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2001 DRAFTING REQUEST

Senate Amendment (SA-SB55)

Received: **05/24/2001**

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For: **Legislative Fiscal Bureau**

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Subject: **Public Assistance - Wis works**
Public Assistance - misc
Public Assistance - med. assist.

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Modifications to MA transfer

Instructions:

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20. LFB Paper #1048. Alternative 1a. Delete 4.0 PR positions in DHFS's Bureau of Regulation and Licensing, beginning in 2001-02.

21. LFB Paper #1049. Alternative 7. Provide GPR of $1,395,300 in 2001-02 and $8,604,700 in 2002-03 to access federal child care matching funds of $2,032,200 in 2001-02 and $12,164,500 in 2002-03 to be used for child care subsidies.

22. LFB Paper #1050. Alternative A2. Increase funding for kinship care benefits by $96,700 PR in DHFS annually to reflect current estimates of kinship care payments made by DHFS and the counties. Increase TANF funding in DWD by a corresponding amount.

23. LFB Paper #1050. Authorize the Joint Committee on Finance to supplement the kinship care appropriation under s. 16.515 if the amounts budgeted for the program are insufficient to fund benefits payments to eligible families.

24. LFB Paper #1051. Alternative 2. Provide an additional $195,000 FED in 2001-02 and $400,000 FED in 2001-02 for the state food stamp program for qualified immigrants to reflect recent caseload projections.

25. LFB Paper #1052. Alternative A4. Delete funding for the fatherhood initiative ($200,000 FED annually).

26. LFB Paper #1053. Alternative 2. Delete the 2.0 positions recommended by the Governor and direct DWD to reallocate 2.0 FTE to the public assistance collections unit. Convert proposed TANF and CCDF expenditures of $18,800 in 2001-02 and $25,100 in 2002-03 to PR expenditures to reflect that 0.5 FTE could be supported by PR received from enhanced collections.

27. LFB Paper #1053. Alternative 6. Delete the proposed statutory provisions that would provide DHFS with the option to either contract with DWD or set up its own system for fraud investigation and error reduction for recipients of MA. Under this option, DWD would continue to be required to conduct state and local error reduction activities and overpayment collections for the MA program and there would be no funding transfers between departments.

28. LFB Paper #1054. Alternative 2. Modify the general definition of "continuing appropriations" to clarify that PR, FED and SEG continuing appropriations can be provided on a sum certain basis.

29. LFB Paper #1054. Alternative 4a. and b. Modify s. 49.175 to clarify that DWD, subject to approval by DOA, can only reallocate funds among allocations within a specific fiscal year and that funds can only be reallocated for purposes permitted by the original appropriation.

30. LFB Paper #1054. Alternative 5. Require DWD to submit an annual report of expenditures in the TANF program to both the Secretary of the Department of Administration and the Joint Committee on Finance by November 1st of each fiscal year.

31. LFB Paper #1054. Alternative 6. Maintain DWD's federal block grant aids and

operations appropriations as annual appropriations.

32. LFB Paper #1055. Alternative 1b. Require DWD to obtain approval from the Secretary of the Department of Administration and the Joint Committee on Finance, through a 14-day passive review process, for any proposed reallocation within the TANF program if the amount exceeds 5% per allocation per year.

33. LFB Paper #1056. Alternative 2. Allow penalties paid by counties and tribes to be used for food stamp reinvestment activities as follows:

a. Modify s. 20.445(3)(L) of the statutes to do the following: (1) allow the appropriation to receive funds from counties or tribal governments as a result of DWD's error-reduction activities; (2) allow the appropriation to be used to pay sanctions imposed on the state under the food stamp program or to fund food stamp reinvestment activities; and (3) allow the appropriation to be used for both local and state activities.

b. Repeal s. 20.445(3)(Lm) and transfer all unencumbered continuing balances in the appropriation to s. 20.445(3)(L);

c. Delete language in s. 49.197(3) requiring the Department to fund all fraud and error reduction activities under s. 20.445(3)(L) since some error reduction activities would not be funded under that appropriation; and

d. Increase funding by $975,000 PR annually to reflect revenues anticipated to be received from penalties levied on counties for food stamp payment errors and existing excess revenue from overpayment collections. Reduce GPR by $450,000 in 2001-02 to reflect a net reduction in the amount of GPR needed for food stamp reinvestment activities.

34. LFB Paper #1057. Alternative 2. Make the following technical and clarifying statutory changes: (a) delete the definition of "income maintenance worker"; (b) clarify that DWD and DHFS would jointly contract for the costs of administering both BadgerCare and MA; (c) delete Wisconsin Works from the definition of the income maintenance program; (d) retain county administration of child care in the definition of the income maintenance program; and (e) allow DHFS and DWD to contract with tribes for MA administration and allow DWD to contract with tribes for food stamp administration.

35. LFB Paper #1057. Alternative 3. Adjust DWD's appropriation schedule to reflect $58,341,600 PR annually anticipated to be received under the bill from DHFS for payments to counties for eligibility determination, CARES maintenance and other administrative functions. Specify that these funds would be placed in unallotted reserve in DWD.

36. Provide $100,000 FED annually to the Wisconsin Trust Account Foundation (WisTAF) to distribute to grantees for the provision of direct civil legal services to low-income individuals in the state. Retain the statutory provisions relating to providing TANF funding for WisTAF.

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

May 21, 2001 | Joint Committee on Finance | Paper #1053

Temporary Assistance for Needy Families (TANF)

Public Assistance Collection Unit (DWD -- Economic Support and Child Care)

[LFB 2001-03 Budget Summary: Page 748, #43 and Page 749, #44]

CURRENT LAW

Under current law, the Department of Workforce Development (DWD) is required to recover all overpayments of the following: (a) benefits under the former aid to families with dependent children (AFDC) program; (b) subsidized employment benefits and custodial parent of infant grants under the Wisconsin Works (W-2) program; (c) child care benefits; (d) transportation assistance; and (e) medical assistance (MA). The state sends a portion of these collections to the federal government, a portion is given to local agencies and a portion is retained by the state.

The public assistance collections unit is currently housed in the Division of Unemployment Insurance in DWD. This unit collects overpayments of benefits from AFDC, W-2, MA, food stamps, child care subsidies and job access loans. The unit currently has 3.0 FTE positions to perform this work.

The public assistance collections unit is authorized to implement the new lien and levy programs that were created as part of the 1999-01 budget for AFDC, W-2, child care and transportation assistance. Under the lien program, DWD can issue a warrant to place a lien against the property of a person who fails to pay any amount of an overpayment. This action can be taken if no review or appeal of the overpayment is pending and the time for requesting a review or appeal has expired. DWD is allowed to file an execution that directs the sheriff of the county to seize and sell real and personal property of the person to pay the amount stated in the warrant, except for certain property that is exempt from execution under current state law. When the amount of the warrant has been paid in full, the Department must file a satisfaction of the warrant.

Under the levy program, the Department can collect any debt or overpayment by levying upon any property belonging to a person who received an overpayment. The Department can also collect any expenses related to the levy from the person who received the overpayment. This action can be taken if no appeal or other proceeding for review is pending and the time for taking an appeal or petitioning for review has expired. If anyone fails or refuses to surrender property under a levy, they would be subject to proceedings to enforce the amount of the levy.

GOVERNOR

Provide increased funding of $37,600 FED and $37,700 PR in 2001-02 and $50,200 FED and $50,200 PR in 2002-03, and provide 1.0 FED position and 1.0 PR position annually for the public assistance collections unit. The new positions would implement the levy and lien program for overpayments that was adopted as part of the 1999-01 biennial budget. The federally-funded position would work half-time on programs funded by the federal temporary assistance for needy families (TANF) and child care and development fund (CCDF) programs and half-time on food stamps. The second position would be funded from program revenue resulting from overpayment collections and would work on all programs. The bill would also allow DWD to perform these services for medical assistance if the Department of Health and Family Services (DHFS) chooses to contract with DWD.

