TESTIMONY OF ELLEN RABENHORST

National Legislative Committee, AARP

Before the Joint Committee on Finance, April 11, 2001, Madison, Wisconsin

Good afternoon. My name is Ellen Rabenhorst. I live in Madison, and I'm a member of AARP's National Legislative Committee.

As you may know, AARP has long been a leader in the campaign for the establishment of a prescription drug benefit within Medicare.

AARP Wisconsin's support for Wisconsin Care and the relief Wisconsin Care would offer to as many as 335,000 Wisconsin seniors with the cost of prescription drugs exactly complements our work in Washington.

For Medicare, AARP advocates a program that would be available to all beneficiaries as part of a defined benefit package. Participation, we believe, should be voluntary in order that beneficiaries may keep any coverage they already have. Medicare's prescription drug benefit must also be affordable, with additional subsidies for low-income beneficiaries. I will submit a fuller description of AARP's position on Medicare and prescription drugs with a copy of my testimony here.

Many people have suggested that Wisconsin's initiation of its own prescription drug benefit will entail penalties when Medicare's benefit is enacted.

This argument has no merit. It's important to remember that twenty-six other states have already enacted prescription drug benefit programs of their own. One of the largest is Pennsylvania's PACE program. PACE's director actually believes that his program will benefit even from President Bush's program. He told AARP's ***Bulletin*** that Pennsylvania "would be able to use much of the money to subsidize the current program, and then use the money it frees up in our budget to expand eligibility to tens of thousands of older people who still need it here." I will also submit a copy of that article from AARP's ***Bulletin*** with the copy of my testimony here.

While Wisconsin ponders the feasibility of enacting its own prescription drug benefit, Illinois, Massachusetts, New York, Vermont and Rhode Island have all enacted significant expansions of their own long-established programs.

The real point for you to consider as you consider the budget is the extent to which no action on prescription drugs will penalize seniors. You've heard many accounts of seniors being compelled to choose between buying medication and buying groceries or other necessities.

Wisconsin Care is a reasonable response to the unreasonable demands that out-of-control drug costs are presently making on seniors' budgets.

Without a program that offers substantive help with the cost of prescription drugs, more Wisconsin seniors are going to get sick, more Wisconsin seniors are going to find that they're no longer able to look after themselves adequately in their own homes, and more Wisconsin seniors are going to find themselves driven to seek institutional care. Those seniors cannot afford to wait any longer for the inclusion of a prescription drug benefit in Medicare.

AARP Wisconsin urges you to give the enactment of Wisconsin Care the highest priority in your deliberations.

Thank you for your time.

Joint Finance Committee
Budget Hearing
April 10, 2001
State Capitol / Room 411 South
10:00 AM

Good afternoon Senator Burke, Representative Gard and ladies and gentlemen on the Committee. My name is Brynna Smith and I am the Public & Governmental Affairs Specialist and a newly registered lobbyist for Dean Health System. Thank you for your time. I would like to emphasize the issues in the State Budget that apply to Dean:

HIRSP Funding

Dean Health System is concerned that State support for HIRSP is being cut back at a time when HIRSP enrollment and HIRSP costs are rising significantly. We respectfully request that you help keep HIRSP premiums as affordable as possible by maintaining the premium and deductible subsidy at $780,800 per year and restoring GPR support for HIRSP to at least its current level of $11.9 million per year.

The Budget reduces State support for HIRSP by $3.8 million over the biennium. That reduction will raise premiums for HIRSP policyholders by almost $2.3 million, because policyholders pay 60% of the program costs after State support is deducted. It will also add nearly $800,000 to the premiums small businesses must pay for commercial health insurance. Small employers do not always have the financial flexibility nor the financial resources to absorb an increase in premiums. To cope with increased premiums, small businesses will most likely offer reduced services in other coverage areas, reduce employer contributions to the cost of the plan or cease to offer coverage altogether. The reminder amounts to a health care tax imposed on all Wisconsin health care consumers and their insurers, because doctors and hospitals pay their share of HIRSP costs through reduced reimbursement and shift the cost to their other patients.

"Fraud & Abuse" Provisions

Dean Health System respectfully requests that all items in the budget that originated as LRB draft #0193/3, which the Department of Health and Family Services (DHFS) calls the "fraud and abuse" provisions, be removed from the budget. DHFS' terminology is a misnomer; the provisions will affect health care providers when DHFS has not found or even alleged fraud and abuse. DHFS has tried in the past to implement some of these measures without rules and through emergency rules. When legislators on the Joint Committee for the Review of Administrative Rules (JCRAR) heard facts and circumstances, they rejected DHFS' efforts. JCRAR agreed that the result of these measures would result in driving needed and underpaid providers out of the Medicaid program and denying services to particularly vulnerable populations with few advocates.

The DHFS proposals which must be eliminated from the budget include the following:

- Eliminating the right to a fair hearing before DHFS recovers money that DHFS claims is erroneously or improperly paid. Health care providers would have only the opportunity to "present information and argument to department staff" before DHFS would recoup the money in controversy.
- Authorizing DHFS to suspend a provider's participation in the program before the provider has the opportunity for a hearing.
- Authorizing DHFS to limit the number of Medicaid providers, meaning DHFS may refuse to allow a provider to participate in the Medicaid program for no reason other than that there is already some undefined number of providers.

- Authorizing DHFS to limit the staff and resources a provider can utilize if DHFS determines that the potential for fraud and abuse exists if additional staff or resources are used.
- Requiring surety bonds from a provider if DHFS determines that other providers of those services have violated Medicaid requirements in the past.
- Authorizing DHFS, in addition to recoveries and other sanctions that may be available, to charge a fee if DHFS determines that a provider has failed to follow similar billing procedures or program requirements. The fee would be at least $1,000 or up to two times the amount of the violation.
- Permitting DHFS to have access to health care providers' personnel and other records and recipients' health care upon demand.
- Expanding liability for repayment of erroneous or overpayments to entities that may have no responsibility for provider's past or future conduct or practices.

We believe that fraud and abuse in a Medicaid program should be pursued by DHFS and the Department of Justice. It is wrong, however, for DHFS to eliminate or limit due process rights for providers, interfere in the business decisions of providers and others, and expand liability for acts to entities that have no responsibility for the act. The elimination of these provisions is crucial to ensure fair dealing on the part of DHFS. At a minimum, these provisions should be subject to a full and open debate outside of the budget process. When Governor Thompson proposed these and similar provisions in the budget last session, the Joint Finance Committee removed them as policy. For the foregoing reasons we strongly urge the Joint Finance Committee to delete all provisions from the LRB draft #0193/3 including the "fraud and abuse" provisions, from the current budget.

Medicaid / BadgerCare Funding

We would like to see the Budget Bill provide some sort of linkage to allow Medicaid reimbursement increases, such as the proposed 37% increase for hospital outpatient services, to pass through HMOs in recognition that nearly a quarter-million Medicaid and BadgerCare recipients are covered through the Managed Care Program. The structure and the size of the proposed increase for outpatient hospital services may unintentionally create an incentive for hospitals to terminate their contracts with HMOs. Hospitals may make an economic decision to opt out of the Managed Care Program to take advantage of reimbursement rates that would greatly exceed what HMOs could pay. If HMOs are unable to contract with hospitals or other medical providers, overall State costs will rise because Medicaid and BadgerCare recipients will return to the fee-for-service system.

In the absence of a pass-through mechanism to allow Medicaid reimbursement increases to pass through HMOs, Wisconsin health plans are concerned that the large increase in reimbursement for hospital outpatient services may compromise the State's interest in maintaining a viable Medicaid Managed Care Program. HMOs save the State millions of dollars every year through the Medicaid Managed Care Program because the State requires HMOs to provide a discount from Medicaid's fee-for-service equivalent costs.

Ban on HMO Management Contracts

Dean Health System respectfully requests that the ban on HMO Management Contracts be removed from the State Budget Bill. The ban on management contracts would significantly alter current law by restricting or eliminating an HMO's ability to contract with a separate entity to perform administrative and management functions on behalf of the HMO. This could significantly drive up administrative costs for managed care plans in order to meet compliance with the new law and consequently, force dollars away from patient care.

The proposed restriction is completely unnecessary. Under current law, the delegation of management functions is only allowed if the Office of the Commissioner of Insurance (OCI) approves the terms and conditions specified in the written contract of delegation. Thus, OCI currently maintains strict oversight of all such contracts and has the ability to prohibit any contracts that it finds to be unsatisfactory. OCI can and does request changes if there are regulatory concerns about contract provisions.

Furthermore, at this point, OCI has given no indication of what criteria will be used to determine which current contracts would be restricted or prohibited under the provisions proposed. Therefore, HMOs are uncertain what fate awaits them if this provision were to pass. Unfortunately, with limited opportunity for full discussion of provisions contained in a State Budget, it is quite certain that Dean Health Plan and other HMOs will have little ability to share their thoughts and concerns on this controversial policy change that poses such significant ramifications.

Sales Tax on Custom Computer Software & Related Services

Dean Health System respectfully requests the removal of the proposed sales tax on custom computer software and related services in the State Budget. With our progression into a patient-focused technological age, we would be heavily burdened by the passage of a broad tax that would apply to the purchase of customized software and related services such as maintenance, training, installation, consulting services and temporary help services. We recently signed a multi-year agreement with Epic Systems Corporation that will drastically reconstruct our current management system with the technology needed to move us toward an electronic medical record system. The Epic System is a family of applications that will improve patient care by allowing physicians to share a common database, enhance patient access and improve workflow.

By our calculations, a 5.5% sales tax on the purchase, licensing, maintenance, subscription and implementation of the $12 million dollar Epic System, would require us to pay over $650,000 in taxes that could be used to more efficiently serve our patients.

In addition to our Epic purchase, we spend a few hundred thousand dollars annually on departmental systems, databases and work group applications. We feel that the passage of a tax on custom computer software and related services will only discourage investments in technology necessary for advancements in health care. Please remove this burdensome tax from the Biennial Budget Bill.

Thank you very much for your consideration.

FAMILY SUPPORT + Respite Care

Michael Pugh
5605 Rustic Woods Dr.
Madison, WI 53716
(608) 441-0762

Madison Testimony
April 11, 2001

When we moved to WI we were put on a waiting list for both respite care and family support funds. This waiting list will be anywhere from five to seven years. For a family under stress, this is unacceptable. My wife and I need to be able to afford to hire a trusted, trained caregiver to give us a break occassionally. Respite funds will help us to keep our marriage strong. Family support funds will afford us the opportunity to obtain music therapy for Erika; specialized feeding therapies and other resources

not covered by insurance or medical assistance. I ask you to fully fund these programs so that families like ours do not have to wait.

WEHA
Wisconsin Environmental Health Association, Incorporated

Sen. Brian Burke, Co-Chair
Rep. John Gard, Co-Chair
Joint Finance Committee

Testimony to the Joint Finance Committee April 11, 2001
Support for Essential Funding for Public Health System Planning

My name is James P. Clark. I am speaking today on behalf of the Wisconsin Environmental Health Association (WEHA) to encourage your commitment to the health of your constituents by supporting Public Health in Wisconsin. Public Health is primarily focused on prevention; prevention of disease, prevention of unhealthy lifestyles, prevention of exposure to environmental contamination. As such, public health professionals partner with civic groups, businesses and the medical community to assure that all segments of the population have access to adequate health care, as well as education about health risks related to lifestyles or environmental conditions.

