

Curtis Richards - 87185 Cly Hwy V - Bayfield 54814
MORE DOLLARS NEEDED FOR THE SUPPORT AND TREATMENT OF THE MENTALLY ILL *pt 386*

We thank you for the opportunity to appear before your committee and to speak on behalf of the mentally ill of the State of Wisconsin and of our communities.

Let me first take a moment to introduce myself and our concern. We are the parents of a son who has a severe and persistent mental illness. He has suffered with the illness for some 27 years. During the course of those 27 years we have been intimately involved with his treatment and the developments in the research and treatment of persons with a mental illness. My wife has served on the 51-42 Board of Bayfield County when they still had such a board. Together we have served as co-chairs of the National Alliance of the Mentally Ill of the Chequamegon Bay Area. I presently serve on the Community Options Long Term Care Advisory Board of the State of Wisconsin and on the Board the National Alliance for the Mentally Ill of the State of Wisconsin. Suffice it to say that we have learned much more about mental illness than we had ever hoped that we would.

In the process we have experienced that the State of Wisconsin was at one time a leader in the care and treatment of the mentally ill but that has changed dramatically in the last few years. The PACT Program developed in Dane County is a model for the entire country for the treatment of the mentally ill. Unfortunately that outstanding program is not and cannot be implemented throughout our state because of the lack of adequate funding for the Community Support Programs throughout the state. It is absolutely necessary that funding be increased so that our mentally ill people can be given appropriate and comprehensive community based treatment. The failure to provide community based treatment results in an ever increasing number of our people with mental illness ending up in institutions that are far more costly to operate than community based programs. Unfortunately far too many of our people end up in the penal institutions of our counties and state where they are not provided with the appropriate help that they need and become the victims of the system. Our jails and prisons have become the holding places for the mentally ill, replacing the institutions for the mentally ill that we closed down a number of years ago. Far too often the failure to provide community based services results in death. The suicide rate for the mentally ill left untreated is far higher than for the general population. In rare but well publicized cases the general public is at risk when one of our mentally ill people, not treated, not on their medication in the active state of their illness will take the life of another person because they believe that is what they must do because their ill mind tells them that.

What we are saying is that it is far more economical in the long term to provide the necessary services at the local level than it is to deal with the results when that treatment is not provided. Beyond this it is far more humane for our people to help them live in their home communities with the supports necessary rather than in an institution often far away from family and other natural support systems.

What needs to be done immediately is for the State to pay for the "state share" of the medical assistance Community Support Benefit so that this is not a burden on the local counties and so that all waiting lists for mentally ill people who need services can be provided as required under

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the Federal Medicaid law. From information we have this would cost some \$ 400,000 in FY 02 and \$ 1.9 million in FY 03.

A specific example of what is happening due to the insufficient funding of the Community Support Programs: Bayfield and Ashland Counties contract with New Horizons North to provide community support for the developmentally disabled and the mentally ill. Because of the counties failure to adequately fund this program New Horizons is faced with the possibility of losing staff and the possibility of closing their office in Washburn. New Horizons is an outstanding program but due to their radically escalated cost of providing health insurance for their staff and the corresponding inability to keep up with the cost of living for their staff, their outstanding work is threatened and of course those persons who suffer the most are the mentally ill who will potentially be deprived of their service.

Further the State should pay the state share of the Medical Assistance funding for the Comprehensive Community Services that was adopted during the past biennium but not at this point implemented by the Department of Health and Family Services. This was a recommendation of the Governors Blue Ribbon Commission.

Additional services at the community level need to be provided to assist with the early diagnosis and treatment of children with serious mental illness. With the additional research being done the identification of persons with a mental illness can be made at an earlier age than previously and with early treatment, much of the long term effects of the illnesses can be eliminated or at least lessened.

A number of consumer and family support services have been developed throughout the state that provide education and peer support programs. These should be encouraged and expanded through a substantial grant from the new federal Mental Health Grant Funds. Personally we have been involved with family to family education for families that are dealing with mental illness and have found it to be most helpful in eliminating the pervasive stigma and enabling and emboldening families to seek the necessary services for their family member. We are currently planning to be involved in a comprehensive training program for persons providing services with the mentally ill. This is all supported and funded through the State Alliance for the Mentally ill.

