
GPR	$	23,000	-	$	78,900	-	$	101,900	-
PR	$	(37,400)	-	$	(12,000)	-	$	(49,400)	-
FED	$	-	-	$	-	-	$	-	-
SEG	$	-	-	$	-	-	$	-	-
Total	$	(14,400)	-	$	66,900	-	$	52,500	-

Variable Non-Food Re-Estimate
(DIN 4515)

The Department requests $1,464,000 GPR and ($716,100) PR in FY14 and $4,934,000 GPR and ($376,400) PR in FY15 to fund the increased cost of variable non-food expenditures for the Mental Health Institutes, the Wisconsin Resource Center, Sand Ridge Secure Treatment Center and the Centers for People with Developmental Disabilities. These expenditures are directly related to the average daily population and include medical services and supplies, prescription drugs, clothing, and other supplies.

The GPR portion of this request reflects the significant increases in drug costs that have been experienced at these facilities in recent years and that are expected to continue in the 2013-15 biennium. Medical services costs are also increasing as the Department's facilities provide services to individuals with significant medical needs as well as an aging population. Medical services include such items as hospitalization, diagnostic testing, and outpatient medical visits. The decrease in program revenue authority primarily reflects lower populations at the Centers.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ 1,464,000	-	$ 4,934,000	-	$ 6,398,000	-
PR	$ (716,100)	-	$ (376,400)	-	$ (1,092,500)	-
FED	$ -	-	$ -	-	$ -	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ 747,900	-	$ 4,557,600	-	$ 5,305,500	-

Program Revenue Re-Estimate
(DIN 4550)

The Department requests adjustments in PR/PR-S appropriations to reflect current projections of program costs.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ -	-	$ -	-	$ -	-
PR	$ 18,941,400	-	$ 20,941,300	-	$ 39,882,700	-
FED	$ -	-	$ -	-	$ -	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ 18,941,400	-	$ 20,941,300	-	$ 39,882,700	-

Federal Revenue Re-Estimate
(DIN 4555)

The Department requests adjustments in FED appropriations to reflect current projections of program costs.

Fiscal Effect Summary

Source of Funds	FY14		FY15		Biennial Total	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ -	-	$ -	-	$ -	-
PR	$ -	-	$ -	-	$ -	-
FED	$ 22,143,000	-	$ 22,813,900	-	$ 44,956,900	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ 22,143,000	-	$ 22,813,900	-	$ 44,956,900	-

Conditional Release and Supervised Release Re-Estimate
(DIN 5201)

The Department requests an increase of $1,013,900 GPR in FY14 and an increase of $1,710,000 GPR in FY15 based on a re-estimate of costs for outpatient competency examinations, conditional and supervised release, and treatment to competency programs for the 2013-15 biennium.

The Department performs competency-to-stand trial examinations for criminal defendants referred by the court on an inpatient or outpatient basis. Inpatient examinations are conducted by Department staff in one of the state mental health institutes (MHI). The Department contracts with a private provider to conduct outpatient competency examinations in a jail or locked unit of a facility. The Supervised Release program provides treatment to individuals determined to be Sexually Violent Persons (SVP) under Chapter 980 of the statutes and who have been released by the courts under the supervision of the Department. The Conditional Release program provides treatment to individuals who have been conditionally released from one of the MHIs. The Treatment to Competency Program provides treatment to competency services to individuals who would otherwise receive inpatient treatment at an MHI. The Department contracts with a private provider to provide treatment to competency services in the community. The Department's request is based on a re-estimate of caseload and service costs in each program.

Fiscal Effect Summary

Source of Funds	FY14		FY15		Biennial Total	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ 1,013,900	-	$ 1,710,000	-	$ 2,723,900	-
PR	$ -	-	$ -	-	$ -	-
FED	$ -	-	$ -	-	$ -	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ 1,013,900	-	$ 1,710,000	-	$ 2,723,900	-

Mental Health Institutes Funding Split
(DIN 5202)

The Department requests 1,918,200 GPR and 6.14 GPR FTE and ($1,918,200) PR and (6.14) PR FTE in both FY14 and FY15 as a result of the re-estimate of the GPR/PR funding split at the Mendota and Winnebago Mental Health Institutes to reflect changes in their patient populations.

The cost of care for forensic commitments is the responsibility of the state and is funded with GPR. The cost of care for civil commitments and voluntarily committed patients is the responsibility of boards established under s. 51.42 and other third-party payers and is funded with program revenue (PR) received from these payers. This request updates the current budgeted GPR/PR split to reflect the most recent patient population information. The split calculation is based on actual billable (PR) and non-billable (GPR) populations, adjusted for anticipated population changes, which is consistent with methodologies used in previous biennia. The new splits will be 86% GPR/14% PR at Mendota and 65% GPR/35% PR at Winnebago for both years of the 2013-15 biennium.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ 1,918,200	6.14	$ 1,918,200	6.14	$ 3,836,400	6.14
PR	$ (1,918,200)	(6.14)	$ (1,918,200)	(6.14)	$ (3,836,400)	(6.14)
FED	$ -	-	$ -	-	$ -	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ -	-	$ -	-	$ -	-

