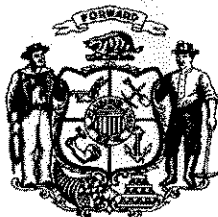


THE STATE OF WISCONSIN

A

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

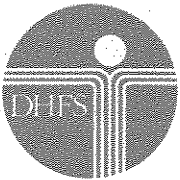
Date: January 8, 1999

Attached is a copy of a report from the Department of Health and Family Services, pursuant to s. 46.03(26), Stats. The report provides information on information systems projects under development.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Lekan, Secretary



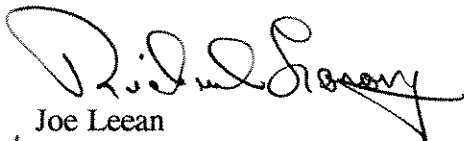
December 30, 1998

The Honorable Brian Burke
State Senate
Joint Finance Committee Co-Chair
316 South, Capitol
P.O. Box 7882
Madison, WI 53707-7882

Dear Senator Burke:

Section 46.03(26) of the statutes requires the Department of Health and Family Services to report annually on information systems projects under development. The attached report is a summary of the departmental systems currently under development.

Sincerely,


Joe Lekan
Secretary

Enclosure

cc: Representative John Gard, Assembly Joint Finance Committee Co-Chair
Donald Schneider, Senate Chief Clerk
Charles Sanders, Assembly Chief Clerk



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary



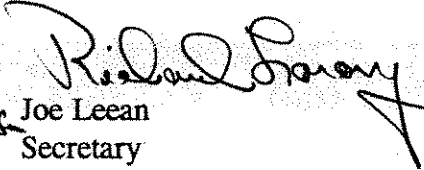
December 30, 1998

Mr. Charles Sanders
Assembly Chief Clerk
1 East Main, Room 402
P.O. Box 8952
Madison, WI 53708-8952

Dear Mr. Sanders:

Section 46.03(26) of the statutes requires the Department of Health and Family Services to report annually on information systems projects under development. The attached report is a summary of the departmental systems currently under development.

Sincerely,


Joe Leean
Secretary

Enclosure

cc: Senator Brian Burke, Senate Joint Finance Committee Co-Chair
Representative John Gard, Assembly Joint Finance Committee Co-Chair
Donald Schneider, Senate Chief Clerk



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Lekan, Secretary



December 30, 1998

The Honorable John Gard
State Assembly
Joint Finance Committee Co-Chair
315 North, Capitol
P.O. Box 8952
Madison, WI 53708-8952

Dear Representative Gard:

Section 46.03(26) of the statutes requires the Department of Health and Family Services to report annually on information systems projects under development. The attached report is a summary of the departmental systems currently under development.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Joe Lekan'.

Joe Lekan
Secretary

Enclosure

cc: Senator Brian Burke, Senate Joint Finance Committee Co-Chair
Donald Schneider, Senate Chief Clerk
Charles Sanders, Assembly Chief Clerk



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary



December 30, 1998

Mr. Donald Schneider
Senate Chief Clerk
1 East Main, Room 402
P.O. Box 7882
Madison, WI 53707-7882

Dear Mr. Schneider:

Section 46.03(26) of the statutes requires the Department of Health and Family Services to report annually on information systems projects under development. The attached report is a summary of the departmental systems currently under development.

Sincerely,

A handwritten signature in cursive script that reads 'Joe Leean'.

Joe Leean
Secretary

Enclosure

cc: Senator Brian Burke, Senate Joint Finance Committee Co-Chair
Representative John Gard, Assembly Joint Finance Committee Co-Chair
Charles Sanders, Assembly Chief Clerk

Information Systems Under Development



Making a difference.

December 1998

Table Of Contents

INTRODUCTION	1
DIVISION OF CHILDREN AND FAMILY SERVICES	2
WISCONSIN STATEWIDE AUTOMATED CHILD WELFARE INFORMATION SYSTEM (WISACWIS)	2
CHILDREN'S LICENSING SYSTEM	3
DIVISION OF CARE AND TREATMENT FACILITIES	4
SCHEDULING AND TIMEKEEPING	4
DIVISION OF HEALTH CARE FINANCING	5
VITAL RECORDS – REENGINEERING PROJECT (VR-REP)	5
FAMILY CARE	6
DIVISION OF MANAGEMENT AND TECHNOLOGY	7
BILLING AND COLLECTIONS ACCOUNTING SYSTEM (BACAS)	7
DIVISION OF PUBLIC HEALTH	8
WISCONSIN IMMUNIZATION REGISTRY (WIR)	8

Introduction

This document summarizes the major information systems currently under development by the Department of Health and Family Services (DHFS). As required by section 46.03(26) of the Statutes, the report contains the following, as appropriate, for each project under development:

- The implementation schedule;
- Estimates of costs; and
- Methods of determining charges.

A brief description of each system, key milestone dates and cost estimates are provided.

Methods of Determining Charges

In-house systems development and computer center activities supporting DHFS are program revenue-service operations charged to program areas on a unit rate basis. The rates are uniform for all customers and reflect the cost of providing services. The computer service rates are set by the Division of Information Technology Services of the Department of Administration (DOA). Applications development rates are approved by the DHFS Secretary and by Region V of the federal Department of Health and Human Services.

Competitive procurement processes and subsequent contract negotiations determine charges by application development vendors. DOA and federal funding agencies approve both.

Division of Children and Family Services

Wisconsin Statewide Automated Child Welfare Information System (WISACWIS) Statewide Automated Child Welfare Information Systems (SACWIS)

The Department has undertaken development of a comprehensive child protective services information system for Milwaukee and other Wisconsin counties. The system will meet Federal reporting requirements defined by SACWIS regulations and help the Department meet the requirements of Wisconsin Act 303, which mandated the State's assumption of child welfare responsibilities in Milwaukee County.

The project began its activities in February 1996. DHFS issued an RFP and selected a vendor to transfer, modify, and implement a SACWIS system for Milwaukee County. This system would also provide the base for statewide development and implementation. In December 1997, the contract with the vendor was terminated for mutual convenience. In the absence of the planned automated system, manual policies and procedures were implemented in Milwaukee on January 1, 1998 when the state assumed responsibility for child protective services.

During 1998, another RFP was issued and a vendor was selected. A contract was negotiated and is currently under review by the federal Administration of Children and Family (ACF). The present project plan is to have the initial system implemented in Milwaukee eight months after the contract is approved by the ACF. The initial system will include the Intake function and all the financial function and provider/resource management functions. Full functionality is projected for spring 2000. The budget for development of the system for Milwaukee County is approximately \$12.3 million

Children's Licensing System

The Bureau of Regulation and Licensing (BRL) licenses, regulates and monitors child day care facilities, children's residential facilities and child welfare agencies. Many of the functions related to the regulation and licensing of these facilities are tracked by the Children's Licensing Information Computer System (CLICS98). CLICS98 replaced an existing DOS-based Children's Licensing System. It is more reliable and stable, compatible with the Windows NT operating system, can support multiple users and is deployed via LAN/WAN connections. In addition, the system allows all employees in BRL (central and regional offices) to have access to the same data at the same time.

CLICS98 shares the same development (PowerBuilder) and database (SQL Server) platforms as other new DHFS regulation and licensing systems such as FL/CIS (Facility Licensing/Certification Information System), providing the following benefits:

- Object-oriented technology makes it more flexible and easier to maintain and enhance;
- Common data structures simplify data sharing; and
- Shared data and process models reduced development time and will enable faster modification and integration with other new systems.

The first phase of the system redesign was delivered June 30, 1998. Phase two development, which includes connections to other data systems as well as business process improvements, continues in FY 99. Anticipated annual operating costs starting in FY 00 will be \$50,000 for the first year and \$25,000 each year after. Costs for calendar year 1998 (actual + projected through December) are \$186,340. Projected costs for January through June 1999 (end of funding) are \$92,352.

Division of Care and Treatment Facilities

Scheduling and Timekeeping

The Division of Care and Treatment Facilities (DCTF) contracted with the Department's Bureau of Information Systems to serve as Project Manager for procurement of a Scheduling and Timekeeping system. A vendor was selected to design the system in conjunction with a DCTF user team. The system is proposed at a cost of approximately \$200,000, the amount provided for purchase by the IT Investment Fund. While the system will handle scheduling, it will not include an automated timekeeping system. Discussion continues as to the next steps to be taken to obtain this portion of the original request including finding an additional source of funds.

The new software will automate the assignment of staff to specific posts, work times and work dates; keep track of vacation scheduling; and maintain leave balances. It will interface with the Department's current payroll system. Eliminating duplicate data entry, meeting acceptable standards of shift coverage, reducing overtime and improved statistical reporting are the major goals of automation.

System tables have been completed, and several functional modules designed. Pilot installation and testing of the system at Winnebago Mental Health Institute is scheduled for early in 1999. After a testing and refinement period, the system will be rolled out to other DCTF sites sequentially. Additional tables and scheduling rules may be added at each site to accommodate local contract scheduling provisions. Full implementation across all sites is expected by fall 1999.

Division of Health Care Financing

Vital Records – Reengineering Project (VR-REP)

The Department is responsible for registering, indexing, making required changes to, and issuing the State's vital records. Approximately 165,000 registration events per annum, including 66,000 births, 45,000 deaths, 36,000 marriages and 17,000 divorces, are added to the historical database.

The Vital Records – Reengineering Project (VR-REP) will convert eleven current LAN based vital records applications to a single, efficient client/server system. Appropriate information will be more widely accessible through state-of-the-art technology. Information collection will be streamlined. The initial impetus for VR-REP came from concerns that current methodologies do not adequately address potential Y2K problems. Over time, it became clear that the Y2K challenge presented an opportunity to rework the vital records process to take advantage of web technology.

