



## Legislative Fiscal Bureau

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May 18, 2011

Joint Committee on Finance

Paper #366

### **Delete State Family Planning Funding (DHS -- SSI and Public Health)**

[LFB 2011-13 Budget Summary: Page 238, #2]

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#### **CURRENT LAW**

The Division of Public Health (DPH) in the Department of Health Services (DHS) administers a range of programs focused on maternal and child health, and children and youth with special health care needs. Among the activities conducted by the family health section is the oversight of the Department's reproductive health and family planning activities.

DHS is currently budgeted \$1,935,600 GPR annually for family planning activities. Approximately \$1.3 million of these funds are distributed to county health departments or private agencies to provide family planning services in 50 counties. The remaining \$0.6 million supports training, technical assistance, and laboratory services for these organizations.

#### **GOVERNOR**

Repeal the GPR appropriation and funding that supports family planning services administered by DPH (-\$1,935,600 annually). In addition, repeal provisions that direct DHS to allocate amounts annually from this appropriation for specific family planning-related services. The bill would not modify other provisions related to the state's family planning program, including provisions that define "family planning services" and provisions that identify the Department's duties relating to the program.

#### **DISCUSSION POINTS**

1. This paper discusses the Governor's proposal to delete all GPR funding administered by DPH for family planning services. The Governor's recommendations regarding the family planning services provided through the medical assistance (MA) program are discussed in a separate paper.

2. The Department's role in delivering family planning services under DPH is outlined in s. 253.07 of the state statutes. Specifically, state law requires the Department to provide for the delivery of family planning services throughout the state by developing and annually updating a state plan for community-based family planning programs. DHS is required to allocate state and federal family planning funds under its control in a manner which promotes the development and maintenance of an integrated system of community health services, and is required to maximize the use of existing community family planning services by encouraging local contractual arrangements.

3. Statutes define "family planning" as voluntary action by individuals to prevent or aid conception. This definition explicitly excludes the performance, promotion, encouragement or counseling in favor of, or direct or indirect referral for, voluntary termination of pregnancy, but may include providing nondirective information explaining any of the following: (a) prenatal care and delivery; (b) infant care, foster care or adoption; or (c) pregnancy termination. "Family planning services" mean counseling by trained personnel regarding family planning, distribution of information relating to family planning, and referral to licensed nurse practitioners within the scope of their practice, licensed physicians or local health departments for consultation, examination, medical treatment and prescriptions for the purpose of family planning.

4. In addition to the exclusion of the performance or promotion of voluntary termination of pregnancy in the definition of "family planning" under s. 253.07, other sections of state law explicitly prohibit the use of state or local funds for abortion, except where medically necessary for the health of the mother, or in cases of rape or incest (s. 20.927, s. 59.53(13), and s. 66.0601(1)(b) of the statutes).

5. DHS is currently budgeted \$1,935,600 GPR annually to support family planning activities through grants to local units of government and private organizations across the state. State statutes impose certain requirements for the use of these funds. The Governor's budget bill would delete these funds and the statutory language related to that appropriation under s. 253.07(4) of the statutes. The bill would maintain other provisions related to state's family planning program, including provisions that define "family planning services" and provisions that identify the Department's duties related to the program.

6. DHS distributes \$1,331,700 of this appropriation to county health departments or other private organizations for family planning and reproductive health clinic services in certain counties, and for early intervention (EI) services provided at these and other clinics across the state. The remaining funds in the appropriation are allocated to activities that support the direct services provided in these clinics—\$337,700 to Health Care Education and Training, Inc. (HCET) for training and technical assistance, and \$266,400 to the Wisconsin State Laboratory of Hygiene (WSLH) for certain laboratory tests provided for individuals receiving services at the community-based clinics.