Facility Shared Services
(DIN 5204)

The Department requests the conversion of 0.95 FTE from GPR to PR and line transfers within current institutional appropriations in both years of the biennium to appropriately fund the Division of Mental Health and Substance Abuse Services and the Division of Long Term Care positions providing services for institutions, such as building and grounds and business office positions. Positions on the Madison campus perform services for Mendota Mental Health Institute and Central Wisconsin Center. Positions on the Oshkosh campus perform services for Winnebago Mental Health Institute and the Wisconsin Resource Center. This decision item adjusts the direct funding of shared services positions to reflect actual tasks performed and streamlines administrative work by avoiding the need to charge back costs between facilities.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ -	(0.95)	$ -	(0.95)	$ -	(0.95)
PR	$ -	0.95	$ -	0.95	$ -	0.95
FED	$ -	-	$ -	-	$ -	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ -	-	$ -	-	$ -	-

Mendota Juvenile Treatment Center
(DIN 5210)

The Department requests statutory changes to reflect the estimated cost of care of juveniles in Mendota Juvenile Treatment Center (MJTC) in FY14 and FY15.

Total costs of MJTC are re-estimated every biennium to take into account changes in average staff salaries and fringe costs. The amount specified in statutes under s. 46.057(2) must be changed to reflect the new re-estimate. MJTC costs are funded by a mix of GPR, which is part of the Department of Corrections (DOC) base budget, and program revenue, which is revenue from the youth correctional rate charged to counties.

Medicaid Base Re-Estimate: Caseload and Intensity
(DIN 5400)

The Department requests an increase of $153,939,800 GPR, $16,177,700 PR, $169,061,900 FED and $4,984,600 SEG in FY14 and an increase of $256,953,400 GPR, $13,799,000 PR, $336,917,100 FED, and $2,231,800 SEG in FY15 to fund the ongoing cost for the Medicaid program.

This request reflects the cost to fund the current Medicaid and BadgerCare Plus programs in the absence of any program changes. Factors such as changes in caseloads and utilization of services under current benefit levels and eligibility standards are included in this request.

The amounts above do not incorporate the impact of expected decreases in the state's actual federal Medicaid matching rate in 2013-15. The amounts also do not include increases in mandated payments to Medicare for dual eligibles (persons eligible for Medicaid and Medicare) for "clawback payments" for Medicare Part D prescription drug coverage and for Part A and Part B Medicare premiums. This decision item isolates the impact of intensity and caseload changes under the state's control. The impact of expected declines in the federal matching rate and increase in mandated Medicare payments are covered in a separate request, titled DIN 5402, "Replacement of Medicaid Matching Funds and Funding Medicare Payment Increases." GPR funding of $104,944,200 in FY14 and $142,825,300 in FY15 will be needed to cover these items.

This re-estimate does not incorporate any of the changes that could result under the Patient Protection and Affordable Care Act (PPACA). The Supreme Court decision in June 2012 concluded that the federal government cannot compel states to increase their Medicaid eligibility as mandated in PPACA. Given the significant number of potential uncertainties, this re-estimate will focus only on the current Medicaid program.

Effective July 1, 2012, the federal Centers for Medicare and Medicaid Services approved amendments to Wisconsin's BadgerCare Plus waiver that expanded premiums and private insurance crowd-out provisions to adults over 133% of the federal poverty level (FPL). Under prior law, adults in transitional medical assistance eligibility categories did not face premiums or crowd-out provisions and Core Plan adults did not pay any premiums. BadgerCare Plus parents and caretakers were previously subject to premiums and crowd out provisions only above 150% FPL. These waiver changes expire on December 31, 2013. This re-estimate assumes that the waiver would be renewed.

The 2011-13 biennial budget directed the Department to achieve a significant amount of savings within the Medicaid budget in FY12 and FY13. The Department is on course to meet that savings goal and keep the program in balance this biennium. This re-estimate does not assume any carryover deficit from FY13 to the 2013-15 biennium. This is true despite two factors not assumed in the 2011-13 biennial budget. Effective April 2, 2012, the Legislature lifted the enrollment cap on the Family Care, PACE/Partnership and IRIS programs that had been implemented in the biennial budget. The cost of enrollment cap is currently estimated to equal $32 million GPR in FY13. In addition, the federal Medicaid matching rate for FY13 is less than assumed in the biennial budget, by $24.7 million in FY13. The Department's funding request for 2013-15 biennium, however, needs to address the ongoing impact of these two factors in FY14 and FY15.

Family Care

The Legislature lifted the enrollment cap on Family Care, and the current 57 counties with Family Care will have growing enrollments. Past experience indicates that even after counties work through their waitlists, enrollment continues to grow, especially in the initial years after reaching entitlement. Based on an analysis of new individuals enrolled from waitlists into Family Care, PACE, Partnership and IRIS in the January 2010 to June 2011 period, it is estimated that the net cost of serving a new enrollee is $2,131 All Funds per member per month, which is $212 PMPM less than the average cost of existing Family Care members. These amounts are net of any costs the member incurred in Medicaid fee-for-service (including nursing home fee-for-service) before entering the programs. After enrolling, members continue to receive certain services through fee-for-service, which vary from program to program.

