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Department of Health and Family Services



*Making a Difference*

**Information  
Systems  
Under  
Development**

December 1999

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1999 – Systems Under Development

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## **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 Care and Treatment Facilities**

### ***Sexually Violent Persons Information System (SVPIS)***

The Division of Care and Treatment Facilities (DCTF) contracted with the Department's Bureau of Information Systems to serve as Project Manager for the development of a Sexually Violent Persons Information System. The information that provided the base for this system was gathered from interviews with many parties within DCTF and the Department of Corrections. The system is proposed at a cost of approximately \$180,000.

The new system will enable DCTF to:

- Make the status of a selected sex offender immediately available to authorized parties at any involved site, or in Central Office,
- Provide automatic notification of critical impending dates for each offender, i.e. trials, hearing, evaluation, etc.
- Improve the accuracy of reported information
- Lessen the time and cost necessary to meet state and federal reporting requirements for DCTF institutions

Full implementation across all sites is expected by spring 2000.

## **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.

During 1998, an RFP was issued and a vendor was selected. There are currently two "Events" surrounding the release of WiSACWIS. Event One occurs before January 1, 2000; Event Two occurs before January 1, 2001. The Event One system will include the Intake function and all the financial function and provider/resource management functions. The "Pilot Phase" of application launch is to begin November 23, 1999, in a limited release area. Full release of Event One is projected for December 23, 1999; full functionality, Event Two, is projected for Spring 2000.

The budget for development of the system for Milwaukee County is approximately \$12.3 million. Total costs will approximate \$55 million to implement statewide. Enhanced federal funding is available; state and county cost sharing has not yet been determined.

## **Division of Health Care Financing**

### ***Family Care***

Family Care is a pilot project to examine 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 for pilot counties will require modification of multiple automated systems as part of the implementation of Family Care. For example:

- When the initial pilot phase of the Family Care Resource Centers transitions into supporting pilot Care Management Organizations automated Functional and Financial Screen tools will be required to replace the prototype developed for the Department by the MA Fiscal Agent. DHFS staff is currently working on the business requirements.
- The CARES system will be responsible for the determination of Family Care Medicaid eligibility, financial eligibility and calculation of a Family Care cost share for each participant. Planning is underway on modifying the CARES system for Family Care eligibility policies and processes.
- MMIS modifications to handle Family Care recipient eligibility, cost-share amounts and to enroll individuals in Care Management Organizations (CMO) are targeted for completion in February 2000.
- The extent of Family Care related changes to the MEDS system is not fully known but the Department anticipates that modification will be needed.

Requirements identification and system planning was underway in July 1999 and will continue at least through 2000. Implementation will be phased to meet Family Care pilot implementation requirements 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 and technical assistance to the pilot sites was budgeted at \$9.6 million in the 1999-2001 Biennial Budget.

***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 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 Services (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 are estimated at \$250,000 and will be met with existing revenue sources.

Implementation will occur in stages starting in March 2000, with final implementation scheduled for December 2000.

## **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 four 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 the Bureau of Information Services has 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 access to immunization data from over 600 clinics. The system will include birth, death and adoption information from the Division of Health Care Financing (DHCF) Bureau of Health Information and provide additional interfaces to the Division of Public Health WIC system and to other DHCF systems.

The WIR project has entered the pilot phase in November of 1999. The pilot phase has been successful and the WIR project will begin production implementation by the end of March 2000.

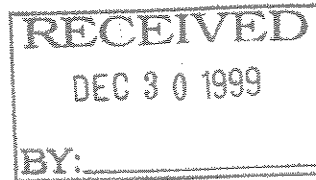
Total project costs are estimated to be approximately \$750,000, all of it in federal funds.





State of Wisconsin  
**Department of Health and Family Services**

Tommy G. Thompson, Governor  
Joe Leean, Secretary



December 29, 1999

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

Dear Senator Burke:

Wisconsin Statute s. 49.45(2)(a)20 directs the Department of Health and Family Services to submit an annual report to the Joint Committee on Finance on the "Participation Rates of Children in the Early and Periodic Screening and Diagnosis Program." In Wisconsin, we have named this program "HealthCheck."

The report's purpose is to identify significant activities of the Wisconsin Medicaid's HealthCheck program, and particularly, to report on the percent of children who receive comprehensive health care screens through HealthCheck.

Wisconsin's screening ratio increased from 53 percent in 1997 to 57 percent in 1998. Because children in HMOs are more likely to receive a HealthCheck screening than children in the fee-for-service system, we are expecting next year's HealthCheck screening ratio to continue to improve.

I am pleased to send you the completed report for 1998.

Sincerely,

Joe Leean  
Secretary

Enclosure

cc: Representative John Gard

**Report to the Legislature**

**Wisconsin Medicaid's  
Federal Fiscal Year 1998  
HealthCheck Screening Rates**

**(October 1, 1997 - September 30, 1998)**

**Department of Health and Family Services**

**November 1, 1999**

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## Executive Summary

### HealthCheck Screening Rates, 1998 Wisconsin Medicaid Department of Health and Family Services

Wisconsin Medicaid is required under s. 49.45(2)(6)(20) Wisconsin Stats. to submit an annual report to the Legislature on HealthCheck preventive screening exams provided to Medicaid eligible children during the previous federal fiscal year (FFY). (The FFY runs from October 1 through September 30 of the following calendar year.) FFY 1998 are the numbers reported to the federal Health Care Financing Administration (HCFA).

#### Definition

HealthCheck, which is Wisconsin's Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program, is mandated under federal Medicaid law. HealthCheck promotes early detection and treatment of health conditions that could lead to chronic illness and disabilities in children. This health screening exam for children includes growth and developmental checks, hearing and vision checks and immunizations, as well as a complete physical exam.

#### Findings

- The screening ratio rose from 53% in FFY 1997 to 57% in FFY 1998. The screening ratio has increased from 27% in 1992 to its current ratio of 57%.
- We believe the principal reason for the increasing screening ratio is the Medicaid managed care initiative. The Medicaid Health Maintenance Organization (HMO) contract requires a standard HealthCheck screening ratio as one performance requirement. The screening ratio contractual requirement increased from 40% in 1991 to 80% in 1996 and 1997.
- Children in HMOs are more likely to receive a HealthCheck screening exam than children in the fee-for-service system. We expect next year's HealthCheck screening ratio to continue to improve because of the performance requirements.
- Of the 151,448 screening exams performed in FFY 1998, HMOs conducted 118,988 screening exams (almost 79%), although, on average, only 51% of Medicaid children are in a Medicaid HMO.

## HealthCheck Screening Rates, 1998 Wisconsin Medicaid

### I. Background - History of HealthCheck

The federal Medicaid program has established a comprehensive, preventive well-child screening program for Medicaid-eligible children. This national program, known as Early and Periodic Screening, Diagnosis and Treatment (EPSDT), is called HealthCheck in Wisconsin. Congress established the EPSDT component of Medicaid in 1967 to promote early detection and treatment of health conditions that could lead to chronic illnesses and disabilities in children.

The purpose of the federally-mandated HealthCheck program is to assure that all Medicaid-eligible children receive periodic, comprehensive health screening exams resulting in identification and provision of needed health care services. Federal law (OBRA 89) established an 80% screening ratio as a goal for all state Medicaid programs. No penalties are identified for failure to meet this goal. Wisconsin Medicaid has worked aggressively with Wisconsin's health care community to improve Wisconsin's screening ratio. All screening ratios are presented in terms of federal fiscal years, which run from October through September.

### II. Components of HealthCheck

The federally mandated components of HealthCheck are:

- Periodic comprehensive screening
- Interperiodic screening
- Outreach/case management
- Other services

Each HealthCheck component is discussed in detail below.

