

Fiscal Estimate Narratives

DOC 2/5/2018

LRB Number	17-5259/1	Introduction Number	SB-742	Estimate Type	Original
Description intensive care coordination program in the Medical Assistance program					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Health Services to create a program to reimburse hospitals and health care systems for intensive care coordination services provided to Medical Assistance recipients. Subject to some limitations, DHS must develop a process for selecting hospitals and health care systems that submit an application including a description of their programs as specified in the bill, including a statement that the hospital or health care system will use emergency department utilization data to identify Medical Assistance recipients to receive intensive care coordination to reduce use of the emergency department.

Under the bill, DHS reimburses a hospital or health care system participating in the program \$250 initially for each Medical Assistance recipient who is not a Medicare recipient who is enrolled in intensive care coordination for six months. If the participant demonstrates progress in reducing emergency department visits for at least half of its enrollee population, the participant receives an additional \$250 per enrollee. The program participant may enroll each Medical Assistance recipient in the program for an additional six months for an additional initial reimbursement of \$250 per enrollee and, if the participant demonstrates progress in reducing emergency department visits for at least half of its enrollee population, \$250 per enrollee at the end of the additional six months.

The bill also modifies Wis. Stat. 946.91 and 946.93, criminal statutes for the crimes of Medical Assistance fraud and Public Assistance fraud, in order to allow the program.

The Department of Corrections (DOC) is unable to determine the fiscal impact of the bill. The DOC cannot predict the number of people that will be affected by the modification of the criminal statutes for Medical Assistance fraud and Public Assistance fraud, and the possible sentencing practices of judges under the new law.

The DOC, as of 12/31/17, had zero offenders on community supervision and zero inmates in prison under Wis. Stat. 946.91 and 946.93.

The average FY17 annual cost for an inmate in a DOC institution is approximately \$32,700. However, when there is excess capacity in DOC facilities, the incremental costs (i.e. food, health care and clothing) of housing a small number of inmates is approximately \$6,300 based on FY17 costs. Should the Department use contract beds, the rate would be approximately \$18,800 annually per person. Furthermore, the average FY17 annual cost to supervise one offender is approximately \$3,100.

Long-Range Fiscal Implications