

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/26/99**

Received By: **kenneda**

Wanted: **As time permits**

Identical to LRB:

For: **Senate Democratic Caucus 266-2257**

By/Representing: **Walter**

This file may be shown to any legislator: **NO**

Drafter: **kenneda**

May Contact:

Alt. Drafters:

Subject: **Health - long-term care
Public Assistance - med. assist.**

Extra Copies: **TAY**

Pre Topic:

SDC:.....Walter - #2107,

Topic:

Create 1,000 new COP slots in each year of biennium

Instructions:

See Attached

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|---------------------|----------------------|--------------------|----------------|--------------------------|-----------------|-----------------|
| /? | kenneda 06/27/99 | chanaman 06/27/99 | | _____ | | | |
| /1 | kenneda 06/28/99 | chanaman 06/28/99 | mclark 06/28/99 | _____ | lrb_docadmin 06/28/99 | | |
| /2 | | | ismith 06/29/99 | _____ | lrb_docadmin 06/29/99 | | |

FE Sent For:

<END>

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|--------------|---------------------|---|--|---------------------------------|--------------------------|-----------------|-----------------|
| /? | kenneda 06/27/99 | chanaman 06/27/99 | | _____ | | | |
| /1 | | <i>Chan</i> <i>6/28</i> <i>12</i> | mclark 06/28/99 <i>IS</i> <i>6/29</i> | _____ | lrb_docadmin 06/28/99 | | |
| FE Sent For: | | | | <i>JED(kenn)</i> <i>6/29</i> | | | |
| <END> | | | | | | | |

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|--------------|----------------|-----------------|--------------|-----------------|------------------|-----------------|-----------------|
| /? | kenneda | cm7 6/27 | MRC 6/27 | MRC/MGD 6/28 | | | |

FE Sent For:

/1

<END>

yes

SDC

Agency: Health and Family Services - Supportive Living

caucus number 2107

duplicate flag:

duplicate with:

Other reference numbers: Paper 561

LFB Sum #:

bill number/amendment number:

LRB draft #

LRB P-draft:

description: COP. \$12,677,400 GPR and \$7,978,900 FED in Biennium. Based on a 70% COP-W and 30% COP-R allocation, create 1,000 new slots in each year of bienium for a total of 2000 new slots.

other notes Modification to above: 1000 COP slots in Y2, 70% COP-W, 30% COP-R).

drafting instructions:

more instructions:

Agency: **Health and Family Services - Supportive Living**

Number of Amendments: 1

~~Do Not Draft~~

CN 2107

+

HEALTH & FAMILY SERVICES—Supportive Living

Community Options Program (COP)

\$12,677,400 GPR and \$7,978,900 FED biennium:

| <u>1999-00</u> | | <u>2000-01</u> | |
|----------------|-----------|----------------|-----------|
| GPR | FED | GPR | FED |
| \$3,451,300 | 2,022,300 | \$9,226,100 | 5,956,600 |

Motion:

Based on a 70% COP-W and 30% COP-R allocation, create 1,000 new slots in each year of the biennium, for a total of 2,000 new slots over the course of the biennium.

~~Cop Package Coming~~

20 GPR
3,459,700

Attachment: LFB JFC Paper #561, prepared by Richard Megna



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 7, 1999

Joint Committee on Finance

Paper #561

Community Options Program Funding (DHFS -- Supportive Living)

[LFB 1999-01 Budget Summary: Page 330, #13]

CURRENT LAW

Purpose and Administration. The community options program (COP), including regular COP (COP-R) and the community options medical assistance (MA) waiver program (COP-W), screens persons who are at risk of entering a nursing home, state Center for the Developmentally Disabled or other institution to determine whether they can be served by community-based, noninstitutional services. The programs assess persons to determine if community-based services are appropriate and provide individual case planning and funding for eligible, low-income persons to obtain those services necessary to remain at home or in the community.

Counties are allocated funds on a calendar year basis, with separate allocations for assessments, case plans and COP and COP-W services. In 1997, 2% of the COP funds were used to provide assessments and case plans; the remaining 98% were used to provide services.