Finally we would strongly urge that you provide for and Independent Advocacy Program for the Managed Care Demonstration Projects that are in being throughout the state. There is evidence from other states that Managed Care groups will run programs for the mentally ill for a short period of time and then when they realize that they cannot make a large enough profit due to the persistent nature of mental illness and the difficulty in providing quality on going care, they will withdraw from the programs. We cannot afford to have this happen to our people who suffer with these terrible illnesses.

We certainly must insist that there be Health Insurance parity for all persons who suffer from a mental illness.

**MORE DOLLARS NEEDED FOR THE SUPPORT AND
TREATMENT OF THE MENTALLY ILL**

We thank you for this opportunity to share our concerns and the concerns of a large number of other persons whose family members suffer from the effects of these most disabling illnesses that we label mental illness.

I'm here because I save you money.

I'm Katherine Martin from Morengo, Ashlan County, a voter in every election since I turned many many years ago. I am an employee of The state, Unpaid. My speciality is work with children with disabilities, and I've been one of my clients with me. This is my daug Naom. And that's why I say I'm an unpaid state worker. Without me, This tota care child would cost tax payors a lot of big bucks living in an institution.



She's cute, isn't she. She's two. She doesn't talk, but she communicates. She does not yet walk, doesn't even support her head yet. But she works hard at it, even harder than her 13 year old muscular brother does playing fast paced sweaty basketball game. She is a total care baby who may grow up to be a total

care adult.

But not if I can help it. I work hard and daily with her and am willing to take her as far as she is willing and able.

I've been lucky to have a pediatrician, a neurologist and the staff of Birth to Three encouraging me to expect progress and to work for it. What an asset we have in the professionals from the Birth to Three program. They are excited to work with her. They are skilled + experienced in the technical aspects of their trade. They are innovative when other resources are lacking. They have trained me and whoever happens to be in the house when they come.

So
Why are we not paying these professionals fairly for their services?

Why is the state leaving the burden of Birth to Three to the counties and not increasing the budget the state allocates to the program (not since '96 + not planned in the next 2 budgets)? Ashland City stopped the program last fall because of funding problems. It has been reinstated, but with a limited menu.

I know I'm saving the state money by raising her at home. But where is that money?

going. I want to see it returned to those
citizens who need it most and who will
show a profit for it.

Katherine Martin
Rt 1 Box 86A

Marion, WI 54855

Gwen Lee
Rt. 2, Box 434
Ashland, WI 54806

I am the parent of four children. 28 year old Karl who is a graduate of the UW system and now working as a tax paying citizen of Wisconsin in the Hudson area. 26 year old Wendy is also a graduate of the UW system and also a tax-paying citizen of Wisconsin in the Reedsburg area. This June Melissa and her younger brother will graduate from Ashland High School. Melissa's brother, Kris, is enrolled in the UW system here in Superior, with a bright future. I'm grateful for the UW system. But what is Melissa's future? She faces the waiting lists for adult services and static CIP rates. She will transition from five full days of structure and community involvement to perhaps a couple of hours a day.

Melissa brought me to the world of Human Services after a near drowning episode at the age of 18 months. We were told to "institutionalize" her...place her in a State Center, pay attention to our other children, the state would take care of her and we were told get on with our lives.

To make a long story short, that didn't make sense, never has, and we have pursued community life for her in spite of her total dependence on others.

She has a trach for breathing, G-Tube for feeding and relies on us to perform

every function of daily living. It has never been a burden. She is my greatest teacher and has brought much love and blessing to our whole family.

Now I'm more afraid and discouraged than I have ever been before.

I don't want to admit it...but I'm getting older. How do you care for someone who is totally dependent on you when you can't care for yourself?

I have realized I must establish a plan for the future.

