9

March 24, 1999

To Whom it May Concern:

I am a C.N.A. who works part-time at Santa Maria nursing home. I elect to work part-time because my husband is retired and I am of retirement age also. In this manner we can still maintain a quality of life that we desire.

Since Jan. 18, 1999 I have been at Santa Maria. Prior to that I worked for over two years at Parkview Manor Nursing Home. The Primary reason I left was because I was besieged almost every day to work: even called as much as three times a day for the same given shift. In addition I practically never got out on time because of call-ins. Obviously this says there is a critical shortage of help. And with the pay level being what it is, it is only going to get worse.

Let me give you another picture of shortage of help; the night I started at Santa Maria, another cna started also. She has not been seen at Santa Maria to report for work since that first night.

signed
Virginia F. Bruce
1440 Chicago St.
Green Bay, Wi.
54301

Phone: 920-432-5450

Brown County: All Funds Analysis
March 26, 1999

Brown County W-2 Surplus Revenues:

	Available	Requested
7% unrestricted profit:	$480,532	$480,532
10% unrestricted profit:	$384,593	$0
45% community reinvestment:	$1,730668	$0
Total:	$2,595,613	$480,532
Difference:		($2,115,261)

Brown County only requested 18% of eligible funds.

Community Aids:

Counties are requesting a 3% increase in each year of the biennium. The Governor's budget requests community aids reductions of 2.5% and 1.8% respectively primarily to reflect a reduction in the federal SSBG and eligible TANF funds.

Brown County:

Actual	3% increase	
1999	2000	2001
$10,053,076	$10,354,668	$10,665,308
	($301,592)	($310,640)

Fun Facts:

Brown County could have increased their Community Aids appropriation by 25% if they would have requested the full W-2 reimbursement.

Instead, the $480,532 they did request would represent a 5% increase in community aids. (Note: BC actually rolled the money into their General Fund.)

Youth Aids:

Counties are requesting 5% increases in each fiscal year; updating the YA formula with a hold harmless provision; and, re-link daily rate increases with equal aid increases. Gov's proposal includes 2% increases in each FY with an over-all drop in daily rates for the biennium (Note: Daily rates exceed current levels by 16 cents for the last 6 months of the biennium.).

Brown County, in 1997 received $2m in State aid but actually spent $3.8m in total Youth Aids expenditures (51.8%).

March 26, 1999

To Joint Financial Committee

Senator Cowles and Representive Gard

Please help the low end wage earner in health care to provide better food, housing, and health insurance for themselves and their many dependents.

I will use a few statistics from my own employment example for this appeal.

We employee 135 employees. Of those 105 earn less then $9.00 an hour.

1. They are certified assistants and support personnel in foodservice, housekeeping and laundry.

2. Many are single parents under the age of 35 .

3. Some are approaching retirement and are trying to grow their social security base.

4. Some are seeking to support only themselves.

5. Most are females.

6. Males who enter theses areas leave in short order due to inability to support families.

7. They often refuse health insurance because they need the money for food and housing. Insurance is too expensive.

8. These workers provide 85% of the direct services to our elderly residents.

These workers NEED and SHOULD have at least a 10% to 20% wage increase.

This money would return improved life for their dependent children and establish a better base for when they can no longer work.

This would help the state and federal tax base and social security; and assist to remove many more individuals from government support programs.

It would also encourage the many cash workers who do not declare incomes to move into the employment arena and "fess up."

This would,in effect, help each tax payer who now covers more than his/her share.

Please find a budget soloution that will improve the lives of these many individuals.

It will also help small business to provide decent wages and health insurance to the dedicated people and employees who spend each day caring, loving and providing skilled services to the frail, elderly and handicapped folks in Wisconsin.

Please consider this request for inclusion in the budget.

Thank You

Judy Dolezal
Tax payer, homeowner, 39 years in the health service.
Assistant Administrator. Bornemann Nursing Home
Green Bay, WI

To: All Legislators

From: Bonnie Davis, NHA
Mary Vietzke RN, BSN, CDONA/LTC

Bornemann Nursing Home, Inc.

Subject: Support for a Wage Pass-through for Nursing Home Employees

We have approached a pinnacle in time where significant attention is required immediately to prevent a down spiraling of standards in the way we think about and deliver health care to our elderly in this state. There needs to be more emphasis on what can be done to make the job of a CNA more fulfilling, both for students and CNAs who are currently working. Facilities across the state can honestly say they've done their part in that. We, now, see our CNAs receiving a higher level of continuing education, professional growth, and an average wage increase of 8.6% in the past year alone. All of this directly funded by respective facilities in an effort to meet the necessity of placing perceived worth and value to job that needs desperately to be valued as a profession.

There is a multitude of reasons why we are at this critical crossroad. Many of those reasons are in relation to rules designed to improve the quality of care for our residents. One would easily submit to the idea that many of the rules and regulations enacted in the pasted ten years have, indeed, been successful in that end. Wisconsin nursing home residents consume an exemplary quality of care. The proof is in the statistics that show that Wisconsin facilities have met and in cases exceeded the national average in meeting requirements of state and federal initiatives. We as a state have superceded the negative television portrayals of what a nursing facility has to offer. It is now that we need to develop a means to maintain and nourish this growth of our homes. Paragraphs that follow describe why we arrived here and will hopefully spur some thought as to where we need to grow.

Nursing staff fights, daily, the stereotype of being second rate caregivers based solely on the fact of being employed in a long term care facility. The fact is that a long term facility caregiver is an expert in multiple fields of specialty, rather than our hospital counterparts who gain expertise in a single area. The nursing home entity would benefit greatly if our state officials pioneered a project to educate the public to the fact that quality facilities exist. Our legislators need to become mindful that our elderly thrive, not die, in our facilities. We all need to be aware that our facilities are microcosms of our respective communities. It would not be difficult to list specific individuals who had not had the opportunity to worship, visit with peers, attend meaningful functions, move about freely, vote, or be involved with the community for years prior to their nursing facility admission due to being home bound. Nursing facilities have grown. Death is an inevitable part of life. More people die at home or in hospitals than they do in nursing facilities. The public needs to know that. Nursing facilities foster life and make death as an important event as being born. A wage pass-though to nursing facility staff would be helpful in this. In this country, the perceived value of your work is based on the wage connected to that work. Our hospital counterparts have out-earned our staff by five to seven percent since time began. It is easy to identify that private insurance and the Medicare system are large players in that arena that nursing facilities do not have as great an access to. We require the state to assist us as we do care for the larger part of health care consumers whose bills are paid by the state.

It is also important to remember who our CNAs are. Typically, your brand new CNA today is between 18 and 22 years old. They have, perhaps, some labor type job experience if any at all. It has taken them, on the average, 6 months to gather the two to four hundred dollars necessary to achieve certification. There was a time when facilities could reimburse that new CNA on hire based on reimbursement to us by our state. It was a good program to motivate entry into CNA programs. Without notice, that reimbursement dropped to half the cost of the course required and facilities no longer have the means to reimburse without additional costs to themselves, and in turn to the resident population. It is understood that one should not expect to be given a living. However, when one looks at the earning potential of an eighteen-year-old, there is no motivation for them to choose being a CNA over a burger flipper at a fast food restaurant. We cannot ask our young people to choose this as a job much less a profession based on what they may get out of it being personal satisfaction only when McDonald's training program gives them that.

Many facilities have resorted to bringing in temporary agency CNAs. When you use temporary agency help for some time, you take away the sense of ownership your own CNAs feel about their facility and about the quality of the work that is expected. In their minds, the temps cannot possibly know as much as, they, your permanent staff do. Yet, the facility, in an effort to meet regulatory guidelines continues to bring them in. Our own staff will come to feel that it is not necessary to develop bonds to the residents and be able to identify the smallest changes. Right now, our quality staff still knows that this is important. They still know that this is cost effective, as early treatment of any

change in condition is always cost effective, not to mention more beneficial to the residents health. Only permanence of position in the facility can foster ownership of these values. Values which it seems we all should want them to have. We, as taxpayers, seek quality as well as quantity in terms of our health care. Also, one should be certain that at some time in our lives we will become directly affected by the decisions that we make right now, either as a direct consumer of long term care or in seeking it for our parents or grandparents. As the current trend continues, our own CNAs are adopting beliefs that the temporary worker is earning a higher wage for work that does not require a personal obligation to any entity other than themselves. They are drawn from our facilities knowing that they will be back because they know you can't live without them. This, in turn, reduces the possibility that our own CNAs can be financially rewarded as the increased cost, of that same person under agency hire, in the facility rises substantially and quality in the name of continuity is chiseled away bit by bit.

The temporary agency pool of CNAs is growing at an alarming rate. They have grown from being shelter in a storm to something as valuable as the very air we breathe. I, for one, am grateful that there is an entity that can provide a CNA a fair wage for the body of knowledge they needed to attain to become certified and for the work they perform. These CNAs are moved from facility to facility on a daily basis and carry the stress of being required to perform at each respective facility's standards and policy's; as well as, in many cases, to function personally with little to no benefits in trade for a higher wage. Agency's can afford this type of wage, as the financial constraints on respective budgets do not include the cost of running an entire facility. The temporary CNAs have merit, as they do fill the gap that is needed by skilled facilities. They are bandaids for the nursing home body that needs to find a way to keep going. One could easily project that our future looks grim, in that, the number of bandaids in our facilities will soon cover our nursing home body. You will not, any longer, be able to see what the home was all about to start out with. The spirit of the home will have been literally sold. This for, nothing more than, compliance to rules created by legislators, who have never been employed by a nursing facility, had a family member receive quality care in a facility or listen to the realities of what it really takes to deliver that quality of care. The realities, in the delivery of that kind of care, are too many to list in a simple letter designed to make an impact.This is in a trade for a deficiency free survey, which has become one of the few ways a facility can find funds to pass on to their own staff.

A wage pass though would allow a quality home to increase hourly wages for current employees to nearly match what a temporary agency pays their staff, in turn, improving retention of quality senior members of a home's staff. It will allow for a shift of current temporary workers into traditional positions, where continuity can only result in more bangs for the health care dollar. It will reduce a nursing homes cost as the temporary agency costs are anywhere from three to five dollars an hour higher than what the that CNA actually earns. Those savings, by a quality facility, could be passed on not necessarily in another wage increase; but in a staffing increase, which will allow more individual attention to our resident population by staff that truly want to belong to the facility.

From the time of initiation of electronic submission of the MDS to the time that PPS became effective, we have been nickeled and dimed by thousands of dollars in the name of progression. We have had to add additional computer terminals, train our staff in their use and spend enormous time out of the facility to become competent in all areas of change mandated by our government. We have not received any type of assistance from our state to encourage us to be competent. We funded the enormity of it all.

There are times when it is apparent that current trends are leading us into a survival of the fittest scenario. Meaning, that the small private facility will financially suffer in competition with larger and more powerful corporate homes. The small private homes will disintegrate. We struggle in a time when we were promised, by our sitting President, that our government would bolster small business and that corporate America would not take over. Nursing homes were forgotten when that promise was made. Small facilities are being bought out by corporate giants all over Wisconsin. It has become difficult as a private facility to compete against these giants for reasonable group insurance rates, employee wages and benefits. As much as a wage pass-through would cut our costs in the area of over time and temporary CNA need as described above, it is not unreasonable to believe that the small private home will still be stuggling to compete as there will still be no reward for trying to do it the old fashioned way. Our state needs to recognize each facility individually and work to put us on an even playing field in an effort to keep our standards of care where they are. The wage pass-through is step one.