The newly formed Bureau of Health Information (BHI) includes the Vital Records Section (VRS), which is responsible for registration of vital events. A mix of PC/LAN based data systems and mainframe databases performs business functions. These functions include generation of certified copies of state records and fee collection, and survey actions. The current system lacks the following functionality:

- The ability to eliminate redundant data entry;
- The ability for many users from around the state to access appropriate data;
- The ability to generate ad hoc reports;
- The ability to interface efficiently with data providers;
- The ability to interface efficiently with data requestors;
- The ability to easily share appropriate data with other agencies.

The current system was developed, in part, with software that is no longer state standard. It must be brought into compliance. Due to the DHFS commitment to the development of a general system to share appropriate data while preserving appropriate confidentiality, BHI is participating with the Bureau of Information Systems (BIS) from the Division of Management and Technology (DMT) in the development of VR-REP.

No additional funding is included in the budget for development or implementation. Costs will be met with existing revenue sources and are estimated at \$250,000.

Family Care

FamilyCare restructures the manner in which long term care services for the elderly and for persons with disabilities are accessed, provided and paid for in the State of Wisconsin. Changes in business requirements will affect multiple automated systems as part of the implementation of FamilyCare. For example:

- When the demonstration phase of the FamilyCare Resource Centers ends and the project enters the next phase of its development, an automated Functional Screen tool will be required to replace the prototype developed for the Department by EDS. DHFS staff is currently working on the business requirements.
- The CARES system will be responsible for the determination of FamilyCare Medicaid eligibility, financial eligibility and calculation of a FamilyCare cost share for each participant. Work will begin on modifying the CARES system when FamilyCare eligibility policies and processes have been more fully developed.
- MMIS will need to be modified to handle FamilyCare recipient eligibility, cost-share amounts and to enroll individuals in Care Management Organizations (CMO).
- The extent of FamilyCare related changes to the MEDS system is not fully known but the Department anticipates that modification will be needed.

Preliminary changes to these systems will begin to be implemented in July 1999 and will continue at least through the summer of 2000. The final implementation date has not been set and is subject to change based upon the final FamilyCare legislation arrived at in the 1999-2001 Biennial Budget and the final waiver package agreed upon with the federal Health Care Financing Administration.

Overall systems project planning will continue and milestones will be determined as the policy and process analysis progresses. The total cost for these changes has not yet been determined. However, preliminary estimates indicate a total cost of \$2.0 to \$2.5 million.

Division of Management and Technology

Billing and Collections Accounting System (BACAS)

A client server system has been purchased to replace the existing host-based BACAS system. The replacement system, Insight CS, is a client/server product, utilizing standard hardware and software products. Implementation efforts were begun in 1998 and are targeted for completion in the first quarter of 1999.

The business functions affected by this system replacement effort are:

- Patient registrations, admissions, discharges and transfers
- Patient scheduling for services
- Patient charges for services provided
- Patient billing and accounting
- Accounts receivable management
- Improved accessibility of patient billing and accounting records by remote sites.

The amount available to spend on this replacement is approximately \$700,000. Cost savings associated with the replacement will be used to support ongoing maintenance. The new system will replace both the current billing and collections system and the Epic system currently used in the institutes for collecting patient information.

Division of Public Health

Wisconsin Immunization Registry (WIR)

Children should receive up to 15 doses of vaccine by their second birthday and up to 18 doses by school entry. Private physicians, public health clinics, hospitals and a variety of other health service facilities can provide these immunizations. Nearly all children in Wisconsin begin the recommended immunization series but only 70-75 percent is completed by two years of age. Roughly 40 percent of children receive their preschool immunizations from two or more health care facilities. WIR is being developed to assist the health care community in ensuring that all Wisconsin children complete a recommended series of immunizations.

During the past three years the Center for Disease Control (CDC) in Atlanta has provided funding, in stages, to develop various immunization registry data models that emphasize the collaboration between Wisconsin state agencies, the private sector and other States. Staff from the Wisconsin Immunization Program and BIS have explored computer systems and models developed in Wisconsin, in other States and through CDC. Additionally, Wisconsin's requirements have been defined and compared to these other efforts.

Once WIR is operational, it will provide secure and confidential access to immunization data from over 600 clinics. The system will include birth, death and adoption information from the DHCF Bureau of Health Information and provide additional interfaces to the DPH WIC system and to DHCF systems.

Total project costs are estimated to be approximately \$750,000, all of it in federal funds.

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

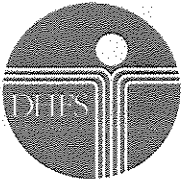
Date: February 17, 1999

Attached is a copy of a report from the Department of Health and Family Services, pursuant to s. 46.277(5m), Stats. The report provides information on the cost and quality of services used under the Medicaid Waiver Program.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

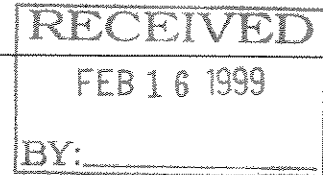
Attachment

BB:JG:dh



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary



February 12, 1999

The Honorable Brian Burke
Joint Committee on Finance, Co-Chair
Room 316 South Capitol
Madison, WI 53702

Dear Senator Burke:

Wis. Stats., s. 46.277(5m) requires that the Department of Health and Family Services submit a report to the Legislature each year by October 1, describing the cost and quality of services used under the Medicaid Waiver Program and the extent to which existing services have been used under the program in the preceding calendar year. Due to technical computer and data compilation-related problems, this report was completed in January 1999. The attached report covers calendar year 1997 activity for the Community Options Program Waiver and the Community Integration Program II.

These programs are designed to relocate or divert elderly and physically disabled persons from nursing homes and finance their care with Medicaid in a community setting. The level of Medicaid waiver funding must be no greater than the Medicaid cost for nursing home care. This annual report demonstrates that Wisconsin is in compliance with these regulations.

Sincerely,

Joe Leean
Secretary

Attachment

REPORT TO THE LEGISLATURE

MEDICAID HOME AND COMMUNITY BASED SERVICES WAIVERS

COMMUNITY OPTIONS PROGRAM WAIVER (COP-W)

COMMUNITY INTEGRATION PROGRAM II (CIP II)

CY 1997

**Bureau of Aging and Long Term Care Resources
Division of Supportive Living
Wisconsin Department of Health and Family Services**

January 1999

REPORT TO THE LEGISLATURE

MEDICAID HOME AND COMMUNITY BASED SERVICES WAIVERS

COMMUNITY OPTIONS PROGRAM WAIVER (COP-W)
COMMUNITY INTEGRATION PROGRAM II (CIP II)

CY 1997

The following report is submitted to the Legislature pursuant to s. 46.277(5m) of state statutes and describes calendar year (CY) 1997 services in Wisconsin's Home and Community Based Services Waivers, CIP II and COP-W. CIP II and COP-W provide Medicaid funding for home and community-based care for elderly and physically disabled citizens who have long term care needs and who would otherwise be eligible for Medicaid reimbursement in a nursing home.

CIP II and COP-W, combined with Medicaid card services, provide a comprehensive health care package to CIP II and COP-W recipients. In addition, it is critical that these programs be closely coordinated with the State's Community Options Program (COP) in order to ensure that the most comprehensive and individualized care is provided. With this kind of coordination, CIP II and COP-W provide Wisconsin residents who are elderly or disabled with a safe, consumer-controlled alternative to life in an institution. As this report demonstrates, these programs also help to contain the costs of providing long term care to a fragile population.

COUNTY PARTICIPATION AND STATE ADMINISTRATION

Since February 1997, CIP II and COP-W have been administered by the newly created Bureau of Aging and Long Term Care Resources in the Division of Supportive Living, which resulted from the merger of the former Bureau of Long Term Support and the former Bureau on Aging.

County participation in these waiver programs was mandated effective January 1, 1990, and all counties are actively participating. Individual service plans are developed for each applicant by the appropriate county agency and submitted for approval to the state as required by the state's approved waiver application. Each service plan is reviewed to ensure that the proposed plan of care meets all federal specifications, is comprehensive, individualized, and guarantees the health, safety, and welfare of the program participant. The state oversees the activities of an outside vendor, The Management Group, Inc., to monitor these safeguards and compliance with program requirements by county agencies. A description of the compliance monitoring procedures and results follow.

QUALITY ASSURANCE AND IMPROVEMENT OUTCOMES

Wisconsin has implemented a plan to demonstrate and document quality assurance efforts, which will ensure the health, safety, and welfare of community waiver program participants. The quality assurance and improvement program combines a number of activities to assess and monitor program integrity, customer safety and satisfaction, and program quality. The

information obtained is provided as feedback to local and state agencies to promote quality improvement. These quality assurance activities include:

- Waiver manual directives, clarifications and related technical assistance
- Review of all new applications for the program for accuracy and quality of the care plan, and a review of that care plan annually thereafter
- On-site reviews of a random sample of records for compliance and program integrity
- Home interviews with a random sample of program participants
- Assessments of local long term support system quality assessments and quality improvement projects in selected counties

PROGRAM INTEGRITY

On-site monitoring reviews were conducted for 400 cases in 1997. The reviews went well beyond the traditional federal requirements, which identify only payment errors, in an effort to gain in-depth information on program operation and policy interpretation. For all criteria monitored, 93% compliance was verified. A summary of the monitoring categories and findings follows:

Category: Financial Eligibility

Monitoring Components:

- Medicaid financial eligibility as approved in state plan
- Cost share
- Spenddown

Findings: 92% of factors monitored indicated no deficiency. Errors were detected in more complex areas of calculation, such as cost share and spenddown.