What scares me and other parents is that the system seems to be changing before our very eyes. I came through the era of Family Support, CIP 1-B, and B-3 all programs giving new hope to families, programs that offered a "spirit of help and hope" to families. A system with a spirit that recognized individual values, appreciated difference of needs and created approaches that made sense for people.

I sense a change in the spirit of the system. It has become a system with a "mercenary spirit". There is a loss of personal identity and individuality.

The BOTTOM line rules all. It has become O.K. to "slot", "place", and manipulate complex programs to eke out limited services. We have become pieces of merchandise to handle in the most expedient manner. The system now seems to have a "mean spirit" that disregards the value of every person.

You have the opportunity to change that view.

You have the opportunity to restore hope to families and individuals with disabilities.

You have the opportunity to say that the proposed Governor's Budget with Zero for every program that counts in the lives of people with disabilities is unacceptable.

Replace those zero increases with targeted dollars that will help make it possible to preserve those working in the field by offering a living wage with benefits, and possible to offer services to all of Wisconsin's citizens with disabilities.

I advocate for increased CIP1-B rates and targeted dollars for the waiting lists. Melissa's brother, sister, my husband and I all say "Take any tax refund allocated for us and direct it into programs that will make a difference in the lives of Melissa and Wisconsin citizens like her".

**EVERY WISCONSIN CITIZEN IS VALUED AND PEOPLE CANNOT
WAIT ANY LONGER.**

Hello. My name is Val Leino. I live in Ashland and have voted in every election since moving here. I am a Master's level Professional Counselor who works for the Bayfield Community Support Program. Part of my job includes assessing whether a person's mental illness is a danger to themselves or others in the community.

My concern is that I & many of my colleagues can't afford to continue to work for community support programs. Because of economic issues, community support programs are not able to compete w/ government and private sectors. This could undermine the quality of care & assessment provided to the individuals I work w/ who suffer from chronic, persistent and debilitating mental illness. Quoting from Rehabilitation For Wisconsin, Inc., "... wages received by Community-based service workers ranged from 24% to 55% lower than similar public employment opportunities."

In addition to the wage issue, my health insurance through my employer, New Horizons North, has disintegrated. Each year the premium we have had to pay has risen drastically and the benefits greatly reduced. Last year I paid approximately \$70/mo.; this

year I am paying \$386/month. As I am sure you are aware of, heating fuel prices has almost tripled, our water bill is going up 16% + cost of local phone service is increasing.

In addition, I am the single-mother of a wonderfully creative 11-year-old daughter with learning disabilities, allergies + other challenges. This past year she has grown with some wonderful therapies prescribed by her doctor. Unfortunately, my insurance company is refusing to pay for approximately \$2000 of occupational therapy done in December, 2000. The only thing keeping me from going crazy with this situation is the incredible improvement my daughter has experienced from the therapy.

As you can see, I have many financial reasons to join many of my peers from graduate school in more mainstream type positions. However, my heart is here, w/ people w/ the severest challenges in mental health at the community level. I'd like to continue to do community support work and will only be able to do that w/ your help in providing \$30 million GPR in Year 1 and \$60 million in Year 2 of the coming state budget to increase wages for community service workers by 30%.

I strongly support all of the Survival Coalition 2001-03 Budget Proposal for Disability Services. My daughter + I can't wait till the next biennium budget. Val Lewis

Hi, my name is Susanne Halverson. I am the Advocacy Coordinator for Planned Parenthood of Wisconsin in Eau Claire. Through our 31 clinics across the state, we serve 65,000 patients by providing breast and cervical cancer screening, STI testing and treatment, pregnancy counseling, contraception services and abstinence based, age appropriate sexuality education. Almost half of our patient base is at or below the poverty level, so continued public assistance to allow these families to access vital health services and information is essential.

Our mission at PPW is to provide women and men with the education and direct clinic services to enable them to make responsible choices, have a healthy future and when they are ready, to have healthy wanted children. We have served the reproductive health care needs for the men and women of Wisconsin for over 66 years and as such are experienced in assessing and addressing the reproductive health care needs of our population.