Your time spent on this issue is greatly appreciated. Hopefully, when you become more initimately involved with long term care on a personal level you will look back to this and be able to identify the positive impact you had made.

Sincerely,

Bonnie Davis NHA

Mary Vietzke RN,BSN, CDONA/LTC

COMMISSION ON AGING, INC.

Brown County

Aging Resource Center of Brown County
formerly Brown County Commission on Aging.

300 SOUTH ADAMS STREET
GREEN BAY, WISCONSIN 54301

SUNNY ARCHAMBAULT

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DIRECTOR

TESTIMONY BEFORE THE JOINT FINANCE COMMITTEE
FRIDAY, MARCH 26
ON BEHALF OF THE BOARD OF DIRECTORS OF THE
AGING RESOURCE CENTER OF BROWN COUNTY

Thank you for this opportunity to present information on issues that are critical for older persons in our community. For the past six years, the Board of Directors of the Aging Resource Center of Brown County has been learning about, and talking about, and advocating for a long-term care system that makes sense for older persons and their families--in particular, the frail elderly living in our communities. This one topic--a comprehensive community care service system that allows persons to live in the setting they choose--has been on every one of our agendas for the last three years.

We have been encouraged by the Governor's rhetoric regarding his commitment to "Family Care", but are quite disillusioned by the Governor's budget for long term care issues. And the budget is the state governments real declaration of values. While we realize that the issues around long-term care reform are numerous, complex, and controversial, older persons have spoken clearly and consistently on this topic. They have repeatedly stated: We want real choices regarding how and where we receive help; We want access to comprehensive and unbiased information in order to make informed decisions; We need advocates to help us understand the system on which so many of us depend; We want public control and accountability if we will be required to have a managed care system.

The Governor's budget provides dollars for nine pilot counties. Hopefully, the experience gained through these pilots will provide the information needed to implement an

effective long-term care system statewide. However, this budget also provides ***little to no*** increases in any of the other state funded community services that older persons depend on ***now*** to remain independent. The promise of a comprehensive reformed system is empty for seniors in the remaining 63 counties of our state. ***This budget is not adequate***. There are 371 persons on Brown County's COP waiting list, 94 of these individuals are over age 65. They have neither the time nor the capacity to wait for the next biennial budget to receive the help that is needed today. They need and deserve your support in ***this*** budget if they are to remain in their own homes or in other living situations of their own choice.

We ask for your support, but more importantly, we ask for your leadership. Please develop a budget that more realistically addresses the needs of the most vulnerable of our aging population. A statewide entitlement to community care that includes the opportunity for public management and accountability is a vision worth pursuing. Please don't let up the pressure on this critical issue. But equally important is the need to also adequately fund existing community programs such as transportation, COP, Nutrition, and increases for Personal Care Workers.

Thank you for your attention, your interest and your commitment to aging issues.

Joint Finance Committee
March 26, 1999

Submitted by: Diana Brown
5059 Glenview Rd.
Denmark, WI. 54208

Dear Committee Members,

Thank you for coming to Green Bay listen to our thoughts on the issues related to the Governors budget. I have worked with frail and disabled elderly as well as other vulnerable populations for the past 24 years. I am on the Board of Directors for the Alzheimer's Association of Northeastern Wisconsin and of the National Adult Day Services Association. I am also the Vice President for Adult Services at N.E.W. Curative Rehabilitation Inc. and manage programs for the elderly, for the mentally ill and disabled. I was a caregiver for my Father in my home, for 3 years when, after my Mothers sudden death, he developed cancer. I feel that I have knowledge from both the care giver point of view and at a administrative level. There are several issues in the budget that I am concerned about.

NEW FEE FOR CERTIFYING ADULT DAY CARE CENTERS - I oppose this.

The first issue is the new certification fee for adult day care centers. Until this budget, there was no charge for a day center to become certified by the State. The certification is only required if a day center wishes to accept federal waiver funds as payment from the participants. Many centers want this because there are very few public or 3rd party funds that pay for adult day care. Any help we can get in the funding area is crucial. The new fee would require a capacity type charge, $20 per person intended to be served and a flat fee of $200 every other year. Centers also look at the certification as insuring a quality of care for the community. We do not oppose the certification process only the fee. This fee would be imposed on day cares, CBRF's and adult Family Homes. I don't feel that day cares are in the same financial situation as CBRF's. It is estimated that there are around 120 Adult Day Centers in Wisconsin. Of these centers, most are operating at break even or in deficit. Many are asking their communities for additional support through the local United Way, through the counties, and with grant money. There is not adequate public funding to support these programs, they are not covered by Medicare, Medical Assistance and most of the elderly do not have any insurance that would cover it. So financially most centers are not in a good position to take on additional expenses. The second part of the issue relates to the intent of the certification fee. The rationale for the fee is to help to pay for more surveyors to do bi-yearly rechecks, initial certification and to investigate complaints. The growth of new centers has been relatively slow compared to the growth of CBRF's. A surveyor recently told me that all of his time is spent in dealing with complaints within the CBRF's industry and that he had never heard of a complaint in Day Care. We pride ourselves on the professionalism of our providers as a group. We cannot afford this fee.

ALZHEIMER'S FAMILY & CARE GIVER SUPPORT PROGRAM - I am in favor of increasing the funding for this.

The AFSCP Program has been extremely helpful to families. It is an allocation that each county can use to either grant to families who can use it to get home care, respite care, purchase medications etc... or counties can use the money to develop needed services which would benefit many families. In either case it has been a shot in the arm for care givers. I would support any increase in this program.

FAMILY CARE - I am undecided on what this may mean.

The Family Care initiative has a number of very good features to it that I can support. One is the establishment of Aging and Disability Resource Centers. Coordinating information and having a single point of entry is a step in the right direction, especially for the aging network, which has been very fragmented. The screening that would occur before a person attempts to enter a nursing home would divert many back into the community. People can be maintained in the community if they can get the services they need to be at home. Many people just aren't aware of what services exist.

The area that concerns me about Family Care is the concept of the Care Management Organization (CMO). During public hearings last year, a common theme was support for counties becoming the CMO. We trust counties to manage the services, as they have the experience and we realize that counties traditionally put extra resources into the funding pot to fill in the gaps that exist and to assure that deserving people are not denied services. I am fearful that if a managed care company has the role as the CMO that they will be driven by dollars and cost factors instead of a moral responsibility. I believe that certain areas of public service are not improved by privatizing. That government needs to assume this responsibility because it affects the welfare of the public.

COMMUNITY OPTIONS PROGRAM - In favor of increasing the funding.

The COP program is an example of a very effective way to help people who are disabled to remain independent. It is flexible, creative, and although case costs vary significantly, proven to be cost effective on average. There exist waiting lists across the state. This program benefits many groups, the elderly, the developmentally disabled, persons with Mental Illness and the physically challenged. Please support an increase in funding.

ALZHEIMER'S® ASSOCIATION

Someone to Stand by You

TESTIMONY
for
JOINT FINANCE COMMITTEE

Friday, March 26, 1999

I am Mary Bouche, Executive Director of the Alzheimer's Association-Northeastern Wisconsin. Thank you for allowing me the opportunity to share my thoughts and concerns with you today.

In working with the general population and those with dementia in northeastern Wisconsin (19,000 patients, and nearly 50,000+ families) needing help and assistance in dealing with their loved ones with dementia. There are a number of ongoing concerns that seem to be mentioned quite frequently and require support from health care professionals. These kinds of service include assessment clinic resources, adult day care, in-home respite services, other home health services, financial support to pay for non-covered services and ongoing case management. All of this is available here in Wisconsin at varying degrees within each county. Due to this inconsistent array of services can be challenging in that families often need some "hand-holding" to make their way through the maze.

Based on these factors I would like to offer my recommendations on the following:

1. Family Care -- important that the pilot projects specifically identify how those with cognitive impairment (AD and related diseases) will fit into the system. There is much talk about this population not fitting the specific criteria and we want to ensure that those with dementia are not left out of receiving assessment and ongoing services.

2. Elderly and Disabled Transportation -- Many of those with dementia are in need of transportation to access services such as Adult Day Care. It is important that the increases for transportation be consistent not only with inflationary increases, but allow for the increases in the number of those needing such services. For example, as the elderly population increases, we will see also an increase in those with dementia. It is estimated that currently 100,000 persons in Wisconsin have dementia and we can anticipate a 50% increase by the year 2020.

3. Community Options Program -- The budget proposes $3.9 million for each year to support those currently on the program; however, it appears that no new money has been allocated for any new clients. For all disability groups served by COP this is important to be able to serve new clients and specifically in the area of Alzheimer's disease and dementia we will see the large increase as noted above. This clearly points to the fact that more dollars are needed.

ALZHEIMER'S ASSOCIATION - NORTHEASTERN WISCONSIN

MAIN OFFICE: 2900 Curry Lane, Suite A • Green Bay, WI 54311 • Phone (920) 469-2110 • Fax (920) 469-2131
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4. External Advocates -- The BOALTC has long been a true advocacy agency, protecting may who are unable to speak for themselves or are not sure what rights they have and how to respond to the concerns they do have. At this time these ombudsman are overworked in that they cover very large territories and a variety of services providers. Because many of the our Alzheimer's families and caregivers benefit from the services of the ombudsman, it is important for us to recommend that your reconsider your small increase in this budget. We need this kind of advocacy support in Wisconsin.

5. Alzheimer's Family and Caregiver Support Program -- started in 1986 it has provided a start in supporting the middle income families who are ravished by the devastating effects of Alzheimer's disease and related diseases, however, there has been little, if any increase since 1986. It is important for us to consider that caregiving for someone with Alzheimer's disease is emotionally, physically and financially exhausting for families. More than 7 out of 10 persons with dementia are cared for by family members. Family caregivers spend an average of nearly 69 hours a week providing direct care. Supporting the caregiver does save money in the long run with potential cost savings in the reduction of nursing home placements & days of care needed, unnecessary hospitalizations which reduces Medicare expenditures.

The AFCSP has saved taxpayers a tremendous amount of money and has proven itself to be a sound financial investment. It provides an essential service for Alzheimer's patients and their families because it is flexible and can be used to start up programs such as adult day care, in-home respite and other supportive services. In addition, it is able to provide financial support to a group of people that without this support will be financially destitute in the future.

Thank you for your time and consideration of the issues mentioned above.

Sincerely,

Mary B. Bouche, Executive Director
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(920) 469-2110
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ARCW

AIDS Resource Center of Wisconsin

Leading Wisconsin's Response to AIDS

Life-Saving HIV Prevention Services
A Blueprint for Stopping AIDS in Wisconsin

The AIDS Resource Center of Wisconsin encourages the Joint Finance Committee to reinvest $500,000 GPR funds in the 1999-2001 State Budget into effective, community-based HIV prevention services. This funding is available based on a reestimate in utilization and expenditures for the HIV/AIDS Insurance Continuation Program.