Category: Non-financial Eligibility

Monitoring Components:

- Health form
- Functional screen

Findings: 91% overall compliance was calculated. No major areas of non-compliance were identified under this category, although some cases showed a deficit in documentation.

Category: Service Plan

Monitoring Components:

- Individual Service Plan (ISP) developed and reviewed with participant
- Services waiver allowable
- Services appropriately billed

Findings: 96% of factors were in compliance. In a small percentage of cases, timely ISP review, omission of identified services within the ISP, or inclusion of non-allowable costs resulted in negative findings.

Category: Service Standards and Requirements

Monitoring Components:

- Waiver billed all case management contacts made or waived as allowed in state plan
- Care providers appropriately trained and certified
- services met necessary standards

Findings: In this complex area of review, 89% of factors were documented as error free. Documentation deficits accounted for many of the negative findings under this category including incomplete case notations, lack of case management contacts, or improper documentation of supportive home care or respite worker training and certification.

Category: Billing

Monitoring Components:

- Services accurately billed
- Case management provided and billed
- Only waiver allowable providers billed
- Residence in waiver allowable settings during billing period

Findings: 95% compliance was found in these categories. In a small number of cases, billing for services during residence in non-allowable settings, billing under wrong categories, or errors in billing dates occurred.

Category: Substitute Care

Monitoring Components:

- Currently licensed
- Only waiver allowable costs calculated and billed

Findings: 96% overall compliance was found, with 100% compliance in appropriate documentation of licensing. Documentation or charging errors due to room and board versus care and supervision were evidenced in a few cases.

CORRECTIVE ACTION

A written report of each monitoring review was provided to the director of the local agency responsible for implementation of the waiver participant's service plan. The reports cited any errors or deficiencies and required that the deficiency be corrected within a specified period of time, between 1 and 90 days. Follow-up visits were conducted to ensure compliance when written documentation was insufficient to provide assurance. Where a deficiency correlated with ineligibility, agencies were instructed to correct their reimbursement requests. All agencies

complied by modifying their practices and acknowledging the deficiencies. In 12 instances, disallowances were taken where retroactive corrections could not be implemented. Those areas included billing of non-allowable services, data entry errors, lack of documentation for billed services, and billing during a period of ineligibility for waiver services.

PROGRAM QUALITY

During 1997, 362 participants responded to 22 questions regarding satisfaction with waiver services. Both direct responses and reviewer assessments of those responses were recorded. The factors selected for study were identified in consumer focus groups as those most associated with quality for those services.

The factors studied regarding case management services were:

- Responsiveness to consumer preferences
- Quality of communication
- Level of understanding of consumer's situation
- Professional effectiveness
- Knowledge of resources
- Timeliness of response

The factors studied for in-home care were:

- Timeliness
- Dependability
- Responsiveness to consumer preferences

The factors studied for persons living in alternate care settings were:

- Responsiveness to consumer preferences
- Choices for daily activities
- Ability to talk with staff about concerns
- Comfort

Questions and responses are summarized under the following seven categories:

Satisfaction Category	Percentage of Positive Responses
Active participation in care plan	98%
Good communication with care manager	98%
Case manager is responsive	97%
Case manager is effective in securing services	98%
Satisfaction with in-home workers	93%
Substitute care services are acceptable	97%
Satisfaction with substitute care living arrangement	95%

QUALITY IMPROVEMENT PROJECTS

The information collected from these quality assurance efforts is incorporated into a variety of ongoing quality improvement projects. An overview of those projects is listed below.

- Improve coordination and communication through joint workgroups and collaborative training efforts with other bureaus and divisions within DHFS.
- Streamline and enhance the new application and recertification packet approval process.
- Improve content and format of the monitoring review process.
- Provide issue or county specific intensive monitoring or training where significant errors have been identified.
- Develop issue specific technical assistance documents covering complex eligibility areas, including family maintenance allowance, medical/remedial expenses, and monitoring of CARES calculations.
- Identify and develop training, particularly in the areas of fiscal reporting and advanced training for experienced case managers.
- Enhance data collection and reporting formats to increase the usability of available data.
- Identify and test quality of life indicators to assure that program values are consistently supported.

PARTICIPANT DEMOGRAPHIC PROFILE

In 1997, CIP II and COP-W provided funding for home and community-based services to 11,791 elderly and disabled people with long term care needs. This compares with 10,670 persons served in 1996 and 9,369 served in 1995. Since 1990, the census of persons served has increased on average 17 percent annually (see Table 1).

The demographic characteristics of 1997 CIP II and COP-W participants are described in Table 2. The living arrangements and other characteristics of 1997 participants' service periods are profiled in Table 3.

Table 1

CIP II AND COP-W PROGRAM GROWTH, 1990 – 1997

Year	CIP II & COP-W Participants	Growth from Previous Year
1990	4,079	N/A
1991	5,501	+ 34.9%
1992	6,129	+ 11.4%
1993	7,625	+ 24.4%
1994	8,326	+ 9.2%
1995	9,369	+ 12.5%
1996	10,670	+ 13.9%
1997	11,791	+ 10.5%

Table 2

1997 CIP II AND COP-W PARTICIPANT DEMOGRAPHIC PROFILE

Age	Number	Percent
Under 21 years	57	0.5
21 – 64 years	3,133	26.6
65 – 74 years	2,602	22.1
75 – 84 years	3,450	29.3
85 years and over	2,549	21.6

Gender	Number	Percent
Female	8,329	70.6
Male	3,462	29.4

Race/Ethnic Background	Number	Percent
Caucasian	10,189	86.4
African American	1,113	9.4
Hispanic	187	1.6
American Indian	186	1.6
Asian/Pacific Islander	110	0.9
Unknown	6	< 0.1

Marital Status	Number	Percent
Widowed	4,756	40.3
Married	2,852	24.3
Divorced/Separated	1,970	16.7
Never Married	1,758	14.9
Unknown	455	3.8

Note: Totals may not equal 100% due to rounding.

Table 3
1997 CIP II AND COP-W PARTICIPANT SERVICE PROFILE

Level of Care	Number	Percent
Intermediate Care	7,354	62.4
Skilled Nursing	4,437	37.6

Target Group	Number	Percent
Elderly	8,601	72.9
Disabled	3,190	27.1

Prior Living Arrangement: New Waiver Recipients in 1997	Number	Percent
Diverted from Nursing Facility	2,147	88.1
Relocated from Nursing Facility	291	11.9

Prior Living Arrangement: Waiver Recipients Enrolled before 1997	Number	Percent
Diverted from Nursing Facility	8,681	92.8
Relocated from Nursing Facility	672	7.2

Current Living Arrangement	Number	Percent
Private Home or Apartment	9,482	80.5
Community Based Residential Facility (CBRF)	829	7.0
Adult Family Home	415	3.5
Supervised Apartment / Supported Living / RCAC	94	0.8
Unknown/Not Reported	971	8.2

Primary Source of Natural Support	Number	Percent
Adult Child	4,411	37.4
Spouse	2,335	19.8
Non-Relative	1,568	13.3
Other Relative	1,541	13.1
No Primary Support	1,103	9.3
Parent	657	5.6
Unknown/Not Reported	176	1.5

Note: Totals may not equal 100% due to rounding.

CIP II AND COP-W SERVICE USE AND COSTS

CIP II and COP-W participants utilize both the services for which the State requests federal authorization through its Medicaid Waiver application (e.g., waiver services) and the services traditionally available to all Medicaid recipients as authorized by the federal government through approval of the State's Medicaid Plan (e.g., card services). State Plan services are those provided to all Medicaid recipients having a Medicaid card. Waiver services are generally non-medical in nature and the Medicaid card services are generally those needed for medical care. Since both types of services are needed to maintain individuals in the community, expenditures for both types must be combined to determine the total public cost of serving waiver participants.

Waiver services used by CIP II and COP-W participants in 1997 accounted for 53% of the total costs to Medicaid of serving those participants. The remaining 47% of costs were incurred through participants' use of the Medicaid card to secure medical services, including prescription drugs, physician services, hospital services, home health services, and other medical care. The waiver services provided, their rate of utilization, and the total costs for each service are outlined in Table 4 below. Table 5 presents the same information for Medicaid card services utilized by 1997 program participants. Table 6 combines waiver and card costs to show the total cost to Medicaid of providing services to all 11,791 CIP II and COP-W program participants in 1997.

Table 4

1997 CIP II AND COP-W SERVICE UTILIZATION AND COSTS

CIP II and COP-W Service Categories	Rate of Participant Utilization (%)	Cost	Percent of Total Waiver Costs
Case Management	97.6	\$11,337,697	12.3
Supportive Home Care	87.2	68,800,486	74.9
Respite Care	5.0	1,238,180	1.3
Habilitation	4.1	1,187,867	1.3
Adult Day Care	8.4	3,583,206	3.9
Transportation	18.6	1,403,179	1.5
Home Modification, Adaptive Equipment and Communication Aids	48.3	4,264,538	4.6
Total Medicaid Waiver Service Costs		\$91,815,153	

Notes: Totals may not equal 100% due to rounding. See Attachment 1 for detailed information on the waiver services included in the CIP II and COP-W Service Categories in Table 4.