I am here today to articulate our support of the proposed continued funding of family planning in the budget and to suggest other proactive, cost savings measures that could be added to improve the availability of education and health care services for the people of Wisconsin.

The current budget proposal continues to allocate funding to support family planning programs and includes Medical Assistance rate increases for non-institutional services including family planning providers. We applaud the inclusion of these funding sources because they allow low-income women to access basic health services in a cost-effective manner. For every dollar spent on family planning services, the taxpayer is saved \$4.40 in short-term health care services to support an unintended pregnancy and birth.

It is important to note that this funding is used for family planning services only, such as cancer screenings, testing, diagnosis and treatment of sexually transmitted disease, pregnancy testing and referral to prenatal care; cholesterol and blood pressure testing. None of these public funds can be used to perform, promote, or to encourage voluntary termination of pregnancy.

There are three additional areas where we could further improve the health care and education needs of our community members that would also provide cost savings to the state. Insurance coverage of contraceptives, improved funds to support Human Growth and Development curricula and improved support of Sexually transmitted infection testing and treatment are three additional areas that would greatly improve the cost of health care, reduce the rate of unintended pregnancy and improve the detection and transmission of sexually transmitted infections amongst the constituents of Wisconsin.

The state of Wisconsin already provides for insurance coverage of contraceptives to their employees because they know how important and cost effective contraceptives are to controlling the high costs associated with unintended pregnancy. To extend this policy so private citizens can also achieve insurance coverage of contraceptives through their own insurers would cost employers less than \$1.43 per month per employee and would save thousands in health care costs associated with unintended pregnancy and other health related outcomes.

Additional assistance for Human Growth and Development curricula coursework and teacher training would go a long way toward better educating our kids to make responsible choices to reduce teen pregnancy rates and wouldn't cost Wisconsin tax payers. Thanks to funding through

the Temporary Assistance for Needy Families, Wisconsin has a ready resource to help us improve our teen pregnancy rates through education - we just need to make that commitment.

Finally, additional resources to go toward the prevention, testing and treatment of sexually transmitted infections would serve the health needs of our community in a cost-effective manner. Undetected sexually transmitted infection can lead to poor health, cancer, infertility, death and transmission amongst the public. The health costs associated with these outcomes are significant. The commitment of TANF funds or other available funds would go a long way toward addressing increasing STI rates and protecting the public from health consequences resulting from unintended transmission of STI's.

In closing, I urge you to protect public funding of family planning for low income families - 80% of the Wisconsin public supports continued public funding of family planning and it results in significant cost savings. I also ask that you consider the cost savings and importance of additional public health care needs of insurance coverage for contraceptives, improved support of human growth and development education and STI treatment, testing and education. Thank you for your consideration of my testimony.

Joint Finance

Long Term Care went into crises in the State of Wisconsin ten years ago. Since that time a lot of time effort and money has went into finding a solution. The Department of Health and Family Services, Counties and advocates for people with disabilities and the elderly have worked in a collaborative effort to find a solution.

The work is far from over. Waiting list has continued to grow and many people die before they are removed from the list.

Family Care pilots have started but only in 5 counties hardly enough to get a good representation. The State Long Term Care Council had asked for the expansion of the pilots. It had also asked that enough money be put into the budget so that the waiting list would not grow in the non-Family Care counties. That way it could not be said that the money was diverted from non-Family Care counties to Family Care counties. Both requests were left out of the budget.

Children's Long Term Support has not been piloted. Birth to 3 has not received an increase in this budget or in the past two budgets.

One of the things that people liked about Family Care was the Independent Advocacy Component this also has been left out of the budget. Without the Advocacy Component many people will not receive the services they deserve and the credibility of Family Care will erode.

The State has mandated each of the counties to have a Long Term Care council. However has determined since it is not expanding the Family Care pilots that the State Long Term Care council will not be funded and will not continue to exist. The role of the council was Long Term Care not just Family Care.

The U.S. Supreme Court has ruled in the Olmstead Case that people have the right to choose where they receive their services that they have the right to live in the community. Several litigations have been filed already, this budget will not allow the State to meet its obligations to its citizens.

