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April 15, 1999

To: Senator Brian Burke & Representative John Gard, Co-Chairs
Members, Joint Committee on Finance

From: Lynn Breedlove, Executive Director, Wisconsin Coalition for Advocacy
Fred Greasby, Chair, State Independent Living Council
Jayn Wittenmyer, ARC-WI
Fran Bicknell, Autism Society of WI

Subject: Issues affecting Wisconsin citizens with disabilities in the 1999-2001 biennial budget bill

Our organizations represent all the major disability populations in Wisconsin: people with developmental disabilities, people with physical disabilities, and people with serious mental illness. We are also speaking on behalf of the Survival Coalition of statewide disability organizations.

We will focus on two major areas:

- The overall discouraging picture of this budget as it relates to community services for people with disabilities
- The current position of disability groups in response to the Governor's proposal for Family Care

A. **The overall discouraging picture of this budget as it relates to community services for people with disabilities**

The general consensus among disability groups in Wisconsin is that this budget, taken in its entirety, is a major setback to the efforts of the last several years to strengthen the community service system which supports people with disabilities to live in their own homes and their own communities. For the first time in recent history, there are no community services for people with disabilities which are proposed for an increase in either rates or in the number of people to be served. This includes the Community Options Program, both the Community Integration Programs 1A and 1B, the Brain Injury Waiver Program (which provides an alternative to hospitalization for individuals with a traumatic brain injury), the Family Support Program, and the Medicaid Personal Care Program. <u>There is no provision for dealing with current waiting lists for any of these programs, nor the projected increase in demographic growth which will add new demands on these programs in the next biennium</u>.

On top of this bad news, Community Aids, which is a crucial funding source for many disability and mental health services, has actually experienced a major cut. We have already

received specific reports from Milwaukee, Racine, Kenosha, Dane, and Waukesha Counties regarding the cuts in community services which will take place in their counties as a result of the loss of Community Aids. As you may know, there will be a disproportionately large effect of this cut in Milwaukee County, as a result of the state's unusual method of calculating how the cuts would be applied in Milwaukee.

As advocates for people with disabilities, it is difficult for us to know where to start in attempting to make this budget more disability-friendly. Frankly, we would appreciate the help of the Joint Finance Committee on any of these fronts. We believe a restoration of the lost Community Aids dollars is absolutely crucial. But we also are confounded by the possibility that this biennial budget would be the first one in the history of the Community Options Program in which there is no growth in that program. Ignoring the Community Integration Programs will have the predictable result of closing the door on any persons with disabilities in state, county, or private institutions who could live appropriately in the community at a lower cost to the taxpayer.

We have attached a chart which summarizes the overall devastating picture for people with disabilities if this budget is not changed.

B. **The current position of disability groups in response to the Governor's proposal for Family Care**

1. We support the Governor's proposal to continue "pilot" projects in Redesign and to increase the number of pilots. However we believe that the pilots should <u>really</u> be pilots (and not the first stage of phase-in of a statewide model), which means that we would ask the Legislature to change proposed statutory language so that such language is limited in its impact to implement pilots and not set the stage for full statewide implementation.

2. We also believe, in the spirit of "piloting" different models, that the Legislature should specifically indicate that all pilot counties would have the opportunity of selecting the Alternative Model which has been developed by disability groups, counties, and aging groups (see attached summary description), in addition to having the choice of the DHFS model.

3. We believe that the performance of all pilots should be evaluated by an independent third party to ensure an objective analysis.

4. We also believe that all long term care populations should be included in the planning for Long Term Care Redesign, i.e., we are opposed to Secretary Leean's position that people with developmental disabilities should be excluded from the reform of the long term care system.

The impetus for developing an alternative model grew out of the concern shared not only by disability groups but also by counties that the state appeared to be moving in the direction of privatizing the long term care system in Wisconsin, which historically has been the responsibility

of county government. We do not believe that there is a strong consensus of the citizens of Wisconsin to exclude local government from long term care, and in fact we believe there are many people who like the idea that local elected officials are (and will continue to be) accountable for overseeing the quality of a locally run long term care system. The Department cannot ensure that counties would be able to run the system in the context of the DHFS model; in fact they have specifically indicated their strong interest in opening up the competition for this role to the private sector. The alternative model would clearly continue the role of counties as the coordinating body for the provision of long term care in every county.

THE DISCOURAGING BIG PICTURE FOR PEOPLE WITH DISABILITIES IN THE GOVERNOR'S BUDGET

Community Aids Program	→	Governor's budget reflects an $18 million overall cut in Community Aids
Community Options Program	→	Governor proposes no new COP slots for demographic growth or waiting lists in the 1999-2001 biennium
Community Integration Program 1A	→	Governor proposes no increase in rates -- lowest projected # community placements from the State DD Centers in history of CIP1A
Community Integration Program 1B	→	Governor proposes no rate increase and no new slots in either year (unless ICF/MR's close existing beds)
Brain Injury Waiver Program	→	DHFS recently reduced the per diem rate. No new slots and no rate increase proposed for Yr. 1 or Yr. 2
Family Support Program	→	Governor proposes no rate increase and no services for families on waiting lists
Medicaid Personal Care	→	After a combined total increase of 45 cents/hour during the last 9 years, and some personal care agencies going under during that time, Governor proposes 1% rate increase
Mental Health/AODA Managed Care Initiative	→	After 3 years of planning, DHFS & Blue Ribbon Commission on Mental Health propose 8 demonstration sites for the new model of mental health services; Governor cuts it to 2 sites.

March 12, 1999

LONG TERM CARE REDESIGN: AN ALTERNATIVE MODEL TO TRY IN THE PILOT PHASE

The Wisconsin Department of Health & Family Services has begun the process of piloting one model of LTC Redesign: a risk-based managed care approach which will require special federal approval and will offer the private sector an opportunity to compete against county governments for the right to run the LTC System at the local level. Statewide disability and aging organizations have joined with the Wisconsin Counties Association to develop an Alternative Model, which we believe should also be piloted in multiple counties. Then there should be an independent evaluation of all the pilots, before the legislature makes a binding decision on which model to implement statewide.

The Alternative Model is simple – it's based on the premise that we can achieve the LTC reforms we all want by building on the current system, which would be preferable to blowing up the current system and starting over. The Alternative Model aims to achieve the same goals the Department has identified: simplify the system, pool the funding streams, include all the populations that need long term care, end waiting lists and the institutional bias of the current system, and provide consumers more choice.

The big difference between the two approaches is in how to achieve these goals. The Alternative Model would continue the 100 year tradition of county-based human services in Wisconsin, enabling consumers and families to continue their existing relations with county workers and with local elected officials who oversee the system. This model would also expand and consolidate the Community Options Program with other effective existing community programs, rather than eliminate good programs simply because they are under-funded.

Key Features of the Alternative Model:

- Existing Medicaid waivers programs (e.g., COP and CIP) would be consolidated and expanded to serve people on waiting lists, with rates increased to cover actual costs. Statutory responsibility of counties (as in Chapter 51 for people with developmental disabilities) would be broadened to include elderly people and people with physical disabilities.

- As in Oregon's LTC Reform, a) Wisconsin would need no additional federal waivers beyond the standard Home and Community Based Waiver we already have, and b) Wisconsin would assure the same eligibility and entitlement for community-based long term care as for nursing home care.

- The Alternative Model will cost no more than the Department's model, and counties would continue to invest local tax dollars in the system. The core funding is the same federal-state matching funds for both models, eligibility is the same, and neither model proposes a more expensive package of individualized services than the other.

- The Alternative Model includes many of the features of the DHFS model: pre-admission screening for institutions; Resource Centers; a consumer-directed support option; outcome-based quality assurance; continuity of service; independent advocacy; and an opportunity for people currently in institutions to move out and receive community services.

WISCONSIN
COALITION
FOR ADVOCACY
Advocacy for citizens with disabilities

April 15, 1999

To: Senator Brian Burke & Representative John Gard, Co-Chairs
Members, Joint Committee on Finance

From: Lynn Breedlove, Executive Director

Re: Specific Concerns of the Wisconsin Coalition for Advocacy regarding the Budget

HIRSP

The Governor's budget reduces the GPR funding for HIRSP (Health Insurance Risk Sharing Program) by $2 million each year of the biennium. This will mean higher premiums for plan participants. Thus, we urge that this funding be restored so that premiums do not increase unnecessarily.