Based on this estimate, before any savings from the Department's long term care sustainability plan, it is projected that the continued enrollment growth of Family Care will increase GPR costs in FY14 by $43.4 million and by $77.3 million in FY15 over FY13 levels.

The re-estimate assumes that enrollment for the four programs will grow from 45,423 in July 2012 to 56,713 in June 2015. The growth includes 1,250 individuals from waitlists as counties complete the 36 month phase in to entitlement. The remaining 10,040 additional individuals represent further projected enrollment growth after counties reach entitlement.

The statutes require counties that have implemented Family Care to contribute amounts equal to their prior long-term care expenditures. However, the 2009-11 biennial budget included a provision that will phase-down each county's contribution to 22% of its Community Aids allocation if the county contribution is greater than this amount. It is projected that this provision will reduce county contributions by $9 million in the 2013-15 biennium for current Family Care counties, which will result in increased GPR costs of an equal amount.

It is expected that 15 counties will not have implemented Family Care by June 30, 2013. The cost to expand Family Care to these remaining counties is not included in this re-estimate. Under the provisions of 2011 Act 127, the Department may enter into contracts in these counties only if the Joint Committee on Finance votes to approve the contracts.

Medicaid Caseload

The most difficult part of the caseload projection is for BadgerCare Plus children, parents, and caretakers. These groups have the most sensitivity to the economy. Recent experience over the last year has been 0.73% annual growth for children and -0.34% growth for adults. This trend has occurred over a slow recovery. Since it is expected that improvements in the economy will be slow for some time, this projection assumes the underlying caseload trend for BadgerCare Plus parents and caretakers before eligibility changes are annual increases of 1% and for children 1.2%.

Although the underlying trend for BadgerCare Plus parents is +1.0%, the implementation of new premium and insurance crowd-out provisions in July 2012 is projected to cause enrollment for parents and caretakers to fall from 262,598 in July 2012 to 241,019 in July 2013. After July 2013, the underlying 1% caseload growth assumption will be the only factor, and as a result, caseload will resume growing after July 2013. By the end of FY14, it is projected that parent/caretaker enrollment will rise to 243,258, and by the end of FY15, to 245,681. Total enrollment for all adults in BadgerCare Plus, including Core Plan adults without dependent children, will be 281,600 in June 2015. The estimate assumes the current Core Plan enrollment cap continues through FY15.

The Medicaid elderly, blind and disabled (EBD) population is less sensitive to the economy, but there is still some impact on enrollees who are disabled. The EBD growth has averaged 2.65% over the last year during the recovery. The projection assumes that this group will grow at a 2.7% annual rate in FY13 and the 2013-15 biennium.

Projected caseload changes by eligibility group are shown in the table below.

Annual Medicaid Caseload Changes

	Aged, Blind and Disabled	**BC Plus Children + Foster Children + Subsidized Adoptions**	**BC Plus Adults + Well Women + Childless Adults**	**Family Planning Waiver***	**Medicare Beneficiaries ***	**Total**
FY12	211,835	494,849	317,806	67,348	19,770	1,111,608
FY13	217,987	499,031	289,950	74,623	21,014	1,102,604
	2.9%	0.9%	-8.8%	10.8%	6.3%	-0.8%
FY14	223,916	505,070	282,303	78,270	22,864	1,112,423
	2.7%	1.2%	-2.6%	4.9%	8.8%	0.9%
FY15	230,069	511,128	281,600	79,933	24,885	1,127,614
	2.7%	1.2%	-0.3%	2.1%	8.8%	1.4%

* limited benefits

Intensity
Intensity is a measurement of the extent to which enrollees utilize more or less services and the extent to which more or less costly services are delivered. In the fee-for-service area, but excluding nursing homes and cost settlements for federally qualified health centers (FQHCs), the estimated intensity changes to Medicaid will increase costs by $49.8 million All Funds ($20.4 million GPR) in FY14 over FY13 and an additional $101.7 million All Funds ($41.8 million GPR) in FY15. The table below lists the projected intensity changes for the larger categories of fee-for-service. These amounts only reflect intensity related to services provided under fee-for-service. Intensity changes in managed care are discussed later.

Medicaid Projected Intensity Changes

	FY 13	**FY 14**	**FY 15**
Drugs	2.4%	2.5%	2.3%
Inpatient Hospital	0.0%	0.7%	0.7%
Outpatient Hospital	0.0%	0.7%	0.7%
Personal Care	13.0%	11.1%	10.1%
Physicians	2.6%	1.5%	1.6%
Home Health	2.6%	2.3%	2.5%
Hospice	4.7%	6.2%	9.4%
Medicare Part A Premiums	0.5%	0.6%	1.5%
Medicare Part B Premiums	2.6%	1.8%	2.2%
Lab & X-ray	2.4%	2.7%	1.5%
Dental	1.7%	1.6%	1.7%

Cost settlements for FQHCs have a history of strong growth, averaging close to 20% annual growth. Part of the reason for the high growth was increasing caseloads. In FY11 and FY12, the growth in settlements slowed to 14% and 6%, respectively. This may be reflecting slower caseload growth. Since caseload growth is expected to slow in FY13, it is projected that cost settlements will only increase 6% in FY13 and 8% in FY14. The growth for FY15 is projected at 10%. These growth rates will increase biennial costs for settlements by $41 million All Funds ($16.5 million GPR) in 2013-15 over the level in FY13.