#### Periodic Comprehensive Screening

Federal and state regulations establish certain requirements for comprehensive screenings. These include:

- A complete health and developmental history (including anticipatory guidance).
- A comprehensive unclothed physical examination.
- An age-appropriate vision screening exam.
- An age-appropriate hearing screening exam.
- An oral assessment and referral to a dentist for children, beginning at three years of age.
- The appropriate immunizations (according to age and health history).

- The appropriate laboratory tests (including blood lead level assessment when appropriate for age and risk).

For federal reporting, Wisconsin Medicaid includes the following number of *comprehensive* screening exams, consistent with the 1988 American Academy of Pediatrics recommendations:

- Birth to first birthday, 6 screenings.
- First birthday to second birthday, 3 screenings.
- Second birthday to third birthday, 2 screenings.
- Third birthday to sixth birthday, 1 screening per year.
- Sixth to twenty-first birthday, 1 screening every other year.

#### Interperiodic Screening

Wisconsin Medicaid also covers medically necessary "*Interperiodic*" screening exams to follow up on detected problems or conditions. The most common reasons for interperiodic screenings include:

- Immunizations.
- Retesting for an elevated blood lead level.
- Retesting for a low hematocrit.
- Educational follow-up when lead poisoning has been identified and an environmental lead inspection have been done.

#### Outreach and Case Management

Outreach and case management services assure that children receive HealthCheck screening exams as well as medically necessary follow-up care. Wisconsin Medicaid defines HealthCheck outreach and case management as those activities necessary to:

- Inform eligible clients of the availability of HealthCheck services.
- Assist clients in receiving HealthCheck services.
- Make arrangements and assist clients in following through with diagnosis and treatment.
- Refer clients, when needed, to the appropriate local agencies for transportation assistance.

#### HealthCheck "Other Services"

HealthCheck "other services" are services that are medically necessary to treat or ameliorate a defect, physical or mental illness, or a condition identified during a HealthCheck screening exam. The needed service must be a medical service as defined by federal Medicaid law (Title XIX of the Social Security Act), but which is not covered by Wisconsin Medicaid.

### III. Wisconsin's Screening Rate

Wisconsin Medicaid's HealthCheck screening ratio has grown steadily over the past few years from 27% in federal fiscal year (FFY) 1992 to 57% in FFY 1998. Medicaid managed care has been instrumental in this significant increase. The screening ratio is the actual number (151,448) of HealthCheck screenings divided by the expected number (264,030) of HealthCheck screens.

Wisconsin Medicaid has enrolled AFDC and Healthy Start recipients in HMOs in Milwaukee, Dane, and Eau Claire counties since 1984. Waukesha and Kenosha counties were added in 1994 and 1995, respectively. Beginning July 1, 1996, Wisconsin began statewide expansion of managed care programs for the Medicaid population. Enrollment was phased in from October 1996 to May 1997. When expansion was completed, Wisconsin Medicaid enrolled 202,000 AFDC/Healthy Start recipients in 68 counties in HMOs.

One goal of managed care is to provide primary care and other medically necessary services to Medicaid recipients in a manner that assures greater access, quality and cost-effectiveness than fee-for-service. Our experience in southeastern Wisconsin has demonstrated that Medicaid recipients in managed care have greater access to primary care, immunizations and preventive services than their counterparts in Medicaid fee-for-service. Fee-for-service is the traditional health care payment system.

Because of this increased access to care, children in Medicaid HMOs receive more HealthCheck screening exams than children enrolled in Medicaid fee-for-service. The expected number of HealthCheck screens, for FY 1998 is 264,030. Of that number 151,448 screening exams were performed. HMOs provided 118,988 of these screens although, on average, only 51% of Medicaid children are in a Medicaid HMO. Medicaid HMO contracts include language that allows the Department to make a financial recoupment from HMOs who fail to meet the 80% HealthCheck screening ratio. There are no financial recoupments for fee-for-service providers.

The federal government has established HealthCheck screening as a proxy for measuring preventive care. However, the HealthCheck screening ratio does not represent all medical care provided to children. Since HealthCheck is narrowly defined as a comprehensive physical exam with very specific components, children who received a less complete physical, or only one service, such as a vaccination, are not included in the HealthCheck figures.

The HMO contract requirements for HealthCheck and the continuous improvement in this screening ratio is a measure of Wisconsin Medicaid's commitment to effective preventive care.

#### IV. HealthCheck Participation and Screening Ratios

The following definitions apply to the HealthCheck Participation and Screening chart on the next page:

Participation Ratio - The participation ratio is the percentage of children who received at least one comprehensive screening exam last year compared to the number of children who would be expected to receive a screening exam. It is calculated by dividing the number of children who received at least one comprehensive screening exam during the year by the total number of children who should have received a comprehensive screening exam.

The participation ratio increased from 51% in FFY 1997 to 57% in FFY 1998. The 6% increase is largely attributable to managed care expansion, which assigns a primary care provider to each recipient. Children who receive at least one HealthCheck screening exam are more likely to receive all the screening exams they should.

Screening Ratio - The screening ratio is the percentage of comprehensive screening exams that were performed compared to the number of screening exams expected, based on periodicity recommendations. It is calculated by dividing the number of comprehensive screening exams billed by the number of comprehensive screening exams expected.

All Medicaid Children <sup>1</sup>	1992	1993	1994	1995	1996	1997 <sup>2</sup>	1998
Annual adjusted eligible	256,981	267,278	272,861	266,717	255,589	194,257	183,794
Number of screens <sup>3</sup>	89,291	107,821	146,268	149,850	153,279	146,197	151,448
Participation Ratio	--	--	37%	40%	46%	51%	57%
Screening ratio	27%	34%	42%	45%	48%	53%	57%

Medicaid HMOs are required to provide comprehensive HealthCheck screening exams to a certain percentage of the eligible children enrolled in HMOs. Financial penalties are imposed for failure to meet the required percentages. In calendar year (CY) 1991, 40% of the children enrolled in Medicaid HMOs were required to be screened. By 1994, that percentage was 65%, and the majority of HMOs met this requirement. The requirement for years 1995 through 1998 was 80%.

HMOs have traditionally performed more HealthCheck screening exams than have fee-for-service providers. Children in HMOs usually have an assigned primary care physician who is responsible for providing or arranging for preventive care, including

<sup>1</sup> These numbers are reported based on the federal fiscal year. Actual numbers of children in HMOs who received HealthCheck screening exams are not included in the above chart prior to 1994 because of federal reporting practices which assumed that all children in HMOs were screened.

<sup>2</sup> Final numbers for 1997. Last year's report included interim numbers.

<sup>3</sup> These numbers are different from those in the Wisconsin Medicaid HMO Fee-for-Service Comparison Report since the reporting period is different.



physician who is responsible for providing or arranging for preventive care, including HealthCheck screening exams for his/her patients. Therefore, HMO recipients know whom to call to receive immunizations, HealthCheck screening exams, and other preventive services. HMO expansion increased the number of providers knowledgeable about and actively doing HealthCheck screening exams. As providers began providing HealthCheck screening exams for their Medicaid HMO recipients, they also provided HealthCheck screening exams to their Medicaid recipients in fee-for-service.

## **V. CY 1998 HealthCheck Accomplishments**

### Managed Care Expansion

Department of Health and Family Services (DHFS) Medicaid HealthCheck activities focused on training HMOs on the requirements for HealthCheck screening exams, assisting HMOs in setting up systems for screening exams, outreach activities and case management, especially with commercial HMOs that have recently been certified to participate in Wisconsin Medicaid.

Validity audits are also conducted to assure that exams reported as HealthCheck screening exams met documentation requirements.

### Wisconsin Immunization Registry

Wisconsin Medicaid is working with the Division of Public Health, HMOs, private and public providers to implement a statewide registry for immunizations. A vendor contract has been signed and implementation of this program is proceeding.

