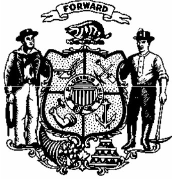

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April 23, 2009 Joint Committee on Finance Paper #451

Tuberculosis Program (DHS -- Public Health)

[LFB 2009-11 Budget Summary: Page 374, #3]

CURRENT LAW

The Division of Public Health in the Department of Health Services (DHS) administers the tuberculosis (TB) program, which provides TB-related medication to individuals and reimburses local health departments for services they provide to individuals with TB infection. Under the program, DHS certifies local health departments to operate public health dispensaries to diagnose and treat individuals with a confirmed or suspected TB infection. Certified dispensaries are eligible for reimbursement from DHS for tuberculosis-related services they provide, up to the amount budgeted for the program. This program is the payer of last resort for tuberculosis services, after medical assistance. Base funding is $450,300 GPR.

GOVERNOR

Provide $215,200 GPR in 2009-10 and $288,600 GPR in 2010-11 to fund: (a) projected increases in costs of providing services under the TB program ($115,200 GPR in 2009-10 and $188,600 GPR in 2010-11; and (b) additional targeted prevention activities ($100,000 GPR annually). The bill would provide a total of $661,000 GPR in 2009-10 and $734,400 GPR in 2010-11 to support the program. These amounts reflect a 1% base reduction in funding would be applied to most non-federal appropriations (-$4,500 GPR annually).

DISCUSSION POINTS

1. The reported number of persons with active cases of tuberculosis in Wisconsin is relatively small. In calendar year 2008, there were 68 individual cases, slightly under the annual average of 72 since 2002. The Department believes the decline in active tuberculosis cases in recent

years is attributable to the emphasis the placed on prevention through appropriate testing. Immigrants, substance abusers, individuals with an HIV/AIDS infection, homeless individuals, individuals with inadequate access to medical care, and the elderly are all at higher risk of contracting TB. The following table shows the number of active cases from 2002 to 2008, both for the state and Milwaukee County, and the percentage of the total state cases that occur in Milwaukee County.

Tuberculosis Caseload 2002 through 2008: Statewide and Milwaukee County

Calendar Year	Number of Cases Statewide	Number of Cases, Milwaukee County	Milwaukee Cases, as Percentage of Statewide Cases
2002	78	37	47.4%
2003	66	28	42.4
2004	95	31	32.6
2005	78	27	34.6
2006	75	29	38.7
2007	70	30	42.9
2008	68	31	45.6

2. This caseload data includes uncomplicated, drug sensitive cases of TB, and multi-drug resistant TB (MDR TB). Currently, there are 11 active cases of MDR TB in Wisconsin, where the disease does not respond to two of the most effective TB drugs. Medication, treatment and laboratory costs for MDR TB is much more expensive than for drug sensitive TB (approximately $48,000 compared to approximately $7,000, over the course of treatment).

3. Thirty-three local agencies currently have status as public health dispensaries. This number has grown from two certified dispensaries in 1999, to twelve in 2005. DHS indicates that most counties that have cases of TB have applied for dispensary status, with the majority of dispensaries serving between one and five active TB cases.

4. In addition to base GPR funding of $450,300 in 2008-09, the state also receives federal funding from the Centers for Disease Control and Prevention (CDC) to support the tuberculosis program. This CDC funding is used primarily for administration, staff costs, training and technical assistance, disease surveillance, patient management oversight, a contract with the American Lung Association, and laboratory costs. The grant supports 3.15 full-time equivalent (FTE) positions in the DHS Division of Public Health and .80 FTE positions at the State Lab of Hygiene. In calendar year 2009, the state received $367,200 from this grant.

5. The bill would provide $100,000 GPR annually to fund targeted prevention services for populations at higher risk for TB infection. DHS would contract with one public health department to receive this funding, which would support the cost of hiring of an individual for two years to set up and run a prevention program. DHS has not yet determined which public health

department would receive these funds. Although the funding would go to a single local public health department, DHS anticipates that the prevention program would operate on a statewide basis.

6. This funding for targeted prevention services would focus on populations that are vulnerable to TB infection, and work to provide education and outreach in the community. While treatment is available once the disease is identified, the prevention activities would aim to reduce demand for treatment in the future, and reduce the need for the expensive treatment of MDR TB. Treatment for latent cases of TB costs less that $300 per individual.

7. Since the introduction of the Governor's budget bill, program costs have been reestimated so that an additional $124,300 in 2009-10 and $203,400 in 2010-11 would be required to fund program costs (other than the prevention initiative). These projections are based on program expenditure experience from 1993-94 to 2007-08. Based on this reestimate, funding in the bill could be increased by $9,100 in 2009-10 and $14,800 in 2010-11 (Alternative 2).

8. However, there remains considerable uncertainty regarding future program costs. Further, the increase in funding that would be needed to fund services, based on the reestimate, is relatively small compared to the amount that would be available for medical services ($23,900 of $1,195,400, or less than 2%). For these reasons, the Committee could adopt the Governor's funding level for the program. If costs exceed the amounts budgeted for program benefits, DHS could choose to reduce funding for the prevention initiative to support medical costs funded under the program. (Alternative 1).

9. In light of current fiscal constraints, the Committee could choose to delete the additional $100,000 GPR annually that would be provided to fund the targeted prevention activities, and still fully fund projected medical services costs under the program (Alternative 3).

10. Finally, the Committee could maintain base funding for the program ($450,300 GPR annually). DHS is directed by rule to reimburse public health dispensaries for specified services to eligible individuals until the biennial appropriation for this purpose is expended. By maintaining base funding (Alternative 4), it is unlikely that DHS could fully reimburse program costs in the 2009-11 biennium.

ALTERNATIVES

1. Adopt the Governor's recommendation.

2. Increase funding in the bill by $9,100 GPR in 2009-10 and by $14,800 GPR in 2010-11 to reflect reestimates of the cost to fully fund the program in the 2009-11 biennium.

ALT 2	**Change to Bill** Funding
GPR	$23,900

3. Reduce funding in the bill by $90,900 GPR in 2009-10 and by $85,200 GPR in 2010-11 to: (a) fully fund projected program costs in the 2009-11 biennium, based on current estimates ($9,100 GPR in 2009-10 and $14,800 GPR in 2010-11); and (b) delete funding for the prevention initiative (-$100,000 GPR annually).

ALT 3	**Change to Bill** Funding
GPR	**-** $176,100

4. Delete provision. Reduce funding in the bill by $215,200 GPR in 2009-10 and by $288,600 GPR in 2010-11.

ALT 4	**Change to Bill** Funding
GPR	**-** $503,800

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