Table 5

1997 CIP II AND COP-W MEDICAID CARD SERVICE UTILIZATION

Medicaid Card Service Category	Rate of Participant Utilization (%)	Cost	Percent of Total Card Costs
Inpatient Hospital	3.3	\$5,337,931	6.6
Physician (Physician Services, Clinic Services – including outpatient Mental Health)	69.0	2,551,276	3.1
Outpatient Hospital	52.3	3,344,935	4.1
Lab and X-ray	55.8	524,532	0.6
Prescription Drugs	88.1	16,658,052	20.5
Transportation (Ambulance and Non-Emergency Specialized Motor Vehicle)	57.4	4,141,458	5.1
Therapies (Physical Therapy, Speech and Hearing Therapy, Occupational Therapy, Restorative Care Therapy, Rehabilitative Therapy)	5.7	447,252	0.5
Dental Services	17.3	405,437	0.5
Nursing (Nurse Practitioner, Nursing Services)	0.2	238,559	0.3
Home Health, Supplies & Equipment (Home Health Therapy, Home Health Aide, Home Health Nursing, Enteral Nutrition, Disposable Supplies, Other Durable Medical Equipment, Hearing Aids)	64.7	14,199,690	17.5
Personal Care (Personal Care, Personal Care Supervisory Services)	34.3	19,939,990	24.5
All Other (Other Practitioners Services, Family Planning Services, HealthCheck/EPDST, Rural Health Clinic Services, Home Health Private Duty Nursing – Vent, Other Care, Hospice, Community Support Program)	43.1	13,578,523	16.7
Total Medicaid Card Service Costs for Waiver Recipients		\$81,367,634	

Notes: Totals may not equal 100% due to rounding. In 1996, Wisconsin Medicaid restructured CIP II and COP-W Medicaid card service reporting to comply with changes in Federal Medicaid reporting requirements. See Attachment 2 for detailed information on Medicaid card service categories used in Table 5, Federal categories of service, and State categories of service.

Table 6

1997 TOTAL MEDICAID COSTS FOR CIP II AND COP-W

Total CIP II and COP-W Service Costs	\$91,815,153
Total Medicaid Card Service Costs for CIP II and COP-W Recipients	\$81,367,634
Total 1997 Medicaid Expenditures for CIP II and COP-W Recipients	\$173,182,787

TOTAL PUBLIC FUNDING AND COST COMPARISON OF MEDICAID WAIVER AND MEDICAID NURSING HOME CARE

In addition to Medicaid-funded services many waiver participants receive other public funds, some of which are used to help pay long term care costs. To provide an adequate comparison of the cost of serving persons through the Medicaid Waiver versus the cost of meeting individuals' long term support needs in nursing homes, an analysis of total public funding used by each group was completed.

Table 7 below indicates total public funds spent per capita on an average daily basis for nursing home and waiver care. It also indicates the breakdown between federal spending and state and/or county spending for each funding source.

Table 7

**AVERAGE DAILY PUBLIC COSTS BY FUNDING SOURCE,
 CIP II & COP-W PARTICIPANTS VS. NURSING HOME RESIDENTS**

Cost Category	CIP II & COP-W			Nursing Home		
	Total	County	Federal	Total	County	Federal
Medicaid *	\$53.15	\$21.81	\$31.34	\$85.71	\$34.18	\$51.53
COP - Regular	0.99	0.97	0.02	N/A	N/A	N/A
SSI	10.85	4.46	6.39	0.14	0.00	0.14
Community Aids	0.07	0.05	0.02	Unk.	Unk.	Unk.
Other	1.68	0.13	1.55	N/A	N/A	N/A
TOTAL	\$66.74	\$27.42	\$39.32	\$85.85	\$34.18	\$51.67

* Total Medicaid expenses, including card costs

When all public costs are counted, expenses for Medicaid Waiver participants averaged \$66.74 per person per day, compared to \$85.85 per day for care in nursing facilities. On average, then, the per capita daily cost of care in these Medicaid waivers during 1997 was \$19.11 less than the cost of nursing home care, compared with differences of \$25.97 in 1996 and \$23.17 in 1995 (Table 8). This represents a difference of 22 percent, compared with 31 percent in 1996 and 29 percent in 1995.

It should be noted that contrary to past years' data, SSI costs for CIP II and COP-W participants more than doubled in CY 1997 (Table 8). This may be an anomaly based on variance in the sample used to determine SSI costs for CIP II and COP-W participants.

For additional detail regarding the cost calculations in Table 7 and Table 8, please see the Cost Study: Supplement to the Legislative Report, CY 1997 (Appendix A).

Table 8
AVERAGE PUBLIC COSTS FOR CIP II AND COP-W PARTICIPANTS
AND NURSING HOME RESIDENTS

AVERAGE COST PER PERSON PER DAY

Year	Cost Category	Community Care Costs			Nursing Home Costs ¹			Difference		
		Total	State / County	Federal	Total	State / County	Federal	Total	State / County	Federal
1995	Medicaid Program Per Diem	\$27.41	\$10.91	\$16.50	\$65.86	\$26.48	\$39.38			
	Medicaid Card	22.71	9.14	13.57	7.34	2.95	4.39			
	Other Medicaid ²	N/A ⁴	N/A ⁴	N/A ⁴	6.63	3.01	3.62			
	<u>Medicaid Costs Subtotal³</u>	<u>\$50.12</u>	<u>\$20.05</u>	<u>\$30.07</u>	<u>\$79.83</u>	<u>\$32.44</u>	<u>\$47.39</u>	<u>\$29.71</u>	<u>\$12.39</u>	<u>\$17.32</u>
	COP – Regular	1.26	1.23	0.03	N/A ⁵	N/A ⁵	N/A ⁵			
	SSI	4.37	2.02	2.35	0.10	0.00	0.10			
	Community Aids	0.03	0.02	0.01	Unk.	Unk.	Unk.			
	Other	0.98	0.17	0.81	N/A ⁶	N/A ⁶	N/A ⁶			
	TOTAL	\$56.76	\$23.49	\$33.27	\$79.93	\$32.44	\$47.49	\$23.17	\$8.95	\$14.22

Year	Cost Category	Community Care Costs			Nursing Home Costs ¹			Difference		
		Total	State / County	Federal	Total	State / County	Federal	Total	State / County	Federal
1996	Medicaid Program Per Diem	\$27.63	\$11.00	\$16.63	\$68.20	\$27.62	\$40.58			
	Medicaid Card	22.05	8.93	13.12	7.80	3.16	4.64			
	Other Medicaid ²	N/A ⁴	N/A ⁴	N/A ⁴	7.21	3.55	3.66			
	<u>Medicaid Costs Subtotal³</u>	<u>\$49.68</u>	<u>\$19.93</u>	<u>\$29.75</u>	<u>\$83.21</u>	<u>\$34.33</u>	<u>\$48.88</u>	<u>\$33.53</u>	<u>\$14.40</u>	<u>\$19.13</u>
	COP – Regular	1.24	1.22	0.02	N/A ⁵	N/A ⁵	N/A ⁵			
	SSI	4.79	2.15	2.64	0.11	0.00	0.11			
	Community Aids	0.10	0.07	0.03	Unk.	Unk.	Unk.			
	Other	1.54	0.14	1.40	N/A ⁶	N/A ⁶	N/A ⁶			
	TOTAL	\$57.35	\$23.51	\$33.84	\$83.32	\$34.33	\$48.99	\$25.97	\$10.82	\$15.15

Year	Cost Category	Community Care Costs			Nursing Home Costs ¹			Difference		
		Total	State / County	Federal	Total	State / County	Federal	Total	State / County	Federal
1997	Medicaid Program Per Diem	\$28.18	\$11.56	\$16.62	\$70.74	\$29.03	\$41.71			
	Medicaid Card	24.97	10.25	14.72	8.67	3.56	5.11			
	Other Medicaid ²	N/A ⁴	N/A ⁴	N/A ⁴	6.30	1.59	4.71			
	<u>Medicaid Costs Subtotal³</u>	<u>\$53.15</u>	<u>\$21.81</u>	<u>\$31.34</u>	<u>\$85.71</u>	<u>\$34.18</u>	<u>\$51.53</u>	<u>\$32.56</u>	<u>\$12.37</u>	<u>\$20.19</u>
	COP – Regular	0.99	0.97	0.02	N/A ⁵	N/A ⁵	N/A ⁵			
	SSI	10.85	4.46	6.39	0.14	0.00	0.14			
	Community Aids	0.07	0.05	0.02	Unk.	Unk.	Unk.			
	Other	1.68	0.13	1.55	N/A ⁶	N/A ⁶	N/A ⁶			
	TOTAL	\$66.74	\$27.42	\$39.32	\$85.85	\$34.18	\$51.67	\$19.11	\$6.76	\$12.35

- 1 IMD costs are omitted from the total nursing home cost because persons who require institutionalization primarily due to a chronic mental illness are not eligible for CIP II or COP-W.
- 2 Other Medicaid represents Intergovernmental Transfer (IGT) payments spread across all Medicaid nursing home patient days, although IGT payments are paid only to county and municipal nursing homes.
- 3 Medicaid reporting is subject to subsequent adjustments due to a 12-month claims processing period.
- 4 This category applies only to nursing home care.
- 5 Nursing home residents are not eligible for the Community Options Program.
- 6 This category applies only to community care

A total of 3,257,921 service days were provided to 11,791 waiver participants during 1997. Therefore, the total public cost of care for waiver participants in 1997, based on actual days of service, was \$217,433,648 (\$66.74 per day for 3,257,921 days). If the same individuals had spent the same number of days in nursing homes at the average daily public cost for nursing home care, the total cost of serving them in 1997 would have been \$279,692,518 (\$85.85 per day for 3,257,921 days). In other words, total public spending on behalf of these individuals is estimated to have been \$62,258,870 less than would have been the case had they resided in nursing homes for the same length of time. By comparison, total spending was estimated at \$73,854,161 less in 1996 and \$57,574,113 less in 1995.