The projection anticipates a decline in fee-for-service utilization of nursing homes. The projected cost declines from FY13 are $25.9 million All Funds ($10.4 million GPR) in FY14 and an additional $16.6 million All Funds ($6.6 million GPR) in FY15.

Intensity changes in service utilization affect managed care as well as the fee-for-service system under Medicaid. Federal regulations require that capitation rates are actuarially sound. The re-estimate assumes that future managed care utilization will increase between 1% and 3% per year over the next three years, depending on the program. These amounts are only estimates, and actual managed care rates will be set through the Department's rate setting methodology. The projected changes will increase managed care expenditures by $54.5 million All Funds ($21.7 million GPR) in FY14 and an additional $59.7 million All Funds ($24.1 million GPR) in FY15.

Summary
The net impact of all intensity and caseload increases, as well as base expenditures being higher than base funding, is that an additional $153.9 million GPR in FY 14 and $257.0 million GPR in FY 15 is needed to fully fund projected costs in the Medicaid program, for a total of

$410.9 million GPR in the 2013-15 biennium. A listing of the factors behind this amount is listed in the table below. It should be cautioned that due to interaction between the factors, these estimates depend on the order of application.

Key Factors Behind GPR Increase for Medicaid (Millions of Dollars)	
Caseload & Intensity	
Managed Care Intensity	$67.5
Fee-for-Service Intensity	$62.2
Extra Week in 2013-15 (53rd Checkwrite)	$20.0
FQHC Cost Settlements	$16.5
Declines in Assessments, CPE claims	$4.7
Subtotal	$170.9
Family Care	
Enrollment Growth beyond FY13 Level	$120.8
Enrollment Growth FY13 over Cap Level	$64.0
Decline in County FC Contribution	$9.0
Subtotal	$193.8
FY 13 GPR Costs Above Base Level (Apart from Family Care and Federal Match Changes)	$16.7

The total impact of this re-estimate on expenditures is shown in the table below. The amounts below include the impact of DIN 5402 which, as noted earlier, reflects the impact of decreases in the federal matching rate and increases in mandated Medicare payments for dual eligibles. It should be noted that the large increase in expenditures between FY12 and FY13 is significantly impacted by the timing of managed care payments. In FY12, there were only 10 managed care capitation payments while in all other years that are 12 capitation payments. The value of 2 capitation payments is approximately $432 million AF ($168 million GPR). Also, trends are distorted by the pattern of 13 Medicare Part D "clawback" payments in the first year of the biennium and 11 payments in the second year. The All Funds amounts in the table below are adjusted for these two timing factors.

	Actual FY 12	**Projected FY 13**	**Projected FY 14**	**Projected FY 15**
GPR	$1,863,950,600	$2,070,800,500	$2,270,332,300	$2,411,227,000
Change		$206,849,900	$199,531,800	$140,894,700
SEG	$641,988,700	$679,691,800	$681,407,900	$680,290,800
PR	$90,252,200	$109,615,900	$104,042,500	$100,936,500
FED	$4,004,369,500	$4,220,572,400	$4,356,589,700	$4,512,881,100
TOTAL	$6,600,561,100	$7,287,530,700	$7,412,372,400	$7,705,335,400
Adjust for 12 HMO & 12 clawback payments	$420,653,500	$14,783,200	($14,783,200)	$16,806,700
Adjusted Total	$7,021,256,600	$7,302,313,900	$7,397,589,200	$7,722,142,100
Change		$281,099,300	$95,275,300	$324,552,900
% Change		4.00%	1.30%	4.39%

Fiscal Effect Summary

Source of Funds	FY14		FY15		Biennial Total	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ 153,939,800	-	$ 256,953,400	-	$ 410,893,200	-
PR	$ 16,177,700	-	$ 13,799,000	-	$ 29,976,700	-
FED	$ 169,061,900	-	$ 336,917,100	-	$ 505,979,000	-
SEG	$ 4,984,600	-	$ 2,231,800	-	$ 7,216,400	-
Total	$ 344,164,000	-	$ 609,901,300	-	$ 954,065,300	-

SeniorCare Re-Estimate
(DIN 5401)

The Department requests a decrease of ($10,196,400) GPR, ($3,805,700) PR, and ($13,647,900) FED in FY14 and a decrease of ($9,307,300) GPR, ($1,667,400) PR, and ($13,043,800) FED in FY15 to fund the ongoing costs of the SeniorCare program.

SeniorCare provides prescription drug assistance to Wisconsin residents over 65 years of age whose income does not exceed 240% of the Federal Poverty Level (FPL) and to those whose income exceeds 240% of the FPL if their prescription drug expenditures bring their net income below the 240% limit (termed spenddown). Participants in SeniorCare are required to pay an annual $30 enrollment fee and co-payments of $15 for each name brand drug and $5 for each generic drug. Also, participants with incomes over 160% of the FPL are subject to a deductible of $500 (for those between 160% to 200% of the FPL) or $850 (200% to 240% of the FPL) before SeniorCare will reimburse a participant's prescription drug expenditures.