While every county in Wisconsin has access to public health nursing programs, only 6 of the 72 counties also have access to local environmental health programs. Environmental health is an integral part of a full-service Public Health program. Environmental issues of local concern include indoor and outdoor air problems, lead and asbestos exposure, general nuisances, insect and rodent problems, rental property and building hazards, solid waste problems, cleanup of drug houses, food protection, groundwater protection, as well as increased surveillance and education for licensed establishments such as restaurants, swimming pools, and lodging establishments. An Environmental Health program is recognized as a valued service in all communities, a fact that is reflected by the recommendation for an environmental health presence in all communities by the State Health Plan for 2010.

The state of Wisconsin currently does not provide any general purpose revenue funding for Public Health services. Therefore all of the wonderful public health services available to the residents of Wisconsin, such as immunizations, communicable disease monitoring, foodborne & waterborne disease investigations, etc. are the result of local tax support or fees for service. Residents that do not live in a community with local environmental health programs must call to state agencies for answers to their immediate concerns, and all too often must wait days or weeks for answers or investigations into the problem.

Although the public health system has been adequate in the past, there is a need to modernize, revitalize and transform the system in Wisconsin to address the current and emerging health problems in this state. This includes the need for environmental health services. The best way to provide these services cannot be determined without a comprehensive community assessment.

The Wisconsin Turning Point initiative was developed by the Department of Health and Family Services as a means of addressing the challenges to the public health system in the 21st century. A key element of this initiative is a comprehensive community assessment and planning process. This process

is an integral component of determining what resources are available in every community, linking those resources and assuring access to every segment of the community.

The public health funding that is provided at the local level is not adequate to support the necessary planning process in addition to supporting the actual day to day public health services. The changing role of public health cannot be achieved without funding from the State. Assessment and planning is a critical step in improving the health of Wisconsin's citizens, those folks back in your districts.

Therefore, I am asking you to make a commitment to the health of Wisconsin's citizens for now and the future by investing 50 cents per capita in the first year and 1 dollar per capita in the second year of the biennial budget to fund the Public Health assessments and planning that will provide the basis for allocating the local efforts and resources to best use, and to the benefit of the health of all Wisconsinites

On behalf of WEHA I thank you for the opportunity to provide this information to the Committee, and I urge you to seriously consider this essential element for improving the health of Wisconsin's communities.

WISCONSIN PROPOSED SALES TAX EXPANSION
TO CUSTOM COMPUTER SOFTWARE and RELATED SERVICES
GE MEDICAL SYSTEMS' POSITION PAPER
SUBMITTED TO THE WISCONSIN JOINT FINANCE COMMITTEE
APRIL 11, 2001

GE Medical Systems appreciates this opportunity to submit written comments on a Senate Bill 55 provision, which would expand the sales tax to custom computer software and related services. This proposed new technology tax would run counter to the state's ongoing efforts to attract and retain high tech companies like GE which invest significantly in custom computer software to strengthen operations from the finance department to the factory floor.

GE Medical Systems is a global manufacturer of medical diagnostic imaging systems, including x-ray, ultrasound, computed tomography, conventional and full field digital mammography, magnetic resonance and positron emission tomography. Our health care technology allows doctors to diagnose and treat illness and diseases earlier than ever before, thereby saving many lives and often eliminating the need for exploratory surgery. GE Medical Systems is headquartered in Waukesha and employs more than 5,000 people in Wisconsin.

Technology, both hardware and software, is an integral part of our business development. Under current Wisconsin law, only "canned" software is included in the definition of tangible personal property and is subject to sales tax. Expansion of the sales tax base to include custom software and related services would tax the very heart of new business development and conflict with recent decisions by the State to provide property tax exemptions for computer equipment. [Act 237, Laws 1997 (A.B. 768)] It is our understanding that the property tax exemption for computer equipment was passed in order to attract more high-tech investment to the state. Expanding the sales tax to custom computer software would send a mixed message about state leaders' true desire to attract high-tech businesses to Wisconsin. If adopted, Wisconsin would join only Connecticut in taxing BOTH custom computer software AND related services.

This provision would increase GE Medical System's Wisconsin sales tax liability by 35% annually. We therefore, respectfully urge the Joint Finance Committee to remove this provision from the budget bill. Thank you for your consideration.

For more information, please contact:

Suzanne Kelley, Regional Manager
GE Government Relations
(262)548-5035
suzanne.kelley@corporate.ge.com

TESTIMONY

To; Joint Finance Committee

From: Maureen Arcand, Representing Wisconsin Council on Developmental Disabilities (WCDD)

Subject: Needs of People with Developmental Disabilities

Date; April 11, 2001

I am able to say I represent the Wisconsin Council on Developmental Disabilities thanks to my appointment to the council by Gov. Thompson. As you know the council is mandated to speak to the needs of people with Developmental Disabilities. By definition these are people living with life long disabilities and need services from infancy through aging.

The council's 2001 Legislative Initiatives outline the unmet needs of these people around the state. Our primary issue is the long waiting lists for a variety of services. Included on these waiting lists are people of all ages waiting for services to enable them to live in the community. Families wanting to keep their young children at home wait for Birth to Three and Family Support Services. Adults wait for everything from work opportunities and housing to the personal care they need to gain independence.

Increases in COP and CIP of $6 million in the first year and $32 million the second year would enable these services to be provided. I remember the beginning of COP and CIP and still see them as the best way of levering federal funds and providing a wide variety of needed services.

We remind you that there are real people connected to each of these waiting list numbers; people of all ages who want to feel valued as citizens of Wisconsin. Please, consider them as you consider this budget.

Thank you.

Maureen Arcand
2610 Myrtle St.
Madison, WI 53704

Madison Department of Public Health

EAST WASHINGTON OFFICE
2705 E. Washington Avenue
Madison, Wisconsin 53704
PH 608 246 4516

April 11, 2001

Dear Members of the Joint Finance Committee;

My name is Maureen Oostdik-Hurd and I am the Dental Health Specialist for the Madison Department of Public Health. I brought with me today my phone record to give you an idea of the numbers of telephone calls I get on a daily basis (about 20-30 calls/week) asking for help in obtaining dental care. This is dental care for children, adults, teenagers and grandparents. Most of the time these folks are in a crisis situation. Half of the time the calls are from advocates calling on behalf of an employee, a student, a medically compromised patient, a client, a friend or a family member. The plea is always the same – "Where can we get dental help?!" The dental crisis in this state is real and impacts real people!

Yesterday on the news, the reports were centered on the bridge in Milwaukee that is due to be repaired this year. The price tag is 19 million dollars. The dental access bill before you has a similar price tag----------and these people (in my phone tally book) also need a bridge! They need a bridge to access dental care. We cannot say that Medical Assistance or Badger Care provides dental care for participants if they cannot find a provider. I would like to submit that the state budget is not about money that we don't have. There is money. The budget is about how that money will be disseminated.

For too long, the dental access issue has been ignored. This year, however a Legislative Council Study on Dental Access was convened and the results are before you. The Council took testimony, did the research, did their homework, called on Wisconsin community partners and developed a plan. It is a good plan and one that will give these people (in my phone tally book) a **thread of hope**! The bill is an effective balance of many strategies that are meant to work together to begin to assure care for those who are uninsured and underinsured. My dentist-colleagues are beginning to retire and they are leaving a void that we **ALL** desperately need filled. Now is the time to take action!

On behalf of the Mayor of Madison; on behalf of the Madison Department of Public Health; and on behalf of the Wisconsin Public Health Association, who all endorse the Dental Access bills, and most importantly the citizens we serve, we urge you to accept the Legislative Council recommendations and Dental Access package.

Sincerely,

Maureen Oostdik-Hurd R.D.H., B. A.
Dental Health Specialist – Madison Department of Public Health
2705 E. Washington Ave.
Madison, WI 53704
(608) 294-5270 FAX: (608) 246-5619

Community Living Alliance

1310 Mendota Street, Madison, WI 53714-1039

Partnership ■ Personal Care ■ Service Coordination

To: Committee on Joint Finance (c.c. CLA board of directors)
From: Community Living Alliance, Inc.
Re: Testimony on 2001 – 2003 proposed state biennial budget
Date: April 11, 2001

Introduction: Community Living Alliance is a community based, consumer governed, non-profit organization that assists over 375 Dane County residents. We provide a comprehensive array of long term support and primary / acute health care services to assist people with significant disabilities to live in their own homes. Like the vast majority of community organizations involved in providing services to people with disabilities and the elderly, over the past decade, CLA has seen a precipitous decline in state funding for community-based long term support services (LTS) for Dane County.

During that same period the funding bias favoring institutions continued in Wisconsin, despite the clear preference of our citizens to live in their own homes. In 2001-2003 the state budget proposes to provide institutions with an additional $272 million in revenues (from available federal Inter-Governmental Transfer funds) while not providing any increases to vital community based LTS programs.

In the 2001-2003 proposed state budget, almost all community-based long term support programs are either reduced or receive no increase. In Dane County this includes: community aids, CIP, CIP-II, COP-W, CIP-1B, COP, early Childhood (Birth to Three), Family Support, Youth Aids, and AODA block grant. Dane County estimates that it will lose over $5.8 million dollars in community aids, CIP-1B and CIP-II alone! This means that to merely sustain these vital programs, local Dane County taxpayers will be asked to increase their local tax levy contribution again, which already exceeds $28 million dollars per year! (As you are surely aware, in the last seven years, the statewide contribution of counties to LTS has increased by 139% while the state contribution has declined.)

The Wisconsin community-based long-term support system for people with disabilities and the elderly is entering a period of profound crisis. It has struggled to survive without new revenues for nearly a decade. The cumulative effect of this ongoing neglect of community LTS will mean the continuing loss of already scarce, service providers and the continued languishing on waiting lists of 15,000 Wisconsin residents. Currently there are almost 400 people with physical disabilities alone on the LTS waiting list in Dane County

We appeal to you to stop the ongoing damage before it is too late. We do understand that resources are scarce. We do not understand why the state continues to pour resources into services that people do not want, at the expense of services they prefer. We would ask that consideration be given to using the available federal Intergovernmental Transfer funds (IGT) to equally support nursing homes and community LTS programs. In addition we hope the legislature will work to solve the ongoing dilemma presented by the continued operation of Wisconsin's three centers for developmental disabilities which serve a total population of 800 people.

Reform of the social contract between Wisconsin and its most vulnerable citizens is needed. This is a crisis cannot be ignored for another biennial budget! We at CLA will be glad to assist in any way that we can to develop an equitable, community-based long term support system for Wisconsin residents with disabilities.

Wisconsin Dental Association, Inc.

Support for Inclusion of All Recommendations of the Legislative Council Dental Access in the State Budget Bill

Joint Committee on Finance Testimony
Madison, WI
Wednesday, April 11, 2001

Dr. Thomas Hughes
President of the Wisconsin Dental Association

Three years ago, I was elected by other dentists in the state to be in the leadership of the Wisconsin Dental Association and, prior to winning the three-way race, I presented a campaign speech before our House of Delegates. In that speech, I promised the membership that, if elected, I would lead the association in a very proactive manner. I promised them that I would look to the future and try to gauge where the profession needs to change in order to be prepared for changes in the world around us. I also promised, as does every leader of the WDA, to do my best to advocate not only for the profession but also for the patients that we are committed to serve. Campaign promises are something that all of you are very familiar with and it is something that I'm sure none of you take lightly. I also, do not take my promises lightly. As a result, I'm here before you today advocating for what I believe may be the most comprehensive dental access package that ever has (and ever may) come before the state legislature. My goal is to urge you to include the entire recommendations of the Joint Legislative Council Study Committee package into the state's budget bill.