Although a given funding level is often associated with a number of placements, counties are not obligated to serve a minimum number of individuals. If the cost of services for COP and COP-W are higher than the cost assumption used to project the number of placements, a lower number will be served than anticipated.

Comparison of COP-R and COP-W. Client groups eligible for COP-R and COP-W programs overlap. However, there are four significant differences between the programs.

(a) The target populations for COP-W are more limited than for COP-R. COP-W is generally intended to serve only elderly and physically disabled persons, whereas COP-R serves individuals in these two target groups, as well as persons with developmental disabilities, chronic mental illness and Alzheimer's disease.

(b) To be eligible for COP-W services, a person must qualify for care reimbursable by MA (generally, care provided in a skilled nursing facility or an intermediate care facility levels 1 or 2). COP-R provides exceptions to this requirement for persons with Alzheimer's disease and chronic mental illness.

(c) COP-W provides funding for a specified array of services, whereas regular COP funds may be used for any service or program which is needed to enable the individual to remain at home in place of institutional care.

(d) COP-W recipients must meet financial and non-financial eligibility criteria for the MA program, while the COP-R program is slightly broader in its eligibility standards.

Although COP-W does not serve persons with developmental disabilities, there are several MA waiver programs, including the community integration program (CIP IA and IB), that provide community-based services to this group.

Persons with chronic mental illness and individuals in the early stages of Alzheimer's disease are only eligible for COP and cannot access the MA waiver programs. Also, those individuals are not eligible for MA-funded nursing home care.

COP is often used to fill gaps in the MA waiver programs. COP is used for services not supported under the MA waivers. Also, if the state's per diem payments are insufficient to pay for all the costs of care, counties use COP to fund excess costs. COP is also used to fund services while an applicant is waiting for approval under one of the waiver programs. Other uses of COP are: (a) supporting the required 40% match for locally-supported slots under CIP IB; (b) support of costs above state limits for MA waiver programs; (c) support persons living in CBRFs, many of which exceeded the size requirement for coverage under the MA waiver program.

Program Funding. In 1998-99, \$145,363,600 (\$100,069,400 GPR and \$45,294,200 FED) is budgeted for COP services. Of the total funding allocated in calendar 1999, \$68.2 million GPR is provided for COP-R and \$81.4 million (\$33.5 million GPR and \$47.9 million FED) is provided for COP-W.

1997 Wisconsin Act 27 (the 1997-99 biennial budget act), together with 1997 Act 237 (the budget adjustment act), increased annual funding for the COP program by \$28.9 million. This additional funding supported the creation of 4,111 new slots (987 COP-R and 3,124 COP-W). This increased the number of budgeted slots from 16,426 (9,760 COP-R and 6,666 COP-W) to a total of 20,537 slots (10,747 COP-R and 9,790 COP-W). Based on the actual average costs for 1997, the funding level could be expected to support approximately 13,600 full-time placements.

GOVERNOR

Provide \$3,913,400 GPR and \$4,957,800 FED in 1999-00 and \$3,920,800 GPR and \$4,950,400 FED in 2000-01 to fully fund community option program (COP) slots that were created in 1998-99. 1997 Wisconsin Acts 27 and 237 created 3,515 new COP slots that were phased-in during the 1998-99 fiscal year and, as a result, the full annualized cost of these slots is not included in the DHFS base budget.

DISCUSSION POINTS

1. Table 1 indicates the level of funding for the COP-R and COP-W programs for calendar years 1990 through 1999. The amounts identified for 1990 through 1997 represent actual expenditures, while the amounts for 1998 and 1999 reflect the amounts allocated to counties in those years (all of these funds may not have been expended).