The budget further reduces the powers of the Board of Governors. During the past year the plan has experienced major administrative problems and the Board has been essentially powerless to take action to remedy them. In order for the plan to be responsive to its policyholders and the taxpayers there needs to be a strong Board. Thus, we urge that the Board powers be restored to what they were prior to the transfer of the plan to the Department of Health & Family Services.

Finally, the Board composition needs to be strengthened by adding another consumer representative and requiring that the consumer representatives not be employees of the Department of Health & Family Services. Currently one of the two consumer representatives is such an employee.

Sunset Provision for Fifth Standard for Civil Commitment

The civil commitment law was changed in 1996. This provision is due to sunset on December 1, 2001. The Governor's budget removes this sunset provision.

We oppose the elimination of the sunset. There was to be a study by the Department of Health & Family Services of the utilization of and costs associated with the fifth standard; this study has not yet been completed. Thus, making a decision on the sunset provision is premature since it is not based on a review of the use and costs of this law.

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600 Williamson Street, Madison, Wisconsin 53703
Phone (608) 251-9272
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Toll Free: 1-877-Arc-8400 (1-877-272-8400)

Promoting Quality of Life for People with Developmental and Related Disabilities

Celebrating 50 Years of Service

April 15, 1999

TO: Senator Brian Burke and Representative John Gard, Co-Chairs
Members, Joint Committee on Finance

From: Jayn Wittenmyer, Chairperson
Arc-Wisconsin Legislative Committee

RE: 1999-2001 Wisconsin Budget

The Arc-Wisconsin, a state-wide , non-profit organization representing persons with mental retardation and other developmental disabilities, and their families welcomes this opportunity to present our views on the proposed 1999-2001 state budget.

We were greatly dismayed to find that the only new money in the budget was for the nine pilot counties to test out family Care. They need money for waiting lists, that is sure but what about the other 63 Wisconsin counties? They also have thousands of people on waiting lists who have also been looking forward to the 1999-2001 budget as a help to them.

With developmental disabilities being removed from Family Care, we strongly support FUNDS be allocated to help support services in all 72 counties. How can a state suggest that while piloting a new program in some counties, all current services be put on automatic pilot until after the pilots have been tested. I can assure you that disabilities DO continue in folks and do not go away while the state tests out how to best serve them.

People with disabilities and their families have been honest and up front in working with state agencies, counties, local providers and themselves in what is needed and how best to provide a quality of life to make disabilities a natural experience of life. Its time the legislature set up and tell people with disabilities and their families that their efforts have been appreciated and the state intends to DO THE RIGHT THING.

Thank you for providing opportunities all citizens to be a part of the budget process.

cc: Gerald A. Born
Executive Director

CWAG

Thomas L. Frazier, *Executive Director*

Coalition of Wisconsin Aging Groups

Testimony Presented to the Joint Committee on Finance
April 15, 1999
By Thomas L. Frazier

The third component of CWAG's Mission is to affirm that older persons are partners in building the Wisconsin of tomorrow for people of all ages. To that end, our Board has adopted a policy platform that calls attention to issues that also face children and parents. You will likely hear testimony today that describes in greater detail each of these issues. However, CWAG would like to express its support for these initiatives.

In November 1998, CWAG joined the SSI Parents Coalition; a broad based coalition of individuals and organizations concerned with the affects of the Caretaker Supplement Program on families headed by a parent with a severe disability. As you know, since January 1998, parents who receive SSI have had support for their children significantly reduced. The result of this reduction of support to children has been devastating to many families, resulting in lost housing, frequent moves, disruption in the education of their children and an overall decline in the standard of living and quality of life for both the parent and child. In addition, these parents have been put in a double bind; support for their children was drastically cut under welfare reform yet because the parent receives SSI they are ineligible for W-2 services.

The SSI Parents Coalition has put forth six recommendations related to the Caretaker Supplement Program. I have attached a copy of those recommendations to your copy of my testimony. As a member of the steering committee that developed the recommendations, the Coalition of Wisconsin Aging Groups supports all six of the recommendations. We encourage this committee to support these proposed changes to the Caretaker Supplement Program.

The state's Truth in Sentencing bill, passed in June 1998, directs the Department of Health and Family Services to submit a budget request for funding child abuse prevention efforts. Funding is to be at an amount equal to or greater than 1% of the Department of Corrections budget. CWAG is in agreement with organizations like One Percent Now and Prevent Child Abuse Wisconsin that are calling for the equivalent of 1% in new funding to go toward family support projects and primary prevention programs. This initiative should include increased funding for home visiting programs, which, according to follow-up studies reported on by the Office of Juvenile Justice and Delinquency Prevention, have proven effective in reducing child abuse, neglect and delinquency.

Access to dental care is an issue that affects people regardless of age. Unfortunately, people on Medical Assistance often have a difficult time accessing dental care because few dentists statewide are enrolled in the program. The Governor's budget includes an

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increase of 10% in Medicaid dental reimbursement rates in FY00 and an increase of up to 10% in FY01. If implemented, the increase in reimbursement will likely encourage more dentists to enroll as providers the Medicaid program, thereby increasing access to dental care for people of all ages who receive Medical Assistance. We applaud this increase and hope that you too will support it.

IMPROVING THE CARETAKER SUPPLEMENT PROGRAM FOR PARENTS WITH DISABILITIES AND THEIR CHILDREN

Recommendations endorsed by the SSI Parent Coalition Steering Committee

March 1, 1999

Background Information: **Over 10,800 children in 5,547 Wisconsin families headed by a parent with a severe disability have been harshly affected by the reduction in family income resulting from the Wisconsin Works (W-2) Program.** Prior to W-2, low-income parents with severe disabilities received Supplemental Security Income (SSI) for themselves, and a child-only AFDC grant for their dependent children. Since January 1, 1998, they have had their income for their children significantly reduced. Families are in crisis and report that they are unable to pay their rent, feed their family or pay basic living expenses. Parents state that they are unable to do anything for their children, that they feel they are being punished for their disabilities, and that the constant worry is affecting their health. The severe disability of the parent limits their ability to bring in extra earnings for their family.

Current Status: The families headed by a parent with severe disabilities currently receive from the Caretaker Supplement program $100/month per dependent child. The Governor's Budget includes an increase in the Caretaker Supplement to $150/month per dependent child. The increase would occur on October 1, 1999 or later if the budget passage is delayed past that date.

SSI Parent Coalition Steering Committee Recommendations:

1. PROVIDING FAMILIES WITH A LIVABLE INCOME:

The Governor's budget recommendation to increase the Caretaker Supplement is a strong step towards providing families with a livable income. In trying to determine a reasonable supplement for the care of dependent children, the steering committee of the SSI Parent's Coalition endorses an allocation of $250 for the first child and $150 for each additional child. The cost of the additional $100/month per family ($1,200 per year) would be approximately $6.65 million of federal TANF dollars. If the Caretaker Supplement were raised to $250 for the first child, and $150 for all other children, the income of the families would be closer to the federal poverty level.

Monthly Income for a Single Parent on SSI*

Number Of Children	Income before 1/1/98: Parent's SSI & Maximum AFDC for the children	Current Income: Parent's SSI & $100/month per child	Governor's Proposal: Parent's SSI & $150/month per child	SSI Parent Coalition's Proposal: Parent's SSI & $250/month for first child $150/month for additional children	Federal Poverty Level for a single parent family
One	$ 823	$ 684	$ 734	$ 834	$ 904
Two	$1,014	$ 784	$ 884	$ 984	$ 1,138
Three	$1,091	$ 884	$ 1,034	$1,134	$ 1,371
Four	$1,191	$ 984	$ 1,184	$1,284	$ 1,604
Five	$1,283	$ 1,084	$ 1,334	$1,434	$ 1,838

*This does not include food stamps or housing assistance. For every dollar increase in income, there is a reduction of $0.30 in food stamps. Most SSI parents are not on housing assistance.

Comparison of Family Income of SSI and Grants for Dependent Children to the Federal Poverty Level

Federal Poverty Level	AFDC	$ 100/child	$ 150/child	$ 250/first child $ 150/additional children
$ 904/month for a single parent household with one child	- 8.96%	- 24.34%	- 18.19%	- 7.74%
$ 1,138/month for a single parent household with two children	- 10.87%	- 31.11%	- 22.32%	- 13.53%

2. PROVIDING ALL W-2 SERVICES (EXCEPT A CASH GRANT) TO CARETAKER SUPPLEMENT FAMILIES:

Interviews with 374 families conducted by the Wisconsin Council on Developmental Disabilities indicate that 80% of the parents on SSI would like to work if work disincentives were removed and if there was the opportunity for work that took into consideration their disability. This would include flexible and part-time work options.