Eighteen years into the AIDS epidemic, the State of Wisconsin reports at least one new person living with HIV each day. Men, women and children across Wisconsin remain at high risk for HIV. In the past four years:

- 1,429 Wisconsin residents have been diagnosed as HIV positive, a 31% increase
- the number of teens with AIDS has increased by 44%, and, nationally, 50% of all new HIV infections occur among youth between the ages of 13 and 24
- the number of women with AIDS in Wisconsin has increased by 63%

The State of Wisconsin HIV Prevention Planning Council has done excellent work in determining the most effective HIV prevention strategies for urban and rural populations at greatest risk of contracting HIV. This initiative will fund professionally trained outreach workers located across Wisconsin to implement the HIV prevention strategies highlighted in the plan, include:

- one-on-one HIV prevention counseling
- HIV prevention case management
- outreach HIV counseling and testing
- peer education and opinion leader strategies
- HIV risk-reduction skills building

Since 1989, the State of Wisconsin has flat-funded HIV prevention at $180,000 GPR even though reported HIV infections have increased 8-fold. Wisconsin now spends more money on administering AIDS programs than on preventing new infections.

The reinvestment of these funds into HIV prevention services will not reduce the access to health care through Wisconsin's HIV/AIDS Insurance Continuation Program and is an effective strategy to reduce future State-funded costs for HIV care and treatment which can be as high as $125,000 per person living with HIV.

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ARCW

AIDS RESOURCE CENTER
OF WISCONSIN

LEADING WISCONSIN'S RESPONSE TO AIDS

Cost-effective Community-based Care for People with HIV and AIDS
Life Care Services/Early Intervention Grant

To adequately address statewide HIV/AIDS caseload expansion and the increasing complexity of service delivery, the AIDS Resource Center of Wisconsin urges the Joint Finance Committee to increase funding for the cost-effective Life Care Services/Early Intervention grant by $196,800, or 10%, in SFY 2000 and maintain that level of funding in SFY 2001.

Community-based services funded by the Life Care Services/Early Intervention grant have been accessed at record levels, increasing by 20% from 1,947 clients in SFY94 to 2,325 clients in SFY98. This increase in caseload has been fueled both by more people diagnosed with HIV and by declining AIDS death rates that have resulted in clients accessing services for a longer period of time. With at least one new HIV case reported each day and an estimated 8,000 to 12,000 Wisconsin residents with HIV, caseloads are projected to increase in the upcoming biennium.

While new AIDS drug therapies have been successful in reducing Wisconsin's AIDS death rate, adherence to the treatments require significantly greater support. The Life Care Services/Early Intervention Grant provides access to one-on-one effective coordinated case management and support services to achieve the highest level of adherence possible. Each year thousands of clients and families with HIV disease and AIDS are seeking services funded by this grant. While the number of clients has risen significantly, the need for services has increased even more dramatically. Between 1997 and 1998, clients accessing:

- **Housing Assistance** programs that provide rent assistance, housing counseling and project based housing have been access 35% more frequently.

- **Legal and Benefits Counseling** programs that are crucial to assuring continuous health care and assisting with employment related issues have seen a 15% increase in utilization.

- **Food Assistance** including food pantry and nutritional counseling services have experienced a 75% increase in utilization.

- **Transportation** to medical appointments is critical for people with HIV/AIDS who can no longer miss appointments without potentially harming their health status. Access to this program has increased by 139%.

A 10% increase in funding for the Life Care/Early Intervention grant will enable Wisconsin to provide services to thousands of individual and families living with HIV, continue to reduce State MA HIV-related costs and to maintain a lower AIDS death rate.

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ARCW

AIDS RESOURCE CENTER
OF WISCONSIN

LEADING WISCONSIN'S RESPONSE TO AIDS

Budget Neutral Expansion of Health Care for People with HIV
Medicaid Waiver for the Provision of Health Care and Treatment

The AIDS Resource Center of Wisconsin endorses the Department of Health and Family Services effort to obtain a federal Medicaid waiver to expand coverage for health care for low income people with HIV. However, ARCW encourages the Joint Finance Committee to remove limitations in ***Section 1436*** *of the budget bill that capitates services under the waiver.*

Waiver

The State of Wisconsin's Medical Assistance (MA) program and the access it provides to comprehensive health care services has been a powerful tool in the fight against AIDS. Unfortunately, eligibility for Wisconsin's MA program, much like other state's Medicaid programs, requires people with HIV to be diagnosed with AIDS before they can access medical care that would be prevented the deterioration of their health status. The proposed federal waiver will remedy this "catch-22" by providing early access to health care and medications for low income people with HIV through the State MA program.

For the waiver to be approved by the federal government, the State must prove cost-neutrality, meaning that over a five year time frame the cost of care under the waiver will not exceed the cost of care absent a waiver. There is significant data nationally demonstrating the cost neutrality of this waiver and at least 4 states are already seeking this type of waiver to extend MA eligibility to low income people with HIV.

Service Caps

ARCW encourages the Joint Finance Committee to remove the health care caps placed on this waiver in Section 1436 of the budget bill for the following reasons:

- Protease inhibitor HIV therapy is most effective in maintaining health and reducing future medical care costs when regular, continuous health care is accessed. The proposed capitated level of care would limit the effectiveness of treatment and potentially harm the health status of HIV+ patients.

- Significant breakthroughs in preventative care for HIV-related illnesses that are the standard of care would be cost-prohibitive under the proposed cap.

Because approval of the federal waiver is based on demonstrated cost-nuetrality, removal of the cap will not increase State spending.

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Joint Finance Committee Hearing

Friday March 26, 1999

Brown County Public Library

515 Pine Street

Green Bay, WI

Subject-Adequatly funding "C.O.P." Community Option Program and eliminate waiting lists in the 63 non-pilot counties. To eliminate the institutional bias so that people have equal access to long-term care at home as they do in a nursing home.

Jerome Van Sistine

Jerome Van Sistine

Vice-Chair Aging Resource Center of Brown County

Aging Resource Center of Brown County:
Board of Directors January, 1999

Dr. Dean Rodeheaver (11-30-01)
1409 S. Van Buren
Green Bay, WI 54301
W=465-2039 H=432-1761
Work Fax: 465-2038

Supv. Don Baenen (11-30-01)
990 Mt. Hood Ct.
Green Bay, WI 54311
H-468-8664

Richard Blasczyk (11-30-01)
268 E. Cedar St.
Pulaski, Wi 54162
822-5541

Jerome Van Sistine (11-30-99)
684 Lida Lane
Green Bay, WI 54304
494-7055

Frances Borell (11-30-99)
2115 Ninth Street
Green Bay, WI 54303
499-8675

Ron Antonneau (11-30-01)
P. O. Box 19002
Green Bay, WI 54307-9002
W=433-4965 H=465-9789
Work Fax: 433-5594 Attn: RON

Mary Maslowske (11-30-2000)
340 W. St. Joseph #17
Green Bay, WI 54301
H-437-5775

Patricia Finder-Stone (11-30-2000)
985 N. Broadway
De Pere, WI 54115
H-336-4187

Lois Trad (11-30-99)
7581 Rotzenberg Road
Greenleaf, WI 54126
864-7952

COMMITTEE APPOINTMENTS: Janaury 1999

Finance Committee:
Richard Blasczyk, Chair
Mary Maslowske
Don Baenen
Jerome VanSistine

Program Committee:
Mary Maslowske, Chair
Don Baenen
Ron Antonneau

Resource Planning Committee:
(Chairperson of Bd. of Directors &
Chairpersons of all Committees)
Ron Antonneau
Lois Trad
Richard Blasczyk
Mary Maslowske
Dr. Dean Rodeheaver

Personnel & Policy Committee:
Dr. Dean Rodeheaver, Chair
Ron Antonneau
Frances Borell
Pat Finder-Stone

Long Term Care Committee:
Lois Trad, Chair
Frances Borell
Patricia Finder-Stone
Dr. Dean Rodeheaver

Executive:
Ron Antonneau, Chairperson
Jerry VanSistine, Vice Chairperson
Mary Maslowske, Secretary
Richard Blasczyk, Treasurer

MANITOWOC COUNTY
OFFICE OF THE COUNTY BOARD CHAIRPERSON

1110 South Ninth Street
Manitowoc, WI 54220-5374

TELEPHONE: (920) 683-4065 ○ TTY: (920) 683-5168 ○ FAX: (920) 683-4499

March 24, 1999

RE: Governor's 1999-2001 biennial budget

The Honorable Members of the Joint Committee on Finance:

FUNDING FOR HEALTH AND HUMAN SERVICES:

The Manitowoc County Board of Supervisors is very committed to providing for the health and human services needs of its residents. The 1999 Manitowoc County Budget of $59,070,973 appropriates almost 50% or $29,461,779 to important Health and Human Services activities. The Manitowoc County Board of Supervisors is dismayed about the State's cutting back from its commitment of funding of programs for these populations. While 16% of the County's residents are age 65 or older, we are alarmed that education and state correctional facilities are receiving 2/3rds funding while the elderly programs receive meager increases, if any at all.

MANITOWOC COUNTY HEALTH CARE CENTER

Our County run Health Care Center is currently short staffed by seven Certified Nursing Assistants (FTE's) and as a result the County has had to halt admissions. The Health Care Center is a safety-net and accepts residents that no other nursing home in the County will accept due to their developmental disability and or complex socio-psycho behavioral problems. There are nine people on a waiting list since admissions were halted two weeks ago. An area physician came to the director and pleaded with him to admit a patient. **A 1% INCREASE IN FUNDING FOR NURSING HOMES DOES NOT ADDRESS THE SHORTAGE OF CERTIFIED NURSING ASSISTANTS**. Likewise, home health care workers and personal care workers also only receive a 1% increase in funding in the proposed state budget. We strongly urge you to incorporate a wage pass-through to address the shortage of health care workers. We believe this needs to be addressed immediately.

FAMILY CARE NEEDED

We applaud the State for its efforts in long term care redesign and the flexibility and choice that "Family Care" affords consumers. The budget allows for funding of 14 pilots for the next two

years but does nothing to address any other county's ability to serve additional people. Manitowoc County currently has a waiting list of 70 people on its Community Options Program. That means these people may have to go without the services they need for more than two years. Since the County Health Care Center has halted admissions and there are very few beds available in other facilities, a nursing home is not even a choice anymore.

BE COURAGEOUS

We ask that you not sit back and wait to study the pilot projects for the next two years. We feel that we cannot allow the State to let long term care become a greater problem in Manitowoc County than it currently is. The elderly in every part of the State deserve quality care and care on a timely basis. We would like to see Medical Assistance become an entitlement for Assisted Living Facilities and Home Health Care.

MANITOWOC COUNTY'S TRANSPORTATION PROGRAM FOR THE ELDERLY AND DISABLED

Manitowoc County provided over 50,000 rides covering 329,540 miles for the elderly and disabled people in 1998. Our County received $115,000 to provide these rides. Although fares and donations are collected, our county still needed to provide nearly $80,000 of property tax dollars to the program. The meager 3% increase proposed by the Governor will result in just over $3,000 for Manitowoc County. The Department of Transportation continues to encourage Counties to look at their current transportation program and develop shared ride programs or other transportation means that would work cooperatively with industries to transport employees to a worksite. Expansion of programs many times requires more capital equipment and staff to organize an expansion effort. This all requires up-front dollars to accomplish. This program is a small portion of the transportation budget (.5%). A 100% increase in this budget would allow counties to accomplish the DOT's goal and help to save the life of roads and reduce this portion of the transportation budget.