DISCUSSION POINTS

1. The public assistance collections unit was created as a pilot project in 1994 and is responsible for collection of overpayments in public assistance programs as required by federal law. The unit currently has the following responsibilities: (a) conduct the lien and levy programs created by the 1999-01 budget; (b) conduct a tax offset program that collects overpayments through taxes, including sending out notices and responding to phone and letter inquiries; (c) respond to inquiries regarding policies, procedures, appeals and collection issues; (d) account for the dollars collected and prepare data for the federal government; (e) assure the proper posting of payments to accounts; (f) process appeals; (g) handle bankruptcy case activities; and (h) maintain and enhance computer operations.

2. The unit has collected $24.9 million in overpayments through its tax offset program since it began. As of April, 2001, there were $41.1 million in overpayments outstanding from the following programs: $27.8 million from AFDC; $9.3 million from food stamps; $2.1 million from MA; $1.4 million from W-2; and $0.5 million from child care. The amount recovered has increased annually since the unit began, from a low of $1.2 million for 1993 to a high of $5.7 million for 2000. A portion of the overpayments fund state fraud efforts and local agency fraud efforts. All TANF and child care funds collected remain at the state level to be used for fraud efforts and services. However, a portion of AFDC, MA and food stamp collections must be returned to the federal government and distributed to local agencies.

Request for Position Authority

3. The public assistance collections unit currently has 3.0 permanent FTE staff, all of which are filled. In addition, as of April 26, 2001, the unit had 3.0 LTE staff positions filled. The 2000-01 budget for the unit is $1,010,600, including $117,200 for salaries and fringe benefits, and $893,400 for supplies and services.

4. DWD asserts that additional positions are needed because the workload demands more than three permanent positions and the current use of limited term employees is not efficient. The unit has continually used limited term employees since its inception. Since July, 1999, the Public Assistance Collections Unit has hired a total of 11 LTEs. According to DWD, eight months of training for one staff person is required for the staff person to become fully able to process overpayments and follow appropriate collection methods. However, it is not possible to adequately train LTEs because there is a six-month limit on using LTEs. DWD states that it has been difficult keeping adequately training staff to perform all functions assigned to the unit because staff often leave before their six months are over to accept permanent state government positions. DWD also states that few state job applicants apply for limited-term employment, making it difficult to find qualified candidates. In addition, DWD indicates that it is currently difficult to provide the expected level of service and the Department has not been able to implement any enhanced collection efforts, such as the levy and lien programs authorized in the 1999-01 budget.

5. If provided the staff, DWD states that it would still have to rely on LTEs until it has fully implemented the levy and lien programs authorized in the 1999-01 budget. The Department estimates that the additional staff would result in increased collections of approximately $500,000 to $700,000 annually per position. As discussed above, these collections would be distributed between federal, state and local agencies. The Governor's proposed budget did not assume that any additional revenue would be available, but did assume that PR totaling $37,700 in 2001-02 and $50,200 in 2002-03 would be available to fund one of the proposed positions.

6. The Governor recommended the same two positions as part of the 1999-01 budget but the positions were deleted from the bill by the Legislature due to a high number of vacancies in the Department. However, the Legislature authorized the Department to reallocate vacant positions for these duties. DWD states that it could not reallocate positions to this function due to funding reductions made in the 1997-99 budget bill.

7. An alternative would be not to provide any new positions since the state administration reductions in the proposed budget are likely to create vacant positions that could be reallocated to the pubic assistance collections unit. In addition, based on a review of vacant positions within DWD, there were a total of 121 positions that have been vacant for seven months or longer as of April 7, 2001. Of these vacant positions, 50 have been vacant for 13 months or more. Some of these vacancies are project positions that will terminate at the end of the current fiscal year, and the Department is attempting to fill most of the other vacancies. Also, 9.25 positions in the Administrative Services Division would be deleted under another provision of the budget bill. However, given the large number of long-term vacancies, it can be argued that the Department has sufficient flexibility to reallocate existing positions and additional position authority is not necessary

at this time.

8. Since the positions would generate PR through their collection efforts, the source of funds for the 0.5 FTE position funded by TANF and CCDF could be changed from FED to PR. This would free up federal TANF and child care funds of $18,800 in 2001-02 and $25,100 in 2002-03. The TANF and CCDF funds could be used to address a projected shortfall in the Wisconsin Shares child care subsidy program of $95.1 million over the biennium. An alternative to utilize these savings for child care is presented in Paper #1046. The food stamp funds could be used for local administration of food stamps.

9. Another option would be to delete the Governor's recommendation and not provide any positions or funding for the public assistance collections unit. Under this option, DWD would have to continue to rely on LTEs and would not likely be able to implement the lien and levy programs adopted in the 1999-01 biennial budget.

Impact of MA Administration Transfer to the Department of Health and Family Services

10. One of the functions currently being performed by the public assistance collections unit is collection of MA overpayments. Under the bill, the funds for conducting these collections would remain with DWD, but new statutory provisions would allow the Department of Health and Family Services to either conduct its own program for state and local error reduction and overpayment collections, or to contract with DWD for this service. DWD and DHFS have informally agreed to continue to have DWD perform this service because DWD already has the necessary infrastructure and establishing two collection systems would create duplicative costs.

11. If DHFS were to transfer funds to DWD for MA collection efforts, then DWD would have more funds for this function than intended by the Governor's budget bill, since no funds for MA error reduction and overpayment collections were transferred to DHFS. An alternative would be to transfer funds from DWD's state fraud appropriation to DHFS for this function as part of the MA administration transfer described in Paper #1057. When DHFS contracts back to DWD for overpayment collection services, PR-S could be deposited in DWD's intergovernmental services appropriation. The amount transferred between departments would be based on MA's share in 2000-01 of fraud and error reduction costs. A total of $257,300 PR and $257,300 FED could be transferred from DWD to DHFS in 2001-02 and $258,600 PR and $258,600 FED could be transferred in 2002-03 if the Committee approves the funding recommended by the Governor. If the Committee deletes the funding for the two new positions, then the amount transferred would be $253,300 PR and $253,300 FED annually.

12. Another option would be to modify the Governor's proposed statutory language for the MA transfer to remove the language allowing DHFS to either conduct its own program for error reduction and overpayment collections or to contract with DWD for this service. Under this option. DWD would continue to perform error reduction and collection activities for MA overpayments and funds would not have to be transferred between the two departments. This option would maintain the status quo and would not create additional administrative transactions. However, it would be

inconsistent with DHFS's goal of having direct oversight over all MA funds.

ALTERNATIVES TO BILL

Public Assistance Collections Unit

1. Approve the Governor's recommendation to provide increased funding of $37,600 FED and $37,700 PR in 2001-02 and $50,200 FED and $50,200 PR in 2002-03, and provide 1.0 FED position and 1.0 PR position annually for the public assistance collections unit.

2. Modify the Governor's recommendation to delete the 2.0 positions and direct DWD to reallocate 2.0 FTE to the public assistance collections unit. Convert proposed TANF and CCDF expenditures of $18,800 in 2001-02 and $25,100 in 2002-03 to PR expenditures to reflect that 0.5 FTE could be supported by PR received from enhanced collections. This option would provide the same amount of funding as provided by the Governor, but would require DWD to reallocate the two positions from its vacancies.

Alternative 2	FED	PR	TOTAL
2001-03 FUNDING (Change to Bill)	- $43,900	$43,900	$0
2002-03 POSITIONS (Change to Bill)	- 1.00	- 1.00	- 2.00

3. Maintain current law and delete the 2.0 positions recommended by the Governor. Reduce funding by $37,600 FED and $37,700 PR in 2001-02 and $50,200 FED and $50,200 PR in 2002-03.

Alternative 3	FED	PR	TOTAL
2001-03 FUNDING (Change to Bill)	- $87,800	- $87,900	- $175,700
2002-03 POSITIONS (Change to Bill)	- 1.00	- 1.00	- 2.00

Fraud and Error Reduction for the Medical Assistance Program

4. Transfer $257,300 PR and $257,300 FED in 2001-02 and $258,600 PR and $258,600 FED in 2002-03 from DWD to DHFS for state and local error reduction activities and overpayment collections for the medical assistance program. These funds would be transferred back to DWD as PR-S from DHFS as part of the contract for the collection of MA overpayments. This alternative could be used if the Committee adopts alternative 1 or 2.