7. The \$1.3 million GPR that supports local reproductive health clinics and EI services is provided in combination with approximately \$1.3 million in federal Maternal and Child Health block grant funds, under Title V of the Social Security Act. GPR represents approximately 45% of this combined allocation. It is important to note that while the GPR funding can be used to fund or subsidize direct services to individuals, the Title V funding is not intended to be used solely for

direct services, but rather mainly for improving the capacity of these clinics to provide these services. For that reason, the GPR and Title V FED allocations should not be viewed as completely interchangeable, even though they are provided to these clinics as a combined contract allocation.

8. Approximately 95% of the GPR and Title V FED funds are allocated for community-based reproductive health clinic services in a 50-county area, and 5% are allocated for EI services provided in clinics across the state (not all counties in this GPR/Title V service area have a clinic in that county). In general, GPR funds constitute 45% of the allocation for most counties that receive this funding for community-based clinic services. The only exceptions are for Kenosha County (GPR represents 100% of funding), and the Menominee Tribal Clinic (GPR represents 85% of funding).

9. In the remaining counties that do not receive this GPR/Title V allocation for reproductive health clinics, the provision of family planning and reproductive health services in community-based clinics are funded by approximately \$3.4 million in federal Title X family planning funds provided directly to Planned Parenthood of Wisconsin. As these Title X funds are not received by the state, the administration and the Legislature do not have control over Title X grant funding.

10. The combined GPR and Title V FED allocation constitutes approximately 25% of the total funding that the community-based clinics receive to support services for individuals and clinic operations. Since GPR constitutes approximately half of this allocation, the GPR that would be eliminated under this item makes up approximately 12.5% of revenues available in these clinics. Other sources of revenue include Medicaid reimbursement (the main funding source for these clinics), private insurance reimbursement, patient fees, and charitable donations. The exact amount that this GPR funding constitutes in each recipient community-based clinic is not available, but the revenues would be expected to vary between clinics.

11. County and private agencies compete for these family planning allocations to support community-based clinics. The agencies that successfully compete for these allocations receive these funds for a five-year period. DHS last issued a request for proposals (RFP) in 2010 for the 2011–2015 period. County health departments provide these services in 16 counties. In the remaining counties, the following organizations receive the funding allocation (most of these organizations provide services in multiple counties): Berlin Memorial Hospital, Community Action Coalition of South Central Wisconsin, Douglas County Health Care Clinic, Family Planning Health Services, NEWCAP, Options in Reproductive Care, Planned Parenthood of Wisconsin, Southwestern Wisconsin Community Action Program, ThedaCare Physicians-Hilbert, Wellness Center of Door County, and the Western Dairyland Equal Opportunity Council.

12. The attachment to this paper provides a list of counties that received this GPR/Title V funding in calendar year 2011, the organization or county department that received these funds, and the maximum amount that available to a county under the original RFP. The amounts shown in the attachment reflect anticipated grant expenditures within a county, although the actual contracted amount may vary. The list in this attachment is divided by counties that receive an allocation for community-based clinics, and counties that receive an allocation for EI services only.

13. Recipient entities use these funds to support a portion of the costs of providing care and services in family planning and reproductive health clinics. This includes the operating costs of the clinics (such as staff time, rent, and other overhead costs), and offsetting the cost of uncompensated care for uninsured women who are not eligible for family planning services under BadgerCare Plus.

14. Services provided at these clinics include contraceptive services and supplies, pregnancy testing, perinatal care coordination and follow-up, cervical cancer screening, sexually transmitted infection prevention, testing, treatment, and follow-up, and general health screening (including health risk assessments and examinations). In counties that do not receive allocations for community-based clinics, allocations for EI services support pregnancy testing, postpartum planning, early pregnancy planning, and emergency contraception. Data on the exact number of services in these categories is not collected by DPH.

15. DHS estimates that between 40,000 to 45,000 women receive services through these clinics each year. Approximately 75% of the individuals that receive services at these clinics are enrolled in MA (through full MA coverage, and under the family planning-only services (BC-FPOS) program)), and 2% have some level of private insurance coverage. Individuals who do not have coverage under MA, BC-FPOS or private insurance receive services on a fee-for-service basis based on a sliding fee scale (the GPR allocation may be used to offset the fees in these cases).