THE ELDERLY - THE FASTEST GROWING POPULATION

As the elderly population continues to be the fastest growing segment of individuals in not only our County, but also in the State, we feel its time to take a look at increasing funding to programs that assist people and allow them to remain in their homes, thus reducing the cost to Medical Assistance. While we see the elderly nutrition program serving more meals to home-bound individuals and rapidly growing, government funding has not kept pace with the growing needs of this program. In 1998, Manitowoc County delivered 67,677 meals to 771 homebound individuals throughout the County. Our Title III funds for home-delivered meals was $33,939. Adding that to the USDA reimbursement of .56¢ per meal and dropping every year, our County received a total of $71,886 or a subsidy of $1.06 per meal. The cost of actually preparing and delivering these meals is close to $4.75 per meal. To break even, we have to receive a $3.69 donation for each meal from the individuals being served.

We're asking that you seriously look at the health and humans service needs of all of the residents of the great state of Wisconsin. Please amend the Governor's biennial budget and appropriate the funds to address these important needs. Thank you.

Sincerely,

Don C. Markwardt

Donald C. Markwardt
County Board Chairman

c:

Judy Rank, Director, Aging Resource Center
Chair and Members, Natural Resources and Education Committee
WCA Health & Human Services Steering Committee
Robert Ziegelbaurer, State Representative, District 25
Frank Lasee, State Representative, District 2
Allan Lasee, State Senator, District 1
James Baumgart, State Senator, District 9

C:\Corel\Suite8\STATEGVT\99Public Hearing.wpd March 23, 1999 (2:43PM)

To: All Legislators

From: Robert W. Lyons, Executive Director, AFSCME Council 40
Richard Abelson, Executive Director, AFSCME Council 48
Dan Iverson, President, SEIU, Wisconsin State Council
Phil Neuenfeldt, Secretary-Treasurer, Wisconsin State AFL-CIO
John Sauer, Executive Director, Wisconsin Association of Homes and Services for the Aging
Thomas P. Moore, Executive Director, Wisconsin Health Care Association

Subject: **Support For a Wage Pass-through for Nursing Home Employees**

Our varied memberships share a common goal: To ensure the quality of care and the quality of life of each nursing home resident in Wisconsin. We also share a common concern: Namely, that the heavy dependence of nursing homes on increasingly inadequate Medicaid funding, combined with the State's extremely tight labor market, make it increasingly more difficult for nursing homes to recruit and retain caring and competent staff. To avoid a potential crisis in care, the above organizations, which represent both nursing home operators and the caregivers they employ, unite under the name "Coalition for Quality Nursing Home Care" and seek your support for a 7% nursing home employee wage pass-through.

The proposed Medicaid rate increase for nursing homes contained in SB 45/AB 133, the biennial budget bill, simply magnifies the problem. The $15 million "rebasing" of the nursing home formula in FY 1999-00 and the 1% rate increase proposed for FY 2000-01 fall far short of meeting the costs facilities already have incurred to serve their Medicaid residents. Indeed, Data Resources, Inc. (DRI), the firm the State uses for its own economic forecasting, has projected a 3.3% increase in health care costs due to inflation for 1999.

If the rate increases provided in SB 45/AB 133 fall below the rate of inflation in health care costs, which we anticipate, then many facilities will be facing rate cuts and the possibility of staff freezes or cuts. Without an adequate Medicaid rate increase, the benefits of a wage pass-through will be lost because facilities facing a rate cut would be forced into the perverse position of rewarding one employee with a wage increase funded by the pass-through and by the termination of a position(s). Even with a 3.3% rate increase, some facilities will experience rate cuts and would need to utilize funds from a wage pass-through to retain current positions.

In order to maximize the benefits to our caregivers of a wage pass-through, we also respectfully request legislative support for a 3.3% rate increase for Medicaid-certified nursing homes in each year of the biennium.

Coalition for Quality Nursing Home Care Wage Pass-Through Proposal

Under the Coalition proposal, all nursing home employees except the administrator and home office staff would be eligible for the wage pass-through, which could be used to increase wages, benefits, the number of staff and/or to offset potential nursing home rate cuts that would occasion staff reductions.. The wage pass-

through would be in addition to the 3.3% rate increase proposed above. A nursing facility would be required to apply to the Department of Health and Family Services (DHFS) in order to receive the wage pass-through: a DHFS review of the facility's Medicaid cost report would ensure that the funds are spent for the intended purposes. Failure to expend the wage pass-through funds for their intended purpose would result in the recoupment of those funds by the DHFS.

The benefits of this proposal are clearly illustrated in the following table, which highlights the wage increases for selected nursing home employees that would be generated if the 7% wage pass-through were to be used to increase wages (rather than increase benefits, increase staffing and/or offset facility rate cuts and corresponding staff cuts):

Position	1997	1997	7%	1997 Annual
Registered	$17.38	$36,150	$1.22	$38,688
Licensed	12.86	26,749	.90	28,621
Certified Nurse Assistant	8.32	17,306	.58	18,512
Food Workers	8.12	16,890	.57	18,075
Maintenance	11.04	22,963	.77	24,565
Housekeeping	7.56	15,725	.53	16,827
Laundry	7.54	15,683	.53	16,786

Annual Projected Cost: The projected cost of this proposal admittedly is hefty: We estimate a 7% wage pass-through would cost approximately $17 million GPR and $41.3 million all funds in FY 1999-00. With the inclusion of a 3.3% rate increase, which we estimate would cost an additional $5.4 million GPR and $13.1 million AF over SB 45/AB 133 levels, the total request is estimated at $22.4 million GPR and $54.4 million AF in FY 1999-00 over the amounts included in SB 45/AB 133. But the members of the Coalition for Quality Nursing Home Care firmly believe both our wage pass-through and our rate increase requests are needed and justified.

Why is a Wage Pass-Through Critically Necessary?

The reasons we request this wage pass-through proposal are numerous. Consider the following:

- **The nursing home formula was cut nearly $47 million in 1997-99.** Although the Governor and the Legislature approved Medicaid rate increases for nursing homes of 5% in FY 1997-98 and 3.5% in FY 1998-99, the dollars generated by those rate increases do not flow directly to nursing homes, but rather fund the nursing home formula. The formula distributes those funds to individual nursing homes based on each facility's historical costs and whether those costs fall above or below the formula's maximum payment limits established for six service areas (direct care, support services, administrative and general,

fuel and utilities, property taxes, and capital). The 5%/3.5% Medicaid rate increases provided in 1997 Act 27, the biennial budget bill, resulted in a lowering of those maximum payment limits by $46.9 million. The end result: Nearly $47 million in Medicaid costs incurred by nursing homes in 1997-99 went unreimbursed.

- **Direct caregivers bore the brunt of those cuts.** Of the $46.9 million cut from the nursing home formula in 1997-99, $41.8 million came from the direct care cost center. This is the nursing home formula cost center which provides the wages and benefits for nurses and certified nursing assistants (CNAs) in nursing homes. A cut resulted because the maximum payment for facility direct care costs was reduced by the Legislature from 110% of the statewide median to 103%. Our wage pass-through proposal is intended to restore the funding cut from the nursing home formula in 1997 Act 27. The additional dollars will be utilized to increase staffing, to boost the wages/benefits of nursing home employees, or to retain current positions.

- **SB 45/AB 133 will not provide the funds needed to either significantly increase staffing or boost wages.** Indeed, as noted above, the end result of the rate increases provided in SB 45/AB 133 would be a rate decrease and possible staff cuts for some facilitites. For the remainder of facilities, this proposal basically allows them to tread water.

- **Nursing homes rely heavily on Medicaid funding.** Medicaid is the primary source of payment for 69% of the residents in Wisconsin nursing homes. If the funding provided through the Medicaid program is not sufficient to allow facilities to recruit and retain competent staff, quality of care inevitably will suffer.

- **Unfunded mandates inhibit a facility's ability to recruit and retain caregivers.** Last session, the Legislature passed bills which increased nursing home minimum staffing levels and which require employee criminal background checks. Neither bill contained additional funding.

- **Decreased Medicare funding only will exacerbate the problem of Medicaid underfunding.** In past years, expanded Medicare coverage of nursing home stays has reduced Medicaid patient days and expenditures. However, a Prospective Payment System for Medicare skilled nursing facilities (SNF), which was mandated by the federal Balanced Budget Act of 1997, went into effect 7/1/98 and is expected to reduce Medicare payments to SNFs by 17%, or $12.8 billion, over the next 5 years. This reduction in Medicare revenues will place additional pressure on the already underfunded Medicaid program and will limit a SNF's financial ability to provide necessary wage and staffing increases.

- **CNA wages do not do justice to the difficult work they do.** CNAs comprise over two-thirds of the employees who provide direct hands-on care to nursing home residents. The average wage for a CNA in Wisconsin is $8.32/hour, or an annual salary (52 weeks x 40 hours) of $17,306 before taxes. Because of their significant reliance on the Medicaid program for reimbursement of costs incurred, nursing homes are severely constrained in their ability to provide better wages for their workers. Are we comfortable in the thought that those caring for our fathers and our mothers, or our grandparents, are being paid $8.32/hour on average, which is less than a telemarketer or a door-to-door salesman? Is an annual salary of $17,306 sufficient to raise a family for the many CNAs who are single parents? We think not.

- **Facilities are facing a critical shortage of competent CNAs at a time when the labor market is extraordinarily tight.** Staff recruitment and retention is the #1 problem facing nursing facilities in

Wisconsin. Keeping in mind the average wage of a CNA in Wisconsin is $8.32/hour, and that CNAs must complete a minimum training program of 75 hours, pass a competency test and undergo a criminal background check, consider the following findings of an October 1998 study of job openings conducted by the UW-Milwaukee that was updated in January of this year:

1) The number of full-time and part-time jobs open during the week of May 18 in the Milwaukee-area was the highest since 1995; employers were looking to fill 19,259 full-time positions and 15,263 part-time positions. Those figures had risen to 21,515 open full-time positions and 15,476 open part-time positions when a similar survey was conducted during the week of October 19, 1998.

2) For entry-level jobs demanding a high school diploma but little else, employers were paying an average of $7.90/hour last May; that figure rose to $8.07 in October.

3) Companies offered at least $8/hour for nearly half the beginning-level, full-time positions they were trying to fill – jobs that required neither a high school diploma nor any work experience.

4) When employers are attempting to fill positions with job responsibilities that include caring for extremely frail elderly people, many of whom suffer from dementia or are otherwise behaviorally difficult, at a wage that is comparable to a fast-food restaurant employee or other beginning level jobs, **is it any wonder the UW-Milwaukee study placed the position of CNA at the top of its list of the most difficult positions to fill?**

5) Once again, keeping in mind the wage and the job responsibilities of a CNA, the dilemma facing nursing homes is clearly illustrated in this recent Milwaukee Journal Sentinel quote from John Metcalf, director of human resources policy for Wisconsin Manufacturers and Commerce (WMC), in response to the UW-Milwaukee study: "People can easily walk across the street and find another job for 50 cents more. Workers, for whatever reason, are not staying long in one place. Jobs are plentiful. They can choose when they want to work and when they don't want to."