### Local Health Department Involvement

Meetings were held with the Division of Public Health Regional Office Directors and local health departments to discuss the role of public health in managed care expansion. Local health departments throughout the state have historically been key providers of HealthCheck screening exams, outreach activities and case management. Many HMOs have chosen to contract with local health departments for continued HealthCheck services.

## **VI. Ongoing HealthCheck Activities**

### Continued Technical Assistance and Training for HMOs

The Department continues to work with regional managed care workgroups to increase HealthCheck screening and immunization rates.

The Department will also continue to provide technical and clinical assistance and training to HMOs to improve their HealthCheck screening rate and outreach and to assure consistent quality of HealthCheck screening exams.

#### Collaboration with Other Agencies

The Department has strengthened its linkages with the Department of Public Instruction, the Division of Public Health (particularly with the Lead, Immunization, WIC and Maternal and Child Health staff), and Head Start agencies to promote HealthCheck. The Department will also continue to assure that HealthCheck is integrated appropriately into other programs that serve children.

#### Intra-Departmental Collaboration

Department policy (via the Division of Children and Families) requires all children in substitute care arrangements to have a HealthCheck screening exam. Medicaid staff continues to provide assistance in linking foster care families and HealthCheck providers in communities throughout the state.

The Division of Health Care Financing and the Division of Public Health, Lead Program, signed a memorandum of understanding governing the confidential exchange of data between both Divisions. The sharing of data between Wisconsin Medicaid and the Lead Program should result in the following:

- A more accurate count of the number of children on Medicaid with an elevated blood lead level. The Medicaid Program did not have ready access to this information, previously.
- Less administrative redundancy and a more efficiently run program, both at the state and local levels.
- Improved access to lead services for individuals with little or no insurance. For example, The Division of Public Health is now able to ensure that local agencies are billing Medicaid whenever possible thus leaving more funds available to serve other individuals.

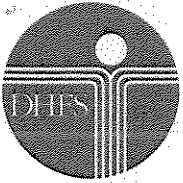
Staff from both Divisions meet regularly. The primary purposes of the meetings are to maintain the strong collaboration between the Divisions; to share information, and to develop strategies aimed at improving HealthCheck screening, immunization, and lead screen rates.

#### Targeted Outreach Efforts

Outreach agencies are sent monthly reports identifying fee-for-service recipients who need a comprehensive HealthCheck screening exam. Additionally, a report is sent to HMOs identifying new children in their program, which includes the child's HealthCheck screening history.

## **VII. Summary**

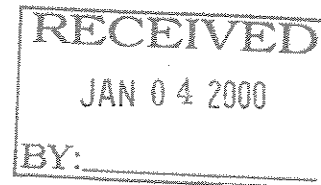
Wisconsin Medicaid continues to increase the number of Medicaid children who receive comprehensive HealthCheck screening that identifies and prevents health problems. The screening ratio has increased from 27% in 1992 to its 1998 ratio of 57%. This growth is expected to continue next year because, by that date, most Medicaid children will receive their medical care from managed care organizations for a full year.



State of Wisconsin  
**Department of Health and Family Services**

Tommy G. Thompson, Governor  
Joe Leean, Secretary

December 31, 1999



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

The Honorable John Gard  
Assembly Co-Chair, Joint Committee on Finance  
Room 315 North, State Capitol  
Madison, WI 53702

Dear Senator Burke and Representative Gard:

As required by s.51.05 (3m) of the Wisconsin Statutes, I am enclosing the Department's annual report on the management of the program revenue deficit at the state Mental Health Institutes. The Department projects that it will meet the statutory requirement to reduce the deficit by \$500,000 in FY 00.

Sincerely,

Joe Leean  
Secretary

## DEPARTMENT OF HEALTH AND FAMILY SERVICES REPORT ON MENTAL HEALTH INSTITUTES REVENUES AND EXPENDITURES

Section 51.05 (3m) of the Wisconsin Statutes requires the Department of Health and Family Services to report annually to the Joint Committee on Finance to identify the change, during the previous fiscal year, in the amount by which the accumulated expenditures of the Mental Health Institutes (MHIs) exceed the accumulated revenues. The statute also requires the Department to describe the actions taken by the Department during the previous and current state fiscal years to reduce the amount of the accumulated deficit and to assure that revenues at the MHIs exceed expenditures by at least \$500,000 each fiscal year until the accumulated deficit is eliminated.

For SFY 99, the MHIs began the fiscal year with an accumulated deficit of (\$6,008,084) and completed the year with a deficit of (\$2,077,070). Revenues exceeded expenditures by \$3,931,014. (These are preliminary amounts, subject to verification by the Legislative Audit Bureau, which will complete its annual audit in Spring, 2000.) Some of the specific actions taken by the Department that contributed to the deficit reduction are:

- An increase in the private care billing rates on October 1, 1998 of 1.7% at each Mental Health Institute.
- The management of vacant positions as census permitted and delayed hiring of employees to save salary and fringe dollars.

For SFY 00, the institutes began the year with an accumulated deficit of (\$2,077,070) and are projected to have an accumulated surplus of \$1,893,300 on June 30, 2000. Revenues are expected to exceed expenditures by \$3,970,400. This amount exceeds the \$500,000 amount required by statute. Civil populations have continued to increase since SFY 98, thereby increasing revenue generated. Specific actions taken by the Department in SFY 00 that also contribute to deficit reduction are:

- An increase in the private billing rates on October 1, 1999 of 1.5% at each MHI.
- A contract with a consultant firm to increase the amount of revenues the MHIs receive from Medicare, both currently and retroactively.

The MHIs' budgets have reached a level where revenues exceed expenditures by more than \$500,000 per year and continue to maintain that level.

MENTAL HEALTH INSTITUTES  
PRO REVENUE/EXPENDITURE SUMMARY

17-Dec-99

Fiscal Year: 1999 - 2000  
Quarter: First  
Apr. 226, 227, and 229

	MENDOTA	WINNEBAGO	TOTAL
<b>REVENUE</b>			
Beginning Cash Balance, July 1, 1999	(6,532,411)	(7,486,861)	(14,019,272)
Current FY Revenue Projected	15,971,202	19,909,510	35,880,712
MA/Medicare Settlements :			0
<b>Total Projected Revenues</b>	<b>9,438,791</b>	<b>12,422,649</b>	<b>21,861,440</b>
<b>EXPENDITURES</b>			
Salary and Fringe YTD	4,170,994	4,741,038	8,912,032
Non-Salary YTD	1,289,719	924,194	2,213,913
C.O. YTD	95,366	95,366	190,732
<b>Subtotal YTD</b>	<b>5,556,079</b>	<b>5,760,598</b>	<b>11,316,677</b>
Salary & Fringe Balance of Year Projected	6,987,324	10,045,988	17,033,312
Non-Salary Balance of Year Projected	728,570	1,375,310	2,103,880
C.O. Balance of Year Proj. (Interest/Deprn/Overhead reflected in rev)	728,221	728,221	1,456,442
<b>Subtotal Balance of Year Projected</b>	<b>8,444,115</b>	<b>12,149,519</b>	<b>20,593,634</b>
<b>Total Projected Expenditures</b>	<b>14,000,194</b>	<b>17,910,117</b>	<b>31,910,311</b>
<b>Estimated Ending Cash Balance 6/30/00 (Exp less Rev)</b>	<b>(4,561,403)</b>	<b>(5,487,468)</b>	<b>(10,048,871)</b>
Plus Estimated Accts Rec on June 30, 2000	6,983,899	4,958,303	11,942,202
<b>Estimated Ending Accrued Balance 6/30/00</b>	<b>2,422,496</b>	<b>(529,165)</b>	<b>1,893,331</b>
FY99 Estimated Ending Accrued Balance 6/30/99	451,488	(2,528,558)	(2,077,070)
<b>FY00 Annual Gain/Loss</b>	<b>1,971,008</b>	<b>1,999,393</b>	<b>3,970,401</b>
 <b>POPULATIONS</b>			
Actual ADP	79.41	121.96	201.37
Balance of Year Projected ADP	72.00	120.00	192.00
	74.50	120.66	195.16
<b>ADP Utilized for Rate Purposes</b>	<b>70.00</b>	<b>117.00</b>	<b>187.00</b>