Beside the grant at the CSJ and W-2 T levels, the W-2 agencies offer other services to help parents become employed. Life skills training helps provide the basic foundation to enable the parents to "understand and manage daily life and family stress in order to succeed in the workplace". Examples of life skills training from the W-2 work manual include: budgeting; problem solving/decision making skills; family nutrition/household management; time management; etc. Other W-2 services are childcare assistance, transportation assistance and job search assistance activities. Parents on SSI could benefit from these programs and from other opportunities for service coordination.

3. EXPANDING ELIGIBILITY FOR W-2 CHILD CARE ASSISTANCE TO PARENTS ON SSI WHILE THEY ARE LOOKING FOR WORK OR PARTICIPATING IN EDUCATION OR TRAINING

W-2 child care assistance is an economic necessity for low income parents wishing to work. However, SSI parents are ineligible for such assistance while they are looking for work. Only those participating in the W-2 program or in the food stamp employment and training program are currently eligible.

In addition, SSI parents are not eligible for child care assistance while in educational or training programs unless they have a 9-month work record and then continue to work while in training. Only W-2 participants are eligible for such care without a prior work period.

4. INCLUDING IN THE CARETAKER SUPPLEMENT PROGRAM, FAMILIES HEADED BY A PARENT ON SSI, LIVING WITH HER/HIS MINOR CHILD WHO HAS A CHILD OF HER OWN.

The W-2 disability hotline and advocacy agencies in Milwaukee report special problems for families headed by a grandparent on SSI. If a minor parent and her child are living with the child's grandparent, and the grandparent is on SSI, the family is eligible for only a single Caretaker Supplement of $100 per month. There is no additional money to help care for the infant. The family is not eligible for a kinship care payment nor is anyone eligible to participate in W-2. This family should at least be eligible for a Caretaker Supplement for the infant to help meet the many additional costs incurred for having a baby in the home.

5. ENSURING THAT FAMILIES LIVING AT THE SSI BENEFIT LEVEL RECEIVE MONTHLY CASH ASSISTANCE FOR THE CARE OF THEIR DEPENDENT CHILDREN

To receive a Caretaker Supplement, a parent must also receive an SSI cash payment. If a parent is temporarily removed from SSI, she or he will also not receive cash for their dependent children. The Wisconsin Council on Developmental Disabilities has heard from families who temporarily lost their SSI cash assistance due to an increase in income due to work or other reasons. For example, parents on SSI who are able to do limited work can lose their SSI in three-pay period months (compared to two-pay period months). One mother wrote that in December she lost both her SSI cash and her Caretaker Supplement because she was underpaid by $5.00 a month for social security income from the death of her mother. By giving her a makeup check of $55 in November, she became ineligible not only for the state portion of her SSI ($83.78), but also her $200 Caretaker Supplement payment.

The problem of parents temporarily losing their Caretaker Supplement highlights another problem. In 1996, Wisconsin SSI recipients lost eligibility for the state SSI supplement ($83.78) if their income put them over the federal SSI limit ($500 in 1999). They were made ineligible for a whole or partial state SSI payment that would have brought their income up to the 1999 state SSI income limit of $583.78. When the Caretaker Supplement program was enacted, these parents were also ineligible for the Caretaker Supplement, greatly compounding the inequity.

The children in both these types of families need the financial assistance provided by the Caretaker Supplement program. This can be achieved by providing a Caretaker Supplement to all parents based upon their eligibility for SSI-related MA, rather than the receipt of SSI cash assistance. Parents would then not lose their eligibility for the Caretaker Supplement benefit if they were either ineligible for SSI because of the 1996 law, or were temporarily ineligible for SSI because of an extra income month.

6. USE 100% TANF (TEMPORARY AID TO NEEDY FAMILIES) DOLLARS TO PAY FOR THE CARETAKER SUPPLEMENT

The Caretaker Supplement is currently funded form a combination of TANF dollars and state GPR, the latter to meet the SSI maintenance of effort (MOE) requirement. But SSI funds are intended for people with disabilities and the elderly, not their non-disabled children. Futhermore, the state has a huge surplus of TANF funds, a portion of which could be used to fund the caretaker supplement.

SSI recipients have not received an increase in the state SSI benefit ($83.78 for an individual) since 1996, while the federal SSI benefit has increased by a small cost of living adjustment (COLA) each year. That means that SSI recipients have seen their living standard sink further and further below the federal poverty level. (SSI for one adult is $583.78 compared to a poverty level of $670.83.)

Using TANF money to fund the Caretaker Supplement would mean that the state's MOE money would be available to increase support for the state's elderly and disabled population. It is our understanding that Wisconsin is the only state using state SSI dollars to provide for the children of SSI parents instead of TANF dollars.

For more information, contact Caroline Hoffman (hoffmcp@dhfs.state.wi.us) or Jennifer Ondrejka (ondrejm@dhfs.state.wi.us) at the Wisconsin Council on Developmental Disabilities, (608) 266-7826, (608) 267-3906 FAX.

Member agencies of the SSI Parents Coalition:

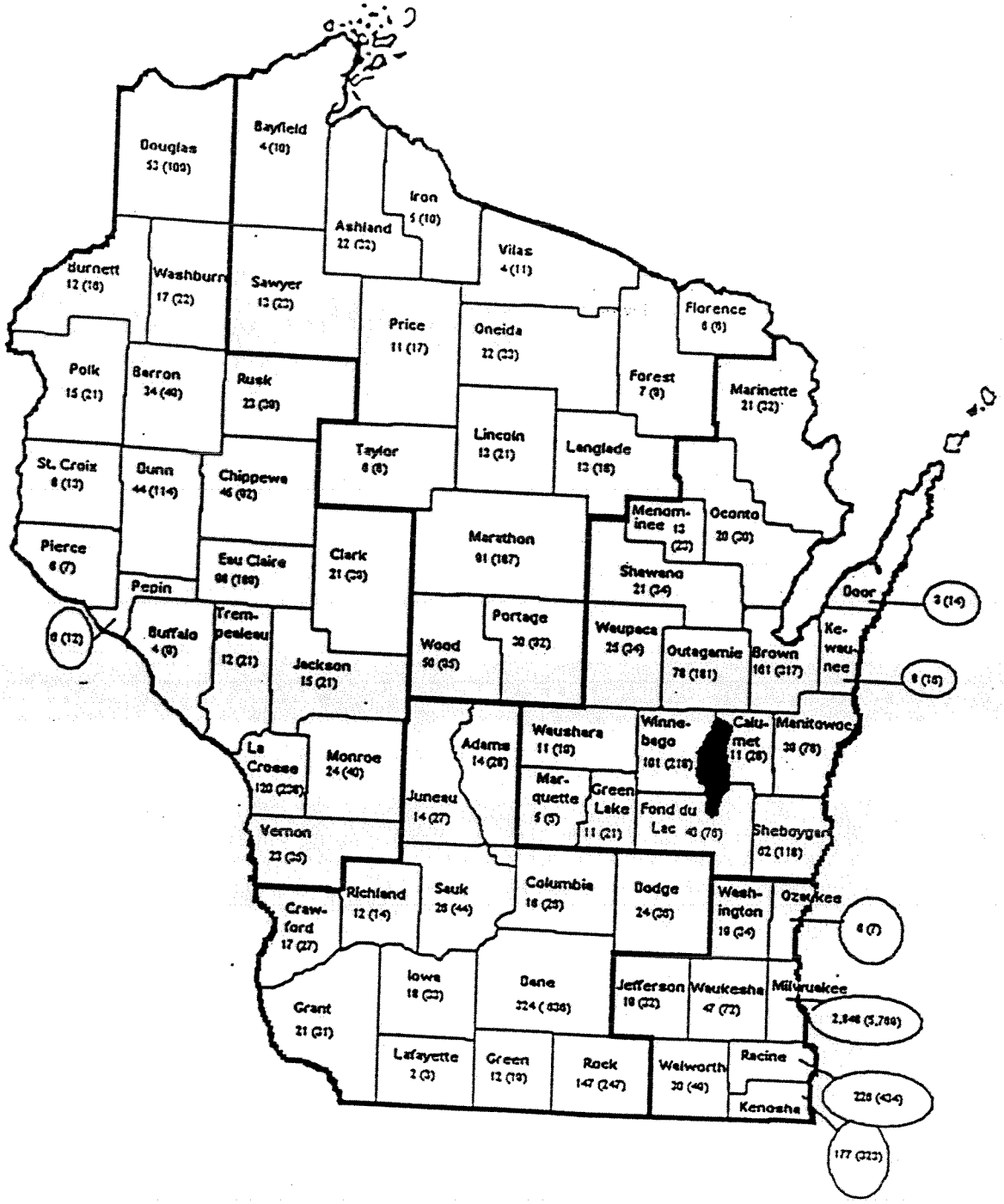
(Steering Committee Members are in bold type)

