

### Fiscal Estimate - 2005 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 05-3349/1	<b>Introduction Number</b> SB-312	
<b>Subject</b> Diversion from nursing homes under CIP II		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input checked="" type="checkbox"/> No State Fiscal Effect		
<input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<input type="checkbox"/> Decrease Costs	
<b>Local:</b>		
<input checked="" type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<b>5. Types of Local Government Units Affected</b>		
<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b>		
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.435 (4)(b), 20.435 (4)(o)		
<b>Agency/Prepared By</b> DHFS/ Erin Warner (608) 266-9363	<b>Authorized Signature</b> Andy Forsaith (608) 266-7684	<b>Date</b> 9/14/2005

**Fiscal Estimate Narratives**  
**DHFS 9/14/2005**

LRB Number <b>05-3349/1</b>	Introduction Number <b>SB-312</b>	Estimate Type <b>Original</b>
<b>Subject</b> Diversion from nursing homes under CIP II		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, as affected by 2005 Wisconsin Act 25, the Department is authorized to pay an enhanced rate for Medical Assistance program services that are provided to individuals who, under a waiver of federal Medicaid laws, are relocated from nursing homes under a community integration program (CIP II). The number of individuals served may not exceed the number of nursing home beds that are delicensed as part of the plans submitted by nursing homes and approved by DHFS.

This bill gives the Department the authority to provide enhanced reimbursement under the CIP II program for an individual who is diverted from imminent entry into a nursing home. The bill allows the Department the discretion to decide in what circumstance to provide reimbursement for new diversions. To fund new placements, the Department would need to reallocate funding budgeted in the Medical Assistance (MA) program for nursing home care to CIP II. In administering this provision, the Department would develop criteria to define individuals at imminent risk of nursing home entry and allocate new funding for community placements for nursing home diversions only in cases where it is very clear that the community placement would result in a decrease in MA nursing home utilization and costs. Given that it is not possible to know for certain what might otherwise happen to every such person and that total MA funded nursing home patient days may remain steady or increase despite the diversions due to various other factors affecting nursing home utilization it is not possible to guarantee that funding a CIP II diversion placement will cause a decrease in MA nursing home patient days and costs. It is assumed that the Department would manage CIP II diversion funding based on overall nursing home utilization so that the diversions will have a small or no effect on the MA budget.

There is no estimated local fiscal effect. The bill does not require counties to divert individuals from a nursing facility to the community. For individuals who are diverted under this bill, the Department would provide counties waiver funding at a level that is projected to cover the individual's cost of care in the community.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 05-3349/1		<b>Introduction Number</b> SB-312	
<b>Subject</b>			
Diversion from nursing homes under CIP II			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR		0	0
FED		0	0
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$	\$0
NET CHANGE IN REVENUE		\$	\$0
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DHFS/ Erin Warner (608) 266-9363		Andy Forsaith (608) 266-7684	9/14/2005