Alternative 4: DWD	FED	PR	TOTAL
2001-03 FUNDING (Change to Bill)	- $515,900	$515,900	$0

Alternative 4: DHFS	FED	PR	TOTAL
2001-03 FUNDING (Change to Bill)	$515,900	$515,900	$1,031,800

5. Transfer $253,300 PR and $253,300 FED annually from DWD to DHFS for state and local error reduction activities and overpayment collections for the medical assistance program. These funds would be transferred back to DWD as PR-S from DHFS as part of the contract for the collection of MA overpayments. This alternative could be used if the Committee does not provide any additional funding for the public assistance collections unit by adopting alternative 3.

Alternative 5: DWD	FED	PR	TOTAL
2001-03 FUNDING (Change to Bill)	- $506,600	$506,600	$0

Alternative 5: DHFS	FED	PR	TOTAL
2001-03 FUNDING (Change to Bill)	$506,600	$506,600	$1,013,200

6. Delete the proposed statutory provisions that would allow provide DHFS with the option to either contract with DWD or set up its own system for fraud investigation and error reduction for recipients of MA. Under this option, DWD would continue to be required to conduct state and local error reduction activities and overpayment collections for the MA program and there would be no funding transfers between departments.

Prepared by: Victoria Carreón

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May 21, 2001 | Joint Committee on Finance | Paper #1057

Transfer of Medical Assistance Eligibility Administration to the Department of Health and Family Services (DWD -- Economic Support and Child Care)

[LFB 2001-03 Budget Summary: Page 361, #11 and Page 749, #44]

CURRENT LAW

Contracting Process for Medical Assistance Administration

Under current law, the Department of Health and Family Services (DHFS) is required to determine eligibility of persons for medical assistance (MA) and may designate this function to county departments of social services and human services, or to Wisconsin Works (W-2) agencies to the extent permitted by federal law. The Department of Workforce Development (DWD) is responsible for income maintenance contracts, which include local administration of W-2, MA or food stamps. DWD is required to contract with county departments of social services and human services in cases where counties are appointed for these contracts.

Reimbursement Process for Income Maintenance Contracts

Under the income maintenance contracts, counties are currently required to submit claims for reimbursement to DWD, which then reimburses counties for the costs of administering income maintenance programs based on a workload formula. DWD is permitted to adjust the reimbursement amounts for workload changes and computer network activities performed by counties.

Fraud and Error Reduction Activities

Under current law, DWD is required to: (a) establish a program to investigate suspected fraudulent activity involving the MA and food stamp programs; (b) conduct activities to reduce

payment errors for these programs; (c) provide funds to counties and tribes administering these programs to offset administrative costs of reducing payment errors; (d) conduct a program to periodically match records of MA and food stamp recipients against records of recipients in other states; (e) conduct a program to periodically match the address records of MA and food stamp recipients to verify residency and to identify recipients receiving duplicate or fraudulent payments; (f) conduct a program to periodically match the records of persons confined in state correctional facilities with the records of recipients of these programs who may be ineligible for benefits; and (g) conduct a program to periodically verify the eligibility of W-2 participants through a check of school enrollment records. Under current law, there is also an appropriation for moneys received as the state's share of recovered overpayments of public assistance benefits. These funds must be used for activities to reduce error and fraud in the food stamp, W-2 and MA programs.

Former Aid to Families with Dependent Children Program

The statutes described above contain a number of references to the former aid to families with dependent children (AFDC) program, which was replaced by W-2 in 1998. Specifically, AFDC is included among the programs that are covered by the provisions regarding income maintenance contracts and DWD is required to reimburse counties for payments of AFDC benefits. In addition, all of the provisions regarding fraud and error reduction activities refer to the AFDC program. Most of these references are obsolete.

GOVERNOR

Decrease funding in DWD by $30,660,100 GPR and $30,660,100 FED annually, and decrease FTE positions in DWD by 4.82 GPR, 8.18 FED and 7.00 PR annually to reflect transfer of certain responsibilities related to the administration of MA from DWD to DHFS. Increase funding in DHFS by $30,660,100 GPR and $38,527,500 FED annually, and increase FTE positions by 10.00 GPR and 10.00 FED annually. Responsibilities transferred include: (a) administering contracts with local agencies to determine MA eligibility ($43,183,800 annually); (b) operating and maintaining the MA portion of the client assistance for reemployment and economic support (CARES) computer system ($14,079,200 annually); and (c) state administration ($4,057,200 annually).

Contracting Process for Medical Assistance Administration

The bill would require DWD and DHFS to jointly contract for the costs of administering MA with county departments of social services and human services. The bill would delete AFDC from the income maintenance contracts and would require DWD to contract on its own with county departments for administration of W-2 and food stamps.

Reimbursement Process for Income Maintenance Contracts

The bill would require DWD to review and approve claims for reimbursement from counties for administering MA, W-2 and food stamps. DWD would also be required to continue to reimburse each county for the costs of administering MA, W-2 and food stamps based on a workload formula. DWD would no longer be required to reimburse counties for AFDC benefits. While the funds for MA administration would no longer be appropriated to DWD, the bill sets up a mechanism that would allow DWD to receive funds from DHFS that would in turn be paid to counties. The bill would also allow reimbursement amounts to be reduced if federal reimbursement is withheld due to audits, quality control samples or program reviews.

All of the provisions relating to changing the contracting process for income maintenance programs would first apply to contracts entered into, extended, modified or renewed on the day after publication of the bill.

Fraud and Error Reduction

The bill would provide DHFS with the option to either contract with DWD or set up its own system for fraud investigation and error reduction for recipients of MA. The bill would allow DHFS to contract with DWD to continue to investigate suspected fraudulent activity and reduce payment errors for the MA program. The bill would also provide DHFS with the option to establish its own program to conduct these activities. In addition, the bill would delete the references to the AFDC program in DWD's duties to establish programs to conduct activities to reduce payment errors and to provide funds to counties and tribes for reducing payment errors since these programs only involve current public assistance recipients. However, references to AFDC would remain for the requirements to investigate suspected fraudulent activity, match records with other states, match address records, and match records with state correctional facilities since DWD is still investigating fraudulent activity and overpayments for past AFDC recipients. If DHFS contracts with DWD for these activities, the bill would require DHFS to cooperate with DWD in matching records of MA recipients with school enrollment records of AFDC and W-2 recipients. The bill would also modify the PR appropriation in DWD for moneys received as the state's share of recovered overpayments of public assistance benefits to require it to be used for MA fraud investigation only if DHFS contracts with DWD for fraud investigation.

Appropriations Modifications

The bill would modify the appropriations in DHFS to allow DHFS to use GPR funds set aside for general program operations for medical assistance eligibility determinations. The bill would create a new GPR appropriation to be used for payments to counties for MA administration and would modify an existing GPR appropriation to be used for other MA administrative costs. The bill would also create a new FED appropriation in DHFS to be used for payments to counties for administration of MA and would modify an existing FED appropriation to be used for other MA administrative costs.

Position Transfers

The bill would transfer 20.00 FTE positions from DWD to DHFS. Once in DHFS, these positions would include 10.00 FED positions and 10.00 GPR positions. The bill would decrease the authorized FTE in DWD by 7.00 PR positions, including 6.50 positions from the administrative services division, 0.30 position from worker's compensation operations, and 0.20 position from the local agreements appropriation. Once transferred to DHFS, these 7.00 positions would be added to DHFS as 5.18 GPR positions and 1.82 FED positions. In addition, the bill would transfer 8.18 FED positions and 4.82 GPR positions from DWD to DHFS. All position changes and transfers would take effect on the day after publication of the bill. The bill would require any incumbent employees to be transferred.