Expenditures for the SeniorCare program declined by $14.3 million (13.2 %) in FY12 compared to FY11. This decline is mainly due to utilization since the average state paid amount per enrollee declined by 11.5%. It is likely that this decline reflects a continued increasing utilization of Medicare Part D by SeniorCare participants. For persons eligible for the low income subsidy program under Medicare, co-payments will be lower in Part D compared to SeniorCare.

Rebates as a percentage of the state paid amount continue to increase. Invoiced rebates for CY11, which due to lags in billing manufacturers is collected in FY12, increased from 57.8% of state paid amount in CY10 to 59.9% in CY11. There percentages are based on a date-of-service, and therefore are not influenced by timing of collections and payments and represent the best basis for projected future rebate collections. The Department projects a rebate percentage of 59% for the 2013-15 biennium.

Because of new federal provisions regarding the sharing of Medicaid rebates that were part of the Federal Patient Protection and Affordable Care Act, approximately 6.2% of rebates collected on the Medicaid part of SeniorCare are allocated entirely to the federal government.

As the experience with SeniorCare and Part D stabilizes, the rate at which seniors shift to Medicare Part D should decline.

It is projected that the shift to increased utilization of Medicare Part D will continue in FY13, but will end by the start of the 2013-15 biennium, so that average state expenditures per enrollee will begin increasing by 3% per year in the 2013-15 biennium.

SeniorCare enrollment in FY12 is approximately the same as in FY09. It is projected that SeniorCare enrollment will be flat in FY13, but will grow at a 1% annual rate in FY14 and FY15 to reflect a growing population of persons over 65.

Wisconsin's federal reimbursement rate for Medicaid is projected to decrease from 59.94% in FY13 to 59.02% in FY14 and 58.79% in FY15. These declines will increase GPR costs by $0.3 million in FY14 and $0.4 million in FY15.

It is projected that SeniorCare expenditures will total $92,997,000 AF ($20,683,800 GPR, $18,041,200 FED and $54,272,000 PR) in FY14 and $96,628,500 AF ($21,572,900 GPR, $18,645,300 FED and $56,410,300 PR) in FY15.

Fiscal Effect Summary

Source of Funds	FY14		FY15		Biennial Total	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ (10,196,400)	-	$ (9,307,300)	-	$ (19,503,700)	-
PR	$ (3,805,700)	-	$ (1,667,400)	-	$ (5,473,100)	-
FED	$ (13,647,900)	-	$ (13,043,800)	-	$ (26,691,700)	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ (27,650,000)	-	$ (24,018,500)	-	$ (51,668,500)	-

Replacement of Federal Medicaid Matching Funds and Medicare Payment Increases (DIN 5402)

The Department requests an increase of $104,944,200 GPR and a decrease of ($80,302,900) FED in FY14 and an increase of $142,825,300 GPR and a decrease of ($91,866,700) FED in FY15 to adjust for a declining federal matching rate for Medicaid and to fund additional federal Medicare costs for Medicaid recipients who are also eligible for Medicare (known as dual eligibles).

The 2011-13 biennial budget act projected a federal Medicaid matching rate of 60.32%. However, the matching rates in FY14 and FY15 are projected to fall to 59.02% and 58.79%, respectively. These declines in federal match will increase GPR Medicaid costs by an estimated $88.2 million in FY14 and $108.2 million in FY15, for a total of $196.4 million in the 2013-15 biennium.

Since 2006, states have been required to pay what are known as "clawback" payments to the federal government because Medicare Part D began providing prescription drug coverage for persons who are dually eligible for both Medicaid and Medicare. In FY13, clawback payments totaled $173.4 million GPR, but in FY14 and FY15 are projected to increase to $184.6 million and $196.5 million GPR. Over the base year of FY13, this will increase GPR expenditures in 2013-15 by $34.3 million.

Finally, the Medicaid program is responsible for paying the Medicare Part A and Part B premiums for Medicaid recipients with income below 120% of the Federal Poverty Level.

In FY13, the Medicaid program will pay an estimated $167.6 million All Funds in Medicare premiums for dual eligibles. It is projected that Medicare premium billings will increase to $181.0 million All Funds in FY14 and $195.5 million AF in FY15. Over the base year of FY13, this will increase GPR expenditures in 2013-15 by $17.0 million.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ 104,944,200	-	$ 142,825,300	-	$ 247,769,500	-
PR	$ -	-	$ -	-	$ -	-
FED	$ (80,302,900)	-	$ (91,866,700)	-	$ (172,169,600)	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ 24,641,300	-	$ 50,958,600	-	$ 75,599,900	-

SSI State Supplement and Caretaker Supplement Re-Estimate (DIN 5410)

The Department requests an increase of $3,181,000 GPR and $2,455,800 PR in FY14 and $5,598,200 GPR and $2,455,800 PR in FY15 to fund projected SSI State Supplement and Caretaker Supplement expenditures in the next biennium. The source of the PR funding is federal TANF funds transferred from the Department of Children and Families.