Figures 1 and 2 illustrate these cost differences. **Figure 1** compares actual average daily per capita costs, and **Figure 2** compares total waiver costs with estimated nursing home costs for the same days of care.

Figure 1
CIP II & COP-W VS. NURSING HOME CARE – AVERAGE DAILY PUBLIC COSTS 1997

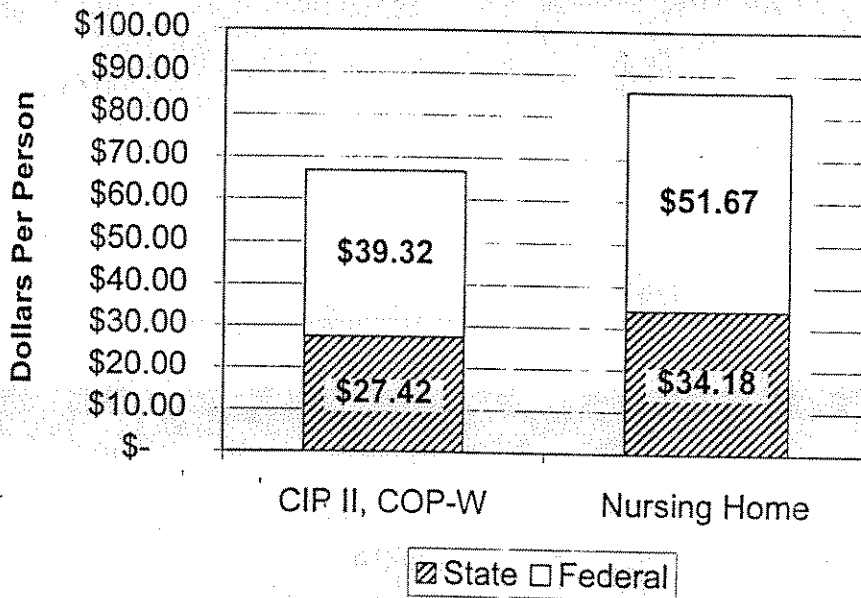
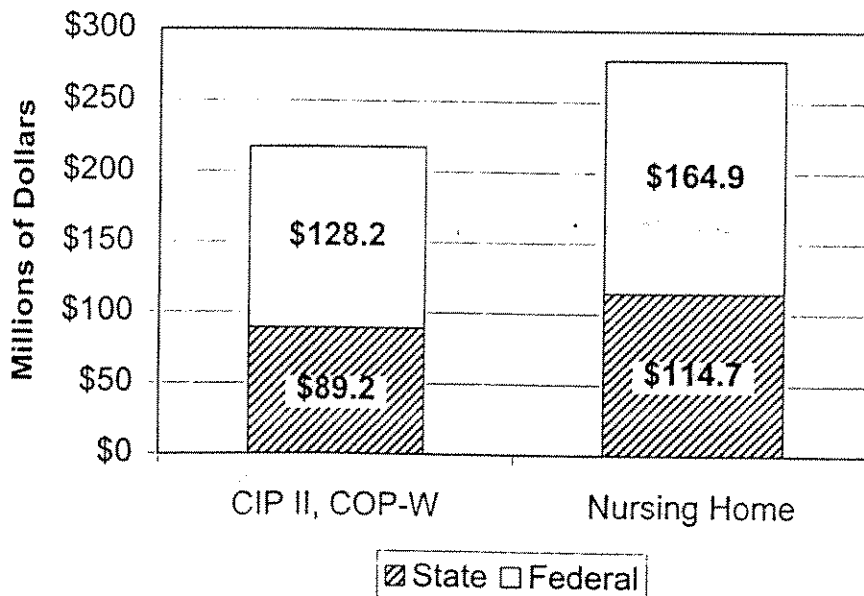


Figure 2
ACTUAL 1997 CIP II & COP-W COSTS VS. ESTIMATED CARE COSTS IF CIP II & COP-W PARTICIPANTS RECEIVED CARE IN NURSING HOMES



CARE LEVEL AND ITS SIGNIFICANCE FOR THE COST COMPARISONS

The cost differences evident in the previous comparisons, while calculated using actual costs of care for waiver participants and nursing home residents, may be influenced by differences in the care needs of these two populations. As shown in Table 3 above, 62 percent of 1997 CIP II and COP-W program participants were rated at the intermediate care (ICF) level and 38 percent were rated at the skilled nursing (SNF) level. Corresponding figures for persons residing in nursing homes during 1997 were 19 percent ICF and 81 percent SNF, based on aggregate calendar year nursing home days of care. The significance of any care level difference which exists can be determined by re-estimating average daily and total public costs after adjusting the reported care level proportions.

Based on data supplied for the Department's annual cost report to the Health Care Financing Administration, the actual 1997 nursing home per diem for ICF residents was approximately \$58.96. For SNF residents the per diem was approximately \$73.47. If the proportions of nursing home residents receiving care at the ICF and SNF levels had been equal to the proportions reported for CIP II and COP-W participants (62 percent ICF and 38 percent SNF), estimated costs to Medicaid for nursing home care would have been \$649,677,850 instead of \$712,776,469. Given that there were 10,076,450 Medicaid-funded days of nursing care at the ICF and SNF levels combined in 1997, this level of total Medicaid spending would have translated to an average per diem across care levels of \$66.22, instead of the previously calculated \$70.74. Assuming the same Medicaid card costs and other expenses, the average daily public cost of nursing home care would have been \$81.32 per person, instead of \$85.85 as reported in Table 7 above. The difference between average daily per capita waiver costs and average nursing home costs, therefore, would have been \$14.58 instead of \$19.11. This represents a difference of 24 percent, compared to 22 percent in 1996, and 27 percent in 1995. Table 9 below presents estimated daily per capita public costs and the waiver/nursing home cost comparisons shown in Table 8 after adjusting the average nursing home per diem in this manner.

Using these adjusted figures, the potential impact of waiver utilization on total public spending can be estimated as it was in the previous section. That is, if 1997 waiver participants had spent the same 3,257,921 days residing in nursing homes, they would have incurred total public costs of \$264,934,136 (\$81.32 per day for 3,257,921 days), compared with the \$217,433,648 they incurred while residing in the community. Assuming equivalent care level proportions, then, total public spending for COP-W/CIP II participants during 1997 was \$47,500,488 less than the predicted cost of nursing home care for a comparable group. This figure is 24 percent less than the \$62,258,870 estimated using actual 1997 data, but it still represents a difference in total public costs of 18 percent compared with the cost of an equivalent volume of nursing home care. This revised estimate may represent the lower boundary of the difference in costs attributable to these waivers, while the estimate based on actual costs represents an upper boundary.

Table 9
ESTIMATED AVERAGE PUBLIC COSTS FOR CIP II AND COP-W PARTICIPANTS
AND NURSING HOME RESIDENTS, ADJUSTING FOR LEVEL OF CARE
AVERAGE COST PER PERSON PER DAY

Year	Cost Category	Community Care Costs			Nursing Home Costs*1			Difference		
		Total	State / County	Federal	Total	State / County	Federal	Total	State / County	Federal
1995	Medicaid Program Per Diem	\$27.41	\$10.91	\$16.50	\$59.57	\$23.95	\$35.62			
	Medicaid Card	22.71	9.14	13.57	7.34	2.95	4.39			
	Other Medicaid ²	N/A ⁴	N/A ⁴	N/A ⁴	6.63	3.01	3.62			
	<u>Medicaid Costs Subtotal³</u>	<u>\$50.12</u>	<u>\$20.05</u>	<u>\$30.07</u>	<u>\$73.54</u>	<u>\$29.91</u>	<u>\$43.63</u>	<u>\$23.42</u>	<u>\$9.86</u>	<u>\$13.56</u>
	COP - Regular	1.26	1.23	0.03	N/A ⁵	N/A ⁵	N/A ⁵			
	SSI	4.37	2.02	2.35	0.10	0.00	0.10			
	Community Aids	0.03	0.02	0.01	Unk.	Unk.	Unk.			
	Other	0.98	0.17	0.81	N/A ⁶	N/A ⁶	N/A ⁶			
	TOTAL	\$56.76	\$23.49	\$33.27	\$73.64	\$29.91	\$43.73	\$16.88	\$6.42	\$10.46

Year	Cost Category	Community Care Costs			Nursing Home Costs*1			Difference		
		Total	State / County	Federal	Total	State / County	Federal	Total	State / County	Federal
1996	Medicaid Program Per Diem	\$27.63	\$11.00	\$16.63	\$62.41	\$25.28	\$37.13			
	Medicaid Card	22.05	8.93	13.12	7.80	3.16	4.64			
	Other Medicaid ²	N/A ⁴	N/A ⁴	N/A ⁴	7.21	3.55	3.66			
	<u>Medicaid Costs Subtotal³</u>	<u>\$49.68</u>	<u>\$19.93</u>	<u>\$29.75</u>	<u>\$77.42</u>	<u>\$31.99</u>	<u>\$45.43</u>	<u>\$27.74</u>	<u>\$12.06</u>	<u>\$15.68</u>
	COP - Regular	1.24	1.22	0.02	N/A ⁵	N/A ⁵	N/A ⁵			
	SSI	4.79	2.15	2.64	0.11	0.00	0.11			
	Community Aids	0.10	0.07	0.03	Unk.	Unk.	Unk.			
	Other	1.54	0.14	1.40	N/A ⁶	N/A ⁶	N/A ⁶			
	TOTAL	\$57.35	\$23.51	\$33.84	\$77.53	\$31.99	\$45.54	\$20.18	\$8.48	\$11.70