The bill would require DWD and DHFS to jointly determine which employees will be transferred and to jointly develop a plan to implement the transfer. The Secretary of the Department of Administration (DOA) would be required to resolve any disagreement between the departments and develop a plan to transfer the positions. The bill would specify that transferred employees would have the same personnel status in DHFS as they had in DWD immediately before the transfer. Finally, the bill would provide that transferred employees that have attained permanent status would not have to serve a probationary period.

DISCUSSION POINTS

1. In the 1999-01 biennial budget, the Legislature voted to transfer all responsibilities for MA eligibility, including administration of the CARES system, from DWD to DHFS, effective March 1, 2000. DOA would have been required to submit a report to the Joint Committee on Finance to be reviewed at the December, 1999, s. 13.10 meeting identifying positions, funding and any other administrative issues that needed to be considered as part of this transfer. However, the Governor vetoed the provision. In the Governor's veto message for the 1999-01 biennial budget, DOA was directed to submit a report to the Governor specifying the position and funding modifications that would be necessary to transfer all responsibilities for MA eligibility from DWD to DHFS.

2. Pursuant to the Governor's veto message, DWD, DHFS and DOA negotiated and executed a memorandum of understanding for 2000-01 transferring positions and funding for the MA program to DHFS, with the expectation that these changes would become permanent in the 2001-03 biennial budget.

3. The MOU specified that the responsibilities transferred would include: (a) administering contracts with local agencies to determine MA eligibility ($43,183,800 annually); (b) operating and maintaining the MA portion of the CARES computer system ($14,079,200 annually); and (c) state administration ($4,057,200 annually).

4. The administration indicates that the MA transfer is desirable because all MA funds should be budgeted at the department that administers the program. The goals of the transfer are to increase DHFS responsibility for managing funds budgeted for MA and to encourage more

cooperation between DHFS and DWD on aspects of MA that cross between both departments.

5. A total of 20.0 positions would be transferred from DWD to DHFS for eligibility-related functions. These positions, together with 14.0 existing positions currently authorized in the Bureau of Health Care Eligibility, would be responsible for: (a) over-all program administration, including budget monitoring, strategic planning, research and coordination with other programs; (b) contract development and monitoring; (c) technical assistance for MA applicants and local staff; (d) federally-mandated quality assurance activities; (e) developing and modifying manuals and other documents relating to eligibility policies and procedures; (f) outreach activities; (g) policy and planning functions; and (h) technology initiatives related to CARES and other systems.

6. The amount budgeted in DHFS for the transferred functions would be greater than the amount transferred from DWD by $7,867,400 FED. This amount does not represent new funding. Rather, it represents an estimate of federal funds that are matched to funding provided by counties for income maintenance functions (county over-match). These funds have been available in the past but have not been shown in DWD's budget.

Technical Corrections

7. The current statutes include a definition for "income maintenance worker." Because the bill would delete all other references to this term, it is no longer needed and the definition can be repealed.

8. Although not specified in the bill, the administration indicates that the MA program includes BadgerCare for purposes of the bill. While the state statutes do not link the MA and BadgerCare programs, BadgerCare is part of MA in practice and under federal law. The statutory language should be clarified to specify that DWD and DHFS would jointly contract for the costs of administering both BadgerCare and MA.

9. As drafted, the provisions of the bill relating to income maintenance contracts would require DWD to contract with counties for administration of W-2. However, under a separate provision of current law, DWD would still be permitted to contract with private agencies to administer W-2. Since the W-2 contracting process is in a separate section of the statutes, W-2 does not need to be included in the definition of income maintenance program and should be deleted from that definition to clarify that W-2 agencies are not always county agencies. However, since county administration of child care is currently included in the income maintenance contracts, child care administration should be retained in the definition of income maintenance contracts.

10. The bill would allow only counties to administer food stamps and MA. However, tribes also currently run these programs. The bill should be modified to reflect current practice.

11. Under the bill, DWD and DHFS would jointly contract with counties for MA eligibility determination. While the funds for MA eligibility determination would no longer be appropriated to DWD, the bill sets up a mechanism that would allow DWD to receive funds from DHFS that would in turn be paid to counties. The departments anticipate that funds allocated to DHFS for CARES maintenance would also be transferred to DWD as program revenue. The bill did

not include any of this additional anticipated program revenue in DWD's appropriations.

12. It would be more accurate and consistent with general state budgeting practices to reflect the amounts anticipated to flow through DWD as program revenue in DWD's PR-S appropriation for interagency and intra-agency programs. Based on discussions with DWD and DHFS, this program revenue is estimated at $59,389,100 annually. This program revenue would be for the following services: (a) payments to counties for eligibility determination totaling $43,183,800 annually; (b) CARES administration, including operations costs, maintenance, common functions and MA-specific enhancement costs totaling $14,079,200 annually; (c) general administrative activities, finance and budgeting, technical support and facilities support costs totaling $813,000 annually; and (d) contract administration, training, call center, and liaison costs totaling $1,313,100 annually. The amount of program revenue for error reduction and overpayment collections is addressed in Paper #1053. The Governor's budget also includes increased program revenue of $1,047,500 annually for MA administration services performed by DWD. This estimate was done outside of the context of the proposed transfer of responsibilities from DWD to DHFS and reflects projected increases to the status quo. The $1,047,500 annual increase could be netted out from the program revenue projection due to the transfer of responsibilities from DWD to DHFS, making the net PR increase $58,341,600 annually.

The actual amount of program revenue flowing to DWD may differ from the estimate above because DHFS indicates that it is exploring whether some MA-specific CARES costs can be paid directly from DHFS to the vendor. However, it represents the best estimate available at this time and DWD would not be adversely affected by differences between the estimate and actual program revenues.

Under this option, $1,931,106 would be retained by DHFS annually and would not be transferred to DWD as PR. These funds would be used for the 20.0 FTE positions totaling $1,525,386 annually and other administration activities totaling $405,700 annually.

13. The administration indicates that it did not increase DWD's program revenue because: (a) DWD and DHFS had not yet agreed on a dollar amount for the MA administration services that DWD would provide to DHFS and; (b) not reflecting the anticipated program revenue in DWD's appropriation would provide more oversight by the administration because DOA would be required to approve amounts being transferred through its allotment authority.

14. The administration's concern about expenditure oversight can be addressed by placing the transferred funds in unallotted reserve in DWD's appropriation.

Options to Not Transfer Certain Funds from DWD to DHFS

15. For MA eligibility determination, the bill would require DHFS to transfer funds to DWD that would in turn be paid to counties. It could be argued that this process would create unnecessary administrative transactions. An alternative would be to not transfer funds for eligibility determination to DHFS, and instead keep them at DWD. Under this option, the proposed creation of new FED and GPR appropriations in DHFS for payments to counties would not be needed. In lieu

of budgeting funds to DHFS, a mechanism could be set up to instead require DWD to send a notice to DHFS on a monthly basis delineating the costs for MA administration. DHFS could jointly contract with DWD as proposed in the bill.

16. Another option would be to not transfer funds for CARES from DWD to DHFS since the two departments have agreed to continue to house the CARES computer system in DWD. The MOU states that DWD, DHFS and DOA will continue the CARES advisory committee to oversee the development of a joint strategic plan for CARES. The departments also agreed in the MOU that both departments would be responsible for CARES maintenance work and for work on the common functions in CARES. Since DHFS plans to contract back with DWD for this work, it could be argued that this process would create unnecessary administrative transactions. An alternative would be not to transfer funding for CARES to DHFS, but instead formalize existence of the CARES advisory committee in the statutes.

17. Another option would be to not transfer funds for state administration totaling $2,126,100 annually from DWD to DHFS since the two departments have agreed that DWD will continue to perform some of these functions as described earlier in this paper. Under this option, $1,931,100 would be budgeted in DHFS for state administration of MA. This would include 20.0 FTE positions as proposed in the bill and other funds for administration.