HEALTH INSTITUTES  
REVENUE/EXPENDITURE SUMMARY

23-Nov-99

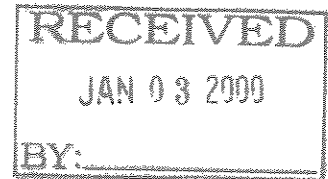
Fiscal Year: 1998 - 1999  
Quarter: Third and Fourth  
Appr. 226, 227, and 229

	MENDOTA	WINNEBAGO	TOTAL
<b>REVENUE</b>			
Beginning Cash Balance, July 1, 1998			
Current FY Revenue	(6,489,784)	(9,054,869)	(15,544,653)
DYS Revenue for MJTC (now in Appr. 267)	13,542,697	17,574,879	31,117,576
MA/Medicare Settlements :			0
	(Reflected in above current FY Revenue and		0
<b>Total Revenues</b>	<b>7,052,913</b>	<b>8,520,010</b>	<b>15,572,923</b>
<b>EXPENDITURES</b>			
Salary and Fringe YTD	11,236,980	13,214,992	24,451,972
Non-Salary YTD	2,348,344	2,791,879	5,140,223
C.O. (Included above)			0
<b>Subtotal YTD</b>	<b>13,585,324</b>	<b>16,006,871</b>	<b>29,592,195</b>
Salary & Fringe Balance of Year Projected	0	0	0
Non-Salary Balance of Year Projected	0	0	0
C.O. (Interest/Depm/Overhd reflected in revenue)	0	0	0
<b>Subtotal Balance of Year Projected</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditures</b>	<b>13,585,324</b>	<b>16,006,871</b>	<b>29,592,195</b>
<b>Ending Cash Balance 6/30/99 (Exp less Rev)</b>	<b>(6,532,411)</b>	<b>(7,486,861)</b>	<b>(14,019,272)</b>
Plus Estimated Accts Rec on June 30, 1999	6,983,899	4,958,303	11,942,202
<b>Estimated Ending Accrued Balance 6/30/99</b>	<b>451,488</b>	<b>(2,528,558)</b>	<b>(2,077,070)</b>
<b>FY98 Estimated Ending Accrued Balance 6/30/98</b>	<b>(1,765,758)</b>	<b>(4,242,326)</b>	<b>(6,008,084)</b>
<b>FY99 Annual Gain/Loss</b>	<b>2,217,246</b>	<b>1,713,768</b>	<b>3,931,014</b>
<b>POPULATIONS</b>			
Actual ADP	73.78	121.80	195.58
Balance of Year Projected ADP	0.00	0.00	0.00
			0.00
ADP Utilized for Rate Purposes	78.00	112.00	190.00



State of Wisconsin  
**Department of Health and Family Services**

Tommy G. Thompson, Governor  
Joe Lekan, Secretary



December 29, 1999

The Honorable Brian B. Burke, Co-Chair  
Joint Committee on Finance  
P.O. Box 7882  
Madison, WI 53707-7882

Dear Senator Burke:

I am writing to notify you of an amendment to the Medicaid program's Medicaid Management Information System and Fiscal Agent contract between the Department of Health and Family Services and EDS. The amendment allows extension of the fiscal agent contract from January 1, 2002 through December 31, 2005. The Department is required to notify the Joint Committee on Finance and appropriate standing committees in each house of the legislature prior to amending or extending the contract, pursuant to s. 49.45(2)(a)(16), Wis. Stats.

We have determined it is in the best interest of the state and its providers and clients to extend the contract. A summary of our rationale is provided with this letter (Attachment 1). The proposed contract amendment (Attachment 2) has the following provisions during the extension period:

- It increases the monthly base contract payment to \$1,697,180.50 beginning in 2002.
- It provides total annual payment reductions of \$1,437,556 in 2002, \$737,556 in 2003, \$637,556 in 2004 and \$937,556 in 2005.
- It provides a revised method for calculating the existing annual inflationary increase applied to contract costs.
- It provides a new hourly rate schedule for costs of additional computer programmers and analysts.

The amendment is subject to final approval by the Health Care Financing Administration.

Sincerely,

Joe Lekan  
Secretary

Attachments

cc: Bob Lang, Legislative Fiscal Bureau



## ATTACHMENT 1

### SUMMARY OF RATIONALE FOR EXTENSION OF THE MEDICAID FISCAL AGENT CONTRACT

The Department of Health and Family Services (DHFS) and the Department of Administration have determined it is in the best interests of the State and its clients to extend the Medicaid Fiscal Agent contract with EDS rather than re-procure the contract for the following reasons:

- The current fiscal agent contract and the Medicaid Management Information System satisfies all program requirements of the Wisconsin Medicaid program, for both the present time and for the foreseeable future.
- The current contractor consistently exceeds contract performance standards and extension of the contract maintains this competence and minimizes risk.
- Development and processing of a procurement at this time would require an enormous investment of both dollars and staff resources, with no anticipated return in efficiency, program improvement, or vendor competition.
- Extension of the contract provides the Department the time and resources to accomplish both current and new priorities and initiatives required by the state and federal government. This includes FamilyCare, 1999 - 2001 biennial budget initiatives including Pathways and Medicaid buy-in, and implementation of new national standard health care transactions and coding formats required by the Health Insurance Portability and Accountability Act (HIPAA).
- The Department has negotiated prudent and fair terms for the contract extension period, which increase value, assure performance and continue contract savings.
  - ✓ The contract extension costs are competitive; lower than bid rates from the last procurement, lower than market rates and lower than costs of a new contract.
  - ✓ The increase in contract costs over current costs represent reasonable business practice, reflecting a modest inflationary increase and market conditions for this labor market.
  - ✓ The extension provides additional contractor resources, including staff, at lower than market rates and performances standards to improve the efficiency, quality and effectiveness of operations for DHFS programs.
- Extension of the contract preserves the interest of several Wisconsin businesses as major subcontractors in this contract and the role of Wisconsin workers in the operation of Wisconsin government programs.

## ATTACHMENT 2

### AMENDMENT TO CONTRACT FOR MMIS AND FISCAL AGENT SERVICES FOR THE WISCONSIN MEDICAID PROGRAM

Whereas, the State Department of Health and Family Services (herein referred to as "State") and Electronic Data Systems (herein referred to as "Contractor") entered into and are now operating under a Contract for MMIS and Fiscal Agent Services for the Wisconsin Medicaid Program (herein referred to as "Contract") which took effect December 10, 1991; and

Whereas, the Contract provided at Section 50.310 that it may be modified or amended at any time by the mutual consent of Contractor and State, and that all such amendments shall become effective only when approved by the federal Health Care Financing Administration (herein referred to as "HCFA") and State authorities, and subsequently executed by the parties hereto; and

Whereas, it is in the interests of both parties to establish the terms and conditions of their contractual relationship after December 31, 2001, the current date of expiration of the contract;

Now, therefore, in consideration of the foregoing recitals and of the mutual promises contained herein, State and Contractor hereby agree as follows:

1. Notwithstanding any limitation in the Contract, the Contract is hereby extended for a three-year period through December 31, 2004, subject to the approval of the Wisconsin Department of Administration and HCFA. The contract may be extended for one additional calendar year, subject to the same approval. If the State intends to extend the contract for this additional one-year period, it will notify the Contractor of this intent by October 1, 2004.
2. For the term of any extension period, section 50.921 of the Contract, entitled Payment Methodology, is amended as follows:

Beginning in calendar year 2002, the flat monthly payment will be \$1,697,180.50. The invoice for the monthly payment will be adjusted as provided in this section. For each month beginning January 1, 2002, and ending December 31, 2002, the invoice for the monthly payment will be reduced by \$86,463. For each month beginning January 1, 2003, and ending December 31, 2003, the invoice for the monthly payment will be reduced by \$28,130. For each month beginning January 1, 2004, and ending December 31, 2004, the invoice for the monthly payment will be reduced by \$19,796. If the State chooses to extend the Contract through calendar year 2005, for each month beginning January 1, 2005, and ending December 31, 2005, the invoice for the base payment will be reduced \$44,796.