16. DHS also allocates \$337,700 GPR to HCET training, education, technical assistance, and other services to support the community-based clinics supported by the DPH, and other clinics and health care providers. HCET is the designated Title X and Centers for Disease Control and Prevention (CDC) Infertility Prevention Program training agency for Region V (which includes Wisconsin, Illinois, Indiana, Michigan, Minnesota, and Ohio), and receives other federal and state funds to support training and for broader maternal and child health activities.

17. This appropriation also provides \$266,400 GPR to the Wisconsin State Laboratory of Hygiene (WSLH) for laboratory tests for uninsured (that is, not covered by MA or private insurance) patients receiving care at community-based clinics, and professional consultation and screening-related technical assistance to clinicians and health care providers. The WSLH annually performs laboratory tests on 7,000 Pap tests, 2,600 human papillomavirus tests, 650 histology tests, and conducted 1,100 diagnostic consultations and reevaluations.

18. The effect of this elimination of the GPR allocation on the operations of community-based clinics is not clear. Most of the revenues generated for services provided in these clinics comes from sources other than the GPR that would be eliminated under the bill. However, the loss of the GPR funding component would require the clinics that currently receive these grants to find alternative sources of funding to make up for the reduction in available funds, or adjust their operations to accommodate the reduction.

19. The argument has been made that this public health funding allocated to community-based reproductive health clinics provides an important service to individuals who receive services in these clinics, and reduces costs by improving women's access to health services and by averting pregnancies through access to contraception. It is difficult to estimate the secondary effects or cost

savings that may be generated by the services provided by these clinics, due to the range of services provided and the assumptions that need to be made regarding cost and service utilization. Some agencies have attempted to estimate these effects. For instance, the Guttmacher Institute (a nonprofit organization that conducts research on reproductive health issues and promotes access to those services) estimated that services provided in all publicly-funded family planning clinics in Wisconsin (including Title X funded clinics) led to the prevention of a total of 24,900 unintended pregnancies through access to contraceptives in 2006.<sup>1</sup> The secondary effects of eliminating the GPR support for these clinics are not known, and would depend on the direct effect on the operations of the recipient community-based clinics.

20. Since the introduction of the Governor's budget recommendations, much discussion has focused on the requirements of the federal Title V Maternal and Child Health block grant, and how these requirements relate to funding the state provides for family planning activities. The MCH block grant funds a variety of activities, including funding focused on infant mortality and morbidity, children with special health care needs, access to primary care for children, and family planning. Wisconsin received approximately \$10.7 million in federal fiscal year 2010-11, and allocated approximately \$1.5 million of those funds to family planning activities.

21. States must meet maintenance-of-effort (MOE) and match requirements to receive MCH block grant funding. Wisconsin must show that it spends at least \$4.7 million on maternal and child health programs (the amount spent in 1989) to meet the MOE requirement. The state must also meet a match requirement of 75% of the total grant amount. Currently, the state counts the \$1.9 million GPR of family planning funds towards its MOE and match requirements. On April 21, 2011, in response to questions on how the state would meet these requirements if these family planning funds were eliminated, DHS Secretary Smith sent a letter to the Co-Chairs of the Committee identifying the funding sources that would constitute the MOE amount in future years if the Governor's proposal regarding family planning funds is enacted (the 75% match amount is met through the designated MOE funds and through fees for services generated in the community-based clinics). The Department indicates that it would count certain tobacco use control grants related to pregnant women and children distributed by DPH that it did not previously include in the MOE amount. Table 1 shows the funding sources identified in this letter.