The bi-partisan public-private group of individuals (including me) that served on the Leg Council Study Committee all put a great deal of time and effort into the recommendations that were developed. The package was developed with a great deal of debate, research and forethought. Numerous proposals were voted down and many of the ones in the package underwent scrupulous review and many, many

amendments. The WDA has been trying to fix the dental access issue for years and we were willing participants (though we had just one vote of the 21 members on the committee) in this forum because we know that the dental profession will NOT solve the state's access problem alone. With that in mind, I am convinced that the legislature will never again have the opportunity that it has today --- to take the work done by this study committee and vote those recommendations into law.

Change in dentistry is on the way --- there will be far fewer dentists available to take care of an increasing demand in dental care. There are numerous proposals within this comprehensive package that have received criticism from individuals in the profession as well as from individuals in the legislature. I am a firm believer, however, that the membership voted me into office because I was willing to face the facts that lie before us and prepare our profession to EMBRACE changes that surround us. That is what I'm here today to do --- to let you know that we, as a profession, are willing to take the risk and embrace the changes that come with this package. It is true that we may never have 100% of our membership behind every single portion of this proposal but that we are willing to be leaders and face the challenges that lie before us because, quite simply, it is the right thing to do. There will always be those who fear change and, unfortunately, the ones who will be hurt the most if these proposals are not passed will be the individuals who are covered by the state's Medicaid program and who will continue to struggle to find the care they need.

I can not emphasize enough that ALL of the provisions in both the fiscal and non-fiscal bills of the Special Study Committee on Dental Access are very important if the state is serious about securing the dental workforce that will be needed so that the citizens of Wisconsin can obtain the oral health care that they require – both now and in the future.

Since the Joint Finance Committee is particularly cognizant of the financial impact of specific proposals, I'll try to highlight the key fiscal provisions of the study committee's proposals include:

Support for Inclusion of All Recommendations of the Legislative Council on Dental Access in the State Budget Bill

Fred J. Jaeger, DDS
Madison, WI

Joint Committee on Finance Hearing
April 11, 2001

Good Morning. I am Dr. Fred Jaeger, a general dentist practicing in Madison. I am also a member of the Wisconsin Dental Association, a Trustee for the Wisconsin Dental Association, a member of the Harambee Dental Clinic Board, and Chair of the Dental Department at Meriter Hospital, Madison.

First, I would like to thank you for allowing a Legislative Study Committee to study the Access to Dental Care for the State of Wisconsin. The legislation introduced is significant, with both fiscal and non-fiscal legislation, and I encourage your support of this a total package.

Briefly, I do not wish to restate much information that has already been provided to you. But, I do wish to share some insights as time allows.

Dental disease is very prevalent in everyone here. And it is very preventable and manageable for most people with routine care. I encourage you to support increased funding for fluoridation through out the State, and the expanded use of fluoride varnishes as inexpensive and effective preventive measures.

Unfortunately, active dental disease does occur, and you need to support the legislation that expands access for all Wisconsin residents, and especially the current unmet needs for low income individuals. One such means includes increased funding for the community dental clinics that serves our poorest residents. In Madison, the Harambee Dental Clinic exists because of the concern of the local dental society's members. The Clinic could provide increase care with this funding. I encourage you to visit the clinic, which is about three miles from here.

A study commissioned by the WDA looked at the workforce for the State of Wisconsin. The study concluded that additional dentist are needed for the State. Legislation to increase Wisconsin dentist includes many programs, as changes in licensure, and to increase the funding for Marquette University School of Dentistry. I strongly support the increased capitation funding for Marquette Dental School.

On Monday, several papers across the State focused on the difficulties of Medical Assistance/Badger Care patient's access to dental care. Money was discussed as an issue in this article. Please provide the increased funding for Medical Assistance and Badger Care to the ADA 75th percentile for the Midwest region. In other states, increased

funding was followed by increased dentists participating, and an increase in patients receiving care. And, the complaints about the program decreased!

Personally, I was the Dental Consultant for the Bureau of Health Care Finance about 15 year ago. On my first day, I was greeted by the administrator of the Bureau with the challenge to help the dental mess. Since I have left the position, several other Consultants have been similarly challenged. Unfortunately, the dental mess still exists. Today, you are receiving the benefits (or should I say headaches) of low dental participation due to your chronic poor management though the Divisions of Health and Family Services. Perhaps, you can encourage the Department to become part of the solution instead being part of the problem.

Again, I thank you for allowing the Legislative Study Committee to explore the Access to Dental Care issues. I realize that the impacts of the proposed changes are significant and far-reaching. I encourage you to support these changes, especially the fiscal program as a step to improve the dental health for the residents in the Great State of Wisconsin.

Thank you for your time, and I will gladly answer any questions.

4118 Cherokee Drive
Madison, WI 53711
April 11, 2001

To Members of the Joint Finance Committee:

Good morning. I appreciate this opportunity to testify on behalf of the Family Support program. My name is Barbara Katz, and I live with my husband and three sons in Madison. I am a member of the board of Dane County's Family Support and Resource Center and my son, Ben, has been receiving support from that program for the past four years.

I want to thank the state legislature for providing those funds to Dane County that help my son. With this assistance, he has been able to receive therapies that our insurance and medical assistance would not pay for and attend a day camp that offers a fully inclusionary program. This summer programming that Ben participates in offers him stimulation and motivation to be involved in activities that our family simply can't provide. Additionally, the Family Support funds provide respite for the care of Ben and allow our typically developing children to have time alone with their parents.

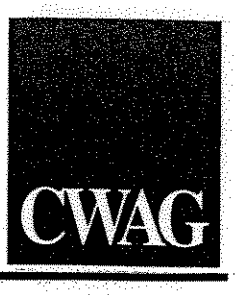
We are a very fortunate family that we have access to this support. Unfortunately, however, there are too many families waiting for such support. In fact, for the first time ever, there are more families on the Family Support waiting lists statewide that those families that are receiving services. This is not right. Families that have children with disabilities and special health care needs absolutely need the financial and emotional sustenance that Family Support programs provide. However, the state of Wisconsin is failing these families. They are not receiving the support they require to keep their children with disabilities in their natural home.

I was stunned to learn that the cost of an out-of-home placement in foster care costs the state approximately $50,000 per year for each child. Yet, the average cost for a family in the Family Support program is $1800 per year per child. It is a proven fact that the Family Support program provides services that keep kids with disabilities in their natural home and prevents expensive out-of-home placements.

In 1987, Wisconsin's state legislature and governor agreed that families raising a child with disabilities deserve assistance. However, an equitable statewide system of family support has not yet happened. The last increase in state funding for the Family Support program was in 1994. In Dane County alone, there are 250 children currently on the waiting list, with scores of others not reported. Waiting time for these families is at least six years.

I urge you to bring fairness to the Family Support program by providing funds to serve all families on the waiting lists. No child should be left behind. Please value Wisconsin's families with the financial support that those on the Family Support waiting lists require. Thank you.

WISCONSIN COALITION FOR ADVOCACY



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April 11, 2001

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

From: Lynn Breedlove, Executive Director, Wisconsin Coalition for Advocacy
Tom Frazier, Executive Director, Coalition of Wisconsin Aging Groups

Testimony in Favor of a Balanced Allocation of Intergovernmental Transfer Funds

As you all know, one of the striking features of Governor McCallum's generally tight budget is a $346 million windfall for county and private nursing homes in the form of the Intergovernmental Transfer (IGT). We have no problem with the funding mechanism - - we have always favored maximizing federal funding participation in Wisconsin's Long Term Care (LTC) system. But a new infusion of federal funding of this magnitude should further the efforts of the last decade to reduce Wisconsin's "institutional bias", not perpetuate that bias. Without investing some of the IGT funds on the "community side" of the LTC system it will be very difficult to find adequate revenues to address the current "community crisis".

We do not dispute that there is a "nursing home crisis" in Wisconsin, but we believe that the "community crisis" is every bit as urgent. Community based service providers are also facing operating losses, and have lower average wage rates than nursing homes. Many of these agencies are dangerously close to bankruptcy, just like many nursing homes. Also, Medicaid-eligible people on waiting lists who have severe disabilities (whether they are children, young adults or elderly people) are receiving no service at all. That's a crisis too.

Further evidence of the fact that there is a broad crisis in the entire LTC system is a letter written to Governor Thompson last November by "Wisconsin's Partnership for Long Term Care", which was signed by representatives of both nursing home associations in the state, the Wisconsin Counties Association, as well a number of major aging, disability and religious organizations. This letter referred to the fact that the entire "continuum of care and services for older persons and persons with disabilities is in crisis". It called for the Governor to get Wisconsin's "priorities straight" in the budget. That is what we are asking for as well. Putting virtually all of the IGT funds into nursing homes won't do it.

DHFS and DOA entered into an agreement with the nursing home industry and the Wisconsin Counties Association before the biennial budget session even began, in an attempt to earmark almost 90% of the IGT funds for nursing homes. **These funds are not restricted to this use by the federal government. Consequently, this decision is the province of the legislature. We strongly encourage you to view these funds as a revenue source for Wisconsin's overall Medicaid LTC system, and spend these funds in a balanced way which reflects the state's overall LTC priorities.**

We also do not understand why $19.6 million of IGT funds were earmarked for hospitals. We do not view primary and acute hospital care as part of the LTC system at all. We have no objection to hospitals receiving revenue in the biennial budget, but it seems inappropriate to take it from a revenue which is so directly linked to the LTC system.

The Essence of our Proposal

We are not opposing the nursing home industry's proposal to take $74.2 million and $80 million "off the top" of the IGT funds to cover actual and projected nursing home losses. Nor are we challenging the rate increases for non-institutional Medicaid Card services. However, we believe that the proposed 4.9% (Yr.1) and 8.7% (Yr. 2) nursing home rate increases are excessive, when viewed alongside the virtual no-growth approach in this budget to the community-based sectors of the LTC system. We propose that a portion of that rate increase and the entire amount earmarked for hospitals be invested instead in a variety of Medicaid Community LTC programs, benefitting a wide range of elderly people and people with disabilities.

One possible scenario for doing that is attached to this testimony.

Attachment

4/11/01

An example of a balanced approach for allocating Wisconsin's projected Intergovernmental Transfer funds in the 2001-03 biennium and beyond*

1. Support the proposed use of the $154.2 million earmarked for nursing home losses included in the Governor's budget.

2. Reallocate proposed nursing home rate increases as follows:

   Yr. 1 - Invest half of the $75 million in Community-based Medicaid LTC services: $37.5 million (leaving nursing homes a 2.5% rate increase)

   Yr. 2 - Nursing homes receive $46 million (3% increase) and the remainder of the $117.2 million is invested in Community- based Medicaid LTC services: $71.2 million

3. Reallocate all of the amounts earmarked for inpatient and outpatient hospital reimbursement ($9.5 million in year one and $10.1 million in year 2) to Community-based Medicaid LTC services.

