

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **05/3/99**

Received By: **yacketa**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Goldman**

This file may be shown to any legislator: **NO**

Drafter: **yacketa**

May Contact:

Alt. Drafters:

Subject: **Health - public health**

Extra Copies: **DAK**

Pre Topic:

LFB:.....Goldman -

Topic:

Tuberculosis

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	yacketa 05/5/99	gilfokm 05/5/99	hhagen 05/5/99	_____	lrb_docadmin 05/5/99		

FE Sent For:

<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **05/3/99**

Received By: **yacketa**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Goldman**

This file may be shown to any legislator: **NO**

Drafter: **yacketa**

May Contact:

Alt. Drafters:

Subject: **Health - public health**

Extra Copies: **DAK**

Pre Topic:

LFB:.....Goldman -

Topic:

Tuberculosis

Instructions:

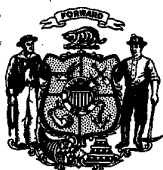
See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	yacketa	1-5-5-99 kmg	CHS/S	CH/SFS/S			

FE Sent For:

<END>



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

April 27, 1999

Joint Committee on Finance

Paper #503

Tuberculosis (DHFS -- Public Health)

[LFB 1999-01 Budget Summary: Page 285, #5 (part)]

CURRENT LAW

Counties with populations of 25,000 or more can establish and maintain public health dispensaries and, where necessary, branches of the dispensaries for the diagnosis and treatment of individuals with tuberculosis and other pulmonary diseases. Two or more counties can establish, operate and maintain dispensaries in order to serve a total population of 25,000. Counties are authorized, but not required, to charge fees for services provided by the dispensaries. These fees must be established in a schedule and must be based on reasonable costs.

The state reimburses dispensaries on an annual or quarterly basis for the operation of the dispensaries. The statutes authorize the state to reimburse dispensaries \$6, or a greater amount, per visit ordered by a physician and an additional \$6, or greater amount, for an x-ray. The administration and reading of a TB test is considered one visit. TB tests administered in school programs, employment health programs, community preventive and case finding programs are not reimbursable as a clinic visit. Home visits by public health nurses to a individual with active TB, if ordered by a physician, is reimbursed at the \$6 rate for clinic visits. Reimbursement for these home visits is limited to four visits per year. Funding for dispensary services is currently budgeted in the disease aids program (\$30,000 annually).

The state also purchases drugs necessary for the treatment of TB and dispenses them through local health departments (LHDs) to individuals with TB infection or active TB. Funding for these expenditures is currently budgeted in the disease aids program (\$180,000 annually).

GOVERNOR

Create a separate appropriation in the Department of Health and Family Services (DHFS) Division of Public Health to fund county TB dispensaries so that the total GPR funding for these payments (\$391,900 annually) would no longer be included in the amounts budgeted for the disease aids program. In addition, provide \$26,700 GPR and \$38,100 FED in 1999-00 and \$26,800 GPR and \$38,100 FED in 2000-01 to support TB-related service provided to medical assistance (MA) recipients by public health dispensaries.

Delete the authority of a county with a population of more than 25,000 to establish and maintain public health dispensaries and provisions related to the administration of such dispensaries. Instead, specify that a LHD could request certification to establish and maintain a public health dispensary from the Department of Health and Family Services (DHFS). Two or more LHDs could jointly establish, operate and maintain public health dispensaries. Delete the requirement that DHFS notify the Department of Revenue of the establishment of public health dispensaries and any contacts relating to public health dispensaries.

DHFS would be authorized to establish public health dispensary certification requirements by rule and to withhold, suspend or revoke a certification if a LHD did not comply with DHFS rules. Require DHFS to provide reasonable notice to the LHD of a decision to withhold, revoke or suspend certification. Require DHFS to offer the LHD an opportunity to comply with the rules and to have a fair hearing. Specify that certified LHDs could contract for public health dispensary services. If the contracted provider did not comply with DHFS rules, DHFS could suspend or revoke the LHD certification.

Delete all statutory provisions relating to state reimbursement of services provided by public health dispensaries and the treatment of these funds. Require DHFS to establish, by rule, a reimbursement rate for public health dispensary services.

DISCUSSION POINTS

1. In 1998, there were 109 cases of active TB in the state. Of these cases, approximately 33% were in Milwaukee County. TB infection is not a reportable condition, so it is difficult to estimate the number of individuals in the state with TB infection. In 1997-98, the state supplied medication through LHDs to approximately 1,500 individuals. However, because drugs for TB infection are relatively inexpensive, there may be a significant number of TB infected persons who are not identified to the state through the drug reimbursement program.

Individuals with TB infection who complete the drug treatment regime have a significantly reduced risk of developing active TB. Individuals with active TB who complete the drug regime are considered "cured" and are no longer able to transmit the disease to others. If TB is identified in a late stage of the disease or if it is left untreated, it can be terminal.