- **The turnover rate for CNAs in nursing homes is threatening quality care.** According to the most recent data compiled by the DHFS, the turnover rate for full-time nursing home CNAs is 54%; for part-time CNAs, that figure shoots to 76%. And high turnover, according to the DHFS Center for Health Statistics, hurts quality care. In a 1994 report, the Center noted: "One important aspect of quality of care in nursing homes is the continuity of employment among the nursing staff. Low continuity can lead to staff shortages, which in turn allows less time for resident care. A time lag usually occurs between the date an employee leaves a facility and the date a replacement begins to work. Training of new employees also absorbs time. Therefore, it can generally be assumed that the lower the turnover among nursing employees in a nursing home, the better the quality of care will be." It certainly is within reason to argue that a fairly low wage for a difficult job in a tight labor market results in high turnover. In the case of nursing homes, the DHFS itself concludes that high turnover can compromise quality of care.

- **Can we avoid a reoccurrence of the Mount Carmel situation?** On October 19, 1998, the DHFS moved to delicense Mount Carmel Health and Rehabilitation Center in Greenfield. In Mount Carmel's case, there appears to be a clear link between a shortage of staff and quality of care. Indeed, one of the key reasons Mount Carmel was able to retain its license in early February of this year was because of its efforts to bolster its staff. We submit that in order to avoid future reoccurrences of the Mount Carmel situation,

facilities must be afforded the funds necessary to provide for staffing increases or to boost the wages/benefits of their current employees, where needed.

The Minnesota Legislature last session passed nursing home wage pass-through legislation similar to what we are proposing. In a 3/10/98 editorial in support of that measure, the Minneapolis Star Tribune wrote:

> **"Every day, someone must feed, bathe and clothe many of the people who live in nursing homes. Someone must help many of them walk, or get into a chair, or move their wheelchairs. Someone should greet them cheerfully, listen sympathetically, and offer the simple comforts of a smile and a tender hand."**

We Need Your Support

We ask members of the Legislature to join members of the Coalition for Quality Nursing Home Care in support of a wage pass-through proposal which seeks to ensure that each nursing home resident will be compassionately served by that "someone" envisioned in the Star Tribune editorial.

We appreciate your consideration and look forward to working with you on this proposal.

State Rehabilitation Council
State Independent Living Council
Client Assistance Program

Request for a minimum of $2.4 million in GPR to be restored to the DVR Case Services Budget

Charlene Dwyer	Previous Chairperson of the State Rehabilitation Council (SRC)
Fred Greasby	Chairperson of the State Independent Living Council (SILC)
Dale Block	Vice Chair of the State Rehabilitation Council and the State Independent Living Council
Linda Vegoe	Coordinator of the Client Assistance Program (CAP)

Description of Packet Information

LEFT

DVR process & when services occur in the process

CAP Position on Funding for VR Services

DVR Budgets for Consumer Services

3rd Party Services in WI – map

Chart of Disabilities Served by DVR

Chart of 3rd Party Services

Comparison of services (GPR vs. 3rd Party)

Comparison of costs: GPR vs. 3rd Party

Average GPR funded job placement: $517

3rd Party Job Creation: $5 – 10,000 per job

RIGHT

Delivery of VR Services in Wisconsin (Position statement of 20 organizations)

Rationale for investing $2.4 million in VR

Excerpt from Dept. of Ed. Draft Report

Legis. Fiscal Bureau report on 1310 request for last year's DVR budget

DWD 1310 for funds for DVR budget

ABLE Coalition position on employment (see page 3)

Milwaukee Journal Sentinel article

Milwaukee Business Journal article

THE DVR PROCESS

ELIGIBILITY	ASSESSMENT	PLAN DEVELOPMENT	EMPLOYMENT	CLOSURE
Your disability is stopping you from getting or keeping a job that is suited to your abilities. You require DVR's help to deal with the limitations caused by your disability.	How is your disability stopping you from getting or keeping a job that suits your abilities? What can be done about it? Find information on your abilities and jobs suited to your abilities.	Write and sign a plan that lists: 1. How you will deal with your disability (i.e. treatment, medication, technology, job site modification). 2. Your job goal. 3. The services or training needed to be qualified for your job goal.	You will seek jobs in your chosen field or ask DVR for help from a job placement specialist.	After 90 days on the job, DVR will close your file. If you need help in the future, you can apply again.

DVR Services and When They Occur in the Process
(List attached)

1, 2, 3, 7, 8, 10, 14	6, 7, 8, 10, 13, 14, 15, 17	4, 5, 7, 8, 9, 10, 11, 13, 14 15, 16, 17	4, 8, 10, 12, 14, 16	18

1. Assessment eligibility;

2. Counseling and guidance;

3. referral to needed services from other agencies;

4. job search and placement assistance;

5. vocational and other training services;

6. diagnosis and treatment of physical and mental impairments, including:

    a. corrective surgery or therapeutic treatment;
    b. hospitalization in connection with surgery or treatment;
    c. prosthetic and orthotic devices;
    d. eyeglasses and visual services;
    e. special services (including transplantation and dialysis);
    f. diagnosis and treatment for mental and emotional disorders;

7. maintenance for additional costs (caused by attending DVR services);

8. transportation costs connected to attending services and seeking employment;

9. on-the-job or personal assistance services;

10. interpreter services;

11. rehabilitation teaching services;

12. occupational licenses, tools, equipment, and initial stocks and supplies;

13. technical assistance to develop business plan for self-employment;

14. rehabilitation technology;

15. transition services for students with disabilities;

16. supported employment services;

17. services to the family of an individual with a disability;

18. post-employment services.

C A P Client Assistance Program

1 W. Wilson St., Rm.558 P.O. Box 7850 Madison WI 53707-7850

1-800/362-1290 Toll Free (Voice/TTY)
608/267-7422 Madison Area (Voice/TTY)
608/267-5016 Madison Area (Voice/TTY)

CAP Position on Funding for DVR Client Services

Linda Vegoe, CAP Coordinator

The strength of DVR has been its ability to provide individualized services. An individual with a disability comes to DVR, regardless of the type of disability, works on an employment plan, and receives funding help for the services listed in the plan.

Wisconsin has been using this same model and applying it to new programs. The Community Options Program develops a plan with an individual, based on their needs, not their disability or funding source.

W-2 develops a plan of services that is individualized to assist each person with the services needed to become employed.

Family Care is designed to dismantle all the funding sources and eligibility criteria and develop one system that meets individualized needs.

Wisconsin is a leader in getting away from "categorical" aids and moving to individualized services coming out of one pot of funds. Third party match funding turns DVR into categorical aids. The 3rd party agreements serve specific disabilities or they provide specific services. (i.e. You can't buy a prosthesis with the disability support services at a college.)

As a larger percentage of DVR services are funded through 3rd party, the state is creating the problem for DVR consumers that it is working to solve in Long Term Care. Wisconsin has moved from providing flexible employment services for individuals to attempting to match thousands of people with disabilities to the eligibility criteria of service agreements.

Please allow DVR to return to a program of flexible funding for individualized services.

CAP Position: Our state needs to add $2.4 million in GPR over the biennium to reduce the percentage of categorical services (3rd party) to 15%.

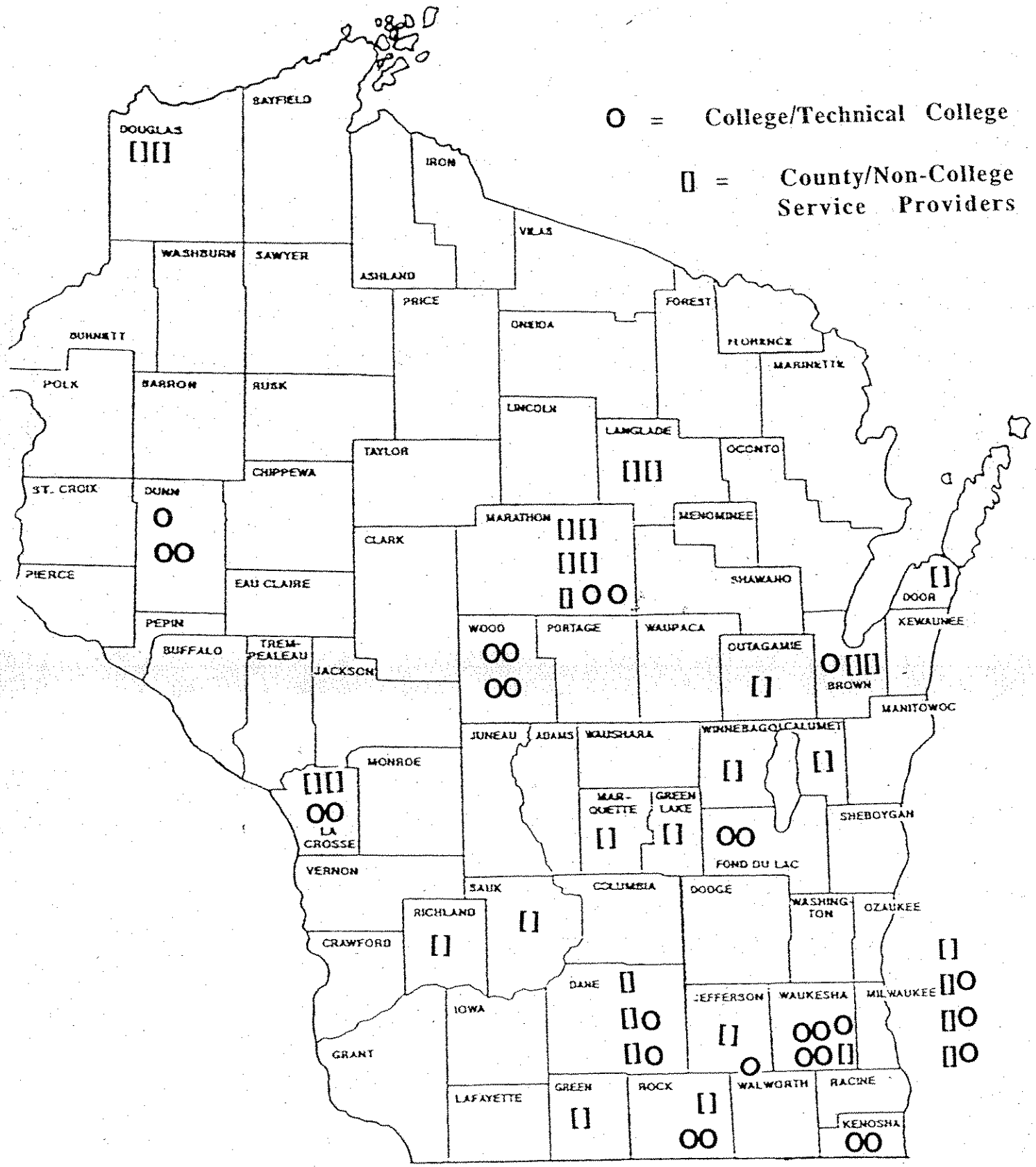
DVR Budget for Consumer Services (Individual & Categorical)

Year	Discretionary Case Services (Individual purchases by Counselors)	Third Party Services (via County/State Agreements)	Total
96	$27,338,150.	$3,263,481.	$30,601,631.
97	$29,993,344.	$3,130,073.	$33,123,417.
98	$25,934,290.	$5,583,439.	$31,517,729.
99	$26,420,690.	$6,790,864.	$33,211,554.
00	$25,092,958.	$8,426,028.	$33,518,986.