The SSI State Supplement program, funded with GPR, provides a cash benefit to low income seniors and adults and children with disabilities. The TANF-funded Caretaker Supplement program provides a cash benefit to SSI recipients who have dependent children. The requested funding for SSI benefits assumes expenditures will grow based on the historical trend since 2000, which is approximately 1.6% per year. Expenditures are expected to total $149,190,300 GPR in FY14 and $151,607,400 GPR in FY15.

Caretaker Supplement benefit costs are projected to increase by 1% in FY13 and 0.05% in FY14 and remain steady in FY15. Benefit expenditures increased in recent years due to the recession but are expected to stabilize as the economic recovery continues. Expenditures will equal $32,017,700 TANF in both FY14 and FY15 under these assumptions.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ 3,181,000	-	$ 5,598,200	-	$ 8,779,200	-
PR	$ 2,455,800	-	$ 2,455,800	-	$ 4,911,600	-
FED	$ -	-	$ -	-	$ -	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ 5,636,800	-	$ 8,054,000	-	$ 13,690,800	-

Disease Aids Re-Estimate
(DIN 5414)

The Department requests a decrease of ($621,800) GPR and an increase of $210,600 PR in FY14 and a decrease of ($232,600) GPR and an increase of $220,600 PR in FY15 to reflect recent trends in costs and revenues for the Wisconsin Chronic Disease Program (WCDP). The re-estimate of PR revenue reflects higher manufacturer rebates for drug expenditures.

WCDP provides payments to health care providers for disease-related services for individuals with chronic renal disease, adult cystic fibrosis, and hemophilia. WCDP is the payer of last resort for these programs. This re-estimate incorporates prior trends in expenditures to assume a projected 3.5% annual increase in chronic renal disease program expenditures, an increase of $280,000 per year in hemophilia program expenditures, and a 1% increase per year in cystic fibrosis program expenditures compared to FY12 actual expenditures. Drug rebates are expected to increase by 1.7% per year. Despite these growth assumptions, GPR expenditures will be less than current appropriation levels, and therefore the Department requests a small GPR decrease.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ (621,800)	-	$ (232,600)	-	$ (854,400)	-
PR	$ 210,600	-	$ 220,600	-	$ 431,200	-
FED	$ -	-	$ -	-	$ -	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ (411,200)	-	$ (12,000)	-	$ (423,200)	-

Medicaid Third Party Liability Program Enhancements
(DIN 5420)

The Department requests an increase of $281,500 GPR and $593,900 FED in FY14, a decrease of ($2,463,400) GPR and ($3,067,600 FED) in FY15, and an increase of 7.88 FTE GPR and 10.12 FTE FED positions beginning in FY14 to improve third party liability collections. It is estimated that Medicaid benefit savings of ($361,200) All Funds in FY14 and ($7,005,600) All Funds in FY15 will be achieved as a result of the provision of additional administrative resources of $1,236,600 All Funds in FY14 and $1,474,600 All Funds in FY15.

Under state law, Medicaid is intended to be the payer of last resort for health services for eligible members. The Department is responsible for determining whether other entities are responsible for services provided to Medicaid members. The Department proposes to increase staff capacity, consolidate efforts, and improve processes to more effectively identify and recover third party liabilities. The three primary areas affected by this proposal are identifying and billing other health insurance, maintaining an up-to-date Health Insurance Premium Payment program (HIPP), and pursuing tort and casualty claims utilizing state staff.

Potential third party liability could include Medicare or private health, vision, or dental insurance. The Department proposes to increase staff capacity to identify third party insurance, accurately determine the benefits amount for which other parties are responsible, and improve the rate of payment on identified claims. The Department requests a statutory language change to require third party insurers to accept the Department's claims electronically. The Department's claims system has the capacity to produce bills electronically, but the Department has encountered obstacles to connecting with third party insurers to electronically accept the claim.

Tort and casualty refer to claims in which a person has been injured and another party is found to be at fault for the injury (tort) or the result of an accident (casualty). The Department currently contracts with two income maintenance consortia and a private vendor in the remainder of the state.

The Department proposes to achieve economies of scale by consolidating all tort and casualty activities centrally. The cost of state staff to perform the activities is lower than the cost to contract with a private vendor; the Department requests FTE authority in order to realize these savings.

Fiscal Effect Summary

Source of	FY14			FY15			Biennial Total		
Funds	Dollars		FTE	Dollars		FTE	Dollars		FTE
GPR	$	281,500	7.88	$	(2,463,400)	7.88	$	(2,181,900)	7.88
PR	$	-	-	$	-	-	$	-	-
FED	$	593,900	10.12	$	(3,067,600)	10.12	$	(2,473,700)	10.12
SEG	$	-	-	$	-	-	$	-	-
Total	$	875,400	18.00	$	(5,531,000)	18.00	$	(4,655,600)	18.00

Convert Medicaid Contract Staff to State Staff (DIN 5421)

The Department requests a decrease of ($44,400) GPR and ($47,800) FED in FY14, a decrease of ($201,100) GPR and ($209,400) FED in FY15 and an increase of 10.38 FTE GPR and 10.37 FTE FED positions beginning in FY14.