TABLE 1

**Total COP Expenditures for Calendar Years 1990 through 1999
(\$ in Millions)**

| <u>Year</u> | <u>COP-R</u> | <u>COP-W</u> | <u>Total</u> | |
|-------------|--------------|--------------|---------------|-----------------|
| | | | <u>Amount</u> | <u>% Change</u> |
| 1990 | \$35.4 | \$10.6 | \$46.0 | -- |
| 1991 | 37.7 | 17.8 | 55.5 | 20.7% |
| 1992 | 41.6 | 21.5 | 63.1 | 13.7 |
| 1993 | 46.6 | 33.6 | 80.2 | 27.3 |
| 1994 | 49.8 | 39.2 | 89.0 | 10.8 |
| 1995 | 57.8 | 45.6 | 103.4 | 16.2 |
| 1996 | 60.1 | 53.2 | 113.3 | 9.8 |
| 1997 | 62.4 | 60.7 | 123.1 | 2.4 |
| 1998 | 63.5 | 64.4 | 127.9 | 3.9 |
| 1999 | 68.2 | 81.4 | 149.6 | 17.0 |

Annual Rate of Increase
Over 1990 to 1999

14.0%

2. Table 2 presents information on the number of persons on county waiting lists in each year from 1990 to 1999.

TABLE 2

**Number of Persons on County COP Waiting Lists
1990 through 1999**

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 1990 | 2,444 |
| 1991 | 3,660 |
| 1992 | 4,952 |
| 1993 | 6,348 |
| 1994 | 8,549 |
| 1996* | 8,834 |
| 1997* | 8,270 |
| 1998* | 9,189 |
| 1999* | 10,879 |

*The 1996 through 1999 figures reflect the count as of January 1, while the 1994 and prior year figures reflect the number as of September 30 of each year.

3. Even though the Legislature has significantly increased funding for the COP program over the past ten years, there remains a substantial number of persons on waiting lists for COP services. As a result, the Committee could create additional COP slots, in addition to fully funding previously created slots, as recommended by the Governor.

4. Although the Family Care program is intended to redesign the long-term care system and to improve access to community-based long-term care services, it would only be implemented in nine pilot counties in the 1999-01 biennium. As a result, COP and other current community-based long-term programs are the only options to address the waiting lists in counties not participating in Family Care. Additional COP funding could also provide a larger base of resources to support any future expansion of Family Care.

5. Counties receive allocations of funding under the COP program, not allocations of placements. However, any funding increase for COP is presented in terms of the number of placements (slots) that would be created. In 1997, the average cost of serving a COP-R slot was \$802 per month while the average cost of a COP-W placement was an estimated \$770. In addition to the cost of providing services, the creation of new slots will require additional funding for assessments, case plans and quality assurance activities.

6. If the Committee wished to fund additional COP slots, it would need to determine the allocation of these slots between COP-R and COP-W. The advantage of COP-W is that COP-W slots are significantly less expensive, since approximately 59% of the total costs are covered by federal matching dollars. However, an advantage of COP-R placements is that they provide

counties flexibility to fill the gaps of other long-term care programs in terms of both services and types of persons needing services.

Another factor in the allocation of COP funds between COP-R and COP-W is the availability of funding for CBRF services. The state's current waiver limits the use of COP-W funds to CBRFs with eight or fewer beds or to CBRFs with independent apartments. In contrast, COP-R can be used in larger CBRFs under certain conditions. A larger allocation for COP-R slots would provide for more flexibility for funding of CBRF services. This might be beneficial in that many elderly individuals desire CBRF services. However, funding services for individuals in larger CBRFs may not be consistent with the original intention of the COP program as a home- or community-based program. Also, the net cost of CBRF care to the state under COP-R is likely to be more expensive than nursing home care because of the absence of federal matching funds.

7. Currently, approximately 70% of the individuals on COP waiting lists are elderly and physically disabled. Since the COP-W program is only available to the elderly and physically disabled, allocating more than 70% of any new slots to COP-W would proportionately disadvantage other groups.

8. The Act 237 increases in slots were allocated 70% to COP-W and 30% to COP-R.

9. Some additional COP funding could be provided in a way to support the proposed MA purchase plan, which is an expansion of MA eligibility to working disabled persons below 250% of the federal poverty level. The MA purchase plan proposal assumes savings from the conversion of disabled COP-R recipients to the COP-W waiver program. Since counties do not share in the freed-up GPR funding, counties do not have an incentive to support DHFS in its attempts to convert COP-R participants to the MA purchase plan. If counties were provided a percentage of the savings, the counties would have an incentive to assist the Department in the conversion of possible candidates. The Committee could increase MA benefits funding by \$500,000 in 1999-01 and \$2,100,000 in 2000-01 to provide counties half of the GPR funds that are freed-up from conversions to support additional COP slots.