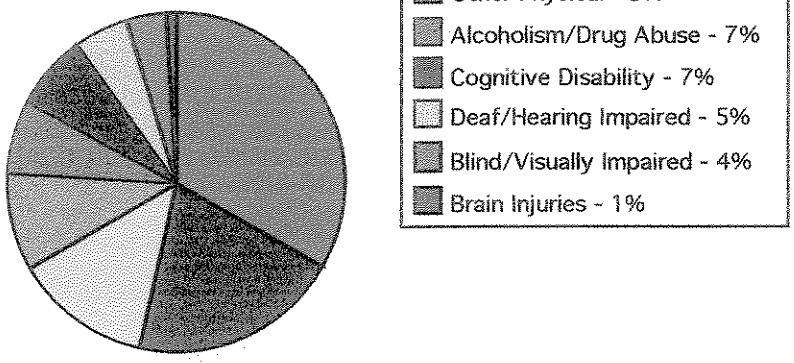
Expenditures for Services for DVR Consumers

Year	Expenditures	Consumers	Average per Person	3rd party Average per person
96	$30,016,402.06	20,416	$1,470.24	$2,178.
97	$35,118,090.13	23,035	$1,524.55	$2,309.
98	$30,927,857.81	22,479	$1,375.86	unavailable

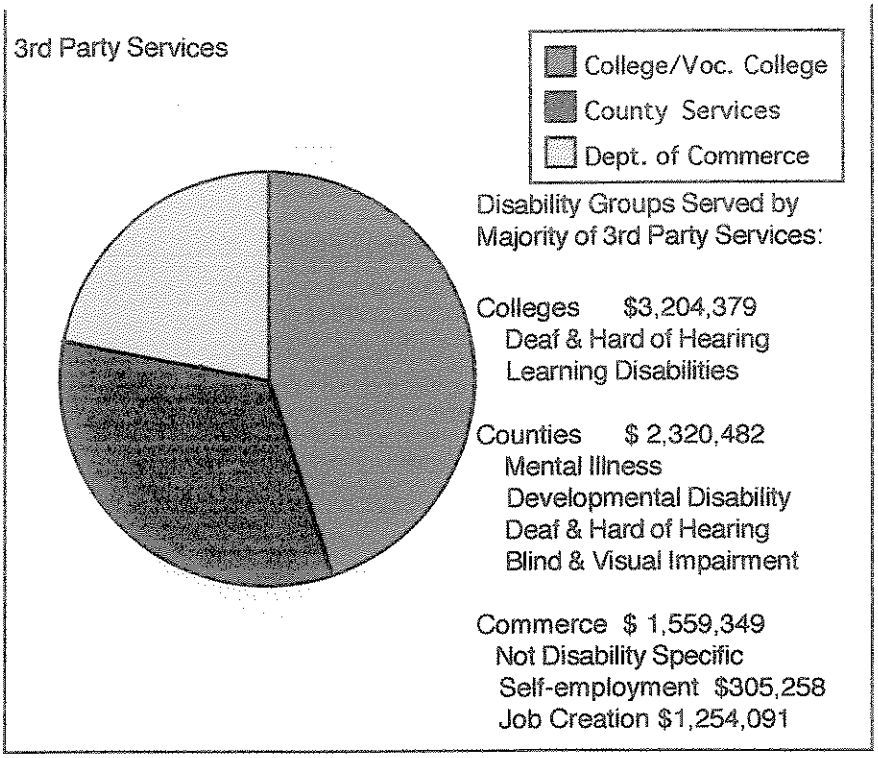
Location of Third (3rd) Party Agreement Service Providers



Wisconsin DVR
Based on total persons served during FFY 97:
35,532



College/Voc. College
County Services
Dept. of Commerce



3RD PARTY COOPERATION AGREEMENTS

COLLEGES

Student Supports - 6
Interpreting - 7
Work Experience - 6
Waukesha Training Programs - 2
School to Work - 1
Vocational Evaluations/Assessments - 5

COUNTY

Work Experience - 2
Supported Employment - 9
CSP/MI - 12
Deaf/Blind (Milwaukee) - 1
Blind - 1
School to Work - 2
Transition - 1
Benefits Counseling - 2
Deaf & Hard of Hearing - 1

WI CORRECTIONAL SERVICE

($48,750)

DEPARTMENT OF COMMERCE

Job Creation - $1,254,091

Self Employment - $305,258

Services purchased with the (GPR match) Case Services Budget	Services purchased with 3rd party match agreements for FFY 98-99
Medical assessments of disability Vocational Evaluations Transportation to and from: evaluations, assessments, college classes, community rehab. facilities, job seeking Vocational College Tuition/Books Job Placement Services Psychological Testing (aptitude, etc.) College Tuition/Books Child care during evaluations, training or job seeking Personal care/attendant services Psychiatric treatment (work related) Assistive technology Vehicle modification (lift, hand controls) Work site modifications Supported Employment training Work Adjustment Training Prosthetic Appliances Hearing Aids	Student support services (college) (6) Interpreting services (college) (7) College work-experience (6) Work-experience (2) Job services (Mentally Ill) (12) Job services (Deaf/Blind) (1) Job services (Deaf/HH) (1) Job services (Blind) (1) Transition to Employment (1) Supported Employment (DD) (9) School to Work (high school) (3) Technology Assessments (1) Vocational Evaluation (4) Benefits Specialist (2) Nursing Assistant Program (1) Office Aide Program (1)

3rd party match services do not replace the services that are used by the largest number of DVR consumers.

3rd party match services bring new referrals to DVR. Those new referrals receive GPR funded services as well as 3rd party match services.

As the percentage of 3rd party services increases, there are fewer dollars available for those who need services that cannot be provided by a 3rd party contract. Examples include:

- Disability evaluations for 5,781 people
- Occupational Equipment for 1,820 people
- Prosthesis for employment for 646 people
- Hearing aids for 343 people
- College tuition for 1,870
- Vocational college tuition for 2,681
- Transportation costs for 8,893

Analysis of Cost per Rehabilitation
Controlling for Severity of Disability by Order of Selection Category
Consumers Receiving Third Party Services vs. Other DVR Consumers

OOS CATEGORY	Some Third Party	Average Cost per Case	No Third Party	Average Cost per Case	All	Average Cost per Case
A - 3+ SEVERE LIMITATIONS + SD	65	$ 4,573	574	$ 3,461	639	$ 3,574
B - 2 SEVERE LIMITATIONS + SD	23	$ 7,443	540	$ 2,838	563	$ 3,026
C - 1 SEVERE LIMITATION + SD	17	$ 3,785	618	$ 2,673	635	$ 2,702
D - 4+ SEVERE LIMITATIONS NOT SD	6	$ 3,222	43	$ 1,519	49	$ 1,727
E - 1-3 SEVERE LIMITATIONS NOT SD	12	$ 5,195	591	$ 2,344	603	$ 2,401
F - 4-7 NON-SEVERE LIMITATIONS	4	$ 9,324	167	$ 2,188	171	$ 2,355
G - 1-3 NON-SEVERE LIMITATIONS	Not Applicable		Not Applicable		Not Applicable	
Total	127	$ 5,132	2,533	$ 2,758	2,660	$ 2,872

Source: DWD/DVR/RTH/Impact3P.xls - 2/5/98

TOTAL STATEWIDE CASE SERVICE EXPENDITURES
WITH CASES WHERE DOLLARS WERE SPENT AND AVERAGE PER CASE
FOR FEDERAL FISCAL YEAR 1998
SAS PROGRAM: POSCSDOL BY: RICK HALL

EXPENDITURES	NUMBER OF CLIENTS	AVERAGE PER CLIENT
$30,016,402.06	20,416	$1,470.24

STATEWIDE CASE SERVICE EXPENDITURES BY CASE SERVICE CODE
WITH CASES WHERE DOLLARS WERE SPENT AND AVERAGE PER CASE
FOR FEDERAL FISCAL YEAR 1998

CASE SERVICE	EXPENDITURES	PERCENT	NUMBER OF CLIENTS	AVERAGE PER CLIENT
0A CHILD CARE - DIAGNOSTIC EVALUATION	$5,905.70	0.0	34	$173.70
01 MEDICAL EVALUATION	$562,438.35	1.9	5,781	$97.29
02 PSYCHOLOGICAL EVALUATION	$435,204.61	1.4	1,664	$261.54
03 VOCATIONAL EVALUATION	$1,467,387.26	4.9	3,907	$375.58
04 DIAGNOSTIC MAINTENANCE	$96,652.66	0.3	993	$97.33
05 DIAGNOSTIC TRANSPORTATION	$146,578.45	0.5	2,241	$65.41
06 REHAB ENGINEERING EVALUATION	$195,398.92	0.7	274	$713.13
07 ATTENDANT CARE - EVALUATION	$5,296.58	0.0	19	$278.77
08 INTERP/READER SVCS - EVAL	$11,920.18	0.0	71	$167.89
09 OTHER EVALUATION	$486,391.94	1.6	1,016	$478.73
10 MEDICAL TREATMENT	$314,319.00	1.0	511	$615.11
11 PSYCHIATRIC TREATMENT	$93,810.89	0.3	169	$555.09
12 PROSTHETIC APPLIANCES	$435,862.05	1.5	646	$674.71
13 HEARING AIDS	$356,402.09	1.2	343	$1,039.07
14 HOSPITAL CARE	$2,011.55	0.0	5	$402.31
15 MOBILITY TRAINING	$46,998.00	0.2	49	$959.14
16 REHAB ENGINEERING	$844,606.16	2.8	389	$2,171.22
17 ATTENDANT CARE - IWRP	$132,260.58	0.4	81	$1,632.85
18 INTERP/READER SVCS - IWRP	$1,453,236.41	4.8	602	$2,414.01
19 OTHER RESTORATIVE SERVICES	$85,156.33	0.3	145	$587.29
20 COLLEGE	$3,664,026.64	12.2	1,870	$1,959.37
21 ELEMENTARY OR HIGH SCHOOL	$8,949.35	0.0	16	$559.33
22 PRIVATE VOCATIONAL SCHOOL	$496,519.98	1.7	314	$1,581.27
23 PUBLIC VOCATIONAL SCHOOL	$2,385,218.89	7.9	2,681	$889.68
24 ON THE JOB TRAINING	$119,770.50	0.4	149	$803.83
25 WORK ADJUSTMENT TRAINING	$614,721.24	2.0	698	$880.69
26 OCCUPATIONAL SKILL TRAINING	$495,308.07	1.7	423	$1,170.94
27 DVR HOMECRAFT TRAINING	$636,376.43	2.1	457	$1,392.51
28	$135,515.99	0.5	28	$4,839.86
29 OTHER TRAINING SERVICES	$2,449,775.68	8.2	2,118	$1,156.65
30 PRIMARY SERVICES MAINTENANCE	$54,641.80	0.2	152	$359.49
31 PRIMARY SERVICES TRANSPORTATION	$213,314.44	0.7	572	$372.93
32 PHYSICAL RESTORATION MAINTENANCE	$4,413.09	0.0	7	$630.44
33 VEHICLE PURCHASE OR MODIFICATION	$516,677.75	1.7	102	$5,065.47
34 CHILD CARE IN SUPPORT OF IWRP	$577,859.07	1.9	439	$1,316.31
36 VTAE MAINTENANCE	$476,908.34	1.6	728	$655.09
37 COLLEGE MAINTENANCE	$579,461.49	1.9	552	$1,049.75
38 REHAB FACILITY MAINTENANCE	$83,733.78	0.3	343	$244.12
40 OCCUPATIONAL EQUIPMENT PURCHASE	$1,405,609.08	4.7	1,820	$772.31
41 OTHER GOODS AND SERVICES	$1,268,661.52	4.2	1,621	$782.64
42 JOB PLACEMENT SERVICES	$1,324,319.52	4.4	2,560	$517.31
43 JOB CREATION	$133,761.76	0.4	48	$2,786.70
44 JOBS THROUGH WORKSITE MODIFICATION	$345.00	0.0	2	$172.50
50 SUPPORTED EMPLOYMENT - ASSESSMENT	$313,147.68	1.0	553	$566.27
51 SUPPORTED EMPLMT - TRAINING	$1,083,466.22	3.6	764	$1,418.15
52 SUPPORTED EMPLOYMENT - JOB PLACEMENT	$643,633.44	2.1	689	$934.16
53 SUPP EMP - TRANSITIONAL EMPLOYMENT	$473,196.23	1.6	273	$1,733.32
71 TRANSPORTATION-VOC TECH, HIGH SCHOOL	$1,089,355.59	3.6	1,855	$587.25
72 TRANSPORTATION - COLLEGE	$674,980.68	2.2	871	$774.95
73 TRANSPORTATION - REHAB FACIL TRNG	$179,974.76	0.6	1,062	$169.47
74 TRANSPORTATION - PLACEMENT	$568,838.88	1.9	2,292	$248.18
75 MAINTENANCE - PLACEMENT	$119,126.41	0.4	464	$256.74