18. While the two departments have agreed that DWD would continue to perform most MA administration functions, DHFS argues that funds for MA eligibility determination, CARES administration and state administration should be budgeted in DHFS instead of DWD because the department having responsibility for MA should have control over the funds and be accountable for how they are used. In the past, MA funds were not easily identifiable because they were included in DWD's general appropriations for income maintenance contracts. Under the proposal, DHFS would know exactly how MA funds are being used and be able to plan better for the program. DHFS also argues that there will not be any increased administrative costs because it already transfers some funds to DWD for the income maintenance contracts on a monthly basis. For CARES administration, DHFS argues that funds need to be budgeted in DHFS so that it can have more input on which MA-specific enhancements are done and the priority level of MA projects. DHFS also states that it would be incongruent to have positions for MA administration in DHFS that would not directly be overseeing any expenditures.

19. Finally, another alternative would be to maintain current law and keep MA administration functions, funding and positions in DWD. It could be argued that it is best to keep MA administration functions in DWD because DHFS and DWD have agreed that DWD would continue to provide almost all of the services that it currently provides for MA administration. However, the Committee may want to approve the Governor's recommendation because similar provisions were adopted by the Legislature as part of the 1999-01 budget and DWD and DHFS have agreed to the provisions in the bill.

Summary of Alternatives

The alternatives for this paper are structured as follows:

- Alternative 1 would approve the Governor's recommendation.

- Alternatives 2 and 3 would make technical and clarifying statutory modifications and funding adjustments to the Governor's recommendation.

- Alternatives 4 through 6 would deny the transfer of certain funds for MA eligibility determination and CARES administration from DWD to DHFS and would set up administrative mechanisms for DHFS to be involved in these elements of MA administration.

- Alternative 7 would maintain current law.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to do the following in DWD and DHFS: (a) decrease funding in DWD by $30,660,100 GPR and $30,660,100 FED annually, and decrease FTE positions in DWD by 4.82 GPR, 8.18 FED and 7.0 PR annually to reflect transfer of certain responsibilities related to the administration of medical assistance from DWD to DHFS; and (b) increase funding in DHFS by $30,660,100 GPR and $38,527,500 FED annually, and increase FTE positions in DHFS by 10.00 GPR and 10.00 FED. Approve the statutory modifications recommended by the Governor regarding the transfer of MA administration from DWD to DHFS.

Alternative 1	GPR	FED	PR	TOTAL
2001-03 FUNDING (Change to Base)	$0	$15,734,800	$0	$15,734,800
[Change to Bill	*$0*	*$0*	*$0*	*$0]*
2002-03 POSITIONS (Change to Base)	5.18	1.82	- 7.00	0.00
[Change to Bill	*0.00*	*0.00*	*0.00*	*0.00]*

Technical Corrections and Funding Adjustments

2. Modify the Governor's proposal to make the following technical and clarifying statutory changes: (a) delete the definition of "income maintenance worker; (b) clarify that DWD and DHFS would jointly contract for the costs of administering both BadgerCare and MA; (c) delete Wisconsin Works from the definition of the income maintenance program; (d) retain county administration of child care in the definition of the income maintenance program; and (e) allow DHFS and DWD to contract with tribes for MA administration and allow DWD to contract with tribes for food stamp administration.

and Badgercare?

3. Adjust DWD's appropriation schedule to reflect revenues anticipated to be received under the bill from DHFS for payments to counties for eligibility determination, CARES maintenance and/or other administrative functions. Specify that these funds would be placed in unallotted reserve in DWD. The amount of the adjustment would depend on how much funding the Committee decides to transfer from DWD to DHFS.

Options to Not Transfer Certain Funds from DWD to DHFS

4. Eligibility Determination

a. Modify the Governor's proposal as follows to reflect the option of not transferring funding for payments to counties for eligibility determination from DWD to DHFS: (a) decrease funding in DHFS by $21,591,900 GPR and $29,459,300 FED annually, and increase funding in DWD by $21,591,900 GPR and $21,591,900 FED annually; and (b) eliminate the proposed creation of new GPR and FED appropriations in DHFS for payments to counties for MA eligibility determination.

Alternative 4a	FED
2001-03 FUNDING (Change to Base)	$0
[Change to Bill	*- $15,734,800]*

b. Modify the Governor's proposal to require DWD to provide DHFS with monthly detail of the MA expenditures being charged by counties.

5. CARES Administration

a. Decrease funding in DHFS by $7,039,600 GPR and $7,039,600 FED annually, and increase funding in DWD by $7,039,600 GPR and $7,039,600 FED annually to reflect the option of not transferring funding for CARES administration from DWD to DHFS.

b. Modify the Governor's proposal to include the CARES advisory committee in the statutes.

6. Modify the Governor's proposal to decrease funding in DHFS by $1,063,000 GPR and $1,063,000 FED annually, and increase funding in DWD by $1,063,000 GPR and $1,063,000 FED annually to reflect the option of not transferring funds for general state administration of MA, contract administration, training, the call center, and the MA liaison.

7. Eliminate the Governor's recommendation and maintain current law, which would keep funding and positions for MA administration in DWD.

Alternative 7	GPR	FED	PR	TOTAL
2001-03 FUNDING (Change to Base)	$0	$0	$0	$0
[Change to Bill	*$0*	*- $15,734,800*	*$0*	*- $15,734,800]*
2002-03 POSITIONS (Change to Base)	0.00	0.00	0.00	0.00
[Change to Bill	*- 5.18*	*- 1.82*	*7.00*	*0.00]*

Prepared by: Victoria Carreón

State of Wisconsin
2001 – 2002 LEGISLATURE

LRBb0360/1
ISR:hmh

LFB:.....Carrcon – Modifications to MA transfer

FOR 2001–03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

DNOTE

Sorm

At the locations indicated, amend the bill as follows:

1. Page 535, line 22: delete the material beginning with that line and ending with page 536, line 13, and substitute:

"20.435 **(4)** (bm) *Medical assistance* <u>*and badger care*</u> *administration;* <u>*contract costs, insurer reports, and resource centers*</u>. Biennially, the amounts in the schedule to provide the state share of administrative contract costs for the medical assistance program under ~~ss.~~ <u>s.</u> 49.45 and <u>the badger care health care program under s.</u> 49.665, <u>other than payments to counties and tribal governing bodies under s. 49.33 (8),</u> to reimburse insurers for their costs under s. 49.475, for costs associated with outreach activities, and for services of resource centers under s. 46.283. No state positions may be funded in the department of health and family services from this appropriation, except positions for the performance of duties under a contract in effect before

January 1, 1987, related to the administration of the medical assistance program between the subunit of the department primarily responsible for administering the medical assistance program and another subunit of the department. Total administrative funding authorized for the program under s. 49.665 may not exceed 10% of the amounts budgeted under pars. (bc) and (p).

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11), 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186.

SECTION 706p. 20.435 (4) (bn) of the statutes is created to read:

20.435 **(4)** (bn) *Medical assistance and badger care administration; payments to counties.* Biennially, the amounts in the schedule for payments to counties and tribal governing bodies under s. 49.33 (8) relating to the administration of the medical assistance program under subch. IV of ch. 49 and the badger care health care program under s. 49.665.".

2. Page 538, line 4: delete lines 4 to 8 and substitute:

"20.435 **(4)** (nn) *Federal aid; payments to counties and tribal governing bodies for medical assistance and badger care administration.* All moneys received from the federal government for the costs of contracting for the administration of the medical assistance program under subch. IV of ch. 49 and the badger care health care program under s. 49.665, other than moneys received under par. (pa), for payments to counties and tribal governing bodies under s. 49.33 (8) relating to the administration of the medical assistance program and the badger care health care program.".

3. Page 545, line 17: after "counties" insert "and tribal governing bodies".

4. Page 803, line 10: delete the material beginning with that line and ending with page 804, line 19.

5. Page 805, line 9: delete the material beginning with that line and ending with page 806, line 25 and substitute:

"**SECTION 1731g.** 49.33 (1) (b) of the statutes is amended to read:

49.33 **(1)** (b) "Income maintenance program" means ~~aid to families with dependent children under s. 49.19, Wisconsin works under ss. 49.141 to 49.161,~~ the medical assistance program under subch. IV of ch. 49, the badger care health care program under s. 49.665, the child care program under s. 49.155, or the food stamp program under 7 USC 2011 to ~~2029~~ 2036.