Year	Cost Category	Community Care Costs			Nursing Home Costs*1			Difference		
		Total	State / County	Federal	Total	State / County	Federal	Total	State / County	Federal
1997	Medicaid Program Per Diem	\$28.18	\$11.56	\$16.62	\$66.22	\$27.16	\$39.06			
	Medicaid Card	24.97	10.25	14.72	8.67	3.56	5.11			
	Other Medicaid ²	N/A ⁴	N/A ⁴	N/A ⁴	6.29	1.59	4.71			
	<u>Medicaid Costs Subtotal³</u>	<u>\$53.15</u>	<u>\$21.81</u>	<u>\$31.34</u>	<u>\$81.18</u>	<u>\$32.31</u>	<u>\$48.87</u>	<u>\$28.03</u>	<u>\$10.50</u>	<u>\$17.53</u>
	COP - Regular	0.99	0.97	0.02	N/A ⁵	N/A ⁵	N/A ⁵			
	SSI	10.85	4.46	6.39	0.14	0.00	0.14			
	Community Aids	0.07	0.05	0.02	Unk.	Unk.	Unk.			
	Other	1.68	0.13	1.55	N/A ⁶	N/A ⁶	N/A ⁶			
	TOTAL	\$66.74	\$27.42	\$39.32	\$81.32	\$32.31	\$49.01	\$14.58	\$4.89	\$9.69

* Nursing home program per diems have been calculated assuming that the proportion of residents rated at the SNF and ICF care levels was the same as that reported for Medicaid Waiver participants in each of the respective years. The figures shown thus represent not actual costs but the costs that would have been incurred had the assumed SNF/ICF proportions prevailed (e.g., in 1997, if SNF=38% and if ICF=62%). In nursing homes during 1997, 19% of residents were rated at an ICF level, and 81% were SNF.

- 1 IMD costs are omitted from the total nursing home cost because persons who require institutionalization primarily due to a chronic mental illness are not eligible for CIP II or COP-W.
- 2 Other Medicaid represents Intergovernmental Transfer (IGT) payments spread across all Medicaid nursing home patient days, although IGT payments are paid only to county and municipal nursing homes.
- 3 Medicaid reporting is subject to subsequent adjustments due to a 12-month claims processing period.
- 4 This category applies only to nursing home care.
- 5 Nursing home residents are not eligible for the Community Options Program.
- 6 This category applies only to community care.

Attachment 1

**Detailed Categorical Information for
 Table 4: MA Waiver Service Utilization and Costs**

Federal Category (as reported in the annual HCFA 372 report)	Standard Program Category (SPC)	SPC Description
Case Management	406	Protective Payments/Guardianship
	604	Case Management
Personal Care	104.10	Supportive Home Care -- Days
	104.11	Supportive Home Care -- Personal Care/Days
	104.12	Supportive Home Care -- Supervision Services/Days
	104.13	Supportive Home Care -- Routine Home Care Services/Days
	104.14	Supportive Home Care -- Chore Services/Days
	104.20	Supportive Home Care -- Hours
	104.21	Supportive Home Care -- Personal Care/Hours
	104.22	Supportive Home Care -- Supervision Services/Hours
	104.23	Supportive Home Care -- Routine Home Care Services/Hours
	104.24	Supportive Home Care -- Chore Services/Hours
Respite Care	103.24	Institutional Respite
	103.99	Respite Care -- Other
Habilitation	110	Daily Living Skills Training
	507	Counseling and Therapeutic Resources
Adult Day Care	102	Adult Day Care
	706	Day Center Services Treatment
Transportation	107	Specialized Transportation and Escort
Home Modifications, Adaptive Equipment and Communication Aids	112.46	Personal Emergency Response Systems
	112.47	Communication Aids
	112.55	Specialized Medical Supplies
	112.56	Home Modifications
	112.57	Adaptive Aids -- Vehicles
	112.99	Adaptive Aids -- Other

Attachment 2

Detailed Categorical Information for
Table 5: Medicaid Waiver Card Service Utilization

Waiver Legislative Report Category	Federal Category of Service	State Category of Service
Inpatient Hospital	01 Inpatient Hospital Services	--
Physician	08 Physicians Services	--
	12 Clinic Services	--
Outpatient Hospital	11 Outpatient Hospital Services	--
Lab and X-ray	15 Lab and X-ray Services	--
Prescribed Drugs	16 Prescribed Drugs	--
Transportation	19 Other Care	74 Transportation – Specialized Motor Vehicle (SMV), Non-Emergency
		75 Transportation – Ambulance
Therapies	19 Other Care	57 Physical Therapy
		60 Speech and Hearing Therapy
		61 Occupational Therapy
		24 Restorative Care Therapy
		55 Rehabilitative Therapy
Dental Services	09 Dental Services	61 Dental Services
	19 Other Care	33 Dental Services – Other
Nursing	10 Other Practitioners Services	41 Nurse Practitioner
		67 Nursing Services
Home Health, Supplies & Equipment	13 Home Health Services	08 Home Health Therapy
		13 Enteral Nutrition
		78 Home Health Aide
		79 Home Health Nursing
		92 Disposable Supplies
		93 Hearing Aid and Accessories
		94 Other Durable Medical Equipment
Personal Care	13 Home Health Services	39 Personal Care Supervisory Services
		62 Personal Care
Case Management	19 Other Care	43 Case Management
All Other	10 Other Practitioners Services	45 Respiratory Care Services
	14 Family Planning Services	--
	17 HealthCheck (EPDST)	--
	18 Rural Health Clinic Services	--
	19 Other Care	37 Home Health Private Duty Nursing – Vent
		40 Hospice
		44 Community Support Program

CIP II AND COP-W

COST STUDY: SUPPLEMENT TO THE LEGISLATIVE REPORT

FOR THE PERIOD COVERING

CY 1997

(APPENDIX A)

**Bureau of Aging and Long Term Care Resources
Division of Supportive Living
Wisconsin Department of Health and Family Services**

January 1999

Table A

**DETAIL OF AVERAGE PUBLIC COSTS FOR CIP II AND COP-W PARTICIPANTS
 AND NURSING HOME RESIDENTS**

AVERAGE COST PER PERSON PER DAY, CY 1997

Year	Cost Category	Community Care Costs			Nursing Home Costs ¹			Difference		
		Total	State / County	Federal	Total	State / County	Federal	Total	State / County	Federal
1997	Medicaid Program Per Diem	\$28.18	\$11.56	\$16.62	\$70.74	\$29.03	\$41.71			
	Medicaid Card	24.97	10.25	14.72	8.67	3.56	5.11			
	Other Medicaid	N/A ³	N/A ³	N/A ³	6.30	1.59	4.71			
	<u>Medicaid Costs Subtotal²</u>	<u>\$53.15</u>	<u>\$21.81</u>	<u>\$31.34</u>	<u>\$85.71</u>	<u>\$34.18</u>	<u>\$51.53</u>	<u>\$32.56</u>	<u>\$12.37</u>	<u>\$20.19</u>
	COP – Regular	0.99	0.97	0.02	N/A ⁴	N/A ⁴	N/A ⁴			
	SSI	10.85	4.46	6.39	0.14	0.00	0.14			
	Community Aids	0.07	0.05	0.02	Unk.	Unk.	Unk.			
	Other	1.68	0.13	1.55	N/A ⁵	N/A ⁵	N/A ⁵			
	TOTAL	\$66.74	\$27.42	\$39.32	\$85.85	\$34.18	\$51.67	\$19.11	\$6.76	\$12.35

- 1 IMD costs are omitted from the total nursing home cost because persons who require institutionalization primarily due to a chronic mental illness are not eligible for CIP II or COP-W.
- 2 Medicaid reporting is subject to subsequent adjustments due to a 12-month claims processing period.
- 3 This category applies only to nursing home care.
- 4 Nursing home residents are not eligible for the Community Options Program.
- 5 This category applies only to community care.

APPENDIX A: Notes to Table A, Detail of Average Public Costs for CIP II and COP-W Participants and Nursing Home Residents, Average Cost per Person Per Day, CY 1997

1. Medicaid Program Per Diem Payments: Data are from the HCFA Form 372 Report. This report is prepared by a special Wisconsin Medicaid/EDS computer run from the Medicaid claims payment system. The figures represent the average Medicaid net payment per day made to nursing homes for nursing home cases and to counties for CIP II and COP-W expenses. See Table A.1.
2. Medicaid Card Costs: This report is prepared by a special Wisconsin Medicaid/EDS computer run from the Medicaid claims payment system. The term "Medicaid Card Costs" refers to those Medicaid funded services which a qualified recipient obtains by presenting his or her Medicaid card. Home care, prescription drugs, and hospital care are the primary card services obtained by CIP II and COP-W participants. Hospital services, physician services, and prescription drugs are among the services most frequently obtained by nursing home residents.
3. Other Medicaid Expenses: This category only applies to nursing home care. It refers to the special provision in state law which permits counties to obtain matching funds from certain other allowable Medicaid expenses, provided the county pays the non-federal share (otherwise referred to as the Intergovernmental Transfer program). See Table A.2.
4. Regular Community Options Program Expenditures: COP spending for CIP II and COP-W participants was calculated from the payment records on the Human Services Reporting System (HSRS). See Table A.3 for detail.
5. Supplemental Security Income (SSI): A sample of 500 waiver participants was used to determine the percentage who receive SSI payments and, among those participants who did, how many qualified for the SSI-E payment level. Average SSI net payments received by participants in 1997 were derived from federal SDX tapes. See Tables A. 4 through A.6. For SSI received by nursing home residents, see Tables A.7 and A.8.
6. Community Aids: The same sample of 500 CIP II and COP-W participants was used to identify the amount of community aids funding indicated in the average participant's individual service plan. Various studies have indicated that planned expenditures tend to be higher than actual expenditures. "Community Aids" refers to all block grant and similar aids provided to counties for local community services. See Tables A.9 and A.10.
7. Other: For persons residing in the community, other expenses may include food stamps, congregate meals, energy assistance, respite funds, DVR funds, etc. See Tables A.11 and A.12.

