STATE OF WISCONSIN

Assembly Journal

Ninety-Fifth Regular Session

TUESDAY, December 17, 2002

The Chief Clerk makes the following entries under the above date:

Speaker's Appointments

December 13, 2002

The Honorable Patrick Fuller
Assembly Assistant Chief Clerk
Patrick.Fuller@legis.state.wi.us

Dear Assistant Chief Clerk:

As Assembly Speaker, I am appointing Representative Montgomery to the Transportation Projects Commission in accordance with section 13.489 (1) of the statutes. The commission reviews Department of Transportation recommendations for major highway projects. Representative Montgomery will replace Representative Stone on the commission and is effective December 16, 2002.

Thank you in advance for your attention to this matter. If you have any questions, please contact my legislative assistant, Adam Peer, in my office.

Sincerely,
SCOTT R. JENSEN
Assembly Speaker

Referral of Agency Reports

State of Wisconsin
Department of Health and Family Services
Madison

December 2, 2002

To the Honorable, the Assembly:

Attached is the state plan for Emergency Medical Services (EMS) in Wisconsin for the years 2002-2003. This report meets the statuary requirement s. 146.53 (2) that the Department shall keep the state plan current and reorder priorities based on recommendations of the EMS Board. The EMS Board agreed early in 2002 that the plan should not be finalized until they had reviewed the EMS Section priorities and reprioritized their own objectives at their annual June planning session. The report summarizes EMS activity on what has been done in the past two years, what is currently in process, and what is planned or being considered for the near future.

That statute also requires a public hearing on a draft of the plan prior to final adoption and submission to the legislature under s. 13.172 (2). The public hearing was held October 9, 2002.

Thank you for your attention to this report.

Sincerely,
PHYLLIS J. DUBE
Secretary

Referred to committee on **Public Health**.

State of Wisconsin
Department of Public Instruction
Madison

December 3, 2002

To the Honorable, the Legislature:

Per Wisconsin Stat. 115.28 (39), the Department of Public Instruction is required biennially to evaluate the effectiveness of the programs under ss. 115.36 (assistance for alcohol and other drug abuse programs) and 115.361 (alcohol and other drug abuse prevention and intervention programs) and submit a report to the legislature under s. 13.172 (2).

To satisfy this reporting requirement, attached are two reports entitled "Alcohol and Other Drug Abuse Grant Distribution, Training, and Education Programs in Wisconsin School Districts 2000-2002" and "Youth to Youth: An Evaluation of State AODA Funded Peer Programs in Wisconsin 2001-02."

If you have any questions regarding either of these reports, please contact Doug White, Assistant Director, Student Services/Prevention and Wellness Team, at 608-266-5198 or douglas.white@dpi.state.wi.us.

Sincerely,
CAROLYN STANFORD TAYLOR
Assistant State Superintendent
Division for Learning Support:
Equity and Advocacy

Referred to committee on **Education**.

State of Wisconsin
State Treasurer
Madison

December 9, 2002

To the Honorable, the Assembly:

Attached to this letter is the EDVEST College Savings Program Annual Report for the 2001-2002 Fiscal Year. Legislation for the EDVEST program requires the Office of the State Treasurer to annually report to the Governor and the Legislature on the program. This fifth annual report includes summaries of the required actuarial, valuation, prepared by Milliman USA and a program, audit prepared by PriceWaterhouseCoopers, LLP as well as discussion of the key developments in the program over the past fiscal year.

The most significant event of the year for the program involved the full implementation of state legislation designed specifically to give EDVEST new authority to take advantage of benefits and flexibility currently allowed under federal law. The legislation provided broader eligibility and coverage for the program, created a new state tax deduction for parents, expanded the number of investment options, eliminated the residency requirement and established protection of eligibility for state financial aid. At the conclusion of a national search, the program contracted with Strong Capital Management of Menomonee Falls, Wisconsin to provide broad administrative services as the EDVEST program manager. A second partnership was developed with American Express, which offers a slightly reconfigured "tomorrow's scholar" version of the program through its financial advisors nationwide.

These program improvements were an immediate success with the public, and as of June 30, we were meeting the college savings needs of nearly 100,000 families nationwide with over $450 million in assets under management. I'm proud to relate that our success enabled the program to repay its entire start-up loan to the state. All early operating subsidies were also repaid and the program is now entirely self-supporting.

The College Savings Program Board, EDVEST staff and I look forward to continued growth with quality service to participants in this exciting program. If you have any questions regarding the EDVEST Annual Report, please contact Marty Olle at 264-7886.

Sincerely,
JACK C. VOIGHT
State Treasurer

Referred to committee on **Colleges and Universities**.

AGENCY REPORTS

State of Wisconsin
Legislative Audit Bureau
Madison

December 10, 2002

To the Honorable, the Legislature:

We have completed follow−up to our audit of the Wisconsin Works (W-2) program (report 01-7), as first requested by Senator Moore. Specifically, we reviewed the processes used by the Department of Workforce Development and W-2 agencies to sanction W-2 program participants.

We reviewed statewide data on sanctions issued by W-2 agencies and found that the overall rate at which participants are sanctioned has declined from 31.4 percent of the statewide caseload in October 1999 to 20.0 percent in October 2002. However, Milwaukee County W-2 agencies continue to sanction at rates higher than other agencies.