3. For the term of any extension period, Section 50.922 of the Contract, is amended as follows:

(a) There will be no inflationary increase to the monthly payment during calendar year 2002. The annual inflationary increase that will begin in calendar year 2003 will be the lesser of 5 percent or the weighted average of the percent increase in the prevailing Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for Milwaukee, Wisconsin, and the percent increase in the Employment Cost Index (ECI) for Private Industry Workers in the Midwest-Wages and Salaries only, (source: Bureau of Labor Statistics). The percentage increases to the Indexes will be based on the increases during the twelve-month period preceding June of the year prior to the effective date of the annual inflationary increase. The weights applied to calculate the weighted average will be 42 percent for the CPI-W and 58 percent for the ECI.

(b) The inflationary increase in sub. (a), above, will apply to all resource estimates for the costs of additional systems and non-systems work, if the resource estimates were approved by the State on or before the date this contract amendment is effective.

4. The invoice for the MEDS project performed by the Contractor under Resource Estimate PL96-1036, as modified by the Department's response dated December 17, 1996, will be reduced by \$33,333 for each month of an extension period (\$400,000 per year).

5. For work performed under section 50.923 of the Contract during an extension period, the Contractor will be paid at a rate of \$45 per hour for System Engineer/Analyst time. If the work required to be performed under section 50.923 exceeds 52,000 hours in a calendar year, the hours in excess of 52,000 hours will be paid at a rate of \$50 per hour during calendar year 2002, a rate of \$52 per hour during calendar year 2003, a rate of \$54 per hour during calendar year 2004 and a rate of \$56 per hour during calendar year 2005. The inflationary increase provided in section 3, above, will not apply to these scheduled rates.

6. Section 50.565 Continuation of Processing is reinstated as follows:

After expiration of the three-year extension or the optional additional one-year extension, the Contractor shall continue to perform all appropriate functions under the Contract at the pricing mechanism that applied in the last month of the expired extension period (as set forth in Sections 50.920 through 50.925, as amended) on a month-to-month basis up to twelve (12) months, if so requested by the State. No later than 90 days prior to the expiration of the extension period, the State shall notify the Contractor that it will invoke this provision and that Contractor must continue to perform.

7. All terms and conditions of the Contract and any prior amendments that are not affected by this Amendment, including, but not limited to, the provisions on performance of the duties of State and Contractor, the parties' rights and obligations upon termination of the Contract, and remedies related to timely and accurate performance of duties, shall remain in full force and effect through the duration of the Contract and any extension period, and the terms of this Amendment shall be fully incorporated into the Contract by this reference and fully enforceable as any other term thereof.
8. This Amendment may itself be amended by mutual consent of Contractor and State pursuant to Section 50.310 of the Contract.

This Amendment takes effect as of January 1, 2002, when executed by both parties as indicated below.

IN WITNESS THEREOF the parties hereto have caused this Contract to be executed by their duly authorized representatives, on the dates indicated below each signature.

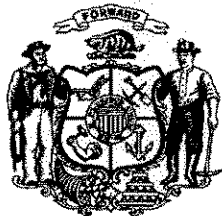
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# THE STATE OF WISCONSIN

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: January 3, 2000

Re: Annual Reports

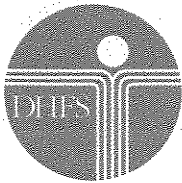
Attached are copies of three reports required to be filed with the Joint Finance Committee on an annual basis.

These include a report from the Educational Communications Board on non-federal gift and grant expenditures and reports from the Department of Health and Family Services on the "HealthCheck" program and on information systems projects under development.

The reports are 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 28, 2000


The Honorable Brian B. Burke  
Co-Chair Joint Committee on Finance  
PO Box 7882  
Madison, WI 53707-7882

Dear Senator Burke:

The biennial budget bill, 1983 Wisconsin Act 27, created s. 46.275, Community Integration Program (CIP) for Residents of State Centers. The intent of this program "is to relocate persons from the state centers for the developmentally disabled into appropriate community settings with the assistance of home and community-based services and with continuity of care. The intent of the program is also to minimize its impact on state employees through redeployment of employees into vacant positions." S. 46.275(5m) requires the Department to submit a report to the Joint Committee on Finance and to the Chief Clerk of each house of the Legislature describing the program's impact during the preceding calendar year on state employees, including the Department's efforts to redeploy employees into vacant positions and the number of employees laid off.

For the period of January 1, 1999 to December 31, 1999, there were 59 placements of center residents into the community. For fiscal year 1999, reductions of \$3,569,650 and 82.63 FTE were made in the budget for the purpose of CIP placements. For the period July 1, 1999 through December 31, 1999, sufficient reductions will be made in the fiscal year 2000 operating budget to reflect reductions for CIP placements. Reductions of positions and dollars have been made for calendar year 1999 with no employees being laid off during the year. Only six layoffs have occurred at the centers due to the CIP program since the program began in 1983. All other reductions have been absorbed through attrition of employees.

Sincerely,



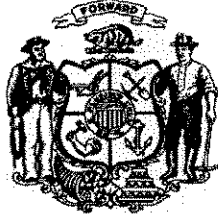
Joe Leean  
Secretary

cc: Donald Schneider, Senate Chief Clerk

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

316-S Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
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ASSEMBLY CHAIR  
**JOHN GARD**

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## 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: April 3, 2000

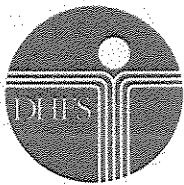
Re: Attached Report on Adoptive Placements and Costs

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 1999 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 Leean, Secretary

March 28, 2000

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

Dear Senator Burke:

Enclosed is the Report on Adoptive Placements and Costs for Calendar Year 1999. 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 1999 the Department's regional offices placed 350 children, the second highest number of special needs children placed on record. The increase in adoptive placements in recent years is related to national and state efforts to increase adoptions of children in foster care. Wisconsin is one of 35 states to receive notice of eligibility for federal incentive payments for increased numbers of special needs adoptions. During 1999 we began to enhance the capacity of the program by developing partnerships with private adoption agencies and by initiating a statewide recruitment project for foster and adoptive families. These new efforts are being closely monitored by the Department to assure an increase in numbers of adoptions with positive outcomes for children and families of Wisconsin.

The calendar year 1999 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



**ADOPTIVE PLACEMENTS AND COSTS REPORT  
FOR CALENDAR YEAR 1999**

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

**FEBRUARY 2000**

# **ADOPTIVE PLACEMENTS AND COSTS REPORT FOR CY 1999**

## **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 other adoption services provided by Division of Children and Family Services staff in counties other than Milwaukee County. The services necessary for completing adoptions of special needs children included: case management and placement services; recruitment, screening, assessment and preparation of adoptive homes; determining eligibility for foster care maintenance payments and adoption assistance; case record maintenance and reporting of data to information systems; and licensing adoptive homes for foster care.

Department staff also performed other services related to adoption, including: concurrent planning consultation services with local courts and agencies; limited post-adoption services to families who adopted through the Department or from agencies in other states; and case management for children placed in the legal guardianship of the Department with a plan other than adoption. The last category typically includes children legally free for adoption but needing temporary placement and intensive treatment services prior to adoption. The Department served about 50 such children during 1999. The three types of adoptive-related services required 19.43% of staff time. The cost to provide these services during 1999 is estimated at \$481,195 in addition to the amount reported for adoption placement service costs.