Over the last several years, as the scope of the Medicaid program expanded, the Department increasingly relied on contract staff to perform routine Medicaid functions. The Legislative Audit Bureau's December 2011 audit of the Medicaid program noted a substantial growth in the use of contracted staff over the two and a half year period from December 2008 to June 2011. The Medicaid audit recommended the Department review existing contracted services to identify whether cost savings could be achieved by using state employees rather than vendors for some functions. The Department created 50.5 FTE with Joint Finance Committee approval in FY12 to replace contractors, which will generate over $800,000 GPR in savings per year. The Department also eliminated 335 vendors in FY 12 through the phase down of the Enrollment Services Center as part of implementing the new regionalized income maintenance system for Medicaid and FoodShare eligibility.

The Department has identified an additional 20.75 contract FTE who perform functions traditionally performed by state staff. The rate paid to the contractor exceeds the rate the state would pay for state staff to perform the same functions. The Department does not have sufficient FTE authority within existing resources to make the adjustment to state staff.

Fiscal Effect Summary

Source of	FY14			FY15			Biennial Total		
Funds	Dollars		FTE	Dollars		FTE	Dollars		FTE
GPR	$	(44,400)	10.38	$	(201,100)	10.38	$	(245,500)	10.38
PR	$	-	-	$	-	-	$	-	-
FED	$	(47,800)	10.37	$	(209,400)	10.37	$	(257,200)	10.37
SEG	$	-	-	$	-	-	$	-	-
Total	$	(92,200)	20.75	$	(410,500)	20.75	$	(502,700)	20.75

Medicaid Eligibility Electronic Residency Verification (DIN 5422)

The Department requests a decrease of ($2,638,800) GPR and ($3,673,500) FED in FY14 and a decrease of ($5,790,300) GPR and ($8,383,500) FED in FY15. These changes reflect the cost to implement an electronic state residency verification system and the resulting reduced benefit expenses from identification of non-Wisconsin residents in the state's Medicaid program. The benefit savings are estimated to total $7,450,000 in FY14 and $14,900,000 in FY15 while the administrative costs will total $1,137,700 in FY14 and $726,200 in FY15.

Wisconsin administrative rule requires an applicant for Medicaid to be present in the state of Wisconsin and express the intent to reside in the state in order to meet the program's residency requirement. Current policy requires applicants to provide proof of Wisconsin residency when applicants indicate they recently resided or received benefits in another state or the information provided in the application is inconsistent.

In order to improve program integrity, the Department would use electronic databases to verify Wisconsin residency of Medicaid applicants. If electronic means are unable to verify residency, the applicant would be required to provide proof of Wisconsin residency. The Department may exempt the electronic verification requirement if acceptable documents have previously established residency as a part of the application for other state or federal assistance programs or if the individual resides in a facility for which Medicaid provides payment.

The Department will apply the net savings in this decision item toward its required GPR reduction target specified in the 2013-15 budget instructions.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ (2,638,800)	-	$ (5,790,300)	-	$ (8,429,100)	-
PR	$ -	-	$ -	-	$ -	-
FED	$ (3,673,500)	-	$ (8,383,500)	-	$ (12,057,000)	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ (6,312,300)	-	$ (14,173,800)	-	$ (20,486,100)	-

Medicaid Payment Accuracy
(DIN 5423)

The Department requests a decrease of ($476,800) GPR and ($702,300) FED in FY14, a decrease of ($980,700) GPR and ($1,431,700) FED in FY15, and an increase of 0.5 FTE GPR and 0.5 FTE FED beginning in FY14 in order to hire a certified medical coder position. The benefit savings are estimated to be $1,250,000 All Funds in FY14 and $2,500,000 All Funds in FY15 while the position costs will total $71,000 All Funds in FY14 and $87,600 All Funds in FY15.

Medical procedure codes form the basis of Medicaid reimbursement; provider payments are accurate only if the Department correctly identifies codes and providers submit correct codes for reimbursement. A certified medical coder has expertise in translating diagnoses and treatments into correct medical codes. The medical coder will be responsible for reviewing the Department's reimbursement policies and ensuring code accuracy in the claims system. With the addition of the position, Medicaid benefit payments are expected to decrease as the claims system will reimburse only for codes that properly reflect Medicaid benefits.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ (476,800)	0.50	$ (980,700)	0.50	$ (1,457,500)	0.50
PR	$ -	-	$ -	-	$ -	-
FED	$ (702,300)	0.50	$ (1,431,700)	0.50	$ (2,134,000)	0.50
SEG	$ -	-	$ -	-	$ -	-
Total	$ (1,179,100)	1.00	$ (2,412,400)	1.00	$ (3,591,500)	1.00

Wisconsin Funeral and Cemetery Aids Re-Estimate
(DIN 5440)

The Department requests $1,274,900 GPR in FY14 and $1,704,700 GPR in FY15 to fund the projected costs of the Wisconsin Funeral and Cemetery Aids Program.