Table A.1

**MEDICAID PAYMENTS FOR CIP II AND COP-W PARTICIPANTS
 AND RESIDENTS OF SNF/ICF FACILITIES, 1997**

	CIP II and COP-W	Nursing Facilities
A. Medicaid Per Diems		
1. Service Payments	\$91,815,153	\$712,776,469
2. Days of Service	3,257,921	10,076,450
3. Average Payment per Day	\$28.18	\$70.74
B. Medicaid Card Services		
1. Total Card Payments	\$81,367,634	\$87,366,102
2. Days of Service	3,257,921	10,076,450
3. Average Payment Per Day	\$24.97	\$8.67

Source: Wisconsin Medicaid/EDS reports and 1997 HCFA 372 Report.

Table A.2

**CALENDAR YEAR DATA FOR NURSING HOME INTERGOVERNMENTAL
 TRANSFER (IGT) PROGRAM**

Calendar Year	Gross Expenditure	Federal Funds Awarded	Net County/State Costs	Total Medicaid Statewide Days of Nursing Home Care**	Average Cost per Person per Day		
					Federal	County	Total
1985	\$25,633,988	\$4,823,400	\$21,810,588	12,787,577	\$0.38	\$1.71	\$2.09
1986	27,191,087	3,823,101	23,367,986	12,625,554	0.30	1.85	2.15
1987	* 30,588,289	5,715,002	24,873,287	12,507,927	0.46	1.99	2.45
1988	24,408,847	7,715,001	27,794,957	12,326,812	0.63	2.25	2.88
1989	39,528,323	7,714,998	31,813,325	11,557,801	0.67	2.75	3.42
1990	39,657,322	10,822,731	28,834,591	11,694,128	0.93	2.46	3.39
1991***	39,971,830	12,972,651	25,999,179	11,875,795	1.09	2.19	3.38
1992 ***	39,830,572	15,834,150	23,996,422	12,044,019	1.31	2.00	3.31
1993 ***	52,682,503	19,434,150	33,248,353	11,172,256	1.74	2.98	4.72
1994 ***	60,735,948	38,460,537	22,275,411	10,648,912	3.61	2.09	5.70
1995 ***	70,347,467	38,410,000	31,937,467	10,607,523	3.62	3.01	6.63
1996 ***	75,601,880	38,400,000	37,201,880	10,491,248	3.66	3.55	7.21
1997 *	63,414,760	47,426,503	15,988,257	10,076,450	4.71	1.59	6.29

* Interpolated from previous and succeeding years' data.

** Excludes state DD centers and Institutions for Mental Disease. Source: Annual HCFA Form 372 Reports, Section IX, B.1.

*** Amounts incorporate an additional amount from the Nursing Home Appeal Award portion of the FFP Program.

◆ Beginning in 1997, a revised method was used to calculate Gross Expenditure, Federal Funds Awarded, and Net County/State Costs. Source: Medicaid Nursing Home Intergovernmental Transfer Program, 1997 HCFA 372 Report.

Note: Although the per diem cost is calculated based on all Medicaid nursing home patient days, Intergovernmental Transfer (IGT) payments are paid only to county and municipal nursing homes.

Table A.3

COP SERVICE COSTS FOR CIP II AND COP-W PARTICIPANTS, 1997

Waiver Type	Total Number of Participants in CY 1997	COP, CIP II and COP-W Participants Combined	COP Service Expenditure**	Days on COP for CIP II and COP-W Participants	Cost per Day for Duplicate Participants***	Average COP Cost per Day for All CIP II & COP-W Participants
COP-W	9,664	1,484	\$2,887,037	467,228	\$6.18	\$0.95
CIP II	1,929	466	\$915,444	152,878	\$5.99	\$1.45
COP-W & CIP II Combined	11,593	1,950	\$3,802,481	620,106	\$6.13	\$1.03
CIP 1A	939	62	\$164,718	22,579	\$7.30	\$0.48
CIP 1B	2,394	206	\$694,988	72,388	\$9.60	\$0.83
Combined CIP 1A & CIP 1B	3,333	268	\$859,706	94,967	\$9.05	\$0.73
CIP 1B Match	3,987	482	\$1,519,601	172,859	\$8.79	\$1.06
CLSA	152	39	\$265,438	13,573	\$19.56	\$5.02
Brain Injury	143	15	\$41,870	4,843	\$8.65	\$0.91
CIP 1 & Brain Injury Combined	7,463	765	\$2,421,177	272,669	\$8.88	\$0.91
Total All Waivers	19,056	2,715	\$6,223,658	892,775	\$6.97	\$0.99

* Census as of January 1, 1997.

** CIP 1B and CLSA includes all COP match participants and costs.

*** Duplicate participants are participants receiving funding from both COP and CIP II or COP-W.

Table A.4

NUMBER OF CIP II AND COP-W PARTICIPANTS RECEIVING SSI AND OTHER SOURCES OF INCOME IN 1997

Target Group	Private or Social Security only	SSI	SSI-E	Total Unduplicated Participants *
Elderly	223	40	100	361
Disabled	62	22	59	139
Total	285	62	159	500

* Based on a sample of 500 CIP II and COP-W participants.

Table A.5

**AVERAGE STATE SHARE OF PUBLIC INCOME RECEIVED BY
 CIP II AND COP-W PARTICIPANTS IN 1997 (PAYMENT PER DAY)**

Target Group	Private or Social Security only	SSI	SSI-E	Total Unduplicated Participants
Elderly	\$0.00	\$2.24	\$5.08	\$4.33
Disabled	\$0.00	\$2.50	\$5.20	\$4.68
Total	\$0.00	\$2.32	\$5.13	\$4.46

* Based on a sample of 500 CIP II and COP-W participants.

Table A.6

**AVERAGE FEDERAL SHARE OF PUBLIC INCOME RECEIVED BY
 CIP II AND COP-W PARTICIPANTS IN 1997 (PAYMENT PER DAY)**

Target Group	Private or Social Security only	SSI	SSI-E	Total Unduplicated Participants
Elderly	\$0.00	\$4.32	\$4.66	\$4.57
Disabled	\$0.00	\$13.27	\$8.53	\$9.45
Total	\$0.00	\$7.04	\$6.19	\$6.39

* Based on a sample of 500 CIP II and COP-W participants.

Table A.7

NUMBER OF MEDICAID-FUNDED NURSING HOME RESIDENTS RECEIVING SSI IN 1997

Year	No SSI	Some SSI *	Total **
CY 1997	25,290	2,317	27,607

* Average number of recipients per month during CY 1997.

** Average daily census, from Wisconsin Medicaid/EDS HMGR543Q dataset.

Table A.8

**AVERAGE SSI AMOUNT RECEIVED BY MEDICAID-FUNDED
 NURSING HOME RESIDENTS IN 1997 (PAYMENT PER DAY)**

Year	No SSI	Some SSI	Total
CY 1997	\$0.00	\$1.63	\$0.14

Table A.9

NUMBER OF CIP II AND COP-W PARTICIPANTS RECEIVING COMMUNITY AIDS IN 1997

Target Group	No Community Aids	Some Community Aids	Total *
Elderly	360	1	361
Disabled	138	1	139
Total	498	2	500

* Based on a sample of 500 CIP II and COP-W participants.

Table A.10

**AVERAGE COMMUNITY AIDS COST PER CIP II AND COP-W PARTICIPANT IN 1997
 (PAYMENT PER DAY)**

Target Group	No Community Aids	Some Community Aids	Total
Elderly	\$0.00	\$13.81	\$0.05
Disabled	\$0.00	\$15.81	\$0.14
Total	\$0.00	\$14.81	\$0.07

* Based on a sample of 500 CIP II and COP-W participants.

Table A.11

**NUMBER OF CIP II AND COP-W PARTICIPANTS RECEIVING ADDITIONAL
 STATE OR FEDERAL FUNDING IN 1997**

Target Group	None	DVR	Fuel Assistance	Food Stamps	Congregate Meals	Section 8 Housing Subsidy	Other *	Total **
Elderly	283	0	33	39	15	25	5	361
Disabled	97	8	8	19	3	16	2	139
Total	380	8	41	58	18	41	7	500

* Other includes such federal sources as federal housing loans and subsidies, social service support, and state and county sources such as county levy and state funds to counties for social services.

** Based on a sample of 500 CIP II and COP-W participants.

Table A.12

**AVERAGE STATE AND FEDERAL SHARE OF OTHER SERVICES RECEIVED BY CIP II
 AND COP-W PARTICIPANTS IN 1997 (PAYMENT PER DAY)**

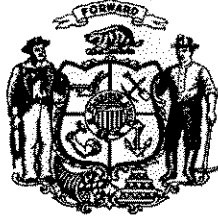
	Target Group	None	DVR	Fuel Assistance	Food Stamps	Congregate Meals	Section 8 Housing Subsidy	Other *	Total
Federal	Elderly	\$0.00	\$0.00	\$0.08	\$0.08	\$0.01	\$0.69	\$0.27	\$1.14
	Disabled	\$0.00	\$0.41	\$0.04	\$0.09	\$0.00	\$2.06	\$0.00	\$2.60
	Total Federal	\$0.00	\$0.12	\$0.07	\$0.08	\$0.01	\$1.08	\$0.20	\$1.55
State	Elderly	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	\$0.11	\$0.12
	Disabled	\$0.00	\$0.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.04	\$0.16
	Total State	\$0.00	\$0.03	\$0.00	\$0.00	\$0.01	\$0.00	\$0.09	\$0.13
Federal & State	Elderly	\$0.00	\$0.00	\$0.08	\$0.08	\$0.02	\$0.69	\$0.38	\$1.26
	Disabled	\$0.00	\$0.52	\$0.04	\$0.09	\$0.00	\$2.06	\$0.04	\$2.76
	Total Federal & State	\$0.00	\$0.15	\$0.07	\$0.08	\$0.02	\$1.08	\$0.29	\$1.68

* Other includes such federal sources as federal housing loans and subsidies, social service support, and state and county sources such as county levy and state funds to counties for social services.