This report does not cover the cost of Department adoption services provided by the Milwaukee County Department of Human Services. During 1999 an additional 251 adoption placements of Milwaukee children were reported 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 healthy infant children without special placement needs.

## **COST AND METHODOLOGY**

The following methodology was used to determine the cost of adoption placement services in CY 1999:

Adoption staff costs include the actual cost of professional and supervisory positions assigned to adoption activities. The full cost of the adoption section manager position was included. Annual staff costs were computed using December 1999 wages and applying them to the number of hours each employee worked during the year. The cost of mid-year increases for represented staff could not be included because a settlement had not been reached as of the date of this report. The cost of a mid-year increase for six non-represented staff was included because salary information was available for these positions.

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

The number of support staff positions was estimated by calculating the ratio of program staff to clerical staff in the Division of Children and Family Services regional offices statewide (4 to 1) and applying the same ratio of support staff to the number of adoption program staff at each regional office location.

Support staff salaries were estimated at \$10,514, which approximates the median clerical level.

Rent/lease was calculated at actual cost for office space at each region or district location, ranging from \$2,140 to \$5,440 annually and \$0 for two home-based staff. The full cost of rent was applied to each full or part time employee at each regional or district office location. The rent cost for the section manager was prorated among the five regions.

Other costs include travel, telephone, mail, printing, training and other supplies and services. The state FY-1998-99 expenses were used because information on the full 1999 calendar year was not available. The total of these costs was \$ 303,878.53.

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 time for other than adoption placement services (19.4%). The total program cost was reduced by this percentage to determine the total cost of adoption services.

The cost of purchasing 21 adoption home study services from private child placing agencies was included for studies completed and authorized for payment during the year (\$36,500). While additional costs were obligated for purchased services during the second half of the year, these costs were not included because the services were not completed or billed during 1999. When these services are completed the program will have an increased number of approved family homes available for placements in the year 2000. An additional \$4000 in funding was used to support student interns.

Average cost per placement was determined by dividing the total cost of adoption placement services by the 350 children placed by the Department during CY1999.

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

The cost of adoption services does not include maintenance payments made 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 1999 are as follows:

Number of Adoptive Placements	350
Cost of Adoption Services	\$ 1,999,190
Average Cost Per Adoptive Placement	\$ 5,712

The 350 placements made by Department staff are the second highest number of placements of special needs children on record. The figure is down from the 421 placements made in 1998 but up significantly from 1996 and 1997 (311 and 321).

During 1999 the Department began implementation of a plan to build a partnership with private agencies to increase program capacity to meet additional increases in special needs adoption placements. This outcome is 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 the volume of interstate adoptive placements is increasing. During 1998 and 1999 the caseloads of Department adoption workers were higher than the level that could be sustained over time while assuring a quality program. Therefore, 1999 costs include initial efforts to meet this demand by adding several project positions in the adoption program and purchasing 21 adoption home study assessments from private adoption agencies. Additional purchase of adoption services, including placement services, is expected to occur in 2000.

The 1999 average cost per placement of \$5,712 is higher than several recent years, but lower than average costs reported for 1991 (\$5,842) or 1994 (\$5,863). The chart on the following page demonstrates the fluctuation of these figures in recent years.

### Comparison of Regional Adoptive Placements and Costs\*

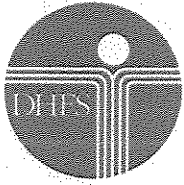
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CY	1999	1998	1997	1996	1995	1994
Number of Adoptive Placements	350	415	321	311	313	253
Cost of Adoption Services*	\$1,999,190	1,723,857	\$1,601,262	\$1,516,714	\$1,442,784	\$1,483,300
Average Cost of Placements	\$5,712	\$4,154	\$4,988	\$4,877	\$4,610	\$5,863

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

By Chris Marceil (BPP/6-3595)

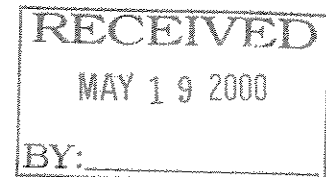
bcc: DHFS  
 DCFS  
 Sherwood Seigel, OSF  
 Bill Fiss, AO  
 Chris Marceil, BPP



State of Wisconsin  
**Department of Health and Family Services**

Tommy G. Thompson, Governor  
Joe Lekan, Secretary

May 12, 2000



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

Dear Senator Burke:

The attached combined report is submitted to the Legislature pursuant to s. 46.27 (1lg) and s. 46.277 (5m) of state statutes. State statutes require the Department of Health and Family Services to submit an annual report for the Community Options Program (COP) and for a combined report on the Home and Community Based Waivers (COP-W/CIP II). The attached report describes the persons served, program expenditures, and services delivered through the COP, COP-Waiver and CIP II programs in calendar year 1998. It is comprised of the following sections:

1. Overview of the Community Options Program and Home and Community Based Waivers. This overview includes some information about other waivers.
2. Part I – Community Options Program. This section contains more detailed information about COP as required by state statute and contains the historical data necessary for comparisons to past years. Persons served and dollars expended for both COP and COP-Waiver are included in this section to document compliance with state statutes and provide a complete picture of the funding appropriated by the Legislature. Data in this section does not include persons served or dollars expended for the CIP II program since the matching source of funding for the Community Integration Program II waiver is funded separately under Medicaid.
3. Part II – Medicaid Home and Community Based Services Waivers. This section provides the historical detail that reflects the activity of the Medicaid waivers and provides comparisons to Medicaid costs for persons in nursing homes as required by statute.
4. Appendix A – CIP II and COP-W Cost Study. This section contains the methodology used to maintain the cost effectiveness required by HCFA.

Senator Burke  
May 12, 2000  
Page 2

The Community Options Program provides services to all target group populations. COP is closely coordinated with all of Wisconsin's Medicaid Home and Community Based Waivers. With the Department's oversight county agencies are able to ensure that a comprehensive and individualized care plan is provided, while maintaining program flexibility and integrity and maximizing federal matching funds.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Lekan", with a long horizontal flourish extending to the right.

Joe Lekan  
Secretary

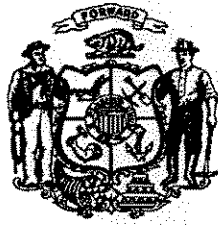
Attachment

c: Bob Lang, Legislative Fiscal Bureau

# 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: May 23, 2000

Re: Attached Report on the Community Options Program

Attached is a copy of a combined report from the Department of Health and Family Services related to the Community Options Program (COP), the COP-Waiver Program, and the Community Integration Program (CIP) II for calendar year 1998.

Pursuant to s. 46.27(11g) the Department is required to report to the Joint Committee on Finance a summary of the data collected for the state and for individual counties under the COP program for the calendar year ending immediately before the preceding calendar year each year by January 1. Pursuant to s. 46.277(5m), the Department is also required to report to the Committee information describing the cost and quality of services used under the Community Integration Program and the extent to which existing services have been used under the program in the preceding calendar year by October 1 of each year.