4. Combined total available for Community-based Medicaid LTC services

Yr. 1	Yr. 2
$47.0 million	$81.3 million

5. Using this alternative, the funds for Community-based Medicaid LTC services could be used to benefit a variety of populations as follows:

a. Funding for people on waiting lists	Yr. 1	Yr. 2
	(In millions)	
- people with developmental disabilities and persons with brain injuries (CIP 1B & Brain Injury Waiver)	14.7	25.0
- people with physical disabilities (COP-Waiver)	5.0	12.0
- elderly people (COP-Waiver)	3.0	15.5
- people with mental illness (CSP)	1.3	3.8
	24.0	56.3

*Developed by the Wisconsin Coalition for Advocacy, Coalition of Wisconsin Aging Groups and Arc-Wisconsin

b. Family Care Restoration Package	Yr. 1	Yr. 2
	(In millions)	
Expand Family Care to Kenosha County	1.0	3.0
Restore Family Care Independent Advocacy, State LTC Council and Planning Grants for new counties	1.0	1.0
Resource Center and Information Technology increases	1.0	1.0
	3.0	5.0

c. Increase rates for current community services to avert the workforce crisis and present further bankruptcies of community provider agencies	Yr. 1	Yr. 2
	(In millions)	
	20.0	20.0
Combined Total	**$ 47.0**	**$ 81.3**

6. Proposed future allocation of the new Medicaid Trust fund

   - Of the $480.3 million projected to be in the Medicaid Trust Fund at the beginning of the 2003-05 biennium, it may be necessary to spend as much as $70-100 million per year to cover nursing home losses during that biennium. We would not oppose that. However, we propose that half of the remaining amount be allocated to community-based LTC services.

Wheelchair Recycling Program ltd

April 11, 2001

TO: Members of the Joint Committee on Finance
State of Wisconsin
FROM: Tracey Hensen, Executive Director
WHEELCHAIR RECYCLING PROGRAM
RE: Public Hearings on the 2001-03 Budget Bill

Members of the Joint Committee on Finance,

Thank you for allowing me to speak to you today about the Wheelchair Recycling Program.

I'm asking for your help to make it possible for us to continue to collect, refurbish and reuse wheelchairs, walkers, crutches, canes, hospital beds, bath equipment and other medical equipment and supplies.

This year, the Wheelchair Recycling Program has already saved over 4000 pieces of medical equipment from Wisconsin landfills. This medical equipment receives some tender loving care from some of our 200 volunteers serving this statewide program. The equipment is then gifted to people of Wisconsin first, then worldwide that do not have insurance or the personal funds to pay for much needed mobility devices. Daily, we provide mobility with dignity to our recipients.

All of our equipment comes from generous donors from the State of Wisconsin. More equipment and parts used to refurbish the equipment is donated by Wisconsin Medical Equipment Suppliers. The time and talent to breath new life into the equipment is donated by our committed volunteers. So much is donated, yet the costs to rent a 10,000 square foot warehouse facility (which is currently FULL of equipment waiting to be distributed), pay the utilities and support for a staff of ONLY TWO need to be obtained by grants, individual and corporate donations.

We are excited about our relationship with the Wisconsin Department of Corrections. Weekly, a truckload of wheelchairs is picked up and taken to the Red Granite Correctional Facility to be refurbished or de-manufactured for parts. Inmates are being trained to fix electric wheelchairs as well. The inmates know the value of their contribution to society.

I ask for your help and appreciate your consideration of our proposal. Thank you

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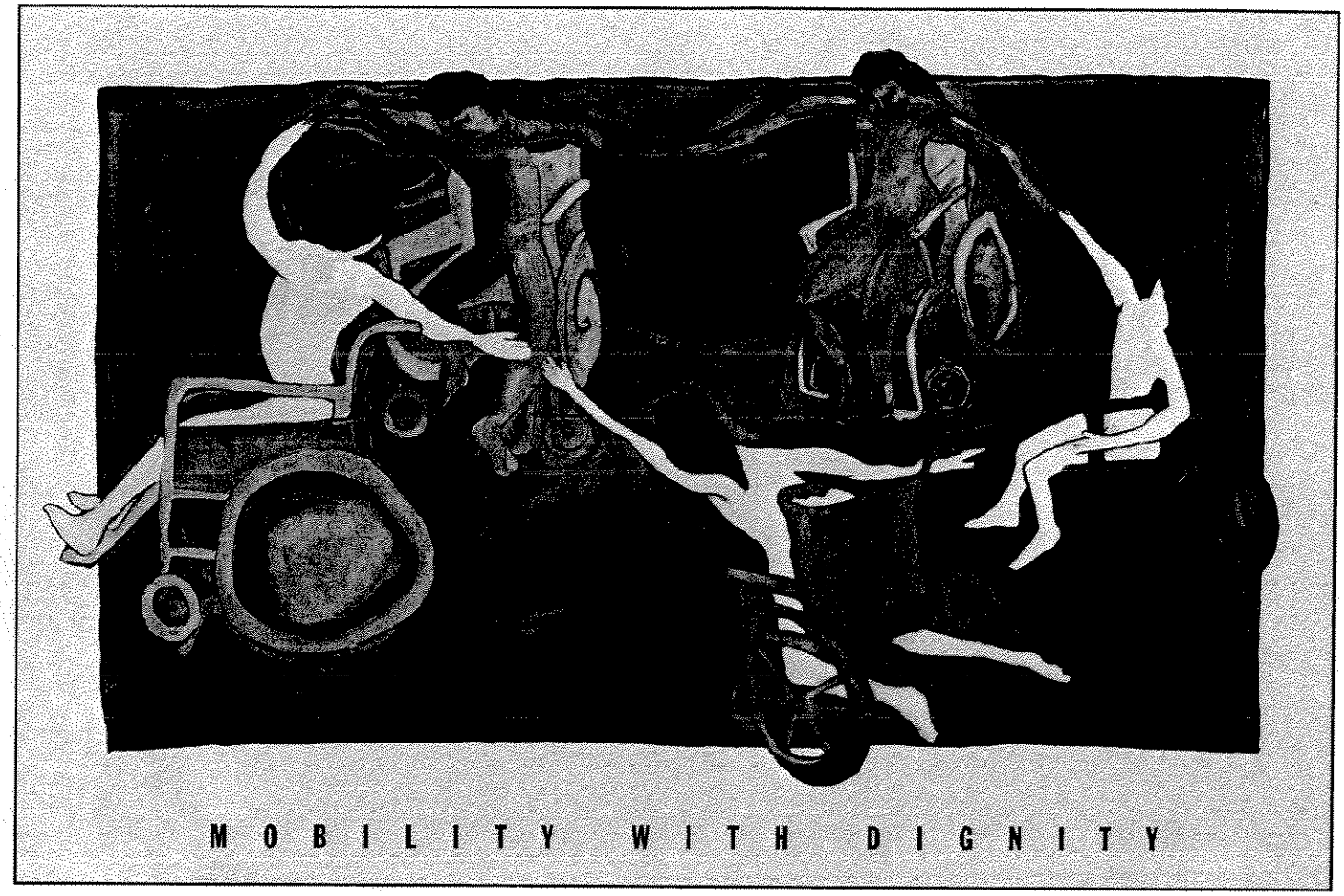


Wheelchair Recycling Program *ltd*

On the cover:

Artwork by Tom Atwood,
Madison, Wisconsin. This adaptation
of Matisse's "The Dance" reflects the
Wheelchair Recycling Program's goal of
providing *mobility with dignity* to people in
Wisconsin and throughout the world by
donating refurbished wheelchairs
and other medical equipment.

Mobility with Dignity

Mission

Provide mobility with dignity by giving refurbished wheelchairs and other medical equipment to people in Wisconsin and throughout the world.

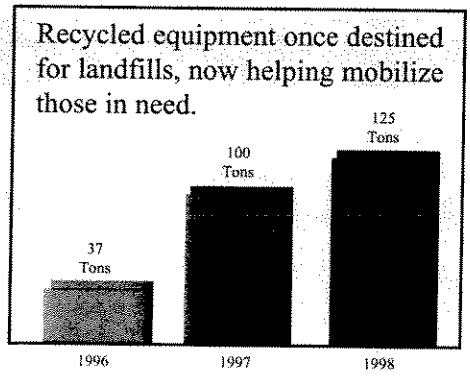
Goals

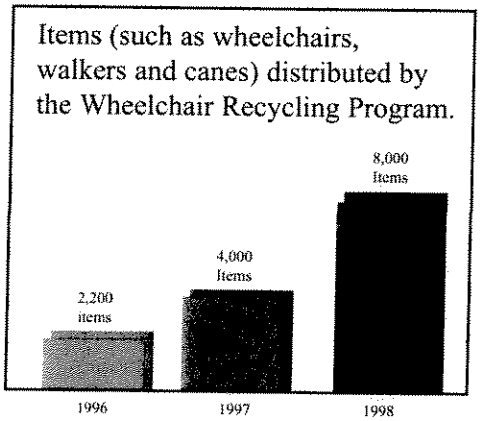
- Continually strengthen the program's ability to refurbish and provide medical equipment to people in need.
- Continually increase the volume of wheelchairs and other medical equipment waste diverted from statewide landfills.
- Increase public awareness of the Wheelchair Recycling Program.

Impact

In 1996, the Wheelchair Recycling Program rescued 37 tons of equipment destined for Wisconsin's landfills. In 1998, that figure soared to **125 tons**. Instead of being scrapped, this equipment is now being used by people in need. In 1996, 2,200 items were distributed. By 1998, it had increased to **8,000 items**.

The number of wheelchairs and other equipment distributed by the Wheelchair Recycling Program grows each year.





Wheelchair Recycling Program serves children, permanently and temporarily disabled adults, and families by providing *mobility with dignity* with the help of supporters like Wisconsin Governor Tommy Thompson.

Diamond of Success

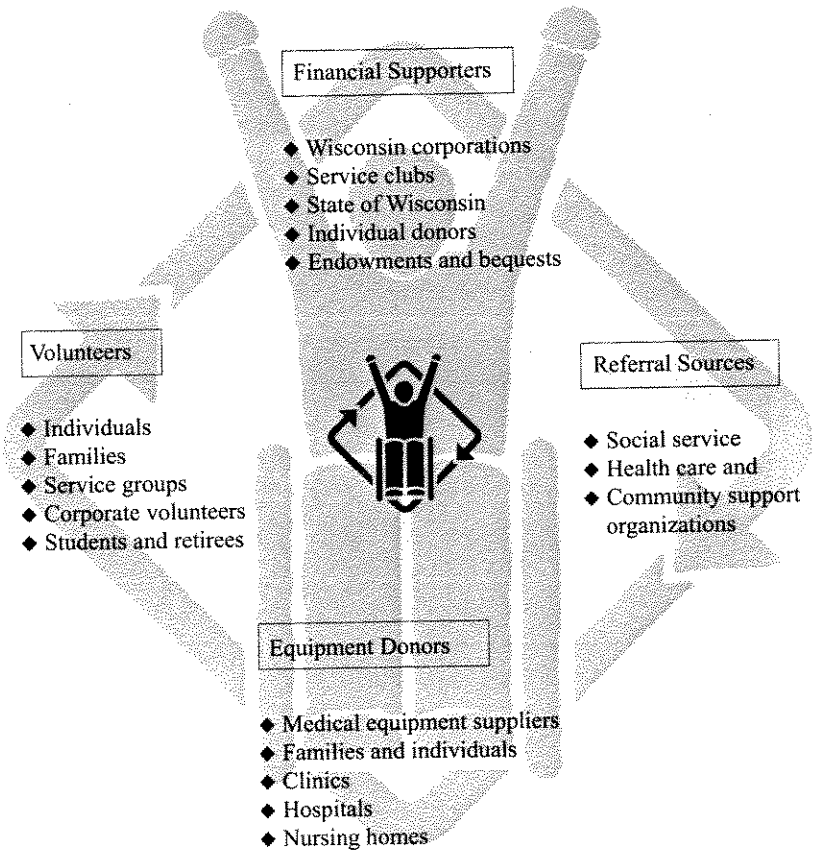
Oscar Mayer READI Volunteers, University of Wisconsin students, and others contribute thousands of volunteer hours to Wheelchair Recycling Program each year.