ALTERNATIVES

1. Approve the Governor's recommendation to fully fund the COP slots that were created in 1997 Acts 27 and 237.

2. In addition to the funding provided under the Governor's recommendation, increase funding for the COP program as indicated in one of the options shown, based on a 70% COP-W and 30% COP-R allocation.

1999

Date (time) soon
needed In edit 6/27

LRB b 1392/11

**CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]**

DAK : umy : _____

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**CAUCUS AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 1999 ASSEMBLY BILL 133**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

At the locations indicated, amend the substitute amendment as follows:

- #. Page , line :
- #. Page , line :
- #. Page , line :
- #. Page , line :
- #. Page , line :
- #. Page , line :

1999

AMENDMENTS

LRB _____ / _____

_____ : _____ : _____

\$\$\$ INCREASE/DECREASE

In the component bar, for a "regular" amendment item:

For the item text, execute: create -> item: -> m: -> \$inc-dec

#. Page 204, line 7...: in(de)crease the dollar amount for fiscal year 1999-00 by \$ 3,451,300 and in(de)crease the dollar amount for fiscal year 2000-01 by \$ 9,226,100. [to ...crease funding for the [purpose] [purposes] for which the appropriation is made] (to) .increase funding for .700... long-term support community options program placements under section 46.27(11) of the statutes and ... #0 INSERT A

#. Page, line: in(de)crease the dollar amount for fiscal year 1999-00 by \$,, and in(de)crease the dollar amount for fiscal year 2000-01 by \$,, [to ...crease funding for the [purpose] [purposes] for which the appropriation is made] [to ...crease funding for]*.

In the component bar, for a "frozen" amendment item (used in amendments to amendments):

For the item text, execute: create -> item: -> afterline [or the applicable item]

For the "frozen" item text, execute: create -> item: -> frz: -> m: -> \$inc-dec

#. Page, line: Page, line: in(de)crease the dollar amount for fiscal year 1999-00 by \$,, and in(de)crease the dollar amount for fiscal year 2000-01 by \$,, [to ...crease funding for the [purpose] [purposes] for which the appropriation is made] [to ...crease funding for]*.

* Use the 2nd alternative if the purpose of the increase or decrease is more limited than the purpose or purposes of the appropriation as currently shown in the text of ch. 20, stats.

[INSERT A]

300 such placements under section 46.27(7) ✓
of the statutes for fiscal year 1999-2000, and
700 long-term support community options
program placements under section 46.27(11) ✓
of the statutes and 300 such placements under
section 46.27(7) ✓ of the statutes for fiscal
year 2000-01

(END OF INSERT)

Redraft 1392/1:

From Richard Megna:

New GPR amt. for 2d year is ^(only) \$ 3,459,000



SOON - In edit 6/28
State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1392/12
DAK:cmh:1/14

SDC:.....Walter - #2107, Create 1,000 new COP slots in each year of biennium

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

\$3,459,000

1 At the locations indicated, amend the substitute amendment as follows:

- 2 1. Page 204, line 7: ~~increase the dollar amount for fiscal year 1999-00 by~~
- 3 ~~\$2,451,300 and~~ increase the dollar amount for fiscal year 2000-01 by ~~\$9,226,100~~ to
- 4 increase funding for 700 long-term support community options program placements
- 5 under section 46.27 (11) of the statutes and 300 such placements under section 46.27
- 6 (7) of the statutes for fiscal year ~~1999-2000~~, and ~~700 long-term support community~~
- 7 ~~options program placements under section 46.27 (11) of the statutes and 300 such~~
- 8 ~~placements under section 46.27 (2) of the statutes for fiscal year 2000-01.~~



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1392/2
DAK:cmh:ijs

SDC:.....Walter - #2107, Create 1,000 new COP slots in each year of biennium

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 204, line 7: increase the dollar amount for fiscal year 2000-01 by
3 \$3,459,000 to increase funding for 700 long-term support community options
4 program placements under section 46.27 (11) of the statutes and 300 such
5 placements under section 46.27 (7) of the statutes for fiscal year 2000-01.

6 (END)