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

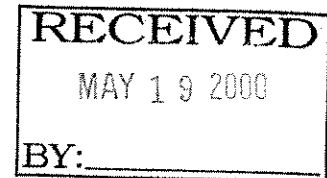




State of Wisconsin  
Department of Health and Family Services

Tommy G. Thompson, Governor  
Joe Leraan, Secretary

May 12, 2000



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

Dear Senator Burke:

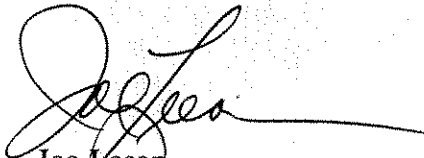
The attached combined report is submitted to the Legislature pursuant to s. 46.27 (llg) and s. 46.277 (5m) of state statutes. State statutes require the Department of Health and Family Services to submit an annual report for the Community Options Program (COP) and for a combined report on the Home and Community Based Waivers (COP-W/CIP II). The attached report describes the persons served, program expenditures, and services delivered through the COP, COP-Waiver and CIP II programs in calendar year 1998. It is comprised of the following sections:

1. Overview of the Community Options Program and Home and Community Based Waivers. This overview includes some information about other waivers.
2. Part I - Community Options Program. This section contains more detailed information about COP as required by state statute and contains the historical data necessary for comparisons to past years. Persons served and dollars expended for both COP and COP-Waiver are included in this section to document compliance with state statutes and provide a complete picture of the funding appropriated by the Legislature. Data in this section does not include persons served or dollars expended for the CIP II program since the matching source of funding for the Community Integration Program II waiver is funded separately under Medicaid.
3. Part II - Medicaid Home and Community Based Services Waivers. This section provides the historical detail that reflects the activity of the Medicaid waivers and provides comparisons to Medicaid costs for persons in nursing homes as required by statute.
4. Appendix A - CIP II and COP-W Cost Study. This section contains the methodology used to maintain the cost effectiveness required by HCFA.

Senator Burke  
May 12, 2000  
Page 2

The Community Options Program provides services to all target group populations. COP is closely coordinated with all of Wisconsin's Medicaid Home and Community Based Waivers. With the Department's oversight county agencies are able to ensure that a comprehensive and individualized care plan is provided, while maintaining program flexibility and integrity and maximizing federal matching funds.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Veean", with a long horizontal flourish extending to the right.

Joe Veean  
Secretary

Attachment

c: Bob Lang, Legislative Fiscal Bureau

# STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

316 South, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: 266-8535



ASSEMBLY CHAIR  
**JOHN GARD**

315 North, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: 266-2343

## JOINT COMMITTEE ON FINANCE

June 14, 2000

Mr. Joe Leean, Secretary  
Department of Health and Family Services  
1 West Wilson Street  
Room 650  
Madison, WI 53703

Dear Secretary Leean:

Thank you for your June 2, 2000, letter informing us of the status of the BadgerCare program.

We understand that the Department is continuing to seek approval of a federal waiver that would enable the state to use federal funds available under Title XXI of the Social Security Act to support a portion of the costs of services provided to adults enrolled in BadgerCare. If the state's waiver request were approved, the amount of additional GPR that would be required to fully fund the current estimated costs of the BadgerCare program in the 1999-01 biennium would be significantly reduced.

Your letter indicates that, based on the amount of funding currently authorized for the program, the Department could continue to enroll eligible persons and meet expected cash flow needs until January, 2001, and that additional funding would most likely be required to support program costs for services provided during the last months of the 2000-01 fiscal year. Based on the possibility that the state could obtain the requested waiver and the opportunity for the Legislature to address this issue in January, 2001, we believe that it is not necessary for you to submit a request to the Committee at this time.

Again, thank you for your letter. Please keep us apprised of the status of the federal waiver, enrollments or any other matters that may affect the BadgerCare program.

Sincerely,



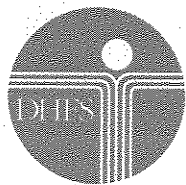
BRIAN BURKE  
Senate Chair



JOHN GARD  
Assembly Chair

BB:JG:js

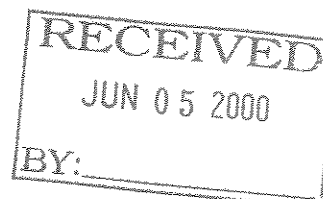
cc: Senator Chvala  
Senator Panzer  
Representative Jensen  
Representative Krug  
Bob Wood  
Secretary Lightbourn  
Bob Lang



State of Wisconsin  
**Department of Health and Family Services**

Tommy G. Thompson, Governor  
Joe Lekan, Secretary

June 2, 2000



The Honorable John Gard  
Co-Chair Joint Committee on Finance  
Wisconsin State Assembly  
State Capitol, 315N  
Madison, WI 53707

The Honorable Brian Burke  
Co-Chair Joint Committee on Finance  
Wisconsin State Senate  
State Capitol, 316S  
Madison, WI 53707

Dear Representative Gard and Senator Burke:

BadgerCare has experienced tremendous success in its first eleven months, and has been well received by low-income families with children who do not have access to health care.

Since July, over 65 percent of our uninsured children, or 35,131 children, in families with income under 200 percent of the federal poverty level have been enrolled in BadgerCare or Medicaid. Of this enrollment, 21,631 children are in BadgerCare and 13,500 children have been added to Medicaid. In addition, 45,679 parents of BadgerCare/Medicaid children, or 51 percent of the estimated number of uninsured adults in Wisconsin, have been enrolled in BadgerCare through May 2000. This phenomenal enrollment of children, which far exceeds the experience of other states, is attributable primarily to effective BadgerCare outreach and BadgerCare design, which assures seamless coordination with Medicaid and a family-based approach to eligibility.

However, as you are aware, our success means that current estimates of BadgerCare enrollment will exceed the budgeted levels of Act 9. Furthermore, the increasing costs of health care, especially pharmacy, made it necessary for me to renegotiate rates for the HMOs that participate in Medicaid, Healthy Start and BadgerCare. Specifically, the rates for BadgerCare enrollees and the rates for pregnant women in Healthy Start had to be raised above the 3 percent increase of Act 9 to reflect what a reasonable discount would be in relation to fee-for-service payments. An alternative to our current managed care program could have jeopardized the quality, access and cost savings the state now receives from our HMO provider networks.

The dilemma is the lack of appropriation authority for both the estimated enrollment and the needed rate increase. I have continued enrolling eligible applicants in BadgerCare, and completed the HMO contracts based on the expressed interest of the Governor's support and the fact that both houses of the Legislature have passed separate legislation supporting continued and increased funding for BadgerCare. The question of whether I should submit a plan to curtail new

The Honorable John Gard  
The Honorable Brian Burke  
June 2, 2000  
Page 2

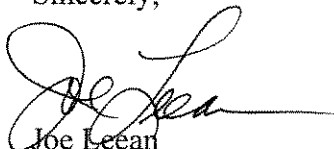
enrollment is once again an issue in light of no actual appropriation or mutually agreed process between the houses regarding the continuation of BadgerCare.

Current estimates reveal a shortage in Medicaid, Healthy Start and BadgerCare due to HMO rate increases and enrollment of \$16.6 million GPR and \$25.9 million FED in the 1999-01 biennium. Of this, \$15.0 million GPR and \$23.5 million FED would be needed for BadgerCare, with \$9.6 million GPR and \$15.0 million FED for continued enrollment and \$5.4 million GPR and \$8.5 million FED for BadgerCare HMO rates. In addition, \$1.6 million GPR and \$2.4 million FED would be for the HMO rate increase for Healthy Start Pregnant Women. Though I can continue to enroll eligible persons and meet expected cash flow needs until January 2001, with higher enrollment and HMO rates there would clearly need to be legislative action before the end of the biennium to appropriate additional funds for BadgerCare and Healthy Start.

Under our existing BadgerCare waiver, the federal Health Care Financing Administration has 60 to 90 days to review and approve enactment of an enrollment trigger to limit new enrollment into BadgerCare. In addition, approval by the Joint Committee on Finance is required prior to implementation of a change in enrollment. Thus, Act 9 funds will be short of the expected expenditures even if the "enrollment trigger" is enacted this summer.

The Legislature seems to continue to support the BadgerCare program. However, sufficient funding has not been appropriated to continue to enroll families with children at the current eligibility levels. Therefore, I am seeking your advice regarding legislative action to either increase funding before June 30, 2001, or submit a plan to the Joint Committee on Finance to curtail new enrollment, effective upon state and federal approval.