Support

Success is attained every time a wheelchair or other medical device is diverted from a landfill and given to someone in need. That success depends on dedicated support of the Wheelchair Recycling Program which comes in many forms.

Wheelchair Recycling Program proudly works with the Wisconsin Department of Corrections to train offenders in wheelchair repair. They play a crucial role in our ability to provide refurbished equipment.

Success is achieved through families that donate long-forgotten wheelchairs and volunteers who breathe life back into equipment through repairs; through health care workers who refer people in need and generous financial supporters. All are vital to the program's success.



Awards

The Wheelchair Recycling Program is the proud recipient of several distinguished awards, such as:

- Winner - 1997 Governor's Waste Reduction and Recycling Award
- Winner - 1997 JCPenney Golden Rule Award Adult Category
- Finalist - 1998 JCPenney Golden Rule Award Group Category
- Winner - 1999 JCPenney Golden Rule Award Youth Category

JCPenney GOLDEN · RULE

Honors

- Identified as a model program in Governor Tommy Thompson's State of the State Address in 1997 and 1998.
- Former U.S. Congressman Scott Klug serves as Honorary Chairman of Wheelchair Recycling Program.
- Wisconsin Governor Tommy Thompson proclaimed "Wheelchair Recycling Week" at the Wheelchair Recycling Program's third annual collection drive kickoff.
- Madison Mayor Sue Bauman launched the first ever city-wide curbside pick up of medical equipment in 1998.

Public Awareness

Wheelchair Recycling Program is featured in multimedia articles, news coverage and community presentations increasing awareness of the mission to divert landfill waste and provide *mobility with dignity*. Examples include:

National and International Magazines

Home Health Care Dealer/Supplier
Corrections Technology and Management
REHAB Management
Corrections Today

Statewide Newspapers

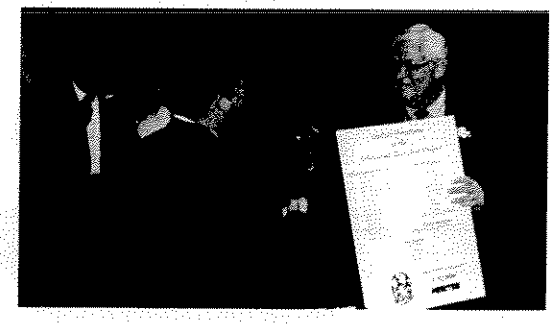
Wisconsin State Journal
The Capital Times
Reedsburg Times
The Lakeland Times

Public Presentations

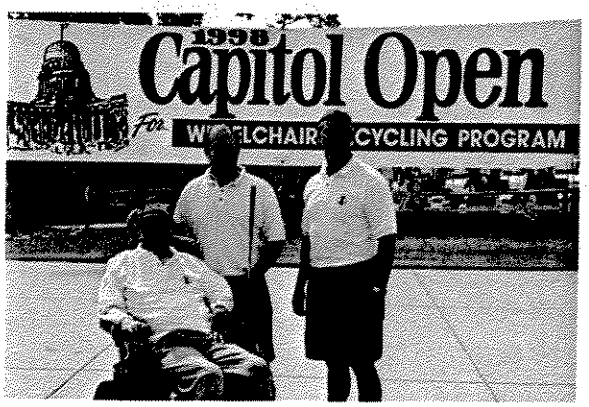
Wisconsin Bureau of Correctional Enterprises Annual Report
University of WI-Madison Occupational Therapy Dept. Lecture
Dane County Administrators of Volunteer Services Conference
Associated Recyclers of Wisconsin Conference Panel
Wisconsin Dept. of Health and Family Services/Office of People with Disabilities Annual Conference Workshop
The Capital Times Kids Fund Annual Reception and Presentations

Achievement

Bill Baker, Wheelchair Recycling Program President; Governor Tommy Thompson; Bruce Borden, Wheelchair Recycling Program Founder; George Meyer, Department of Natural Resources Secretary display the 1997 Governor's Waste Reduction and Recycling Award.



Bill Baker accepts a donation from Terri Potter, Meriter Health Services CEO.



Bruce Borden; Scott Jensen, Assembly Speaker; and Bill Baker at the Capitol Open Golf Outing, a fundraiser for Wheelchair Recycling Program coordinated by the Wisconsin Merchants Federation.

Making a Difference

Through alliances with international relief organizations, medical equipment from Wisconsin reaches people in need around the world, such as this woman in Guatemala.

History

The Wheelchair Recycling Program began in 1988 as a grass roots project to ship wheelchairs to China for development of a rehabilitation clinic in Bejing. Volunteers collected, cleaned and repaired donated walkers, wheelchairs, crutches, and canes in garages and basements throughout Wisconsin.

News of the project spread and volunteers learned of the need for donated wheelchairs closer to home. Requests from Wisconsin residents poured in. Many had no insurance at all and could not afford to obtain a wheelchair on their own. Others could not afford to rent or purchase a backup wheelchair to use when they could not use their power wheelchair. Still others needed medical equipment that simply was not covered by any insurance plan.

To meet the needs in Wisconsin, Wheelchair Recycling Program continued after the rehabilitation center in China was completed. Today, the program provides *mobility with dignity* through the collecting, refurbishing, and donating of wheelchairs and other medical equipment such as walkers, bath chairs, and hospital beds.

Reach

The Wheelchair Recycling Program has donated equipment on six continents and in countries such as:

Appreciation

I want to thank you for the wheelchair I have been able to go to church twice now. It feels good to get out for a change

... equipment to us for our volunteer inservice last night.
By loaning us the walker, wheelchair and cane you allowed our volunteers to practice and experience first hand what it is like to use this equipment.
It is the generous offer such as wheelchair Recycling that allows Hospice Care to continue placing skilled, trained volunteers into our patients homes.
Thank you again! The generous offer your business has made is very much appreciated.

To all of you who are a Part of this Project,
I just wanted to send a note to again, express my appreciation to you and your work to [illegible] Bonnie, my powerchair is a blessing but it can also present some obstacles, including transporting it. With your help, by providing a manual chair, I can now look forward to being able to participate even more in social, educational, and family-oriented activities because you have given me the freedom to be able to get to these events. I no longer have to say "I can't" because I can put the manual chair in someone's trunk or back seat! Your work has provided me with more opportunities and more access. Thank you for being there!
Sincerely + Gratefully,

[illegible] MEMORIAL COLLECTION
THIS SECTION OF SCULPTOR ROBERT GRAHAM'S RELIEF DEPICTS A DAM WORKER WITH HIS DRILL ON HIS SHOULDER. [illegible] WORK WAS MADE POSSIBLE BY THE TENNESSEE VALLEY AUTHORITY (TVA) FEDERAL CORPORATION WHICH, IN [illegible], WAS CREATED TO DEVELOP THE TENNESSEE RIVER FOR COMMERCE AND THE PRODUCTION OF ENERGY. THE TVA TRANSFORMED THE ENTIRE TENNESSEE RIVER BASIN AS WELL AS REDUCED FLOODING ALONG THE OHIO AND MISSISSIPPI RIVERS. THE TVA ALSO OPERATED 50 DAMS ALONG THIS VITAL CHANNEL. THE TVA IS JUST ONE OF MANY ROOSEVELT ADMINISTRATION INITIATIVES WHICH CONTINUES TO SERVE THE AMERICAN PEOPLE TO [illegible]

Just a short note to thank the Wheelchair Recycling Program for your assistance in obtaining a wheelchair for Mr Perez. The size & height worked well for him. He & his wife were very pleased and grateful for your generosity.
Thank you & your staff

The wheelchair is working out beautifully! I just wanted to thank you again for your help. God Bless You!
Regards,

Thank you so very much for providing a stander for our son, Jonathan. He will be able to use it at school every day, which pleases us very much. Thank you

Wheelchair Recycling Proj
3531 Internat'l Ln
Madison WI 53704

Dear Bonnie,
Thank you so much for your help locating a double-wide hospital bed. My client has been looking for this item for 1 1/2 years with little luck. You really made his day -- and mine!

Wheelchair Recycling Program ltd

Mobility With Dignity

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STATE REPRESENTATIVE
TERESE BERCEAU

WISCONSIN STATE ASSEMBLY 76TH DISTRICT

Sen. Burke,

I would appreciate your attention to this budget matter. The members of the Wisconsin Breast Cancer Coalition asked me to forward this letter along to you. This is a statewide organization concerned with funding for the prevention, detection, and treatment of Breast Cancer. I met with them in order to guide their efforts to keep this money, which is already allocated in Gov. McCallum's Budget, in the Joint Finance Budget.

Thank you for your consideration in what I know is a hectic time for you.

Sincerely,

Terese Berceau

STATE CAPITOL, POST OFFICE BOX 8952, MADISON, WI 53708 • (608) 266-3784 • FAX: (608) 282-3676
E-MAIL: rep.berceau@legis.state.wi.us • LEGISLATIVE HOTLINE: 1-888-362-9472

6413 Jacobs Way,
Madison, WI 53711
April 11, 2001

Joint Committee on Finance
Sen. Brian Burke, Co-chair
State Capitol
P.O. Box 7882
Madison, WI 53707

Rep. John Gard, Co-Chair
State Capitol
P.O. Box 8952
Madison, WI 53708

Re: Keep the Monies in the Governor's Budget for the implementation of the Breast and Cervical Cancer Prevention and Treatment Act

Dear Members of the Joint Committee on Finance:

The Breast and Cervical Cancer Prevention and Treatment Act of 2000 (Public Law 106-354) became law on October 24, 2000. Wisconsin has the option to provide medical treatment through Medicaid to eligible low-income women who were screened for and found to have breast or cervical cancer, including pre-cancerous conditions, through the National Breast and Cervical Cancer Early Detection Program (NBCCEDP). These women, often working in low wage jobs that do not offer health insurance, are forced to delay treatment or attempt to find charity care. With the enactment of the Breast and Cervical Cancer Treatment Act, they are now one step closer to having immediate access to lifesaving treatment. The next step in ensuring that Wisconsin women receive this treatment is for Wisconsin's Medicaid office to develop a plan to immediately enroll Wisconsin into this new, lifesaving program.

In his Budget, Governor Scott McCallum recommended funding for this lifesaving program. (See-Bill sections 1748, 1822 and 9423(11)). By allocating Wisconsin dollars through GPR funding, Wisconsin can take advantage of new Federal dollars coming into our state. The new law provides for an enhanced match as an incentive to enroll in the treatment program. For about 29% of the cost, lives can be saved. In addition, Wisconsin's participation in this program will likely result in decreased state costs since many women screened and diagnosed in the program are currently being treated with state funds, such as in public hospitals.

Many of us are breast cancer survivors or their family and friends. As you so well know, breast cancer touches all of our lives. No Wisconsin woman who has been newly diagnosed with breast or cervical cancer should be worried about obtaining needed care, her only concern should be getting well! We want eligible Wisconsin women to receive all of the available benefits. Therefore we ask that you insure that Wisconsin women diagnosed in the Federal Breast and Cervical Cancer Early Detection Program, funded by the Centers for Disease Control and Prevention, are guaranteed the treatment they deserve.