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<sup>1</sup> For that report, see the following link: <http://www.guttmacher.org/pubs/NextSteps.pdf>

**TABLE 1**

**DHS Proposed MOE for 2011-12 MCH Block Grant**

<u>Program</u>	<u>2011-12 Allocation (Under AB 40/SB 27)</u>
Tobacco Use Control Grants*	\$877,955
Milwaukee Adolescent Pregnancy Prevention	69,100
Congenital Disorders	2,872,600
Statewide Poison Control Program	382,500
Preventive Oral Health*	205,145
Rural Cervical Cancer Program	25,000
Colposcopy Testing	66,800
Racine Infant Mortality/Morbidity Prevention	<u>222,700</u>
Total	\$4,721,800

\*Part of larger appropriations.

22. Although this is the plan DHS proposes to meet the MOE requirement, the Health Resources Services Administration in the U.S. Department of Health and Human Services would need to review and approve this plan as part of the state's application for 2011-12 MCH block grant funds. Restoration of the \$1.9 million GPR provided for family planning activities would allow the Department to meet the MOE requirement without identifying the tobacco control funding as MOE.

23. If the Committee agrees with the administration that the funding for family planning activities should be eliminated, it could approve the Governor's recommendations (Alternative #1). If the Committee believes that the state should continue to support family planning activities through allocations to community-based clinics, it could delete all provisions relating to this item from the bill (Alternative #2).

24. If the Committee decides to restore GPR funding for family planning services and the related statutory provisions, it could apply the 10% across-the-board reduction to most nonstaff costs across state government to this appropriation (Alternative #3). The Governor's budget recommendations applied this reduction to all GPR-funded appropriations related to Public Health (although the Department of Administration subsequently requested, and the Committee approved, a reversal of the funding reduction to the Wisconsin Well Woman program). If the Committee decides to adopt this alternative, it would increase funding in DHS by \$1,742,000 GPR annually.

25. Finally, as previously discussed, DHS allocates approximately \$1.3 million of the Title V MCH block grant funds in addition to the GPR family planning funds allocated to clinics. The Department has indicated that it intends to continue allocating MCH block grant funds for these purposes. No further action by the Committee would be needed to allow DHS to continue to do so. However, if the Committee wished to explicitly require the Department to continue this allocation to counties and private organizations, it could require DHS to continue to allocate at least the amount of Title V MCH block grant funding for community-based family planning and reproductive health clinics that it allocated in the 2010-11 grant period (Alternative #4). This would, in effect, impose a maintenance of effort requirement on the Department with respect to the Title V federal funding it

expends on the activities discussed in this paper. This could be adopted in conjunction with any of the other alternatives.

26. This alternative would potentially constrain the Department from using these funds on other MCH block grant activities in the future, if the amount of the federal grant received by the state is reduced. To provide the Department with flexibility to comply with federal law under this alternative, the Department could request approval from the Committee to decrease the amount of Title V funding allocated to community-based clinics (if deemed necessary to comply with federal requirements of the grant) under the 14-day passive review process.

## ALTERNATIVES

1. Approve the Governor's recommendations.
2. Delete provision. Increase funding for family planning activities by \$1,935,600 GPR annually, and retain current statutory provision relating to the program.

<b>ALT 2</b>	<b>Change to Bill Funding</b>
GPR	\$3,871,200

3. Delete provision. However, reduce base funding for GPR-funded family planning services by 10%, beginning in 2011-12 (-\$193,600 GPR annually). Increase funding in the bill for family planning activities by \$1,742,000 GPR annually, and retain current statutory provisions relating to the program.

<b>ALT 3</b>	<b>Change to Bill Funding</b>
GPR	\$3,484,000

4. In addition to any of the alternatives listed above, require DHS to continue to allocate at least the amount of Title V MCH block grant funding for community-based family planning and reproductive health clinics that it allocated in the 2010-11 grant period. If the Department wants to allocate less than was allocated in the 2010-11 grant period, require the Department to submit a proposal to do so to the Joint Committee on Finance, which would consider the proposal under a 14-day passive review process.