Sincerely,



Joe Lekan  
Secretary

cc: Bob Wood, Governor's Office  
George Lightbourn, Department of Administration  
Bob Lang, Legislative Fiscal Bureau  
Speaker Scott Jensen  
Senator Chuck Chvala  
Senator Mary Panzer  
Representative Shirley Krug



State of Wisconsin  
**Department of Health and Family Services**

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Tommy G. Thompson, Governor  
Joe Lekan, Secretary

October 10, 2000

The Honorable Brian B. Burke  
Wisconsin State Senate  
P.O. Box 7882  
Madison, WI 53707-7882

Dear Senator Burke:

The Department of Health and Family Services has received a response from Westside Healthcare Association, Inc. (WHA) with regard to my August 16, 2000, letter sent to Patricia McManus and Members of the Joint Committee on Finance (JCF). A copy of WHA's letter is attached.

In my letter, I asked for additional information that would describe how WHA intended to utilize the \$1,000,000 program supplement in the JCF appropriation given that the funding is one-time only. Based on the information provided in the letter from WHA, it is not clear how the previously awarded \$500,000 was used and whether the additional requested \$500,000 would be used exclusively for non-recurring costs. Although Mr. Moyer indicates that the additional funds would be used to purchase computer and other equipment, marketing and promotions, professional services and some building, the one-time nature of these purchases is not clearly described.

With regard to WHA's revenues and expenditures, it appears that no patient service revenues have been received to date. This may be because professional services provided to patients have been billed to Medicaid and other third party insurance by Wisconsin Medical College physicians practicing at the clinic, rather than by the clinic itself. However, WHA projects that patient service revenues of \$308,830 will be received by the clinic by the end of the calendar year. It is not clear what method was used to make this projection.

In the letter, Mr. Moyer indicates that for the first six months of 2000, WHA has provided services to 854 patients. He further states that the projected number of patients that will be served by WHA for the entire calendar year is 1,950.

In November of 1999, WHA was serving 680 patients. On March 6, 2000, the number of patients increased to approximately 800. Given the growth trend for the first six months of the year, it is not clear how WHA plans to meet the projected patient volume. Additionally, it is unclear as to whether the patient numbers indicate an unduplicated count of patients being served by WHA or the number of patient encounters that have occurred at WHA.

The Department is in the process of developing WHA's state Community Health Center (CHC) Grant contract, following receipt of verification on September 25, 2000, that the federal Bureau

The Honorable Brian B. Burke  
Wisconsin State Senate  
October 10, 2000  
Page 2

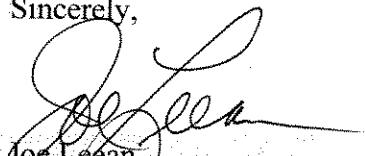
of Primary Health Care has issued a Notice of Grant Award to WHA for the amount of \$303,846. Based on this information, WHA's proportionate share of the state CHC Grant funds for SFY01 will be \$96,720. WHA's state CHC Grant contract reflecting this amount will be processed and mailed within the next two weeks.

In addition, WHA has become a Wisconsin Medicaid certified provider, effective September 7, 2000. Specifically, WHA received certification under Medicaid as a Federally Qualified Health Center (FQHC). As an FQHC in Wisconsin, WHA is eligible to receive 100 percent cost-based reimbursement from the Medicaid program on an annual cost settlement basis. To receive this reimbursement, WHA must submit annual cost reports to Medicaid.

In its certification application, WHA indicates that four physicians and one physician assistant will be providing medical services to patients at the clinic. Claims for eligible services provided by these providers that are billed to Medicaid under the Clinic's FQHC provider number will be paid initially on a fee-for-service basis. Then, on a quarterly or annual basis, the costs associated with these services will be eligible for 100 percent reimbursement by Medicaid.

I hope this information is of assistance to you and the Committee members.

Sincerely,



Joe Lekan  
Secretary

Attachment

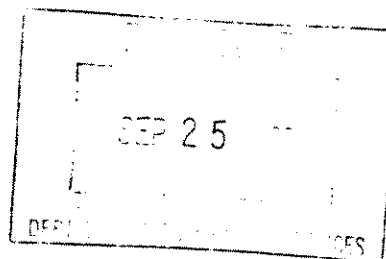
cc: Members, Joint Committee on Finance  
Bob Lang, Legislative Fiscal Bureau  
Representative John Gard





# WESTSIDE HEALTHCARE ASSOCIATION, INC.

September 20, 2000



Mr. Joe Leean  
Secretary  
State of Wisconsin  
Department of Health and Family Services  
1 West Wilson Street  
Post Office Box 7850  
Madison, WI 53707-7850

BOARD OF DIRECTORS  
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CASSANDRA WELCH, MD  
SCOTT WICK

Dear Mr. Leean:

This letter is in response to your letter written to Patricia McManus, Ph.D., RN dated August 16, 2000.

The Westside HealthCare Association (WHA) has successfully completed the application process with the Bureau of Primary Health Care. The organization was awarded a grant for a seven months period of \$303,846, which is equivalent to a twelve months amount of \$520,879.

### Operations

Throughout the period of January 1, 2000 through June 30, 2000 WHA has provided services to 854 patients. Services provided included Laboratory, Office Visits, OB/GYN, Vaccinations, and Procedures. The individual CPT codes are as follows:

86403, 84703, 82948, 82270, 81002, 81015, 87210, 81003, 87086, 81003, 86580, 81002, 87220, 82042, 59410, 59400, 59414, 59425, 59430, 59618, 59610, 99201, 99202, 99203, 99204, 99211, 99212, 99213, 99214, 99215, 99381, 99382, 99383, 99384, 99391, 99392, 99393, 99394, 99385, 99395, 99242, 99243, 99396, 99386, 57454, 90782, 36415, 90471, 90472, 90632, 90702, 90718, 90646, 90712, 90707, 90744, 90657, 90732, 90700, 90716, 90745, 90746, 90713, and 90648.

The Revenues received during the first half of the Calendar year were Donations of \$100,000 and Grants \$580,000. The employees of the organization during this time were as follows:

Jackie Holloway, Executive Director  
Sarah Cobbs, MD, Acting Medical Director  
Dorothy James Administrative Assistant

### Budget

The budget for the current calendar year is as follows.

#### Revenue

Federal Grant	\$	173,600
State Grant		1,000,000

P.O. BOX 080257  
3522 WEST LISBON AVE  
MILWAUKEE, WI 53208  
PHONE: 414/934-6082  
FAX: 414/934-6081

Patient Service Revenue	308,830
Total Revenue	\$ 1,482,430
<b>Expenses</b>	
Personnel	\$ 187,250
Fringe Benefits	33,630
Travel	4,500
Equipment	266,550
Supplies	32,600
Contractual	338,400
Construction	420,000
Other	199,500
Total Expenses	1,482,430
<b>Increase to Net Assets</b>	<b>\$ (0)</b>

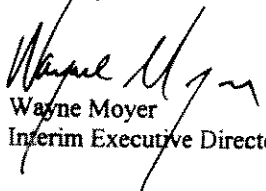
The projected number of patients for this calendar year is 1,950.

#### Intended Use of State Funds

The Westside Healthcare Association appreciates the States commitment and support to our community. The funds will be used to establish a sound infrastructure that will allow WHA to address the many health issues devastating our community. More specifically, funds will be used to purchase an information system, telephone system, building, office equipment, Software, Marketing and promotions, and professional services.

If additional information is required in order to secure the distribution of the awarded funds please do not hesitate to contact me at (414) 934-6080. Thank you.

Sincerely,

  
Wayne Moyer  
Interim Executive Director

WM/wm

CC: Patricia McManus  
Antonio Riley