WE URGE YOU TO KEEP THE FUNDING IN GOVERNOR MC CALLUM'S BUDGET FOR THIS PROGRAM. WISCONSIN WOMEN'S LIVES DEPEND ON IT!

Thank you for your cooperation.

Margaret Liss, MBCC

Margaret Liss
cc. Rep. Terese Berceau

WATCH
WISCONSIN COUNCIL ON CHILDREN AND FAMILIES

Volume V, Report 1 • April 2001

A Baker's Dozen

Recipe for Success

After three years, W-2 caseloads are down but poverty among former recipients has not declined at nearly the same rate. The Department of Workforce Development's own study of early leavers shows that even those who found employment were, on average, earning below the poverty level. And, 38 per cent were not working at all after about six months. (Unfortunately, since this "First Quarter 1998 Leavers Study," no further studies have been forthcoming from the Department.)

This caseload reduction has come during a time of economic growth for Wisconsin. Any economic downturn is likely to affect low-income workers the most, and create further hardship for these families.

The Policy Group on Welfare Reform, a coalition of statewide service, religious and non-profit organizations, recommends changes in W-2 so that families have a better opportunity to move toward sustained, economic stability.

1. **EDUCATION AND TRAINING: a) Allow one-half of a participant's required W-2 work activity to consist of appropriate education and training; b) allow part-time workers in unsubsidized employment to receive a partial CSJ or W-2T benefit while participating in approved training; c) do not require job search while a participant makes reasonable progress in approved training; and d) allow child care for those in education and training without a work requirement.**

   Most W-2 participants are limited to 10 to 12 hours per week of education and training activities and then must spend 28 to 30 hours in other work activities. A provision to expand technical college participation for W-2 participants passed in the last legislative session but was partially vetoed by the governor, and then further limited by the Department of Workforce Development (DWD).

   As implemented, persons may be allowed to pursue technical college training only if they are determined unable to obtain unsubsidized employment without additional training (regardless of whether they are able to adequately support their families on the work obtained, or their work is sporadic). In addition they must be in school full-time, engage in at least 25 hours of additional work activities, and continue to look for work. If a participant finds work as a result of the job search requirement, they may be terminated from W-2 regardless of whether their training program has been completed.

   The governor also vetoed a provision allowing child care for those in education and training leading to employment, without requiring work at the same time.

2. **HOUSING VOUCHERS: Establish a time-limited, state-funded housing voucher program for low-income families.**

   Along with child care and health insurance, stable housing is a necessary support for working families. The "work first" approach to welfare has resulted in large numbers of underemployed parents, working in low-paying, temporary and/or part-time jobs. At the same time, housing costs have greatly increased and new jobs are frequently created in areas where housing is least affordable. A state program is needed to supplement current sources of emergency assistance as well as expand long-term housing opportunities. Federal housing programs are grossly insufficient. For example, in 1996-97, only 29% of AFDC/W-2 recipients in Wisconsin received federal housing assistance, although all were probably eligible.

   Additional help with housing will contribute to family stability, thus enhancing parents' ability to find and keep good jobs; free up money for other work-related expenses such as transportation, child care, and clothing; and enable families, where necessary, to move to areas offering better job opportunities.

Although W-2 does contain some programs to address domestic violence, the "light touch" has meant that many victims of abuse are unaware of programs that may contribute to their safety and well-being. In addition, battered women may not self-identify to W-2 caseworkers for fear of negative repercussions including even the loss of their children.

Adoption of the FVO in Wisconsin should include universal notification to all W-2 applicants about the programs available should they choose to disclose abuse. In addition, all W-2 caseworkers and work-site staff should receive training on domestic abuse and sexual assault to better understand the role of victimization and trauma on client safety and the potential for self-sufficiency.

7. **STATE TIME LIMITS: Eliminate the 2-year time limit for the W-2T work program category and end the state policy that all extension decisions must be approved by DWD.**

Although cash assistance is limited to five years by federal law, in Wisconsin there is a two-year, lifetime limit in each W-2 work program category. Those families with the most serious barriers to employment are placed in the W-2 Transitions (W-2T) category. It is assumed that families will progress from the W-2T to the Community Service Job (CSJ) category, with an additional two more years of assistance. But many families do not advance.

For example, parents may need to care for disabled children or may have mental health problems — barriers that do not neatly end after two years. Yet they are subject to the two-year lifetime limit unless they qualify for an extension, which must then be renewed every six months. Far better would be requiring agencies to serve the W-2T population on a case-by-case basis with whatever services and programs are appropriate and for as long as necessary to enable them to support their children.

If an extension is requested, current policy requires DWD to review and decide whether to approve or deny every request. This process emphasizes paper-work over case-handling, discourages agency requests for extensions, and poses an extra hurdle for needy families, when the best knowledge of the client's situation is at the local level.

8. **DELAYED BENEFITS: Reduce delays in benefits by reducing the delay between the work period and payments, requiring initial payments within 14 days, and limiting the "job ready" category to a 30-day job search.**

All three of these proposals were passed during the last budget session, but were vetoed by the governor. Instead of counting days worked from the 16th of the month to the 15th of the month with payment on the 1st of the month following, the period counted should be from the 26th of the month through the 25th of the following month, with payment on 1st of the month following. In addition, the first payment should be within 14 days of a finding of eligibility. The result is a quicker payment for work performed, and less delay in receiving benefits.

Parents are also discouraged from getting help if found to be "job ready." They must first look for work before being considered for placement in a work program and receiving financial help. Although their cases are supposed to be reviewed, many simply walk away when told they cannot receive any cash assistance. Instead, they should be encouraged to come back if their job search proves unsuccessful after 30 days.

Many parents look for work long before resorting to a request for help from the W-2 agency, and their families are already in desperate circumstances by the time they first approach the agency.

9. **FAIR HEARINGS AND PRE-SANCTION REVIEWS: Provide for fair hearings before the state Division of Hearings and Appeals, continuing benefits for those appealing terminations within 10 days of their notice, and retroactive benefits to those improperly denied W-2 work program benefits. In addition, provide for an independent, pre-sanction review.**

Currently, ongoing W-2 participants may lose all or part of their W-2 benefit for reasons that are later found to be in error. Even if they appeal the decision quickly, benefits do not continue pending review. In the meantime, they may be unable to pay the rent and be evicted, be unable to feed or clothe their children, or be unable to buy other family necessities.

In other cases, applicants are denied placement in a work program and later found to have been eligible all along. In such cases, they do not receive retroactive benefits, back to the date they should have been found eligible.

Finally, all appeals must be reviewed in a "fact-finding" with the local W-2 agency before the case may be reviewed by the state Division of Hearings and Appeals (DHA). (This latter may be a review of the fact-finding record only, without the opportunity for face-to-face testimony.)

The resulting delays, when added to the lack of either continuing benefits or retroactive relief, result in extreme hardship to many families who are doing their very best to comply with the W-2 program. The fair hearing system that currently applies to all food stamp and medical assistance cases, with hearings before a neutral hearing examiner in DHA, continuing benefits upon timely appeal, and retroactive benefits, should apply in W-2 cases, as well.

Recipients, should be further protected from improper sanctions by an independent, pre-sanction review process. Research conducted by the national Center on Budget and Policy Priorities indicates that sanctioned families have greater barriers to employment than other welfare families — in fact, those barriers may *cause* sanctions, since they may affect the ability of the parent to understand and comply with rules or engage in work.

Most agree that those left on the caseload in Wisconsin are those with the most barriers to work.

Making Wisconsin Work for Kids
Issue Paper #5

W-2 Education and Training:

The Right Track to W-2 Success

Recommendations:

1. Allow one-half of a participant's required W-2 work activity to consist of appropriate education and training.

2. Allow part-time workers in unsubsidized employment to receive a partial CSJ or W-2T benefit while participating in approved training.

3. Do not require job search while making reasonable progress in approved training.

4. Allow child care for those in education and training without a work requirement.

Background:

Current W-2 rules, and the way they are implemented at the local level, severely limit the amount of time participants can spend in education and training activities. W-2 generally limits participants in the Community Service Job (CSJ) category to 10 hours per week of education and training activities; participants in the W-2 Transitions (W-2T) category get up to 12 hours per week. Participants are required to spend the remaining 28 to 30 hours of required time in a non-education work activity. It is up to the case-worker to determine the appropriate balance between the two components.

CONTACT INFO

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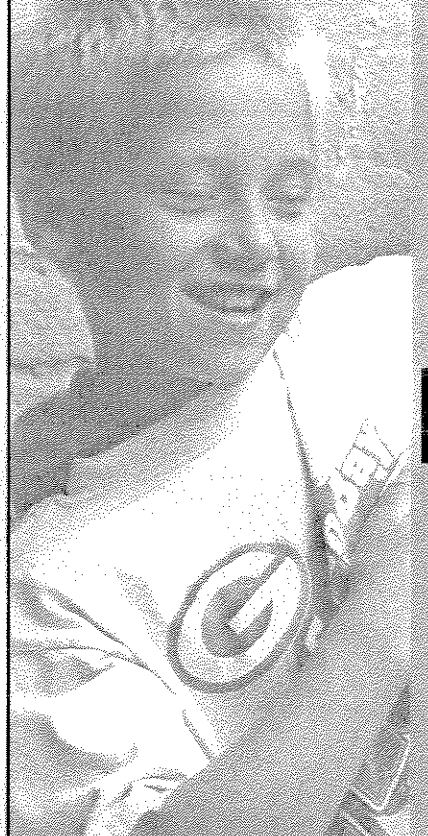
Making Wisconsin Work for Kids
Issue Paper #4



Cause for Alarm:

W-2 Time Limits

Recommendation:

1. Eliminate the two-year time limit for the W-2T work program category.
2. Extend the time limit for the CSJ category from 2 to 3 years.
3. End the state policy requiring that all extension decisions be approved by DWD.

Background:

Although cash assistance is limited to five years by federal law, in Wisconsin there is a two-year, lifetime limit on participation in each W-2 work program category. Those families with the most serious barriers to employment are placed in the W-2 Transitions (W-2T) category. W-2's design assumes that families will progress from W-2T to the Community Service Job (CSJ) category, with the possibility of up to two more years of assistance. But many families are unable to advance. The practical result is that many of the state's most vulnerable families face a two-year time limit on W-2 cash assistance.

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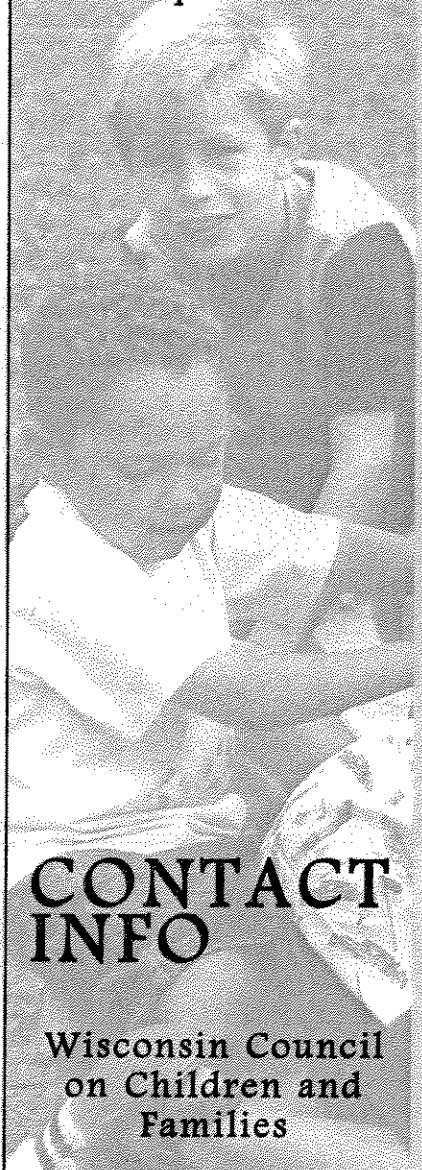
Making Wisconsin Work for Kids
Issue Paper #8



Greater Expectations:

W-2 Eligibility for Pregnant Women in Their 3rd Trimester

Recommendation:

Restore eligibility for cash assistance for pregnant women beginning in their seventh month of pregnancy.