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: March 9, 1999

Re: Attached Report on Adoptive Placements and Costs

Attached is a copy of a report from the Department of Health and Family Services related to the number of adoptive placements made during calendar year 1998 and the costs related to those placements. Pursuant to s. 46.03(18)(a), the Department is required to report this information to the Joint Committee on Finance each year by March 1.

No action is required by the Committee. The report is for your information only. Please feel free to contact us should you have any questions.

Attachment

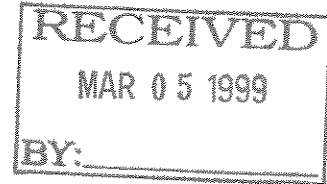
BB:JG:js



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Lekan, Secretary

February 26, 1999



The Honorable Brian Burke
Co-Chair, Joint Committee on Finance
119 Martin Luther King, Jr. Blvd. Room 202
Madison, WI 53707-7882

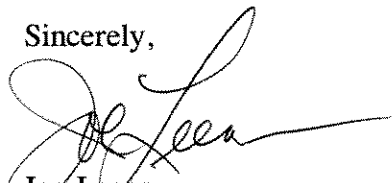
Dear Senator Burke:

Enclosed is the Report on Adoptive Placements and Costs for Calendar Year 1998. Section 46.03(18)(a), Wisconsin Statutes, requires the Department to annually report the number of adoptive placements and the costs related to those placements.

During 1998 the Department placed 94 more children than the prior year. The 415 children placed during 1998 is a new record number of placements. This increase in adoptive placements is part of a trend related to national and state efforts to increase special needs adoptions. New strategies have resulted in larger numbers of children being referred to the Department, as well as an increased volume of interstate adoptive placements completed by the Department for other jurisdictions.

The calendar year 1998 Department report to the Joint Committee on Finance is attached for your review. A full description of Department activity, comparisons to previous years and cost methodology are included in the attached report.

Sincerely,



Joe Lekan
Secretary

Attachment

c: Representative John Gard



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary

February 26, 1999

The Honorable John Gard
Co-Chair, Joint Committee on Finance
315 N. Capitol
Madison, WI 53708-8952

Dear Representative Gard:

Enclosed is the Report on Adoptive Placements and Costs for Calendar Year 1998. Section 46.03(18)(a), Wisconsin Statutes, requires the Department to annually report the number of adoptive placements and the costs related to those placements.

During 1998 the Department placed 94 more children than the prior year. The 415 children placed during 1998 is a new record number of placements. This increase in adoptive placements is part of a trend related to national and state efforts to increase special needs adoptions. New strategies have resulted in larger numbers of children being referred to the Department, as well as an increased volume of interstate adoptive placements completed by the Department for other jurisdictions.

The calendar year 1998 Department report to the Joint Committee on Finance is attached for your review. A full description of Department activity, comparisons to previous years and cost methodology are included in the attached report.

Sincerely,

Joe Leean
Secretary

Attachment

c: Senator Brian Burke

**ADOPTIVE PLACEMENTS AND COSTS REPORT
FOR CALENDAR YEAR 1998**

**DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF CHILDREN AND FAMILY SERVICES**

FEBRUARY 1999

ADOPTIVE PLACEMENTS AND COSTS REPORT FOR CALENDAR YEAR 1998

INTRODUCTION

Section 46.03(18)(a), Wisconsin Statutes, requires the Department to annually report the number of adoptive placements and the costs related to those placements. This report defines the types of adoption services provided, describes the methodology used to compute costs and provides a brief analysis of the costs, including comparisons during the past five years.

BACKGROUND INFORMATION

This report covers the cost of child placement and adoption services provided by the section manager, adoption social work staff, unit supervisors and support staff at eight regional and district offices operated by the Division of Children and Family Services. These services included: case management and placement services; recruitment, screening, assessment and preparation of adoptive homes; foster care and adoption assistance financial eligibility determination and reporting; and licensing of foster homes for adoptive placements.

Department adoption staff performed three types of adoption and permanency planning services in addition to those described above: permanency planning and consultation services for local courts and agencies; limited post-adoption services to families who adopted through the Department or from agencies in other states; and placement and treatment services to children placed in Department care with a plan other than adoption. This last category has increased in recent years due to larger numbers of court orders for children needing intensive treatment or substitute care placements prior to adoption. The Department served about 50 such children during 1998. The three types of non-adoptive services required approximately 19.43% of staff time. The cost to provide these services during 1998 is estimated at \$414,923 in addition to the amount reported for adoption service costs.

This report does not cover placements made by the Milwaukee County Department of Human Services. During 1998 that agency reported 296 adoption placements to the Department's Human Services Reporting System.

PLACEMENTS

The Department's adoption program places priority on adoptions of minority and special needs children, children with physical or emotional needs, large sibling groups, older children and teens, or a combination of any of these. Nearly all of the placements are made in homes developed by the Department or in county foster homes converted to adoptive home status. The Department seldom performs independent or "parent initiated" adoptions because they usually involve normal, healthy infant children. Placement of a child in an alternative home following a disruption of an initial placement made during any prior year is considered a separate placement.

COST AND METHODOLOGY

The following methodology was used to determine the cost of adoption services in CY 1998:

The number of professional and supervisory positions working on adoption activities was formulated from Division of Children and Family Services personnel and payroll listings. To account for costs of central office administration the full cost of the adoption section manager position was included, even though more than 40% of that position is responsible for other than the regional adoption program.

The salary information was computed by using actual payroll figures for December 1998. To compensate for a mid year pay adjustment averaging 3%, an adjustment to the 12 month cost was made by applying a 0.9850 reduction (0.015%) to the total.

Fringe costs for program staff and support staff were calculated at 35.4% of total salary.

The number of FTE support staff positions was estimated by calculating the ratio of program staff to clerical staff statewide (4 to 1), then applying the same ratio to adoption program FTE at each location.

Support staff salaries were estimated using PSICM level for the 09 pay range for 1998 (\$10,514) which approximates the median clerical level.

Other costs include rent/lease, travel, telephone, mail, training and supplies and services. Rent/lease was calculated at actual cost for office space at each region or district location, ranging from \$2,003 to \$5,111 annually and \$0 for two home-based staff. Full rent was applied for each full or partial position, including the section manager in Central Office. Actual expenditures for travel, telephone, mail, training and supplies and services for state FY-1997-98 were included (RA 522), at \$223,109.

To determine the costs of the program when permanency planning, post-adoption services and non-adoptive clients are excluded, the Department used caseload inventory data and workload analysis reports from prior years to compute the percent of "non-adoption" time (19.4%). The total program cost was reduced by this percentage to determine the total cost of adoption services.

The budget included up to \$50,000 to provide adoption services to children from the Milwaukee program living with families outside the Milwaukee area. Several part-time regional staff provided services to this population by increasing their work hours. Therefore, the administrative cost of providing services includes this amount.

The cost of replacing several personal computers and upgrading the memory of Computers in use in the regions is not included because it was part of a Department-wide upgrade and the portion applicable to regional adoptions is unknown.

Average cost per placement was determined by dividing the total cost of adoption services by the 415 children placed by the Department during 1998.

The cost of adoption services does not include the cost of Departmental functions and other state administrative charges that support the adoption program.

The cost of adoption services does not include maintenance payments to foster or adoptive families prior to adoption, Adoption Assistance Program payments made by the Department following adoption of special needs children, or medical assistance costs for children placed in foster care or adoptive placements.

SUMMARY AND ANALYSIS

The adoption cost figures for calendar year 1998 are as follows:

Number of Adoptive Placements	415
Cost of Adoption Services	\$ 1,723,857
Average Cost Per Adoptive Placement	\$ 4,154

The 415 placements made by Department staff are a significant increase from the prior year (321 in 1997) and a new annual record in the numbers of special needs children finding permanent adoptive homes in Wisconsin. The increased placements are an outcome anticipated by the Department's Strategic Plan and driven by national and state efforts to substantially increase special needs adoptions. Wisconsin courts and local agencies are referring additional children to the program, and other states have increased the volume of interstate adoptive placements. Even larger numbers of children in county foster care programs are presently awaiting adoption services or will need this service during the next biennium. It is also important to note that the caseloads per adoption worker were higher during 1998 than the level that could be sustained over time while assuring a quality program.

The chart below demonstrates the fluctuation of these figures in recent years.

Comparison of Regional Adoptive Placements and Costs*

CY	1998	1997	1996	1995	1994
Number of Adoptive Placements	415	321	311	313	253
Cost of Adoption Services	\$1,723,857	\$1,601,262	\$1,516,714	\$1,442,784	\$1,483,300
Average Cost of Placements	\$4,154	\$4,988	\$4,877	\$4,610	\$5,863

* Note the cost figures do not include the cost of Departmental functions and other state administrative charges that support the adoption program.