History: 1995 a. 27 ss. 2041 to 2049, 2933 to 2936, 3084 to 3089, 3130; 1995 a. 289, 417; 1997 a. 27.

SECTION 1731m. 49.33 (1) (c) of the statutes is repealed.

SECTION 1731t. 49.33 (1) (cr) of the statutes is created to read:

49.33 **(1)** (cr) "Tribal governing body" means an elected governing body of a federally recognized American Indian tribe.

SECTION 1732g. 49.33 (2) of the statutes is repealed and recreated to read:

49.33 **(2)** CONTRACTS. (a) Annually, the department and the department of health and family services shall, jointly, contract with county departments under ss. 46.215, 46.22, and 46.23 and tribal governing bodies to reimburse the county departments and tribal governing bodies for the reasonable cost of administering the medical assistance program under subch. IV and the badger care health care program under s. 49.665.

(b) Annually, the department shall contract with county departments under ss. 46.215, 46.22, and 46.23 and tribal governing bodies to reimburse the county departments and tribal governing bodies for the reasonable cost of administering

income maintenance programs, other than the medical assistance program under subch. IV and the badger care health care program under s. 49.665.".

6. Page 807, line 8: after "county" insert "and tribal governing body".

7. Page 807, line 11: after "subch. IV" insert "and the badger care health care program under s. 49.665".

8. Page 807, line 14: after "subch. IV" insert "and the badger care health care program under s. 49.665".

9. Page 807, line 18: after "county" insert "or tribal governing body".

10. Page 807, line 22: delete "counties" and substitute "~~counties~~ a county or tribal governing body".

11. Page 810, line 9: after "46.23" insert ", a tribal governing body,".

12. Page 810, line 11: delete lines 11 to 15.

13. Page 812, line 3: delete lines 3 to 6.

14. Page 826, line 1: delete lines 1 to 5.

(END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0360/1dn
ISR:

Date

Victoria Carreón:

This amendment contains Items 27. and 34. from LFB Motion #346. Please review the amendment carefully to ensure that it is consistent with your intent. Specifically, please note the following:

1. DWD and DHFS are now *required* to contract with tribal governing bodies for MA and BadgerCare administration. Is this your intent or do you want DHFS to have the option, rather than be required, to contract with tribal governing bodies?

2. Should ss. 49.33 (10) (a) and (b) be amended to include certification of a tribal governing body's payment? Who certifies the tribe's payment?

3. Please carefully review the changes to the MA contract administration appropriations under s. 20.435 (4) (bm), (bn), and (nn). Currently, the appropriations are not consistent in including BadgerCare as part of the MA program. I believe that BadgerCare should be cross–referenced separately from the MA program (even though technically it is part of the MA program) as BadgerCare is not currently part of the MA program under subch. IV of ch. 49.

4. Should BadgerCare be included under s. 49.197? Under s. 49.45 (2) (a) 3. and (40)?

Feel free to contact me if you have any questions or concerns.

Ivy G. Sager–Rosenthal
Legislative Attorney
Phone: (608) 261–4455
E–mail: ivy.sager–rosenthal@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0360/1dn
ISR:hmh:pg

May 29, 2001

Victoria Carreon:

This amendment contains Items 27. and 34. from LFB Motion #346. Please review the amendment carefully to ensure that it is consistent with your intent. Specifically, please note the following:

1. DWD and DHFS are now *required* to contract with tribal governing bodies for MA and BadgerCare administration. Is this your intent or do you want DHFS to have the option, rather than be required, to contract with tribal governing bodies?

2. Should ss. 49.33 (10) (a) and (b) be amended to include certification of a tribal governing body's payment? Who certifies the tribe's payment?

3. Please carefully review the changes to the MA contract administration appropriations under s. 20.435 (4) (bm), (bn), and (nn). Currently, the appropriations are not consistent in including BadgerCare as part of the MA program. I believe that BadgerCare should be cross–referenced separately from the MA program (even though technically it is part of the MA program) as BadgerCare is not currently part of the MA program under subch. IV of ch. 49.

4. Should BadgerCare be included under s. 49.197? Under s. 49.45 (2) (a) 3. and (40)?

Feel free to contact me if you have any questions or concerns.

Ivy G. Sager–Rosenthal
Legislative Attorney
Phone: (608) 261–4455
E–mail: ivy.sager–rosenthal@legis.state.wi.us

Sager-Rosenthal, Ivy

From: Carreon, Victoria
Sent: Wednesday, May 30, 2001 1:17 PM
To: Sager-Rosenthal, Ivy
Subject: FW: Drafting questions on Tribes & MA transfer

Call me to discuss this when you have a chance.

-----Original Message-----
From: Mansfield, Mark
Sent: Wednesday, May 30, 2001 12:40 PM
To: Carreon, Victoria
Cc: Noyes, Jennifer; Markham, Kimberly; Smith, Thomas K - DWD BUDGET; Bernstein, Howard; Ewers, Ginevra; Buckwalter, Nancy; Rowin, Mary C.; Bates, James; Miller, Rachelle
Subject: FW: Drafting questions on Tribes & MA transfer

Hope this answers your questions below, Victoria.

1) Who currently certifies payments (claims?) for tribes?
Since the tribal chair is the signator of the contract, ultimately the responsibility of certifying that the reimbursement claims are correct and accurate lies with him and the executives of the tribal government. In practical operation, the program director and program accountant, the program director and the tribal accountant, a tribal council member and the tribal accountant or any combination of these may work together to ensure that the information on the expenditure report reflects program expenditures. To account for any situation that may occur, I would suggest holding "tribal government executives" responsible for accurate claims for reimbursement. "tribal governing body"

2) Should it be a requirement for DWD to contract with counties and tribes for income maintenance contracts or should it be that DWD shall contract with counties and may contract with tribes?
Suggest: "DWD....may contract with ~~or negotiate agreements with tribes for income maintenance~~." The preferred method would be sit-down negotiated agreements between the state and each tribe for income maintenance program.

3) For child care reimbursement under 49.155(3m) - are these reimbursements given to counties and tribes? We are distributing administrative money to tribes which contract with to run the Wisconsin Shares program. Even though the statute doesn't refer to tribes, there is an administrative rule for the program that interprets the term counties as including tribes for purposes of this statute. *tribal governing body* add to s49.155

From: Carreon, Victoria
Sent: Tuesday, May 29, 2001 10:48 AM
To: Mansfield, Mark
Cc: Smith, Thomas K - DWD BUDGET; Markham, Kimberly; Bates, James
Subject: Question for JFC action bill drafting

Mark,

One of the actions of JFC was to allow DWD to contract with tribes for income maintenance contracts. The drafter would like to know who currently certifies payments for tribes. For counties, 49.33(10) currently states that the county treasurer and director of the county department must certify monthly claims for reimbursement. Could I get an answer on this question by Wednesday?

Thanks,
Victoria

-----Original Message-----
From: Carreon, Victoria
Sent: Tuesday, May 29, 2001 1:30 PM
To: Mansfield, Mark
Cc: Bates, James; Markham, Kimberly; Smith, Thomas K - DWD BUDGET
Subject: A couple of other MA Transfer Questions

1. Should it be a requirement for DWD to contract with counties and tribes for the income maintenance contracts?

Or should it be that DWD shall contract with counties and may contract with tribes?

2. For child care reimbursement under 49.155(3m)- are these reimbursements given to counties and tribes? This section currently only mentions reimbursement for counties.

Can I get answers by Wednesday?

Thanks,
Victoria

Sager-Rosenthal, Ivy

From: Carabell, Rachel
Sent: Thursday, June 07, 2001 9:02 PM
To: Sager-Rosenthal, Ivy
Cc: Carreon, Victoria
Subject: LRB 0360/1

Hi Ivy,
I reviewed LRB 0360/1 regarding the MA administration draft.

In response to the questions in your drafter's note:

Under #1, I would assume that we want tribal governing bodies to be optional, rather than required, but if Victoria told you something different, listen to her.

Under #2, I assume that Victoria has responded to this, if not, let one of us know.