March 1, 1999

Access to Independence-Deaf and Hard of Hearing Services
Alliance for Deaf, Deaf-Blind & Hard of Hearing
American Lung Association
Appleton Housing Authority, Homeowner Program
The ARC-Wisconsin
Arthritis Foundation-Wisconsin Chapter
Association of Women's Health, Obstetric and Neonatal Nurses (AWHONN)
Autism Society of Wisconsin
Brain Injury Association of Wisconsin
Children's Health Alliance of Wisconsin
Client Assistance Program
Coalition of Wisconsin Aging Groups
Community Action Coalition
Dane County Human Services
Easter Seals-Milwaukee County
Easter Seals-Wisconsin
Family Resource Center, Prairie du Chien
Hunger Task Force of Milwaukee
Independence First
Lakeshore CAP
League of Women Voters of Wisconsin
Lutheran Office for Public Policy in Wisconsin
Madison Urban Ministry
National Alliance for the Mentally Ill-Wisconsin (NAMI-WI)
National Association of Social Workers-Wisconsin
National Multiple Sclerosis Society-WI Chapter
National Spinal Cord Injury Association-Madison Chapter
Parent Education Project of Wisconsin
Rehabilitation for Wisconsin
State Independent Living Council
State Rehabilitation Council
Supported Parenting Projects-UW-Madison Extension
United Cerebral Palsy of North Central Wisconsin
United Cerebral Palsy of Southeastern Wisconsin
United Cerebral Palsy of West Central Wisconsin
United Cerebral Palsy of Wisconsin
United Methodist Church, Wisconsin Conference, Board of Church and Society
Wisconsin Coalition for Advocacy
Wisconsin Coalition of Independent Living Centers
Wisconsin Committee to Prevent Child Abuse
Wisconsin Council on Children and Families
Wisconsin Council on Developmental Disabilities
Wisconsin Council for Persons with Physical Disabilities
Wisconsin Facets, Inc
Wisconsin Interfaith IMPACT
Wisconsin Intergenerational Network
Wisconsin Rehabilitation Association

DISTRIBUTION BY COUNTY OF CARETAKER SUPPLEMENT FAMILIES AND CHILDREN

Map prepared by the Wisconsin Council on Developmental Disabilities
with data provided by the Department of Health and Family Services
January 1999



TOTAL NUMBER OF CARETAKER SUPPLEMENT FAMILIES: 5,547
(TOTAL NUMBER OF CHILDREN IN CARETAKER SUPPLEMENT FAMILIES: 10,820)

WISCONSIN COUNCIL ON CHILDREN and FAMILIES

"For these are all our children . . . we will all profit by, or pay for, whatever they become." James Baldwin

Testimony before the

JOINT COMMITTEE ON FINANCE

April 15, 1999

Carol W. Medaris, Project Attorney
Wisconsin Council on Children and Families

These comments are directed toward selected provisions in AB 133 which will particularly affect low-income families. Along with these comments the Council is submitting a list of changes to W-2 which we believe will result in a program which will better serve low-income families. The latter changes, appearing on our newest W-2 Watch paper, have been developed with other members of The Policy Group on Welfare Reform, a coalition of statewide service, religious and non-profit organizations.

1. Kinship Care is a necessary safety net for families and should remain an entitlement. Current statutory language simply requires that when children are in a family setting that meets the requirements set forth in the statutes, then the relatives caring for them must receive payment. In practical terms, that means that agencies may not establish waiting lists for these families, and if funds for the program are running out, DHFS must apply for more funds to make sure all eligible families receive help. Such a procedure has already been used this past year when waiting lists became a reality.

AB 133 would remove that requirement, adding substantial financial uncertainty for low-income families volunteering to take in needy children at risk of being inadequately cared for, abused, or neglected. AB 133 thus shreds the safety net for these children. The result can only be for the children to remain in inadequate settings, or for them to live with relatives in more impoverished circumstances, or for them to be thrust into the foster care system which removes them from their families and is more expensive. In any case, their lives without guaranteed kinship care payments are likely to be unstable.

It has recently come to our attention that there is another problem surfacing in the program. When AFDC ended, relatives receiving AFDC for caring for children were automatically transferred to the kinship care program. But the kinship care program contains the requirement that children be at risk of

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meeting the standards for finding a child in need of protection or services (CHIPS) under sec. 48.13, stats. This was not required under the AFDC program. Now, according to advocates in Milwaukee, kinship care cases are being reviewed and those that do not meet the new requirements are being terminated even though, in some cases, these children (now in their teens) have lived with grandparents since birth. Often these involve children born of a very young parent, a very troubled parent, or a parent involved with the law, where grandparents just assumed the role of the parent and then continued in that role. These cases need to be grandfathered (grandmothered?) into the new kinship care program.

2. **SSI parents should receive the increased caretaker supplement recommended by the governor, $150 per child per month, and in addition, an extra $100 for the first child.** The devastation faced by these families when the W-2 program began has been well documented at legislative hearings. The raise in AB 133 is a good step, but doesn't go quite fare enough. The addition of $100 for the first child would bring these families headed by a parent with a substantial disability closer to (but still under) the federal poverty line. By definition, these parents have disabilities which prevent them from increasing family income through work. Thus children in these families will, in all likelihood, be living below the poverty line for their entire childhood. It is only fair to bring them a little closer to an adequate living standard.

3. **The educational needs assessment and payment for basic education which would be required for W-2 recipients placed in unsubsidized employment or trial jobs who wish it should be required for <u>all</u> W-2 placements.** AB 133 requires W-2 agencies to assess the educational needs of all those placed in unsubsidized employment or trial jobs. If the agency determines that basic education is needed (including work toward a GED or HSED) and the person wishes to pursue it, the education must be included in the person's employability plan and the agency must pay for it. Surprisingly, the same requirement does not exist for those in the lower levels of W-2 work programs where the need for basic education is likely to be greatest: those placed in community service jobs (CSJs) or W-2 transitional placements (W-2Ts). (Current statutes only require placement in high school or equivalent training for 18 and 19-year-olds, and then only for those in CSJs and not those in W-2Ts.)

This new requirement should be extended to all W-2 work program placements. Providing for this education at the beginning of W-2 activity is likely to improve job opportunities for W-2 recipients. It is also likely to be more manageable for parents not working 40 hours per week and caring for young children at the same time he or she is expected to attend classes.

In addition, W-2 agencies should be directed to avoid assigning work activities that interfere with the person's completing needed basic education activities, as long as reasonable progress is being made, even if that means assigning fewer hours of work.

4. In the expansion of wage-paying CSJs, participants should not be prohibited from receiving the state EITC. Apparently it is unclear whether these participants will meet eligibility requirements for the federal EITC. However, they should not be foreclosed from receiving the state EITC if it turns out that they do qualify for the federal benefit. It is fair to treat them like all other employees when it comes to other benefits that may be available to them.

5. Recovery of AFDC overpayments should not be allowed out of W-2 benefits because it effectively ignores the wage exemption allowed all other debtors. AB 133 would allow old AFDC overpayment debts to be recovered from W-2 work program benefits. For those in wage-paying CSJs or trial jobs, the procedures and rates of recovery would be determined by DWD. For those in other CSJs and in W-2Ts, recoveries would occur by reducing W-2 payments by up to 10% of the benefit amount. Such recoveries could occur regardless of whether the overpayment was the fault of the recipient or of the agency issuing the benefits. (The Fiscal Bureau Summary indicates that W-2 benefits could only be reduced if the overpayment was the result of an intentional program violation, but that is not how the statute is drafted.)

Allowing W-2 benefits to be reduced to collect old AFDC debts ignores statutory standards which protect other debtors from losing unconscionable amounts of income to debt collectors. Sec. 815.18, stats., exempts from execution 75% of a debtors net income but not less than 30 times the minimum wage. Thirty times the minimum wage is $664 per month. Under this standard, CSJ benefits should be reduced no more than $9 per month and W-2T benefits should not be reduced at all. Collections from those in wage-paying CSJ's and trial jobs should be similarly subject to the limits in sec. 815.18, stats. Among the purposes of this exemption is "to advance the humane purpose of preserving to debtors and their dependents . . . the enjoyment of property necessary to sustain life." W-2 recipients should be offered no less. The state has other ways to collect old AFDC debts, for example through interception of income tax returns.