Department of Commerce

COMMERCE/DVR JOB CREATION PROGRAM

Contact:

Wisconsin Department of Commerce
Bureau of Minority Business Development
Job Creation Program
101 W. Pleasant Street, Suite 100A
Milwaukee, WI 53212-3963
Telephone: 414/220-5360 or 608/266-8381
Fax: 414/382-1754

Purpose: Increase employment opportunities for Division of Vocational Rehabilitation (DVR) clients by providing equipment grants, technical assistance grants, customized technical assistance and other assistance to companies that will hire persons with disabilitie

Eligibility: Wisconsin companies that are planning to expand and will hire DVR clients as part of the expansion.

Advantage: The Commerce/DVR Job Creation Program offers several advantages to companies looking to expand. First, companies will gain access to qualified employees through the offices of DVR and receive assistance in integrating employees with disabilities into the workforce.

Finance Type: Grant award with hiring requirements.

Use of Funds: Technical assistance, equipment, machinery, specialized training and appropriate accommodations.

Financing Parameters:

Interest: Not applicable.

Repayment: Repayment not required if hiring conditions are met.

Amount Available: The size of equipment and machinery grants will be based on the number and quality of jobs created for DVR clients. It is expected that equipment and machinery grants will range from $5,000 to $10,000 per job created. Technical assistance grants will no

Fees: None

Collateral: Equipment and machinery purchased with grant funds will be used as collateral to ensure hiring conditions are met.

To Apply: Companies interested in applying should contact the Commerce/DVR Job Creation Program at 414/220-5360 for additional information.

DELIVERY OF VOCATIONAL REHABILITATION SERVICES IN WISCONSIN

ISSUE STATEMENT:

The Wisconsin legislature has reduced DVR matching funds by $1 million in the previous two biennia. This has meant a large increase in "third party" match contracts, which tends to reduce the flexibility needed to purchase services which fit the individual needs of consumers.

An additional issue is the ability of DVR to attract and keep qualified rehabilitation counselors. Wages paid for state VR counselors have not kept pace with other VR agencies in neighboring states and with private sector employers in Wisconsin.

BACKGROUND:

The Wisconsin Division of Vocational Rehabilitation (DVR) provides employment-related services to over 30,000 persons with disabilities annually. Services are provided by 200 professional rehabilitation counselors through district offices and job centers statewide. Consumers also have access to over 200 contracted local agencies with DVR funds. DVR is funded by the Rehabilitation Act, which is now Title IV of the Workforce Investment Act of 1998.

DVR funding is 78.7% federal and 21.3% state. If state funds are inadequate to match the federal allotment, DVR may secure this funding from other government units and private agencies, although significant restrictions apply. Congressional intent is that states fund the VR program directly.

Currently, DVR has about 20% of its case service budget devoted to third party funding. This percentage will increase to over 30% by July, 2001 if no additional state funds are appropriated in 1999.

The expansion of third party funding comes at the expense of consumer choice and equitable distribution of resources statewide - areas which are already rich in funding are the ones that are most likely to get these projects. On the other hand, state general purpose revenue (GPR) funds allow maximum flexibility for consumers and counselors to match services to individual needs.

VR counselors in neighboring states and in Wisconsin's private sector typically earn $5,000 to $10,000 more than DVR staff annually. VR counselors are represented by the Professional Social Services bargaining unit of the Wisconsin State Employees Union. Contract discussions with the state Department of Employment Relations begin in early 1999.

POSITION:

We support constructive steps toward the integration of employment services to improve efficiency and expand access to employment for job seekers. We also support adequate funding for vocational rehabilitation services for those who require them. This includes increased state funding to match allotted federal dollars as well as adequate allocation of funds to hire and retain qualified rehabilitation counselors.

- As recommended by the State Rehabilitation Advisory Council, sufficient GPR matching funds should be allocated to contain third party funding to no more than 15% of the DVR case aids budget. Any third party cooperative agreements and establishment grant contracts will be based on identified consumer needs as required in the Rehabilitation Act. Any other contributed funds arrangements will need to be approved by the federal Rehabilitation Services Administration.

- If DVR is unable, through its best efforts, to obtain adequate state and third party funds to match its federal allotment, it will need to further restrict services by serving only those with more severe disabilities through its order of selection. This may mean that as many as 3,000 eligible individuals will be put on a waiting list annually. The current waiting list is 500 individuals per year since 1994.

ORGANIZATIONS:

Access to Independence - Deaf and Hard of Hearing Services
Alliance for Deaf, Deaf-Blind & Hard of Hearing
The Arc-Wisconsin
Autism Society of Wisconsin
Brain Injury Association of Wisconsin
Client Assistance Program
Easter Seals Wisconsin
IndependenceFirst
NAMI - Wisconsin
National Multiple Sclerosis Society - WI Chapter
Parent Education Project of Wisconsin, Inc.
Rehabilitation For Wisconsin, Inc.
State Independent Living Council
State Rehabilitation Council
United Cerebral Palsy of SE Wisconsin
United Cerebral Palsy of Wisconsin
Wisconsin Coalition for Advocacy, Inc.
Wisconsin Council for Persons with Physical Disabilities
Wisconsin Council on Developmental Disabilities
Wisconsin Rehabilitation Association

- Appropriate personnel classification by the state Department of Employment Relations is needed to achieve competitive pay levels for DVR counselors.
- DVR must continue efforts to implement the Rehabilitation Act amendments of 1998 which include automatic eligibility for SSI and SSDI recipients willing to work and increased consumer choice - including the choice of services, providers and purchasing methods. Any social security reimbursement dollars should be used for VR program enhancement.
- Strong consumer representation in program oversight now includes the State Rehabilitation Planning Advisory Council as an equal partner in identifying DVR service needs, setting annual performance goals and evaluating the results. The council now has co-signatory authority for DVR's state plan. This authority should continue in order to provide an adequate level of consumer control of the program and its use of public dollars.
- The job centers being developed statewide should include on-site DVR services and, to the extent possible, local rehabilitation providers. Co-location of VR staff should include full program and site accessibility, confidentiality, and cost-effectiveness. DVR needs to take a leadership role in the Department of Workforce Development to assure that DVR consumers as well as all disabled job seekers can benefit from the one-stop system.
- DVR's current reengineering efforts should continue to support more efficient service delivery consistent with the requirements for consumer choice in the Rehabilitation Act. We support its efforts to streamline purchasing approvals and reduce paperwork for staff.
- DVR should continue to provide access to a full range of specialized rehabilitation services including, but not limited to: rehabilitation counseling, vocational evaluation, rehabilitation technology, work site modification, work hardening and adjustment, individual job development, customized job matching, placement and follow-up, short-term job coaching, supported employment and support services such as interpreters, note takers, and disability-specific adjustment services.

ACTION REQUIRED:

1) Urge the Governor and Joint Finance to provide matching funds to the VR program to eliminate the need for third party funding arrangements or at least keep them at a manageable level and in balance with consumer needs. Third party funding arrangements should not exceed 15% of the DVR case service budget.

2) DVR counselors need to get involved with their union to bring the salary issue to the bargaining table. Colleagues in other counseling positions should support them through their professional organizations.

3) Urge DVR administration to continue its leadership role in the one-stop system to assure that people with disabilities are well served.

4) Seek revisions to Chapter 47 of state statutes to contain third party funding to no more than15% of the VR case aids budget and to return social security reimbursement funds to the program.

February 22, 1999

Rationale for investing $2.4 million in additional GPR to provide statewide access to employment and training opportunities for people with disabilities

1. Third party agreements can provide new ways to serve people with the most significant disabilities (e.g. the Pathways to Independence Project) or these agreements can be used to create more effective services for specific disability groups with very high unemployment rates (e.g. contracts with counties serving persons with mental illness).

   The third party funded agreements for new or expanded patterns of service can be a win-win for clients, public-funded partners, service providers, and yes, even for the taxpayer. However, there is a "cost factor" to these agreements which at a critical-mass point, turns the win-win into a losing proposition for persons with disabilities, service providers, the public partners and even the taxpayer. The only "true" and long-term win for all of the parties involved is to have employment and training services, which culminate in a meaningful employment opportunity for a person with a disability.

2. SRPAC and SILC advisors recommend that not more than 15% of the DVR case aids budget ($8,410,400 of the $56,069,200 over 2 years) should be used for third party agreements. The percentage of services funded through third party agreements will reach 29.7% by SFY 00, based on the Governor's budget proposal.

   The percentage of funding depleted from the discretionary case aids and shifted into third party agreements has risen from 2.6% in FFY 92 to 29.7% in SFY 00. The intent of third party agreements is to serve as "innovation and expansion" funding. It has become a "maintenance" funding mechanism for contracts that may or may not meet the needs of DVR consumers. DVR should evaluate the agreements, determine which services are effective, and fund them with discretionary aids. New service needs could then be funded with third party match and it would prevent funding dependency on the part of the provider.