Background:

State law requires that there be a minor child in the family before eligibility for a W-2 work program with cash assistance may commence. Thus women in their first pregnancy cannot access these benefits, whether or not they are willing and able to participate in work activities and regardless of their need. Neither are they eligible for either Emergency Assistance or a Job Access Loan until their baby is born.

Once born, the baby and mother are eligible for W-2, and work requirements will be waived for the first 12 weeks. But until then there is simply no financial assistance available, as there was under AFDC, for women in their last trimester.

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Making Wisconsin Work for Kids
Issue Paper #2

Wisconsin Shares Waiting Lists?

Who will Care for the Kids?

Recommendation:

Provide sufficient funding to maintain the Wisconsin Shares child care subsidy program in its current form, without any waiting lists.

Background:

When Wisconsin reformed the welfare system, the state made a commitment to provide child care subsidies that would keep regulated care accessible and affordable for low-income working parents. However, that commitment looks very shaky in the proposed 2001-03 budget. The Wisconsin Shares program subsidizes child care for working families with incomes below 185 percent of the federal poverty level. (Once in the program, families remain eligible up to 200 percent of the poverty level.) Participating families contribute co-payments on the basis of a sliding fee scale, up to a maximum of 12 percent of their income. In January 2001, 39,377 children were participating in the child care subsidy program, nearly double the number from two years earlier.

A January memo from the Legislative Fiscal Bureau indicates that if Wisconsin Shares' growth slows to one percent per month from December 2000 through June 2001 (after averaging 3.2 percent monthly from July through December), the program will cost about $242 million in the current fiscal year.

The Governor's Budget

To cope with the program's rapid growth, Governor McCallum proposes to reallocate various welfare-related funds to bring annual funding for Wisconsin Shares to $242.7 million annually. Although this is a significant increase, about $42 million more per year than the amount set aside for 2001, it will probably fall far short of what is necessary to maintain the current program. The program's cost for fiscal year 2000-01 could easily equal or exceed the appropriation level the Governor proposes for each of the next two years. This would mean having to cut enrollment in the next biennium.

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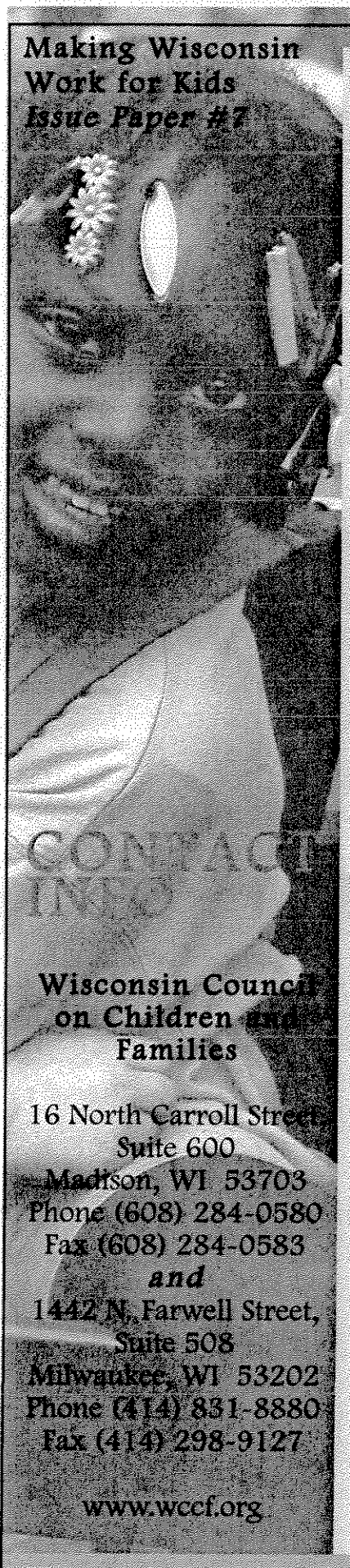
Making Wisconsin Work for Kids
Issue Paper #7



Ladybug, Ladybug, Fly Away Home:

W-2 Eligibility for Parents of Infants

Recommendation:

Require only part-time work (20 hours per week) of parents of children under one year, and exempt them from all work requirements for the first six months.

Background:

In order to receive cash assistance in the W-2 program, parents must generally participate in work-related activities for 40 hours per week. If they are placed in a Community Service Job, they must work for 30 hours per week and may be assigned up to 10 hours per week in education and training. For those in a W-2 Transitions placement, work and training hours are 28 and 12 hours, respectively. The only exemption from these requirements is for parents of infants under 12 weeks. (In some families facing very significant barriers to work, for example those containing either a parent or a child with a disability, work hours may include therapy, family counselling, doctor visits, or care of a child for whom day care is unavailable.)

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WISCONSIN PUBLIC HEALTH ASSOCIATION

330 E. Lakeside Street, PO BOX 1109, Madison, WI 53701-1109 Phone: 608-283-5486

To: Members of the Joint Finance Committee

From: Muriel Nagle, Wisconsin Public Heath Association Board of Directors

CC: Kathleen Blair, President, Wisconsin Public Health Association

Date: 4/11/01

Re: Funding for Local Public Health Essential Services

Thank you for this opportunity to speak to you about important public health priorities. A critical ingredient of a successful local public health system is the ability to assess the health status of the local communities, and respond to the primary issues that affect the health of that particular community. In fact, Wisconsin State Statute Chapter 251.05 requires assessment and planning activities of local health departments. In addition, the year 2010 state health plan currently being developed through the Turning Point process strongly supports enhancing Wisconsin's state and local capacity to assess local health status, and plan targeted, effective responses at the local level.

To that end, the Wisconsin Public Health Association encourages you to add initial funding of $8,000,000 ($2 .5 million GPR dollars into the first year, and $5.5 million during the second year) to the state budget. Current state support for local public health is overly reliant on categorical, federal funding streams. While these are important resources, they are generally restricted for use in specific programs that may or may not be responsive to local needs. Local tax support is stretched to the limit of tolerance in most communities. The suggested addition to the state budget would begin to remedy the fact that local public health agencies in Wisconsin are currently inadequately funded to carry out basic community assessment and planning functions required in state statutes.

In addition to the statewide perspective that arises from my membership on the WPHA board, I also serve as the director of public health nursing for the City of Madison Department of Public Health. I would like to give you an example from this local perspective.

- In 1999, 81% of the acute and communicable disease reports made to our health department were for sexually transmitted infections, particularly, gonorrhea and chlamydia. Teens and young adults experience a disparate burden of these infections.

- Current heath department activities are necessarily concentrated on follow-up of those already infected, and our staff struggle to do case follow-up in a timely manner. We also provide funding to the Madison Community Health Center to provide treatment for city residents who are uninsured and cannot pay for treatment of their infections.

- The need to go beyond current follow-up of the already infected, and develop stronger prevention strategies for young people in our community is abundantly clear. Yet, our currently efforts rely completely on local taxpayer support, and compete for these resources with other pressing priorities such as tuberculosis and chronic disease prevention.

- The suggested addition of non-categorical state GPR to the budget for local assessment and planning would enhance Madison's efforts to assess the root causes, health disparities and population distribution of sexually transmitted infections, and as importantly, engage the necessary the community partners and agencies that would be pivotal in planning appropriate prevention strategies for our community.

RE: WISCONSIN STATE JOINT FINANCE COMMITTEE HEARING
MARCH 28, 2001, EAU CLAIRE, WI

Mr. Chairman,

I thank you for this opportunity to comment.
Political, business, all levels and concerns of education and others presented their needs to the 2001-2003 state budget. Education, business, transportation, technonogy are all important.

My concern is our seniors. When industry, business, educators, employment groups provide salary and benefits it is often reported these increases exceed cost of living (COLA's) which seniors are limited to. An example-National News, CBS, on March 29, 2001, reported employees received six per cent wage increases. Tax exemptions are often sought and secured by big business. Does the state require accountability from education as to how state funds are used? And, the state is considering purchasing a state-of-the-art(to me this means a lot of niceties that many senior homes donot have) prison that will house 1200 ± prisoners.

This past summer (July 2000) the assembly republicans wanted to (I hope the democrats do to) "Make Wisconsin the best place in the nation to retire". This proposal would exempt social security from state income tax; exempt retirement annuities from state income tax; provide prescription drug relief and long term care incentives for seniors retiring in Wisconsin. What has happened to these incentives for seniors to retire in our state? Seniors do spend their annuities for services and pleasures where they live. This is an economic benefit the state cannot afford to loose. And, seniors are great volunteers to their communities.

Seniors can be mobile. Has an legislator asked the question-How many retirees reside out of state to avoid Wisconsin state income taxes? Or, carry out of state car licenses? Is the question ever asked, "When monies are being considered in budget appropriations, how will seniors on fixed incomes be affected and what the tax increase effect will be?".

You the legislators can help seniors now. The assembly republican caucas report projected the cost to exempt seniors social security from state income tax to be $64.3 million dollars and prescription drug relief to be $18.5 million dollars. These estimated exemptions of $82± million dollars would be a benefit to all Wisconsin seniors. This number of Wisconsin people is far greater than what the new state-of-art prision numbers are in similar dollars. The 1999-2000 Blue Book reports in 1998 Wisconsin had 690,786 seniors over 60 years of age.(men-287,179; women-403,607).

In conclusion, ask the question. "Who has and is more accountable-the senior citizen on a fixed income whos have medical bills, pay real estate taxes, utilities to live, or groups, business, industry, education and others who seek budget increases in excess of cost of living?".

Thank you.

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LACK OF PRESCRIPTION DRUG COVERAGE: MEDICARE'S GREATEST SHORTCOMING

Unlike most employer-sponsored health insurance, Medicare, the federal health insurance program for older Americans and those with disabilities, generally does not pay for outpatient prescription drugs. Since Medicare was created in 1965, prescription drugs have become essential in the treatment and prevention of diseases. Yet, because of this gap in coverage, beneficiaries must either pay for prescription drugs out of their own pockets, obtain private or public supplemental coverage that will assist with the costs, or join a Medicare HMO that offers prescription drug benefits. While 65% of Medicare beneficiaries have some type of coverage for prescription drugs, that coverage often has serious limitations, and, therefore, may not protect beneficiaries from high out-of-pocket costs. AARP believes that modernizing Medicare's benefit package to keep up with advances in medicine is a must. Prescription drugs help keep people healthy, independent, and out of hospitals. Medicare should be like most other health insurance plans and include prescription drugs as an optional part of the benefit package offered by all participating plans.

A Medicare prescription drug benefit must be ***available*** to ***all*** Medicare beneficiaries.

- The benefit should be ***voluntary*** so that beneficiaries are able to keep the coverage that they currently have, if they choose to do so. A Medicare prescription drug benefit should not be an incentive for employers to drop or cut back on retiree health coverage.