6. Collection of overpayments through a lien against the debtor's property or levy upon their property should be prospective only and not be allowed without additional procedural protections. AB 133 would authorize DWD to proceed against the property of anyone owing AFDC or W-

2 overpayments, including child care and transportation benefit overpayments, by means of a lien against the property or by a levy upon the property, except for certain property that is exempt under state law. Procedures are similar to collections authorized for unemployment compensation (UC) overpayments, but with some important exceptions.

In the first place, the process under UC allows for a debtor to claim a waiver of the overpayment in cases where the agency is at fault. There is no such exception under the process set forth under AB 133. AFDC and W-2 overpayments that occurred because of intentional program violations, because of recipient mistake, and because of agency error all subject recipients to the potential loss of their property.

In the second place, hearings on whether a UC overpayment exists are held at the state level. Under AB 133 issues of alleged overpayments must first be held before the local W-2 agency, as is the case for other W-2 issues. The opportunity for bias is much greater under the W-2 system.

Finally, if these new collection methods are adopted, they should only apply to debts that arise after the effective date of the bill. It is unfair to subject persons to new penalties that they could not be aware of when the overpayment occurred.

(There is another difference in the two systems. Recipients of W-2 work program benefits have worked for those payments, whether they are later found to have been ineligible for other reasons or not. UC recipients receive benefits while not working. Collection of benefits for those not working for them would seem to be a greater priority, as a policy matter.)

7. **The transfer of child care administration from Milwaukee County to the W-2 agencies is likely to cause great disruption and hardship, and result in uneven administration in the county.** AB 133 requires the transfer of child care administration from the county to the W-2 agencies in Milwaukee. The transfer would be permissive in other counties that do not administer W-2 in their area. This change is particularly problematic in Milwaukee because of the five different W-2 agencies operating in the county. Hardship, delay and lack of continuity is likely to occur as people move from one district to another. This already occurs for W-2 recipients. In addition, it is likely that different agencies will interpret rules and guidelines differently, resulting in unequal treatment depending upon which W-2 office one is assigned to.

After some problems at the beginning of W-2, community advocates now say that billing and payment processes are working and the certification process

is improving. Changing procedures for recipients at this point is unnecessary and particularly unfair, after the tremendous changes that have already occurred with the advent of W-2.

Finally, the county agency is necessarily more accountable to the public than W-2 agencies. Among other things, the county has exhibited a commitment to provide training and technical support to child care providers, a commitment that is not guaranteed should W-2 agencies take over the system. It is unreasonable to expect that sort of commitment from agencies that operate under two year contracts. And, that latter factor is also likely to result in less stability for low-income families whose ability to sustain themselves off welfare depends upon a reliable child care system.

8. **Projects funded with TANF dollars should be more closely directed to helping low-income families and made accountable for results consistent with dollars spent.** There are a number of projects proposed to be funded with TANF dollars, some of which sound promising. For others, the anticipated benefit is more tenuous. The funds to be spent upon brownfields clean-up are particularly problematic. There is no guarantee that the grantees would continue to stay in business to the point where they could hire TANF-eligible persons. Nor is there any guarantee that the dollars spent would be in any way proportional to the benefits to low-income workers. Finally, it is unclear what is really meant by "eligible individuals" for whom 80% of the jobs created by the grantee must be saved.

The statutory definition is "an individual who is a parent of a minor child and whose family income does not exceed 200% of the poverty line." Would that include a well-educated, professional person who was temporarily out of work from a high-paying job? That is surely not the family that TANF funds were intended for. Or, does it mean that the grantee would have to keep the pay of 80% of its workers below 200% of the poverty line? That is surely not the intent of the TANF program either. Significantly, there are no provisions in the bill regarding whether grantees must pay a living wage, must keep workers for a particular length of time, whether there must be provisions for advancement, and whether benefits would be offered.

Rather than pay TANF funds based upon hiring "promises," it would be more responsible for the <u>state</u> to promise supplements for businesses who agree to hire TANF-eligible parents <u>after</u> the fields are clean and the business is viable. That is the only way to insure that TANF funds go to create jobs for low-income parents.

WDA
Wisconsin Dental
Association, Inc.

Testimony Before the Joint Committee On Finance
Dr. Kathy Roth, President of the Wisconsin Dental Association
Thursday, April 15, 1999

Thank you Representative Gard and Senator Burke for allowing me to speak before this committee today. My name is Dr. Kathy Roth, I am the current President of the Wisconsin Dental Association (WDA) which represents nearly 85% of all licensed dentists in the state of Wisconsin. I am here today as the primary spokesperson for those 2,800 licensed dentists of the WDA. My husband, Dan, and I own a general dental practice in my hometown of West Bend. I bought our practice from a female dentist, Dr. June Dhein, who was a great mentor to me when I was growing up in small town Wisconsin. She offered me a part time summer job in her dental office as a high school student. This experience gave me the incentive to grow and to eventually find my career in dentistry. Dentistry has played an essential role throughout my entire life. As is the case with most of the 2,800 member dentists who are members of the WDA, I am a general dentist. I mirror most dentists in the state because I own my own practice and provide employment to several other individuals who also live and raise their families in West Bend. We currently have 4 full-time and 5 part-time staff working in the office.

I am here today to address two issues – the Wisconsin dental Medicaid program and the proposal for state funding to help build a new dental school at Marquette –both of which will greatly impact the demand for and the availability of dental care in the future.

While we can all agree that there are many problems with the current Medicaid program, I am going to limit my comments to the fiscal issues today. The WDA has been working diligently with DHFS and EDS over the past months to address administrative problems with MA. And we are encouraged by the proposed improvements taking place.

You here today are in the position to address the financial flaws that have undermined dental Medicaid year by year since 1984 creating the present crisis environment. Dental care is most efficiently provided in the small business setting of a dental office. No small business can survive and I repeat SURVIVE providing services below the cost of overhead. You may assume that I am here on my own personal financial interest. That is grossly wrong. I am here as an advocate for the unfortunate, the young and the old, the citizens of this State who look to the state for help yet only experience rejection due to inequities of the State's system. You may need to do some research but it wasn't always this way.

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It is no coincidence that close to two decades ago, patient access to dental care was not a problem when the state found itself able to reimburse dentist at about 85% of their fees and dentists were supporting the system in spite of its huge administrative shortcomings. With current reimbursements far below overhead, most dentists find participation to be an impossible burden.
As an MA provider in West Bend, I know first hand of the tremendous need and suffering that exists and is not being addressed. As a health care provider it bothers me that I can not do more.

The dentists in Wisconsin all chose to enter the field of dentistry to provide quality dental care to our citizens. And the dentists I speak with when traveling the state, all understand their responsibility to provide that dental care. However, it is your obligation to reasonably compensate dentists for the care they provide through this program, which is run by the State of Wisconsin. Patient access to care was not a problem when reimbursement was low but still above overhead. Year by year, the reimbursement level decreased, as did the total dollars dedicated to dental Medicaid. This decrease has resulted in a decrease in dental providers. The needy of this state have reached a dental crisis. There are vast areas where these people can not obtain dental care. Why? Because the state has decreased compensation far below what is reasonable or fair. The people in need fall victim to a continuously degrading system.

These patients are not the only victims. The dentists are also victims of the system because, not only are they expected to provide this care for free (paying below overhead means the dentists ends up losing real out of pocket loss), the dental community is disparaged for not doing more.

Well, that is why I am here today. Simply, our fellow citizens have a great need. Help us to care for these people.

My predecessor at the WDA and I have both taken a leading role in recruiting dentists to become Medicaid certified. As I mentioned earlier, we have personally asked dentists to become more serious about accepting new Medicaid patients. Unfortunately, the efforts put forth by WDA dentists will not be enough to solve the problems with this program. You, as state legislators, have the ability to make lasting improvements to this program in both the paperwork and reimbursement areas. I am respectfully requesting that you, as a member of this committee, put forth your best effort in helping to make lasting reforms to this program. Quite frankly, you are not doing this for us. You are doing it for them, the people of this State that, the state, by its own standards, determined need help.

If the state wants the dental community to more fully participate in the program, I would hope that you would try to establish a better working relationship with those of us out here who are willing to help you make lasting improvements. In the past, it seems, the state and federal government have created certain

restrictions and paperwork requirements and set payment rates without really consulting those of us who they expect to actually provide the dental care. What may appear to be a great program to you in the legislature has proven to be very ineffective to us in the dental office. Believe me, I am not here to blame the legislature – I am here to let you know that we both need to be serious about making lasting changes to this program.