The Councils believe that not more than 15% of the case aids budget should be designated to third party agreements for the following reasons:

1) Third party agreements "serve a few" (1,354 people in 1997) while the case services budget serves "many" (23,035 people in 1997). In addition to the third party agreement services, those participants are eligible and receive funding from the case service budget (e.g. transportation costs to attend the third party services, tuition assistance for college and technical college).

> The Department believes that the types of services drive the higher cost in the agreements. The fact remains that the average dollar amount spent on a case referred to DVR for third party services is significantly more than what is spent on a general referral. The third party service may be very valuable, but it did not replace the need for the GPR funded case service dollars.

3. The higher cost third party agreements (e.g. Pathways to Independence Pilot) may develop state of the art services for people with significant barriers to employment. By reducing the GPR funding for traditional client services and using those funds in third party agreements, the effect across the DVR client population is one of "have and have-nots."

The available DVR case service funds must be expended in an equitable manner among all eligible clients. The federal law requires that DVR may only limit services by severity of disability, not by type of disability or by funding stream limitations. When inequities exist and the resources are not available to adequately serve everyone who is eligible, DVR is required to use the Order of Selection and create waiting lists among those with less severe disabilities.

Due to funding shortages in the discretionary case aids budget (GPR matched funds), a 1998 federal audit found that all eligible clients were not adequately served. Wisconsin DVR is now required to provide a plan and assurances that there will be sufficient resources available in 1999 – 2000 to serve "all eligible clients" or close more OOS categories.

The Councils believe that the State of Wisconsin must make a commitment of $2.4 million in GPR to the discretionary case services budget or it must direct DVR to stop serving new referrals with less severe disabilities.

4. The DVR discretionary case services budget has run into serious difficulty on two occasions in the last biennium. DWD provided $2,780,954 in Social Security Reimbursement funds to address a projected deficit in February 1998. The

Department provided another $422,100 in GPR as match through the 1310 process in September to restore $2.2 million to the case services budget.

Given that the state needed to take these measures at match levels of 15% - 18%, the Councils believe that the match level should be capped at 15%. The percentage mix needs to be studied carefully over the biennium to determine the impact on the statewide delivery of services. **A 15/85% mix in the total case aids budget should be considered the maximum that the service delivery system can manage until the impact has been studied.**

5. The Councils are aware that Wisconsin lapsed $1.3 million over 3 years. Losing federal dollars is not good business and does not serve us well as we try to move people with significant disabilities into the workforce. We believe the nature of third party agreements makes it difficult to manage. These agreements "project" spending and clients to be served for a year and the federal funds are "committed" to the project. DVR serves 20 – 30,000 individuals each year. To expect to match service needs, disabilities, and geographic location for any more than 15% of that population sounds very unreasonable to those of us who live and work with disability issues.

The GPR investment of $2.4 million over the biennium to the DVR case services budget will provide:

$9.67 million in discretionary spending for job site accommodations, job training, and placement services on the local level throughout Wisconsin

Additional equity in resource distribution by adding $9.67 million for employment plans for over 19,000 clients not served in third party agreements

For every VR client who is also an SSI/SSDI recipient, who achieves substantial, gainful employment:
A 100% return of the state and federal dollar invested in the rehabilitation services to the State of Wisconsin DWD via the Social Security Reimbursement Program (999 funds).

Revenue from new or expanded taxes on earnings and purchases (ie. income and sales tax)

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION

WASHINGTON D.C. 20202-2741

DRAFT REPORT
OF
PERIODIC ON-SITE MONITORING REVIEW

FEDERAL FISCAL YEAR 1998

GRANTEE: WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT -- DIVISION OF VOCATIONAL REHABILITATION

§107 MONITORING AND REVIEW, TITLE I REHABILITATION ACT OF 1973, AS AMENDED

DECEMBER, 1998

While waiting for and subsequent to Dr. Norman-Nunnery's response, RSA received an increasing number of telephone calls, letters and e-mailed comments from organizations, advocacy groups, the Client Assistance Progam coordinator and the DVR SRAC chairman alleging that DVR was delaying the development of IWRPs, delaying the provision of services, and denying the provision of certain services, e.g., post-secondary education and training. Additionally, RSA was sent a copy of the June 6, 1998 edition of the **Milwaukee Journal-Sentinel** which carried an article entitled "Agency for disabled under investigation -- State Division of Vocational Rehabilitation accused of refusing to help clients find jobs". That article presented allegations of services delays and cutbacks by DVR.

On June 2, 1998, RSA wrote to Dr. Norman-Nunnery requesting data on DVR case service expenditures for certain months in federal fiscal years 1997 and 1998. RSA's analysis of those data sent by Dr. Norman-Nunnery revealed a significant reduction in case services expenditures for certain months in federal fiscal year 1998. The timing of the apparent service expenditure reductions paralleled the period of time alleged by consumers when services were being delayed, reduced, or denied.

On July 9, 1998, at the invitation of the chair of the SRAC and the State Independent Living Council, Ms. Judy Heumann, Assistant Secretary of the federal Office of Special Education and Rehabilitative Services and Dr. Douglas Burleigh, Regional Commissioner of the Region V office of the RSA, met with a large group of individuals representing and/or advocating for persons with disabilities in Wisconsin and representing providers of services to clients of DVR. Dr. Judy Norman-Nunnery attended that meeting. The organizations, programs and bodies represented were:

State Rehabilitation Planning and Advisory Council
State Independent Living Council
Client Assistance Program
Rehabilitation for Wisconsin
Wisconsin Council on Developmental Disabilities
Client Assistance Program Advisory Committee
Council on Persons with Physical Disabilities
Wisconsin Family Voices
Wisconsin Coalition for Independent Living Centers
Survival Coalition

Individuals from those entities presented data and arguments which sought to make the case summarized in the letter inviting Assistant Secretary Heumann and Regional Commissioner Burleigh:

> "In the past six years, there has been a 22% erosion in our tax dollar support for the Vocational rehabilitation discretionary case aids budget. The Division is in the process of 'experimenting' with the use of third party arrangements to assess the ability of this mechanism to adequately meet the needs of clients. [note: see the discussion of cooperative agreements elsewhere in this report]

Based on the comparative information we have gathered, and the increase in the number of client and vendor compliants received since February, we are asking RSA to take the following action:

Require Wisconsin's Division of Vocational Rehabilitation to close additional categories under the State's order of selection until such time as RSA, the State Advisory Councils and the Client Assistance Program receive and acknowledge evidence that there is sufficient case aids funding to purchase services which meet the needs of every client in an open category [emphasis in original text].

While we would prefer to see DVR case aids funds adequately supported by increased levels of tax match, we believe that closing additional OOS categories is the only immediate means to assure that a full range of services is available to clients with the most severe disabilities."

Following that meeting and additional calls and letters from individuals and groups in Wisconsin, RSA issued a called for public comment. A public notice was published in the **Milwaukee Journal-Sentinal** and the **Madison State Journal** calling for comments from any applicant or client of DVR who had experienced delays, denials or disruptions of services for the exclusive reason of a shortage of case service funds. The newspapers published the notice on July 30, 1998. The notice also was distributed to disability advocates, and, to agencies and organizations representing or serving persons with disabilities. The RSA determined that such a public call for comments was necessitated by the compelling and building number of allegations against DVR; especially, in the face of repeated denials from DVR that services were **not** being delayed, denied or disrupted. RSA sought to determine whether the allegations were based in fact.

RSA received 97 comments: 66 from primary sources (letters, telefaxes, and emails directly from the commentors); and, 31 from a secondary source (records of complaints filed with the Wisconsin Client Assistance Program). Of the 66 comments from primary sources, 30 contained alleged denial, disruption or delay of services because of limited or suspended funds. All 31 of the comments from the Client Assistance Program clients reported denial, disruption or delay of services for funding reasons. Thus, 61 of the 97 comments substantiated the reports, long denied by DVR, that DVR counselors were delaying, disrupting and denying services because the counselors were told to cut back or conserve funds on the basis of a temporary, but Statewide shortage of case service funds.

The Regional Commissioner met with the Secretary of DWD, Dr. Linda Stewart and the Administrator of DVR, Dr. Judy Norman-Nunnery. At that meeting the Regional Commissioner expressed his concerns that DVR was side-stepping the obvious need to close off lower categories of the OOS; that cooperative agreements with non-profit organizations as a source of State match was illegal; and, that one or two remedies were immediately required: securing additional general purpose revenue on an emergency basis; and/or closing off lower categories of the OOS.

Some time later the Regional Commissioner received notice that Dr. Linda Stewart had successfully applied for an emergency allotment of general purpose revenue ($480,000).

In addition to addressing the question of closing additional OOS categories, the Review Team found problems with the implementation of the DVR OOS. Specifically, during its review of case service records, the Team found that DVR policies and procedures regarding the documentation of "an individual with a severe disability" were not being implemented consistently by VR counselors. It was observed that some individuals served by DVR only minimally met the criteria of requiring multiple VR services over an extended period of time, with an "extended period of time" being defined by DVR as twelve months . The reviewers questioned the impact of the impairment(s) on seriously limiting functional capacities in terms of an employment outcome.

VR counselors were not appropriately applying the DVR order of selection for services criteria. This resulted in individuals being placed in the "e" category, when they belonged in the "c" category, and vice versa. Reviewers noted that some service records lacked documentation supporting the determination to place an individual in a given category.

Conclusion

Dr. Norman-Nunnery's April 21, 1998 letter presenting planned actions for serving all who apply and are eligible in the open categories of the OOS contains or implies steps which RSA has stated, in many places in this Report, are illegal or detrimental to clients of the agency:

- conserving funds
- using third party agreements with non-profit organizations as State match and as a substitute for discretionary case funds
- expanding means testing to conserve VR funds
- substituting another agency's services for DVR's services to conserve funds, without assuring that the other agency's services fit client choice and/or are comparable to or better than the services provided or purchased by DVR

Given the fact that DVR has a proven recent history of conserving funds at the apparent expense of applicants and clients, and, given the illegal or questionable corrective actions spelled out in Dr. Norman-Nunnery's April 21 letter, RSA directs DVR to resubmit a plan of action to assure that services are not delayed, denied or disrupted and that all applicants and clients in all open categories receive timely services consistent with their capacities and skills and informed choice.

PUBLIC NOTICE

The Rehabilitation Services Administration is seeking Comments from clients of the Wisconsin Division of Vocational Rehabilitation (WDVR) or knowledgeable others of delay, disruption or denial in the acceptance of an application, or in the delivery of evaluation services, plan services, and purchase of IWRP-related technology between January and September, 1998, where there was an explanation by WDVR personnel that there were inadequate funds to accept an application or buy the service or product.

Comments should include:

- your name and town of residence
- a description of the denial of application, services or technology products
- the time at which the application or service delay, disruption or denial occurred
- the reason given for the denial, delay or disruption
- an explanation of whether the delay, disruption or denial of application, services or purchased technology was satisfactorily resolved or still in effect at the time of comment.

All comments will be held in confidence. Written and oral comment (audio-taped, sign-language taped) will be taken until August 28, 1998 and should be directed to:

Douglas Burleigh, Ph.D. Regional Commissioner
Rehabilitation Services Administration
5th Floor, 10220 N. Executive Hills Blvd.
Kansas City, MO 64153
E-Mail: douglas_burleigh@ed.gov
Fax: 816-891-0807

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