- The benefit also needs to be ***affordable*** to assure a healthy risk pool. This means that healthy and low-cost beneficiaries must choose to enroll in the benefit in addition to those who already have high drug costs. To this end, the government contribution will need to be sufficient to provide a premium that is affordable and a benefit design that is attractive to beneficiaries.

In other words, this is not simply a matter of beneficiary affordability – of equal importance is the fiscal viability of the risk pool. Medicare Part B is a model in this regard. Participation in the Part B benefit is voluntary, but Medicare's contribution toward the cost of the benefit encourages virtually universal participation.

Prescription drugs should be part of Medicare's ***defined benefit*** package. It is critical that beneficiaries understand what is included in their benefit and that they have dependable and stable prescription drug coverage.

Dan Remick for the Wisconsin Council on Developmental Disabilities

Committee members, my name is Dan Remick, founder of People First of Wisconsin and appointed Council member of the Wisconsin Council on Developmental Disabilities. Today I will be summarizing the issue of the closing of State Centers for the Developmentally Disabled.

As a person who lived in a State DD Center, I believe there are two reasons why state centers should close. First, people's human rights are denied. Many who have lived in the Centers talk about how they were treated badly when they lived there, and how they had no rights at all. They are separated from their home communities and their families. They are cut off from the world. Additionally, some people say the residents of the State Centers can't live in the community. That is not true. The Department of Health & Family Services believes that all residents of the State Centers can live in the community. There are people with the same needs who are living good lives in Wisconsin communities. After all if 10 other states have closed their state institutions, including Minnesota and Michigan, why can't Wisconsin?

A second reason why State DD Centers should close is because it is good budgeting. The 3 State Centers cost taxpayers 30 million dollars more than what it would cost if the 844 residents lived in the community. This saved money could be used to help with waiting lists and paying direct support staff in the community better wages. The reason the Centers cost so much is because every time someone moves out of a Center, the state has to keep paying that Center $73,000 a year for that person, to cover the overhead costs of keeping those big buildings open. The cost to the State for closing the 3 State Centers is half a million dollars a year, for 10 years. That is 6 million dollars. Over those 10 years, the net saving to the State is 55.5 million dollars. From the 11th year onwards, the savings for the state is 15 million dollars every year. If you add to that the federal match money, the total saving is 30 million dollars every year.

People First of Wisconsin supports the closing of all three state centers, which WCDD supports. To start this process WCDD suggests that over the next 3-5 years we close two of the three State Centers with full federal and state funding to adequately and appropriately cover the costs of community services. The WCDD believes every individual with a developmental disability is able to reside in their home community with the appropriate services and supports.

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Wisconsin Survival Coalition

COMMUNITY SERVICE CRISIS

2001-2003 Budget Proposal from Wisconsin Service Providers

For more information contact: Bob Stuva (RFW, Inc.) at 608-244-5310; bstuva@rfw.org or Chris Sarbacker (CAPOW) at 608-259-1345; sarbccls@execpc.com

Approximately $120,000,000 in new state and federal funding is needed to assure a safe and adequate community-based, person-centered long-term care support system for citizens with developmental and/or physical disabilities. Service providers face significant worker shortages due to low wages and struggle to survive under pressure of rising insurance premiums, energy costs and other program expenses. Many organizations are reducing services to persons already served, when waiting lists for community-based services are growing.

The long term care system for Wisconsin citizens with disabilities is evolving into a person-centered delivery system and places more responsibility for determining the supports needed to live and work in communities of their choice, directly on the person requesting service. It is essential that consumers have adequate public funding to secure the services they need.

Some History:

Over the last half-century, the public goals for services for persons with disabilities has gradually changed from institutionalization to integration in local communities of choice. In the late 1950's and into the 1960's, service delivery goals began to change from institutional maintenance and removal from the community to large group homes, special education, and sheltered employment. By the late 70's a more integrated form of service delivery included individual living arrangements, job training, and assistance with daily living. By the early 1990's the concept of consumerism began to evolve and persons with disabilities sought more control over the decisions impacting their lives. The 1990's might best be defined as a period of time in which the old paradigm of service delivery was cast away and a new person-centered, community-based service delivery system was put into place. For the first time individuals with disabilities had some control over their own destiny.

As these changes occurred, so did the service provider network. Services evolved from group training and education and limited employment opportunities into a network of individualized support services. Services include residential support to live in small group homes with one or two other persons, independent living, supported living, vocational training, job placement and supported employment. Social business enterprises provide employment opportunities and an array of other needed services to assist an individual to live and work in his/her local community.

Despite significant changes and associated increases in the cost of providing more individualized services, governmental funding has remained stagnant. While the late 1980's and the 1990's saw a great increase in the cost for services, the State of Wisconsin limited increases in state/federal funding for these services to under two percent per year and shifted funding from state to federal dollars. In many communities that meant no increase for private nonprofit service providers after state and local government addressed their administrative costs.

After almost a decade of neglect, the system of community-based services is facing a financial crisis.

No matter who provides services or how they are provided, a system of fair and appropriate public funding must be available for any community-based service delivery model to be successful.

Recent surveys completed by a network of Wisconsin community-based service providers assisting persons with disabilities began to detail the present service delivery crisis facing the State of Wisconsin. A job market survey reveals that wages paid by community-based service providers are not competitive.

Compared to the general labor mar-

MERITER

March 1, 2001

To the Members of the Joint Committee on Finance:

I am writing to urge your strong support of the health care financing and policy items included in Governor Scott McCallum's 2001-03 state biennial budget proposal.

As I am sure you are aware, Wisconsin's not-for-profit community hospitals are facing critical and ongoing financial challenges that threaten our ability to continue providing the comprehensive health care services needed throughout our state. These financial challenges are the result of not only the federal Balanced Budget Act, but also state and federal reimbursements that continue to lag behind the costs of providing care.

Meriter Health Services, Inc.
202 South Park Street
Madison, WI 53715-1596
608 267-6000
www.meriter.com

Governor McCallum's budget proposal would help this financial situation by taking a step in the right direction. Specifically, I ask you to maintain the proposed $201 million increase in Medical Assistance funding that is targeted to enhancing Medicaid outpatient reimbursement levels. This proposal is responsible and affordable, since it would be funded with federal dollars obtained through the use of the Intergovernmental Transfer Program. As it has become much more cost-effective and technologically feasible to treat many patients in an outpatient setting, hospitals must have realistic and adequate reimbursement for these services.

I also encourage you to support Governor McCallum's proposed funding increases for BadgerCare and the Women's Health cancer screening and treatment programs. Such initiatives are critical to ensuring that the most vulnerable and underserved members of Wisconsin's population have access to the health care they need.

I fully recognize the fiscal constraints faced by the Legislature. However, investments in the health of our citizens are clearly some of the most important and far-reaching that the Legislature can make. Governor McCallum has proposed responsible and urgently needed funding increases for health care, and in my opinion, this is a budget plan that Wisconsin, and its community hospitals, cannot afford to live without.

Thank you very much for your consideration and support of these initiatives.

Sincerely,

Terri L. Potter
President and CEO

cc: Governor Scott McCallum
Assembly Speaker Scott Jensen
Senate Majority Leader Chuck Chvala

National Alliance For the Mentally Ill of Wisconsin (NAMI Wisconsin)

TESTIMONY ON THE MENTAL HEALTH BUDGET PACKAGE

BEFORE THE JOINT FINANCE COMMITTEE, WIS STATE LEGISLATURE April 11, 2001

Mr. Chairman, I am Robert Beilman, Past President of the National Alliance for the Mentally Ill of Wisconsin (NAMI) and member of the NAMI Board of Directors.

I wish to testify on a number of issues that our organization strongly supports. With over 5,000 members, state–wide and 33 affiliates, NAMI speaks as the state's voice for those with serious mental illnesses. My handout will summarize my testimony, and will also contain a sheet on the proposed use of NEW Federal Mental Health Block Grant Funds.

The Grassroots Empowerment Project, the Mental Health Association in Milwaukee, The Wisconsin Coalition for Advocacy, and Wisconsin Family Ties endorse these positions

1. Medical Assistance Funding for Community Support Programs and Comprehensive Community Services

A. Community Support Programs (CSP)

Rationale:

- Community Support Programs are the corner stone of the adult public mental health system, providing effective and intensive community treatment for adults with serious mental illness. They have been proven to reduce inpatient costs and have the potential to help keep individuals with mental illness out of the corrections system and out of homeless shelters

- The Wisconsin Medicaid program currently reimburses counties the federal share only of the rate for CSP services. Counties must pay the state share from available funds (primarily community aids and county tax levy). As a result many counties have formal or informal waiting lists for services. The DHFS estimates that approximately 900 people are in need of CSP services and are not receiving them. *Waiting lists for Medicaid services violate federal requirements that individuals be served with reasonable promptness. Three recent court decisions have reinforced this promptness standard and have ruled that 90 days is a reasonable maximum time for an eligible person to be on a waiting list for these services.*

  - Unless action is taken during this budget session there will be litigation on the waiting list issue. It is more sensible and cost effective to solve the waiting list problem through legislation than through the courts. NAMI strongly supports this initiative.

Request:

- We are requesting that the State pay the state share of Medicaid CSP reimbursement for all individuals. According to estimates by the Department of Health and Family Services the

programs far outstrips the amount of funding available. Also, the Department has a .6 FTE position to assist consumers and families throughout the state. However, given increasing workload this position needs to be expanded to full time. This package requests that $394,000 per year of new federal Mental Health Block Grant funds be earmarked for these purposes. Cost: $394,000 per year of new federal Mental Health Block Grant funds

4. Mental Health/AODA Managed Care Demonstration Projects

a. Demonstration Site Planning and Development Funds: The state is in the process of implementing a managed care demonstration project for mental health and substance abuse services in four sites. The counties involved in the demonstration need additional funding for information systems and other quality improvement activities. This package requests $125,000 for each site in FY 02 and $75,000 per site in FY 03. Existing Mental Health Block Grant funds of $262,000/year, designated for systems change activities can be used for this purpose. Earmarking of new MHGB funds of $238,000 in FY 02 and $38,000 in FY 03 is also requested.

Cost: $500,000 in FY 02 ($238,000 new MHBG); $300,000 in FY 03 ($38,000 new MHBG)

b. Independent Advocacy Program: Consumers who will be enrolled in these projects will need advocacy assistance so they understand their benefits and are provided services that meet their needs and their expressed choice. We are requesting that one FTE be provided per 1000 enrollees; given that the projects are projected to have 2000 enrollees by the end of the biennium, we are requesting two FTE positions. We are fully supportive of the restoration of the Family Care Independent Advocacy Program and request that Mental Health/Substance Abuse Independent Advocacy be added to this program when it is restored.

Cost: $50,000 in FY 02; $100,000 in FY 03

5. **Prescription Drug Coverage for People with Disabilities**

The Governor's budget contains a prescription drug benefit for low-income seniors. Persons with disabilities who are on Medicare and not also receiving Medical Assistance benefits (approximately 50,000 individuals) have a similar need for prescription drug coverage. In fact, most of these individuals are very low income and face great hardships in paying for prescription drugs. This is a major issue for persons with mental illness who must take a number of very costly medications in order to maintain their mental health and their ability to function. We urge that these individuals be covered.

6. **Mental Health/Substance Abuse Health Insurance Parity**

Persons with mental illness and substance abuse problems face discrimination in health insurance coverage. They receive much lower coverage for their illnesses than persons with physical illness do. We are requesting that legislation be enacted ending this form of discrimination by requiring health insurance policies to provide parity in the coverage for mental and physical illness.