I would, therefore, suggest that you do two things:

First of all, the legislature should take the reimbursement issue very seriously. There is little doubt that the access issue is going to get much more severe with the entrance of nearly 50,000 enrollees that will enter the dental Medicaid lists through the new BadgerCare program. The reaction of those individuals who will be paying premiums for their coverage and finding that the premium doesn't necessarily provide them access to the care will have every right to be angry with the new system.

The 10% the Governor has proposed is a great first step but it still doesn't cover dental office overhead (about 67% of revenues). Without covering the dental office overhead (which would equal an estimated budget increase of $6.5 million – only 40% of which would come out of the state's budget), the dental community will continue to struggle meeting the demands of the program. We in the dental community believe that a reimbursement rate of 85% (which covers office overhead plus allows for partial payment for the dentist's time and labor) would be reasonable and would secure access for future generations.

Secondly, I also think it would be extremely helpful to have a long-term dental Medicaid task force developed by the state to make sure that the program operates as efficiently as possible at all times. This task force could work on a regular basis to address issues of paperwork, reimbursement and patient education to try to consistently improve the program rather than waiting until it is at the brink of disaster and try to fix it in the timeframe of a single budget cycle.

Finally, I want to mention my support for the capital budget proposal for the state's assistance in building a new dental educational and clinical facility at Marquette University. This is essential in order to maintain a healthy supply of dentists in Wisconsin. Because the state has already determined that it does not want to finance the entire cost of providing dental education in Wisconsin, this type of financial assistance from the state to Marquette seems quite reasonable. We need to make sure that Wisconsin citizens for generations to come will have access to dental health care within a reasonable distance from their homes. Keeping a dental school operational in Wisconsin is an important part of meeting that goal. I hope that you will look favorably on that proposal as it moves its way through the legislative process.

Wisconsin Dental Association
Medicaid Program Recommendations for Improvement
1999-2000 Legislative Budget Session

- The WDA appreciates that Governor Thompson has recognized the need to bring reimbursement rates for the Medicaid program closer to covering the costs for providing dental care.

- The WDA wants to continue to work with the state government to improve the program to such a degree that patients can readily access care.

- Unfortunately, even with the 10% increase in reimbursement in the first year, the reimbursement (58%) for the most common dental procedures will be well below the average office overhead (67-69% - which doesn't even include the dentist's salary).

ADA Code	Description	Medicaid Fee 1999	Dentist's Fee (Example from SW Rural WI Dental Office)	MA +10% Fee	69% of OverheadFee	Dentist's out of pocket costs
01110	Adult Prophylaxis	23.70	45.00	26.07	31.05	$ -4.98
01120	Child Prophylaxis	22.61	35.00	24.87	24.15	$ 0.72
00272	Child 2 Bite Wings X-ray	12.46	20.00	13.71	13.80	$ -0.09
00274	Child 4 Bite Wings X-ray	16.79	31.00	18.47	21.39	$ -2.92
00272	Adult 2 Bite Wings X-ray	9.92	20.00	10.91	13.80	$ -2.89
00274	Adult 4 Bite Wings X-ray	16.54	31.00	18.19	21.39	$ -3.20
01351	Child Sealant	16.49	25.00	18.14	17.25	$ 0.89
01352	Adult Sealant	15.99	25.00	17.59	17.25	$ 0.34
02120	2-Surface AR Primary Tooth	39.25	67.00	43.18	46.23	$ -3.05
02150	2-Sur. AR Perm. Child	42.11	86.00	46.32	59.34	$ -13.02
02150	2-Sur. AR Perm. Adult	35.28	86.00	38.81	59.34	$ -20.53
02381	2-Sur. RR Post Primary Child	39.25	91.00	43.18	62.79	$ -19.61
02386	2-Sur. RR Post Perm. Child	42.11	107.00	46.32	73.83	$ -27.51
02386	2-Sur. RR Post Perm. Adult	35.28	107.00	38.81	73.83	$ -35.02

AR= Amalgam restoration
RR= Resin restoration
Post= Posterior tooth
Perm.= Permanent tooth
$-4.98= Means it cost the dentist that amount of money per procedure from his/her own pocket.
$0.89= Means that the state pays the dentist that much beyond overhead.

- By using 63% federal funds and 37% state funds, the state reimburses for dental services by paying a percentage of the fees filed in a specific base year. The base years are not current. The rates for adult services are based on **1991** fees and the rates for children services are based on **1995** fees. The base year should be updated annually to be the **most current year** for which the state has collected data.

- The tobacco settlement money could justifiably be spent on health care, including dental care. It would require a minute portion of the tobacco settlement money to rectify the problems with the dental Medicaid program.

- Badgercare, which starts on July 1, will add another possible 50,000 enrollees who will qualify for the dental Medicaid program. This influx of new enrollees to the Medicaid program will only exacerbate the current problems. People will be paying premiums for a program that cannot provide adequate access to dental care.

- The Medicaid program is funded on a sum-sufficient basis (63% federal dollars and 37% state dollars) and the state projects what it will spend during two-year budget cycle, based on the amount of services they project will be provided. In the last budget cycle, the state projected that dentists would treat fewer Medicaid patients in both Fiscal Year 98 (FY98) and Fiscal Year 99 (FY99), thereby decreasing the total amount of monies the state would have to pay out to Medicaid providers during that biennium.

    - For example, the state dropped its projected expenditures from the $14 million spent in FY 97 to an estimated $12 million in FY 98. Contrary to the state's projections, dentists provided care at a constant level in FY 98 and the budget expenditures came in at $14 million rather than $12 million. The state also projected that their expenditures in FY 99 would continue to drop and the state estimated dental expenditures at only $9 million (which equals a 30% drop in the dental budget over a two-year period). If the dentists continue to provide care even at the current level, there is little doubt that expenditures for the dental Medicaid program will exceed the $9 million estimate.

- The federal law on Medicaid (42 CFR Chapter IV Section 447.204) actually requires that: "The agency's payments must be sufficient to enlist enough providers so that services under the plan are available to recipients at least to the extent that those services are available to the general population." The state determines what that payment should be. Wisconsin legislators should be aware of this federal law. **(Attached Copy)**

- The WDA has been dedicated to fixing the Medicaid program and wants to continue to work with legislators and agency representatives at both the state and federal levels.

W-2 WATCH
WISCONSIN COUNCIL ON CHILDREN AND FAMILIES
Volume IV, Report 1 • April 1999

Can We Help Families Succeed?

11 Easy Steps to Self-Sufficiency

After about a year of operation, it has become apparent that W-2 must be changed if we are to succeed as a state in moving people out of poverty and into the work force. The Policy Group on Welfare Reform, a coalition of statewide service, religious and non-profit organizations, recommends the following:

1. **Expand education and training opportunities and support to enable families to escape poverty and become self-sufficient.**

   a. Allow those who lack basic skills, English language skills, and high school degrees, to concentrate on mastering those skills and obtaining degrees by being assigned up to 30 hours per week for education and training. Stipulate that any work assignments may not be allowed to interfere with their progress toward achieving these goals.

   b. Provide that W-2 participants may pursue post-secondary training likely to lead to improved employment opportunities as long as they participate in up to 20 hours of subsidized or unsubsidized work activities, remain in good standing, and make reasonable progress.

   c. Provide for child care eligibility for non-W-2 parents in education and training programs without a work requirement if they meet financial requirements, are in good standing, and are in a program likely to lead to employment.

2. **Provide better income support for families of marginal workers to prevent destitution of children.**

   a. Pay benefits to all applicants who meet eligibility requirements, whether deemed "job ready" or not, within 30 days. Those required to do an up-front job search should be placed in a W-2 work activity after 30 days, if they remain unemployed, and receive W-2 benefit payments for the month of job search.

   b. Require agencies to place low-income, part-time workers in W-2 work or training positions and provide pro-rated W-2 benefits.