The Department has taken reasonable and appropriate steps to remedy problems associated with the inappropriate sanctioning of W-2 participants. However, a significant number of errors persist. For example, although W-2 agencies identified 614 inappropriately sanctioned cases from September 1997 through March 2001 that resulted in underpayments of $115,792, we estimate that W-2 agencies made errors in assessing the appropriateness of sanctions imposed for an additional 127 cases, which also resulted in underpayments. Furthermore, we estimate that sanction policy was applied incorrectly without resulting in underpayments for an additional 320 cases. The timeliness of W-2 agency reviews of inappropriate sanctions is also a concern. We found that W-2 agencies had not yet reviewed 168 of the 263 potentially inappropriate sanctions issued since April 2001; half of these were issued before November 2001.

We have included a series of recommendations to address the ongoing problems we identified, including a recommendation for the Department to report to the Joint Legislative Audit Committee by May 1, 2003, on its progress in addressing these concerns.

We appreciate the courtesy and cooperation extended to us by the Department of Workforce Development and W-2 agencies in conducting our review.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

December 12, 2002

To the Honorable, the Legislature:

In its authorization of the Family Care pilot program in 1999 Wisconsin Act 9, the Legislature also directed the Legislative Audit Bureau to contract with an organization other than an agency of the State to evaluate the pilot program. Under the terms of a contract with the Audit Bureau, The Lewin Group, Inc., has completed its third report on implementation of the Family Care pilot program. The first two implementation reports were released in November 2000 and November 2001. In early 2003, The Lewin Group will also provide a report on the program's outcomes and cost-effectiveness. A final implementation report is expected in June 2003.

Family Care is operating as a pilot program, under the terms of federal waivers, in nine counties. Jackson, Kenosha, Marathon, and Trempealeau counties operate Resource Centers, which provide information and assistance concerning services and program operations to both consumers and providers of long-term care services. Fond du Lac, La Crosse, Milwaukee, Portage, and Richland counties operate both Resource Centers and Care Management Organizations (CMOs), which coordinate care and manage capitated payments for those determined eligible for the Family Care benefit. Eligibility is limited to the elderly and adults with physical and developmental disabilities whose financial and functional status meet established criteria.

This third implementation report notes the progress made in implementing the Family Care model in the pilot counties, as well as issues the State and the counties will need to address as program expansion is considered. For example, to ensure unbiased information is available to consumers making decisions about long-term care services and to comply with federal requirements, a Family Care enrollment consultation function was established in 2002 in each of the five counties operating CMOs. The number of inquiries to Resource Centers continues to exceed goals established by contract, and CMOs have worked to expand the availability of service providers to better meet their members' needs. Finally, waiting lists for home and community-based waiver services have been eliminated in each of the five counties operating CMOs. Total program enrollment has increased from 5,485 in March 2002 to 6,302 by July 2002, with over 97 percent of these enrollees eligible for Medical Assistance.

We appreciate the cooperation and courtesy of the Department of Health and Family Services and the many county staff, citizen members of local long-term care councils, and provider representatives who have worked with The Lewin Group throughout the evaluation process. This third implementation report is available on our Web site at www.legis.state.wi.us/lab, or it can be obtained by contacting our office at (608) 266−2818.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

December 13, 2002

To the Honorable, the Legislature:

We have completed an evaluation of the Department of Health and Family Services' regulation of nursing homes and assisted living facilities, as requested by the Joint Legislative Audit Committee. As of June 30, 2001, there were 462 nursing homes and 2,114 assisted living facilities in Wisconsin; approximately $1.0 billion in federal and state Medical Assistance (Medicaid) funds helped to support the cost of care provided to residents in these long-term care facilities. In fiscal year (FY) 2000-01, 80.2 percent of the Department's 215.7 full-time equivalent staff with regulatory responsibility for long-term care were regional regulatory staff. Expenditures for regional regulatory staff totaled $12.5 million.

Although both nursing homes and assisted living facilities are inspected by state staff, there are significant differences in the oversight provided. Nursing homes are inspected under a well-established process that is dictated by federal regulations designed to ensure quality, occurs frequently, and employs teams of inspectors that include registered nurses who evaluate resident care. In contrast, the regulatory system for assisted living facilities, which is controlled entirely by the State, is less-established, and each inspection typically involves a single inspector who is not required to have medical credentials. Furthermore, as of June 30, 2001, 47.1 percent of assisted living facilities had not been visited by inspectors for any reason for at least one year. During our review period, there was an increase in the number of citations the Department issued to assisted living facilities, in part because of the implementation of new state regulations, and complaints about assisted living facilities increased 82.1 percent. In contrast, nursing home complaints decreased 3.0 percent. We provide options for the Legislature to consider if it is not satisfied with the current regulatory process for assisted living facilities.

We also reviewed the enforcement process for both nursing homes and assisted living facilities, which can include financial penalties, restrictions on new admissions, and other sanctions. Although prompt imposition of penalties is considered an effective method of compelling compliance, 64.6 percent of FY 2000-01 nursing home citations for which forfeitures could be assessed were awaiting review by the Department. Other available enforcement options have rarely been used. We include several recommendations to improve the current enforcement process.

We appreciate the courtesy and cooperation extended to us by the Department of Health and Family Services and the Department of Justice. A response from the Department of Health and Family Services is Appendix 7.

Respectfully submitted,
JANICE MUELLER
State Auditor