Prepared by: Sam Austin  
Attachment



## ATTACHMENT

### 2011 Preliminary Family Planning Allocations and Recipient Organization By County

<u>County*</u>	Allocation Amount, Identified in Request for <u>Proposal (RFP)</u>	<u>Recipient Organization</u>
<b>Allocations for Community-Based Clinics</b>		
Adams	\$25,387	Family Planning Health Services (FPHS)
Ashland	30,363	Douglas Co Health Care Clinic
Barron	49,942	Barron County Health and Human Services
Bayfield	22,757	Douglas County Health Care Clinic
Brown	169,845	NEWCAP/Planned Parenthood of WI (PPWI)
Burnett	21,886	Burnett County Health Department
Calumet	31,285	ThedaCare Physicians-Hilbert
Chippewa	50,228	PPWI
Clark	40,251	Clark County Health Center
Dodge	58,012	PPWI
Door	35,905	Wellness Center of Door County
Douglas	47,889	Douglas County Health Care Clinic
Dunn	68,924	Dunn County Health Department
Eau Claire	130,438	PPWI
Florence	15,070	NEWCAP
Fond du Lac	80,028	PPWI
Forest	23,313	NEWCAP
Grant	64,616	Southwestern Wisconsin CAP
Green	31,779	Southwestern Wisconsin CAP
Green Lake	24,516	Berlin Memorial Hospital
Iowa	25,008	Southwestern Wisconsin CAP
Iron	16,460	Iron County Health Department
Jefferson	53,244	PPWI
Juneau	32,292	FPHS
Kenosha	189,400	PPWI
Lafayette	22,466	Southwestern Wisconsin CAP
Langlade	33,308	FPHS
Lincoln	35,556	FPHS
Marathon	124,600	FPHS
Marinette	41,725	NEWCAP
Marquette	22,891	Berlin Memorial Hospital
Menominee	37,461	Menominee Tribal Clinic
Oconto	34,409	NEWCAP
Oneida	45,838	Oneida County Health Department
Pepin	18,264	Pepin County Health Department
Pierce	66,273	Pierce County Health Department
Polk	45,537	Polk County Health Department
Portage	98,178	FPHS
Price	28,029	Price County Health Department

<u>County*</u>	<u>Allocation Amount, Identified in Request for Proposal (RFP)</u>	<u>Recipient Organization</u>
Rusk	23,538	Rusk County Health Department
Sawyer	26,802	Sawyer County Department of Health
Shawano	36,612	PPWI
St Croix	65,714	St. Croix County Health and Human Services
Taylor	29,124	FPHS
Vilas	27,365	NEWCAP
Washburn	25,838	Washburn County Health Department
Waupaca	44,377	Waupaca County Human Services
Waushara	25,717	Berlin Memorial Hospital
Winnebago	128,283	PPWI
Wood	74,898	PPWI

**Allocations for Early Intervention Services Only**

Buffalo	2,150	Western Dairyland Equal Opportunity Council (EOC)
Columbia	3,434	PPWI
Crawford	2,502	Options in Reproductive Care
Dane	17,372	PPWI
Jackson	3,765	Western Dairyland EOC
La Crosse	9,428	Options in Reproductive Care
Manitowoc	3,751	PPWI
Milwaukee	35,570	PPWI
Monroe	3,982	Options in Reproductive Care
Outagamie	6,228	PPWI
Racine	9,252	PPWI
Richland	1,912	Options in Reproductive Care
Rock	16,655	Community Action Coalition for South Central WI
Sheboygan	6,021	PPWI
Trempealeau	4,017	Western Dairyland EOC
Walworth	5,603	PPWI
Washington	5,539	PPWI
Waukesha	<u>10,535</u>	PPWI
Total	\$2,649,357	

\*The following counties do not receive a grant for clinic or EI services, but are served by the indicated organization that operates clinics in adjacent counties: Kewaunee (Wellness Center of Door County), Sauk (PPWI), Ozaukee (PPWI) and Vernon (Options in Reproductive Care).