3. **Provide accountability and fairness in the system by restoring fair hearings and continuing benefits and providing a mechanism for participants to evaluate the program.**

4. **Improve access to W-2 and assessment of participants to make sure that low-income families are provided help when they most need it and are provided the kind of support they need to become self-sufficient.**

   a. Provide mandatory training for all W-2 agency employees in dealing with special populations, including those with issues of domestic violence, homelessness, language and cultural barriers to employment and self-sufficiency, learning disabilities, AODA or other mental health problems.

   b. Require DWD to promulgate rules setting standards for individualized assessments and improved services for the above populations, including counseling, legal services, transitional and subsidized housing, child care, and instructions for using available public transportation.

   c. Require DWD to promulgate rules setting standards for intake and review procedures, access to emergency assistance and expedited food stamps, telephone access to agency workers and the right to be accompanied at interviews.

d. Provide rules that also cover timely access to county workers for those applying for food stamps, child care or medical assistance without applying for W-2 benefits.

e. Require the DWD to develop a Rights and Responsibilities statement and informational brochures for distribution at a potential applicant's first contact with the W-2 agency.

5. Improve the quality of child care, and make it more affordable and accessible in order to ensure healthy children and more successful workers.

a. Remove the requirement for co-payments for families with incomes below the federal poverty level, for foster parents and for those providing kinship care and reduce maximum copayments to 10% of income.

b. Increase eligibility limits for child care to 225% of the federal poverty level.

c. Restore the training requirement for all certified providers and increase the minimum training in child development.

d. Expand eligibility for in-home child care for second and third shift workers and sick children, regardless of the availability of out-of-home care.

6. Improve transportation support to all low-wage workers, including public transportation, voucher systems and help with buying cars, reinstating licenses and obtaining occupational licenses.

7. Ensure adequate support for families with adults or children with disabilities or other significant barriers to work so that the basic needs of children are provided for while parents who are able to do so are helped to become self-sufficient.

a. Increase the C-Supp benefit to $250 for the first child and $150 for each additional child of SSI parents.

b. Define as a W-2 work activity the care of a child with special needs or the care of a disabled member of the participant's immediate family.

c. Extend eligibility for C-Supp benefits to children of minor children of SSI parents.

d. Extend eligibility for child care services to 13 to 18 year old children with special needs.

e. Increase the benefit level for W-2T placements to equal the CSJ benefit.

f. Provide for eligibility for W-2 services (except for cash benefits) for SSI parents.

g. Eliminate the 2-year time limit for W-2 T placements.

8. Support healthier babies by providing cash assistance to pregnant women and reducing work requirements for mothers of infants.

a. Exempt parents of infants from work activities, except on a volunteer basis, for the first 12 months and provide voluntary parenting and mentoring support services.

b. Extend eligibility for W-2 work program placements to women in their last trimester of pregnancy, even if they have no other children.

9. Expand eligibility for W-2 work programs to non-custodial parents.

10. Provide special attention to teen parents to set them on the road to self-sufficiency at the earliest possible time.

a. Allow parents who are still eligible to attend high school to do so without any additional work requirement.

b. Exempt parents attending high school from child care co-payments while they are attending school.

c. Allow minor parents to apply for child care assistance on their own when a parent or guardian is unable or unwilling to do so.

11. Expand eligibility for emergency assistance to those facing evictions, and make such assistance available to this new group as well as those who are homeless once every 12 months.

Wisconsin Council on Children and Families; League of Women Voters of Wisconsin; Lutheran Office for Public Policy in Wisconsin; Churchwomen United; Wisconsin Women's Network Child Care and Economic Security Task Forces; Grandparents United for Children's Rights, Inc.; YWCA—Madison and Green Bay; Family Enhancement; Western Dairyland EOC; National Association of Social Workers, Wisconsin Chapter; Wisconsin Coalition Against Domestic Violence; Community Coordinated Child Care, Inc.; Madison Urban Ministry.

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Stoughton, WI 53589
April 15, 1999

To the Joint Finance Committee:

I am writing to beg you to change your mind about the proposed state Budget freeze. I work with adults with serious and persistent mental illness, as well as am a parent of a child with a developmental disability.

The programs which would be affected by the freeze affect the most vulnerable people in our society. I have no doubt that with the freeze, more money will end up being spent in the long-run due to lack of programs and support. Decompensation of people whose needs are not being met will result.

All programs desperately need every bit of money possible, many needing even more than what's presently available. For example there is at least a 5 year wait for programs like Family Support and Resource Center. This wait is way to long already, let alone more cuts which would result in a reduction of the already too-far-cut-back services. This program is for developmentally disabled children, and a freeze may make a major impact on their development, thus increasing the future need for monies.

Furthermore day treatment/vocational services enable adults with serious and persistent mental illness with needed structure /self-esteem to maintain mental health. They also make it possible for people to become productive members of society. I can't imagine CSP cuts, transportation cuts, or loss of adult family homes options. All these would be purely devastating.

I urge you to restore the cuts which have occurred to the Community Aids in the last two budgets.

Sincerely,

Rebecca H. Kelly

Rebecca H. Kelly

ASW... ASW... ASW... ASW... ASW... ASW...

JOINT COMMITTEE ON FINANCE
PUBLIC HEARING APRIL 15, 1999

Senator Brian Burke and Representative John Gard, Co-chairs;,
and Members of the Joint Finance Committee.

Members of the Autism Society of Wisconsin have been following the long process to develop a new program to provide long term care in Wisconsin. Many of the concepts show promise, but we oppose Family Care in its present form. We strongly support local control of the system and oppose any plan that proposes the use of for-profit corporations to provide care management. We support the county role as the care management agency. In addition, it is clear that the Department of Health and Family Services has grossly underestimated the funding needed to serve the population. The proposed risk sharing plan would lose over $50,000,000 in overmatch funding and other current direct services funding would be diverted to pay for Resource Centers and protective services. The proposed funding is not adequate to provide the level of care needed by the projected population.

An Alternative Plan for reform of long term care has been developed by disability advocates and representatives from counties and advocates for aging people in need of long term care.

This plan builds on many of the positive ideas of redesign, namely: the same access to community care which currently exists for institutional care: simplifying and combining long term care funding; creating individual choice of how to receive support and services, and allowing "the money to follow the person"; and increased access to independent advocacy.

The alternative plan reforms, rather than replaces, the current successful long term care system in Wisconsin. The cornerstone of the proposal is to treat the Home and Community Based Services Waivers (CIP and COP-W) just like nursing home services. People who meet the same eligibility criteria would have equal access to funding for community services or nursing home services (Currently a nursing home is the only entitlement for an eligible person. A person who wishes to live in the community is often entitled to a place on a waiting list!).

Our ~~The~~ proposed reform of the long term care system does not discourage county administration and thus does not encourage the loss of generous county funding. Our plan does not introduce profit motive into the management of long term care and does not require additional administrative costs for separate Resource Centers. It would maximize use of federal funding and minimize the need for additional state and county tax dollars.

Thank you.

Frances Bicknell
Legislative Chair.

Creative Community Living Services, Inc.

TO: Senator Brian Burke, Co Chair; Representative John Gard, Co Chair; Senators Decker, Jauch, Moore, Shibilski, Plache, Cowles, Panzer Representatives Ward, Porter, Albers, Kaufert, Duff, Huber, Riley

RE: 1999-2001 State Biennial Budget

My name is Barbara Fox. I am the President of Creative Community Living Services, Inc. Our agency provides community services for nearly 500 people with developmental disabilities in 15 different Wisconsin counties. We employ over 500 people, most of them in direct care positions. I have some serious concerns about the allocations for people with disabilities in the proposed state budget.

Our agency is already experiencing a cut in allocations from Milwaukee County because of the 1999 cut in base community aids to Milwaukee County. We are seriously looking at closing at least one program in Milwaukee County because of that cut.

Over the past two years, the State of Wisconsin has approved increased licensing regulations in community-based residential facilities and increased regulations in criminal background checks and reporting requirements. All of these regulations have been expensive to implement, and yet we had to implement them with no increase in allocations. A cut in community aids and no increases in the waiver programs is adding insult to injury.

Our agency is currently hiring direct care staff at $7.50 to $8.00 per hour. It is the most we can afford. The fast food restaurants are paying better than that. With the labor shortage, we are having a very difficult time hiring and maintaining staff. For the past several months, 9% of our staff positions have been vacant. We have been using our current staff to fill the positions, and paying an enormous amount of overtime, and burning people out.

If there are cuts in funding to the counties, those cuts will be passed on to provider agencies. We cannot cut already low staff wages or we will lose all of our staff. The other alternative, which many providers will need to consider, is to close programs or simply go out of business. If agencies start closing their doors, the State of Wisconsin will have to find some way to provide services. Emergency placements are expensive and traumatic to the individuals involved.