The Wisconsin Funeral and Cemetery Aids Program provides supplemental funding for funeral and cemetery services when the estate or others lack resources to pay for the necessary services. To qualify for funding, the individual must have been enrolled in Medicaid or a W-2 participant at the time of his or her death. State statutes specify that the state is to pay the lesser of the amount not covered by the estate or other persons or $1,000 for cemetery reimbursement and $1,500 for funeral and burial expenses.

The program does not pay any funeral, burial, or cemetery expenses if the total expense for funeral services exceeds $4,500 or cemetery services exceed $3,500. Benefits are funded entirely with GPR funding.

This re-estimate incorporates projected increases in program costs based on recent trends.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ 1,274,900	-	$ 1,704,700	-	$ 2,979,600	-
PR	$ -	-	$ -	-	$ -	-
FED	$ -	-	$ -	-	$ -	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ 1,274,900	-	$ 1,704,700	-	$ 2,979,600	-

Funding for the Board on Aging and Long Term Care Position
(DIN 5650)

The Department requests an internal transfer of $64,800 GPR in both FY14 and FY15 to continue funding for a relocation ombudsman specialist position at the Board on Aging and Long Term Care. The position serves as a statewide advocate and relocation specialist for consumers who need to relocate from long term care facilities. It focuses on protecting resident rights and quality of care and life for people in these situations. Since 2006, the Department has provided the Board with federal civil money penalty revenues, collected from nursing homes that violate federal certification rules, to support the position. These revenues are no longer available for this purpose. The Department proposes to transfer $64,800 GPR from the appropriation for the former General Relief Block Grant program, which the Legislature ended in 2009, to the Division of Quality Assurance to provide ongoing funding for the position.

The Department will also continue to provide $21,600 FED per year in federal Medicaid administration funds.

Fiscal Effect Summary

Source of Funds	FY14		FY15		Biennial Total	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ -	-	$ -	-	$ -	-
PR	$ -	-	$ -	-	$ -	-
FED	$ -	-	$ -	-	$ -	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ -	-	$ -	-	$ -	-

ADRC Re-Estimate
(DIN 5714)

The Department requests a decrease of ($295,900) GPR and an increase of $3,479,600 FED in FY14 and an increase of $295,900 GPR and $3,498,600 FED in FY15. A total of 13 counties implemented Aging and Disability Resource Centers in the 2011-13 biennium. The Department requests funding to support the annual ongoing costs of these new ADRCs. It also requests a federal expenditure increase to reflect current federal claiming levels for all ADRCs statewide.

Fiscal Effect Summary

Source of Funds	FY14		FY15		Biennial Total	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ (295,900)	-	$ 295,900	-	$ -	-
PR	$ -	-	$ -	-	$ -	-
FED	$ 3,479,600	-	$ 3,498,600	-	$ 6,978,200	-
SEG	$ -	-	$ -	-	$ -	-
Total	$ 3,183,700	-	$ 3,794,500	-	$ 6,978,200	-

Administrative Transfers
(DIN 5800)

The Department requests ($480,200) PR, $543,600 FED, (0.50) FTE GPR, (7.13) FTE PR, and 7.63 FTE FED in FY14 and FY15. Overall, this request is a zero increase to position authority on an All Funds basis. This request reflects department-wide reallocations of vacant positions to high priority projects since the Department's 2011-13 agency budget request.

This request also transfers funds and positions between appropriations to correct documented file maintenance errors in the 2011-13 biennial budget and to accurately align funding for positions in the Division of Public Health and at the Wisconsin Resource Center.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ -	(0.50)	$ -	(0.50)	$ -	(0.50)
PR	$ (480,200)	(7.13)	$ (480,200)	(7.13)	$ (960,400)	(7.13)
FED	$ 543,600	7.63	$ 543,600	7.63	$ 1,087,200	7.63
SEG	$ -	-	$ -	-	$ -	-
Total	$ 63,400	(0.00)	$ 63,400	(0.00)	$ 126,800	(0.00)

Office of the Inspector General
(DIN 5850)

The Department requests creation of five Chapter 20 appropriations and transfer of $3,731,900 GPR, $44,800 PR, $5,778,400 FED, 41.90 FTE GPR, 0.60 FTE PR, and 64.30 FTE FED in FY14 and FY15 to new appropriations for the Office of the Inspector General. These transfers will result in a net increase of $234,700 PR and 2.0 FTE PR and a decrease of $234,700 FED and 2.0 FTE FED in FY14 and FY15. On October 3, 2011, the Department established the Office of the Inspector General to provide better focus and coordination to program integrity efforts for all Department programs. This request reflects current organization of the Office of the Inspector General.

Fiscal Effect Summary

Source of	FY14		FY15		Biennial Total	
Funds	Dollars	FTE	Dollars	FTE	Dollars	FTE
GPR	$ -	-	$ -	-	$ -	-
PR	$ 234,700	2.00	$ 234,700	2.00	$ 469,400	2.00
FED	$ (234,700)	(2.00)	$ (234,700)	(2.00)	$ (469,400)	(2.00)
SEG	$ -	-	$ -	-	$ -	-
Total	$ -	(0.00)	$ -	(0.00)	$ -	(0.00)

Department of Health Services
Functions

October 2011