2. The most effective treatment for TB is directly observed therapy (DOT) and directly

observed preventive therapy (DOPT). Both the Centers for Disease Control and Prevention and the World Health Organization have stated that DOT should be the standard of care for TB treatment. Some states have universal DOT policies. In Wisconsin, local health departments can decide whether or not to provide DOT and DOPT.

3. DOT and DOPT are the direct observation of a person with active TB or TB infection taking their medication. There are two different TB drug regimes, intermittent (two times a week) and daily. Both of these regimes take approximately six months to complete. The intermittent drug regime is used most commonly for individuals receiving DOT or DOPT. DOT and DOPT are also effective in reducing the evolution of drug resistant strains of TB. At the beginning of the TB drug regime, individuals are required to take four medications. If they are not all taken, there is an increased likelihood of the development of a drug resistant TB strain.

The City of Milwaukee has a stated goal of conducting DOT for all of its active TB cases and DOPT for "high-risk" individuals, including children and individuals with HIV/AIDS. Under current law, DOT and DOPT are not reimbursable services for public health dispensaries. Therefore, Milwaukee County does not receive reimbursement for DOT and DOPT from the state. Costs for these services are supported with local revenues.

4. In addition to ensuring drug treatment compliance, DOT and DOPT visits also provide an opportunity to educate TB infected individuals and their families about the disease and the side effects of the drugs. The visits also provide the opportunity to conduct TB skin tests on other family members and potentially identify other TB infected individuals. Education and TB skin tests are currently reimbursable under the dispensary program as part of home visits. In addition to home visits, clinic visits and x-rays are currently reimbursable under the dispensary program. The current reimbursement rate is \$6 per visit and \$6 per x-ray.

5. Because of its effectiveness in treating TB, DOT is used by some counties that do not operate dispensaries. In 1998, 25 counties (including Milwaukee County) had TB cases. Of these, 13 used DOT for at least one TB patient. Approximately, 49% of the total cases were treated with DOT.

6. Under the provisions contained in the bill, DHFS would establish services eligible for reimbursement under the TB program and reimbursement rates for those services. The following table provides a summary of services provided by dispensaries that would be reimbursable under the state's TB program and the reimbursement rate for those services, as proposed by the administration:

Proposed Services and Reimbursement Rates for
Public Health Dispensaries

<u>Service</u>	<u>Charge</u>
TB Skin Test	\$8.39
Chest X-ray (film and interpretation)	82.89
Medical Evaluation	53.57
Sputum Collection (in the field)	14.41
Sputum Induction	50.00
Sputum Testing	14.41
Liver Function Tests	12.28
DOT Visits	35.00
DOPT Visits	35.00

These reimbursement rates are generally based on current MA reimbursement for the services that are covered under the state's MA program.

7. Federal law allows states to extend MA eligibility to individuals who have TB infection and who meet the income and asset tests of the SSI program. MA coverage for these individuals is limited to TB-related services. 1995 Wisconsin Act 27 expanded MA eligibility to this group. Services for these individuals are limited to: (a) prescription drugs; (b) physician services; (c) laboratory and x-ray services; (d) clinic services; (e) case management services; and (f) services designed to encourage individuals to take their medications (DOT and DOPT). As of February, 1999, there were 175 individuals enrolled in the MA program based on TB-related eligibility criteria.

In addition, there may be individuals enrolled in the MA program who have TB infection and are MA eligible based on non-TB related eligibility criteria. Data collected by DHFS in 1996 suggests that approximately 20% of the population that would receive services at TB dispensaries would be eligible for MA coverage.

8. Currently, the City of Milwaukee Health Department and Walworth County are the only LHDs with dispensary status. However, to date, Walworth County has not billed the state for TB-related services. In calendar year 1998, the Milwaukee dispensary billed the state for 1,717 clinic visits, 656 x-rays and 145 home visits. DHFS staff indicate that the limited scope of services and the \$6 reimbursement rate have limited counties' interest in becoming public health dispensaries.

9. Expanding eligible services and increasing reimbursement rates under the dispensary program would encourage more health departments to become TB dispensaries. It is expected that Brown, Dane, Waukesha, Racine and Kenosha Counties would become dispensaries and that other

counties may also choose to become certified dispensaries. Milwaukee and Walworth Counties have already established dispensaries.

If these seven counties had dispensaries in 1998, approximately 73% of persons with active TB cases would have lived in a county with a TB dispensary. Because of the state's interest in reducing the prevalence of TB infection and drug resistant TB strains, the Committee could provide funding to increase the types of services eligible for reimbursement under the dispensary program and reimbursement rates for these services.