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Please restore the cuts to community aids and put in an inflationary increase of 3%. There also needs to be an increase in the waivered dollars. CIP 1A is currently paying anywhere from $125 to $184 per day, compared with $349 per day in the state centers. CIP 1B has not had a significant increase in 9 years. The current rate of $48.33 per day is not enough to provide adequate services to an individual in the community. This amount needs to be increased to a minimum of $70 per day.

I am also very concerned about the proposal to re-design the long-term care system. We need to pilot the Family Care proposal in a few counties, and then use an outside source to evaluate the data from the pilots. I would also like to suggest that one of the pilots be an alternative plan to the proposed Family Care, utilizing the current county-run system. Family Care will be expensive to implement. The current county-run system needs reforms, but I believe it can continue to work for Wisconsin for many more years.

In summary, Wisconsin is in an economic boom. It is a wonderful place to live and to work. Please make it be a wonderful environment for people with disabilities, as well.

Barbara Fox
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920-261-1345, extension 32

Testimony Before the Joint Committee on Finance

April 15, 1999

My name is Mary Pike and I reside in Middleton. I am a family care giver for my husband and am here to urge you to increase the appropriation for the Alzheimer's Family and Caregiver Support Program (AFCSP) in the Governor's Budget Bill. There has never been an increase since the program was initiated in 1985. This has resulted in waiting lists in several counties. In 1997 AFCSP served approximately 950 people and there were still 750 people on waiting lists. This is a serious problem since many people eligible for AFCSP are already on the COP waiting list. I support the Wisconsin Alzheimer's Association Chapter Network request for the appropriation to be doubled. It is presently at $1.8 million and I urge you to increase this to $3.6 million.

As I am sure you are aware, Alzheimer's disease is a progressive, degenerative disease that attacks the brain and results in impaired memory, thinking and behavior. My husband was diagnosed in 1993 having shown classic symptoms for the two previous years. From the onset of the symptoms I cared for him at home for 4 years, when due to falls it became necessary for him to be placed in a CBRF where he lived for 22 months. A year ago he fell and broke his hip which necessitated his going into an Alzheimer's Special Care Unit in a Nursing Home. Caregiving for a family member with Alzheimer's disease can be an emotionally and physically exhausting, 36-hour day, 7-day a week job. Through my experience the past seven to eight years I can testify to the need for making Respite Care available to family care givers who as the disease progresses are unable to leave their loved one alone and at times get very little rest thus the reference to the 36 hour day.

There are 498,000 informal caregivers across the state who provide some 463 million hours of unpaid care, saving 3.8 billion dollars each year in Wisconsin. Nearly one in five caregivers is taking care of someone with dementia. For many Alzheimer's families, respite is the basic service that enables them to keep their loved one at home. I was fortunate that I had the resources to be able to send my husband to Adult Day Care the final year I cared for him at home. But for those without the financial resources like the 750 on the waiting list (a number which will continue to grow as the population ages) the AFCSP program provides up to $4,000 annually for services such as respite for the unpaid primary caregiver of an Alzheimer's patient, allowing a temporary break from caregiving. This break can be anything from a couple days a week in an Adult Dementia Specific Day Care to having someone come stay with the person for a few hours or days or placing them in a home offering 24 hour respite care for a week. Providing respite for the caregiver allows the Alzheimer's patient to stay in the familiar setting of their home where they feel safe and experience less agitation, confusion and behavior problems.

The AFCSP program not only saves taxpayers a tremendous amount of money and has proven itself to be a sound financial investment but also provides an essential service for Alzheimer's patients, families and caregivers. Without this support, the state would be left to shoulder the financial burdens of their care at a much earlier date.

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A Response to the 1999-2001 Biennial Budget by Wisconsin's consumers, families, and advocates for MENTAL HEALTH.

Grassroots Empowerment Project, Mental Health Association of Milwaukee, National Alliance for the Mentally Ill of Wisconsin, WeCARE Coalition, Wisconsin Coalition for Advocacy, Wisconsin Council on Mental Health, and Wisconsin Family Ties.

Last year, through the Governor's Blue Ribbon Commission on Mental Health a blueprint for mental health systems revision was developed and approved. Families, consumers, advocates and county representatives and professionals were encouraged that Wisconsin was once again taking a forward step in genuinely responding to the mental health needs of its citizen. Our reputation as being a leader in this arena is well-known.

The new system is described as one that will be community-based, consumer and family-centered in which funding will follow the person and not the services.

With the encouragement of the Governor, DHFS then started workgroups. For months, these workgroups that included consumers, families, advocates, local county representatives and professionals have been busy pulling together the details for the new system as described in the Governor's Blue Ribbon Commission on Mental Health report.

Now the people of Wisconsin are presented with a budget that does very little to support our mental health needs. In many ways, lessens the leadership role that Wisconsin has assumed for many years in the country.

1. Community Aids - Not supported

The recent 17% cut in the federal Social Services Block Grant resulted in a loss of $18 million over the biennium in Community Aids. This cut will produce an unacceptable reduction in services to our most vulnerable citizens. We support that the legislature the replacement of these funds with GPR dollars.

2. Behavioral Health Managed Care Demonstration Projects - Not supported

We are testifying against the proposed budget cut in funding for the Blue Ribbon Commission on Mental Health Demonstration Projects. The drastic reduction from 8 to only 2 sites will seriously affect the ability of the Department of Health and Family Services to test and pilot the carefully crafted reforms for mental health services.

These reforms were the result of the efforts of many consumers, advocates, state administrators, local county representatives, professionals and consultants for the past two years. The Governor received their work with enthusiasm. Then the budget's proposed under-funding of the demonstration pilots is a serious blow to the efforts of so many of our citizens to help improve the mental health services of Wisconsin.

We urge you to restore the budget cuts and allow these carefully planned demonstrations to reach their goals.

3. Governor's Blue Ribbon Commission on Mental Health - Support

In order to initiate the positive changes in the alcohol and drug abuse, developmental disabilities and mental health systems as recommended by the Governor's Blue Ribbon Commission on Mental Health we support the modifications of DHFS's powers and duties.

4. Non-Institutional Rate Increases - Not Supported

Since there have been no increases for years in these rates, we support a 3% rate increase for all community-based, non-institutional mental health MA providers in 2000-01.

5. SSI Caretaker Supplement - Benefit Level - Not supported

Increase the Caretaker Supplement above the Governor's recommendation from $150 a month per dependent child to $250 a month for the first child and $150 a month for each additional child equally $6.65 million of federal TANF dollars. It has been documented that 40% of these mothers are coping with mental illnesses.

Support of the Governor's proposal to expand the child care assistance program to include children ages 12-18 with special needs or chronic health conditions who require supervision after school.

6. Mental Health Institutes - Expanded Services - Support

We support the opportunity for MHIs to expand the scope of services provided that could enhance the provision of community services needed.

7. Health Insurance Risk-Sharing Plan (HIRSP) Not Supported

It is difficult to support a decrease in funds for this program. This program is in desperate need of a legislative audit in order to determine the effectiveness of this program and determine its true costs. Leave GPR support at its current level until the audit is conducted and it can be determined what level of change may or may not be appropriate. This decrease in funds will result in a increase in the premium costs for consumers.

8. School Funding for Special Education - Not Supported

Retain the statutory language directing the state to reimburse local school districts at 63% of the actual costs of special education.
Provide additional funding to increase the Categorical Aids reimbursement rate to local school districts to 40%.

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Robert Beilman, M.D., Family member, NAMI Wisconsin, 4510 Woods End, Madison, WI 53711, 608/238-2235.

My name is Bobbi Stiteley. Im an RN at St Marys Care Center. Ive been there for three years and I love my job. Working with the elderly is personally rewarding. A smile and a touch can make their day brighter. Knowing I can make a difference in the quality of their life is my reward.

In the last three years Ive watched management try to improve the quality of care by instituting new programs and protocols. What's sad is that many times we don't have enough staff to meet the basic needs, so all these good ideas are shoved aside for a time when we are "fully staffed."

Because of the low wage its hard to get, and keep staff. We as a facility spend thousands of dollars training and orienting new staff, only to have them leave for a higher paying job. What does this mean for our residents? They loose the continuity of care. Someone who knows the resident is quicker to pick up on changes that could be symptoms of a worsening or new diagnosis. Symptoms are subtle or unexpected in the elderly and early detection is so important. Also for our confused residents its reassuring for them to see faces they can recognize.

Like I said, I love my job. The biggest frustration I have at work is staff shortages. It's very frustrating to work so hard, and leave at the end of the day knowing that people weren't taken care of like they should have been, because there weren't enough workers.

Please support this proposal, and support our elderly. They depend on us.