Under #3, I think that the appropriations 20.435 (4) bm, bn and nn are fine. Debora will be making some changes to (4) (bm), which will have to be reconciled with this draft and the food stamp draft.

Under #4, I am uncomfortable with adding BadgerCare to these provisions. Since BadgerCare operates under two waivers of federal law, any changes to the program would constitute a change to our waiver plan and must be approved by HCFA. If these activities currently don't apply to BadgerCare, we could screw things up big time if we did add them and to the extent they already do apply these provisions to BadgerCare, I don't see the need to change those references right now. Perhaps it's something that can be kept in the back of our minds for another time, once DHFS has had time to review those provisions.

Otherwise, I think the draft looks fine. Let me know if you have any questions. Thanks.

Rachel Carabell
Legislative Fiscal Bureau
rachel.carabell@legis.state.wi.us
Phone: 608-266-3847

0160360

* Victoria, LFB 1:30 5/29/01

* Should tribes be ked w/ "shall" or "may"?
- should 49.155(3m) be amended?

* Item 3. - need to ~~[illegible]~~ strike material on lines 19 & 20.

* 49.33(1)(b) - def of IM
- child care program under 49.155(3m)

State of Wisconsin
2001 – 2002 LEGISLATURE

LRBb0360/1
ISR:hmh:pg

LFB:.....Carreon – Modifications to MA transfer

FOR 2001–03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

At the locations indicated, amend the bill as follows:

1. Page 535, line 22: delete the material beginning with that line and ending with page 536, line 13, and substitute:

"20.435 **(4)** (bm) *Medical assistance and badger care administration; contract costs, insurer reports, and resource centers.* Biennially, the amounts in the schedule to provide the state share of administrative contract costs for the medical assistance program under ~~ss.~~ s. 49.45 and the badger care health care program under s. 49.665, other than payments to counties and tribal governing bodies under s. 49.33 (8), to reimburse insurers for their costs under s. 49.475, for costs associated with outreach activities, and for services of resource centers under s. 46.283. No state positions may be funded in the department of health and family services from this appropriation, except positions for the performance of duties under a contract in effect before

January 1, 1987, related to the administration of the medical assistance program between the subunit of the department primarily responsible for administering the medical assistance program and another subunit of the department. Total administrative funding authorized for the program under s. 49.665 may not exceed 10% of the amounts budgeted under pars. (bc) and (p).

SECTION 706p. 20.435 (4) (bn) of the statutes is created to read:

20.435 **(4)** (bn) *Medical assistance and badger care administration; payments to counties.* Biennially, the amounts in the schedule for payments to counties and tribal governing bodies under s. 49.33 (8) relating to the administration of the medical assistance program under subch. IV of ch. 49 and the badger care health care program under s. 49.665.".

2. Page 538, line 4: delete lines 4 to 8 and substitute:

"20.435 **(4)** (nn) *Federal aid; payments to counties and tribal governing bodies for medical assistance and badger care administration.* All moneys received from the federal government for the costs of contracting for the administration of the medical assistance program under subch. IV of ch. 49 and the badger care health care program under s. 49.665, other than moneys received under par. (pa), for payments to counties and tribal governing bodies under s. 49.33 (8) relating to the administration of the medical assistance program and the badger care health care program.".

Insert 2-22

3. Page 545, line 17: after "counties" insert "and tribal governing bodies".

4. Page 803, line 10: delete the material beginning with that line and ending with page 804, line 19.

5. Page 805, line 9: delete the material beginning with that line and ending with page 806, line 25, and substitute:

"**SECTION 1731g.** 49.33 (1) (b) of the statutes is amended to read:

49.33 **(1)** (b) "Income maintenance program" means ~~aid to families with dependent children under s. 49.19, Wisconsin works~~ under ss. 49.141 to 49.161, the medical assistance program under subch. IV of ch. 49, the badger care health care program under s. 49.665, the child care program under s. 49.155, or the food stamp program under 7 USC 2011 to ~~2029~~ 2036.

SECTION 1731m. 49.33 (1) (c) of the statutes is repealed.

SECTION 1731t. 49.33 (1) (cr) of the statutes is created to read:

49.33 **(1)** (cr) "Tribal governing body" means an elected governing body of a federally recognized American Indian tribe.

SECTION 1732g. 49.33 (2) of the statutes is repealed and recreated to read:

49.33 **(2)** CONTRACTS. (a) Annually, the department and the department of health and family services shall, jointly, contract with county departments under ss. 46.215, 46.22, and 46.23, and may, jointly, contract with tribal governing bodies, to reimburse the county departments and tribal governing bodies for the reasonable cost of administering the medical assistance program under subch. IV and the badger care health care program under s. 49.665.

(b) Annually, the department shall contract with county departments under ss. 46.215, 46.22, and 46.23, and may, jointly, contract with tribal governing bodies, to reimburse the county departments and tribal governing bodies for the reasonable cost of administering income maintenance programs, other than the medical assistance program under subch. IV and the badger care health care program under s. 49.665.".

1 **6.** Page 807, line 8: after "county" insert "and tribal governing body".

2 **7.** Page 807, line 11: after "subch. IV" insert "and the badger care health care
3 program under s. 49.665".

4 **8.** Page 807, line 14: after "subch. IV" insert "and the badger care health care
5 program under s. 49.665".

6 **9.** Page 807, line 18: after "county" insert "or tribal governing body".

7 **10.** Page 807, line 22: delete "counties" and substitute "~~counties~~ a county or
8 tribal governing body".

9 **11.** Page 810, line 9: after "46.23" insert ", a tribal governing body,".

10 **12.** Page 810, line 11: delete lines 11 to 15.

11 **13.** Page 812, line 3: delete lines 3 to 6.

12 **14.** Page 826, line 1: delete lines 1 to 5.

13 **(END)**

Insert A2

Item #. Page 808, line 2: delete "The" and substitute "~~The~~ Each".
Item #. Page 808, line 2: delete "each" and substitute "~~each~~".
Item #. Page 808, line 3: after "46.23" insert "and each tribal governing body".

page 545, line 17: delete "(8)" and substitute "(8);"

Insert 2–22

1. Page 545, line 19: delete the material beginning with "and for payments to" and ending with "public assistance programs;" on line 20 and substitute "~~and for payments to American Indian tribes for administration of public assistance programs;~~".

2. Page 791, line 18: after that line insert:

"**SECTION 1659xa.** 49.155 (1) (d) of the statutes is created to read:

49.155 **(1)** (d) "Tribal governing body" means an elected governing body of a federally recognized American Indian tribe.".

3. Page 795, line 16: delete lines 16 and 17 and substitute:

"49.155 **(3m)** (title) DISTRIBUTION OF CHILD CARE FUNDS ~~TO COUNTIES AND CERTAIN CHILD CARE PROVIDERS~~.".

4. Page 795, line 20: after "46.23" insert "or tribal governing bodies".

Insert 4Z

5. Page 808, line 10: after that line insert:

"**SECTION 1740bg.** 49.33 (10) (b) of the statutes is amended to read:

49.33 **(10)** (b) To facilitate prompt reimbursement the certificate of the department may be based on the certified statements of the county officers or tribal governing body executives filed under par. (a). Funds recovered from audit adjustments from a prior fiscal year may be included in subsequent certifications only to pay counties owed funds as a result of any audit adjustment. By September 30 annually, the department shall submit a report to the appropriate standing

committees under s. 13.172 (3) on funds recovered and paid out during the previous calendar year as a result of audit adjustments.".

History: 1995 a. 27 ss. 2041 to 2049, 2933 to 2936, 3084 to 3087, 3130; 1995 a. 289, 417; 1997 a. 27.