10. The Department is currently developing the rules that would be required under the bill to modify the dispensary certification requirements. It is not expected that the newly-established dispensaries would be operational on July 1, 1999. Therefore, it is assumed that 1999-00 cost of increased reimbursement for TB-related services provided by public health dispensaries would be 75% of the annual cost.

11. It is estimated that, under provisions contained in the bill, reimbursement for TB dispensary services would be \$244,100 GPR in 1999-00 and \$325,500 GPR in 2000-01. Based on the assumption that 20% of individuals receiving services from dispensaries would be MA eligible, it is estimated that the expansion of TB dispensaries would increase MA costs by \$25,100 GPR and \$35,800 FED in 1999-00 and \$33,600 GPR and \$47,800 FED in 2000-01. In addition to the dispensary costs, it is estimated that \$180,000 GPR would be required on an annual basis to support the costs of providing TB drugs through LHDs. In total, it is estimated that \$449,200 GPR in 1999-00 and \$539,100 GPR in 2000-01 is required to fully fund the program, based on the proposed changes to dispensary services and reimbursement rates.

12. The current estimate is \$30,600 GPR more and \$2,200 FED less in 1999-00 and \$120,400 GPR and \$9,700 FED more in 2000-01 than the amounts provided in the bill. If the Committee adopted the funding provided in the bill, it could direct the Department to establish reimbursement rates for TB-related services such that estimated expenditures do not exceed the amounts budgeted for the program in each fiscal year.

13. Alternatively, if the Committee wishes to maintain the types of services eligible for reimbursement under the TB dispensary program and the rate for current services, it could reduce funding for the TB appropriation by \$181,900 annually and reduce MA funding by \$26,700 GPR and \$38,100 FED in 1999-00 and \$26,800 GPR and \$38,100 FED in 2000-01. In addition, the Committee could delete all of the TB-related statutory provisions contained in the bill, except for the provision that would create an appropriation for the TB program.

14. The bill creates a separate TB appropriation and names it "disease aids." The appropriation for the Wisconsin chronic disease program is titled "disease aids." In order to avoid confusion, the Committee could rename the appropriation for the TB program "tuberculosis services."

ALTERNATIVES

Adopted

1. Approve the Governor's recommendation to provide \$391,900 GPR annually to: (a) support the costs of purchasing TB drugs dispensed through LHDs; (b) expand the scope of TB-related services provided by public health dispensaries; and (c) increase the reimbursement rate for TB-related services provided through public health dispensaries. Adopt the statutory charges recommended by the Governor. In addition, direct DHFS to establish reimbursement rates for TB-related services provided by dispensaries such that estimated expenditures would not exceed the level of funding budgeted for the program in each fiscal year. Finally, increase MA benefits payments by \$26,700 GPR and \$38,100 FED in 1999-00 and \$26,800 GPR and \$38,100 FED in 2000-01. Finally, rename the TB disease aids appropriation "tuberculosis services."

2. Increase funding in the bill by \$30,600 GPR and decrease funding by \$2,200 FED in 1999-00 and increase funding by \$120,400 GPR and \$9,700 FED in 2000-01 to reflect current estimates of: (a) the annual cost of purchasing TB drugs dispensed through LHDs; (b) expanding the scope of TB-related services provided by public health dispensaries; and (c) increasing the reimbursement rate for TB-related services provided through public health dispensaries, as proposed in the bill. Adopt all the statutory changes recommended by the Governor. Finally, rename the TB disease aids appropriation "tuberculosis services."

<u>Alternative 2</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	\$151,000	\$7,500	\$158,500

3. Reduce funding in the bill by \$208,600 GPR and \$38,100 FED in 1999-00 and \$208,700 GPR and \$38,100 FED in 2000-01, and maintain the current reimbursement rate for TB-related services and the current types of services that are eligible for reimbursement under the dispensary program. Delete all statutory changes to the program other than the creation of the new appropriation for the TB program. Finally, rename the TB disease aids appropriation "tuberculosis services." Under this alternative, funding for the purchase of TB-related drugs dispensed through LHDs and base funding for the Milwaukee dispensary would be retained.

<u>Alternative 2</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Bill)	-\$417,300	-\$76,200	-\$493,500

Prepared by: Amie T. Goldman



5000
State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0227/1

TAY... King
RWK

LFB:.....Goldman – Tuberculosis

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 ✓ 1. Page 292, line 18: delete “Disease aids” and substitute “Tuberculosis
3 services”.

4 ✓ 2. Page 429, line 15: delete “*Disease aids*” and substitute “*Disease aids*
5 *Tuberculosis services*”.

6 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0227/1
TAY:kmg:hmh

LFB:.....Goldman - Tuberculosis

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 292, line 18: delete "Disease aids" and substitute "Tuberculosis
3 services".

4 **2.** Page 429, line 15: delete "*Disease aids*" and substitute "*~~Disease aids~~*
5 *Tuberculosis services*".

6 (END)