LFB:.....Carreon – Modifications to MA transfer

FOR 2001–03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

DNOTE

SOON

At the locations indicated, amend the bill as follows:

1. Page 535, line 22: delete the material beginning with that line and ending with page 536, line 13, and substitute:

"20.435 **(4)** (bm) *Medical assistance* <u>*and badger care*</u> *administration;* <u>*contract costs, insurer reports, and resource centers*</u>. Biennially, the amounts in the schedule to provide the state share of administrative contract costs for the medical assistance program under ~~ss.~~ <u>s.</u> 49.45 and <u>the badger care health care program under s.</u> 49.665, <u>other than payments to counties and tribal governing bodies under s. 49.33 (8),</u> to reimburse insurers for their costs under s. 49.475, for costs associated with outreach activities, and for services of resource centers under s. 46.283. No state positions may be funded in the department of health and family services from this appropriation, except positions for the performance of duties under a contract in effect before

January 1, 1987, related to the administration of the medical assistance program between the subunit of the department primarily responsible for administering the medical assistance program and another subunit of the department. Total administrative funding authorized for the program under s. 49.665 may not exceed 10% of the amounts budgeted under pars. (bc) and (p).

SECTION 706p. 20.435 (4) (bn) of the statutes is created to read:

20.435 **(4)** (bn) *Medical assistance and badger care administration; payments to counties.* Biennially, the amounts in the schedule for payments to counties and tribal governing bodies under s. 49.33 (8) relating to the administration of the medical assistance program under subch. IV of ch. 49 and the badger care health care program under s. 49.665.".

2. Page 538, line 4: delete lines 4 to 8 and substitute:

"20.435 **(4)** (nn) *Federal aid; payments to counties and tribal governing bodies for medical assistance and badger care administration.* All moneys received from the federal government for the costs of contracting for the administration of the medical assistance program under subch. IV of ch. 49 and the badger care health care program under s. 49.665, other than moneys received under par. (pa), for payments to counties and tribal governing bodies under s. 49.33 (8) relating to the administration of the medical assistance program and the badger care health care program.".

3. Page 545, line 17: after "counties" insert "and tribal governing bodies".

4. Page 545, line 17: delete "(8)" and substitute "(8);".

5. Page 545, line 19: delete the material beginning with "and for payments to" and ending with "public assistance programs;" on line 20 and substitute "and for

~~payments to American Indian tribes for administration of public assistance programs~~;".

6. Page 791, line 18: after that line insert:

"**SECTION 1660xa.** 49.155 (1) (d) of the statutes is created to read:

49.155 **(1)** (d) "Tribal governing body" means an elected governing body of a federally recognized American Indian tribe.".

7. Page 795, line 16: delete lines 16 and 17 and substitute:

"49.155 **(3m)** (title) DISTRIBUTION OF CHILD CARE FUNDS ~~TO COUNTIES AND CERTAIN CHILD CARE PROVIDERS~~.".

8. Page 795, line 20: after "46.23" insert "or tribal governing bodies".

~~**9.** Page 803, line 10: delete the material beginning with that line and ending with page 804, line 19.~~

10. Page 805, line 9: delete the material beginning with that line and ending with page 806, line 25, and substitute:

"**SECTION 1731g.** 49.33 (1) (b) of the statutes is amended to read:

49.33 **(1)** (b) "Income maintenance program" means ~~aid to families with dependent children under s. 49.19, Wisconsin works under ss. 49.141 to 49.161,~~ the medical assistance program under subch. IV of ch. 49, the badger care health care program under s. 49.665, the child care program under s. 49.155, or the food stamp program under 7 USC 2011 to ~~2029~~ 2036.

SECTION 1731m. 49.33 (1) (c) of the statutes is repealed.

SECTION 1731t. 49.33 (1) (cr) of the statutes is created to read:

49.33 **(1)** (cr) "Tribal governing body" means an elected governing body of a federally recognized American Indian tribe.

1 **SECTION 1732g.** 49.33 (2) of the statutes is repealed and recreated to read:

2 49.33 **(2)** CONTRACTS. (a) Annually, the department and the department of
3 health and family services shall, jointly, contract with county departments under ss.
4 46.215, 46.22, and 46.23, and may, jointly, contract with tribal governing bodies, to
5 reimburse the county departments and tribal governing bodies for the reasonable
6 cost of administering the medical assistance program under subch. IV and the
7 badger care health care program under s. 49.665.

8 (b) Annually, the department shall contract with county departments under ss.
9 46.215, 46.22, and 46.23, and may, jointly, contract with tribal governing bodies, to
10 reimburse the county departments and tribal governing bodies for the reasonable
11 cost of administering income maintenance programs, other than the medical
12 assistance program under subch. IV and the badger care health care program under
13 s. 49.665.".

14 **11.** Page 807, line 8: after "county" insert "and tribal governing body".

15 **12.** Page 807, line 11: after "subch. IV" insert "and the badger care health care
16 program under s. 49.665".

17 **13.** Page 807, line 14: after "subch. IV" insert "and the badger care health care
18 program under s. 49.665".

19 **14.** Page 807, line 18: after "county" insert "or tribal governing body".

20 **15.** Page 807, line 22: delete "counties" and substitute "~~counties~~ a county or
21 tribal governing body".

22 **16.** Page 808, line 2: delete "The" and substitute "~~The~~ Each".

23 **17.** Page 808, line 2: delete "each" and substitute "~~each~~".

1 **18.** Page 808, line 3: after "46.23" insert "and each tribal governing body".

2 **19.** Page 808, line 10: after that line insert:

3 "**SECTION 1740bg.** 49.33 (10) (b) of the statutes is amended to read:

4 49.33 **(10)** (b) To facilitate prompt reimbursement the certificate of the
5 department may be based on the certified statements of the county officers or tribal
6 governing body executives filed under par. (a). Funds recovered from audit
7 adjustments from a prior fiscal year may be included in subsequent certifications
8 only to pay counties owed funds as a result of any audit adjustment. By September
9 30 annually, the department shall submit a report to the appropriate standing
10 committees under s. 13.172 (3) on funds recovered and paid out during the previous
11 calendar year as a result of audit adjustments.".

12 **20.** Page 810, line 9: after "46.23" insert ", a tribal governing body,".

13 **21.** Page 810, line 11: delete lines 11 to 15.

14 **22.** Page 812, line 3: delete lines 3 to 6.

15 **23.** Page 826, line 1: delete lines 1 to 5.

16 **(END)**

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0360/3dn
ISR:.hmh

Date

Victoria Carreón:

This draft reconciles LRBb0360 and LRBb0625.

Please feel free to contact me if you have any questions.

Ivy G. Sager–Rosenthal
Legislative Attorney
Phone: (608) 261–4455
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DRAFTER'S NOTE
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LEGISLATIVE REFERENCE BUREAU

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June 21, 2001

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LFB:.....Carreon – Modifications to MA transfer

FOR 2001–03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 535, line 22: delete the material beginning with that line and ending
3 with page 536, line 13, and substitute:

4 "20.435 **(4)** (bm) *Medical assistance and badger care administration; contract*
5 *costs, insurer reports, and resource centers.* Biennially, the amounts in the schedule
6 to provide the state share of administrative contract costs for the medical assistance
7 program under ~~ss.~~ s. 49.45 and the badger care health care program under s. 49.665,
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2. Page 791, line 18: after that line insert:

"**SECTION 1660xa.** 49.155 (1) (d) of the statutes is created to read:

49.155 **(1)** (d) "Tribal governing body" means an elected governing body of a federally recognized American Indian tribe.".

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"49.155 **(3m)** (title) DISTRIBUTION OF CHILD CARE FUNDS ~~TO COUNTIES AND CERTAIN CHILD CARE PROVIDERS~~.".

4. Page 795, line 20: after "46.23" insert "<u>or tribal governing bodies</u>".

5. Page 805, line 9: delete the material beginning with that line and ending with page 806, line 25, and substitute:

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(b) Annually, the department shall contract with county departments under ss. 46.215, 46.22, and 46.23, and may, jointly, contract with tribal governing bodies, to reimburse the county departments and tribal governing bodies for the reasonable cost of administering income maintenance programs, other than the medical assistance program under subch. IV and the badger care health care program under s. 49.665.".

6. Page 807, line 8: after "county" insert "and tribal governing body".

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2 program under s. 49.665".

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21 **17.** Page 812, line 3: delete lines 3 to 6.

22 **18.** Page 826, line 1: delete lines 1 to 5.

23 **(END)**