Wisconsin has in the past been credited as leader in the nation in Long Term Care, however 20 states have recently allocated funds to meet the needs of Long Term Care and waiting list. Where is Wisconsin? Why have we not keep up.

One of the members of Joint Finance made the comment that when it comes to Finance it is just a matter of priorities. It is time to make people a priority the elderly and those with disabilities end waiting list, help these individuals to become active participants in the community.

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Black River Falls WI 54615

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Closing Wisconsin's Three State Centers Human Rights Talking Points

- 844 people with developmental disabilities still live in these institutions.
- They are separated from their home communities and their families. They are cut off from the world.
- They are denied many rights and opportunities the rest of us have.
- These Centers are not safe places to live, where residents get better care than they could get in the community.
- People who have lived in the Centers talk about how they were treated badly when they lived there, and how they had no rights at all.
- Department of Justice investigators found many, many problems with the care being provided at the State Centers.
- Some people say the residents of the State Centers can't live in the community. That is not true. The Department of Health & Family Services believes that all residents of the State Centers can live in the community. There are people with the same needs who are living good lives in Wisconsin communities.
- 10 other states have closed their state institutions, including Minnesota and Michigan. If they can do it, why can't Wisconsin?

Closing Wisconsin's Three State Centers Dollars & Cents Talking Points

- The 3 State Centers cost taxpayers 30 million dollars more than what it would cost if the 844 residents lived in the community. This saved money could be used to help with waiting lists and paying direct support staff in the community better wages.
- We can only get the savings if the legislature decides to close the Centers.
- The reason the Centers cost so much is because every time someone moves out of a Center, the state has to keep paying that Center \$73,000. a year for that person, to cover the overhead costs of keeping those big buildings open.
- We know community services for people with developmental disabilities don't have enough money. We know this State budget is really tight. So closing the State Centers now is the right thing for Wisconsin and for people with developmental disabilities.
- The cost to the State for closing the 3 State Centers is half a million dollars a year, for 10 years. That is 6 million dollars. Over that 10 years, the net savings to the State is 55.5 million dollars. From the 11th year onwards, the savings for the state is 15 million dollars every year. If you add to that the federal match money, the total savings is 30 million dollars every year.
- We need legislators to put half a million dollars per year into this new budget. That's only 1 million dollars out of 775 million dollars they have to spend on new projects. And that million dollars won't just get spent. It will bring back many millions in savings for Wisconsin.

U.S. Department of Justice Report on the State Centers
September, 1994

Summary of the Findings

- There is excessive restraint usage.
- The environment fails to meet the needs of residents – it has no stability, is non-stimulating, is unsafe and is overly restrictive.
- Residents are subject to harm due to inadequate supervision.
- There are inadequate behavioral programs.
- Training programs are inadequate and do not facilitate individual growth, independence, & functional skills.
- Emergency care is lacking and critical care is deficient.
- Medical record keeping is seriously deficient.
- Administration and monitoring of psychotropic medications are grossly deficient.
- There is deficient monitoring of seizure disorders.
- Diagnosis & treatment of illness does not meet professional standards.
- Monitoring & follow-up of medical care received at hospitals are insufficient.
- Psychiatric services are inadequate.
- There are shortages of trained medical staff.
- Psychological services do not meet professional standards.

The Million Dollar Question

Can Wisconsin Afford to Spend One Million Dollars in this Budget to Begin the Process of Closing Wisconsin's 3 State Centers?

Think about it like this...

Imagine you got a \$775.00 refund check from your tax return.

Imagine what it would feel like to spend \$1.00 of that money.

No big deal, right?

Now imagine you spent that \$1.00 plus \$5.00 more on a lottery ticket that you knew would win you \$61.50?

Who wouldn't do that?

Putting 1 million dollars into this new State budget to start the process of closing the 3 State Centers is just plain common sense.

Not putting this money into the new State budget, and continuing to waste 30 million dollars a year is "penny-wise and pound-foolish."

It's time to do what's right for Wisconsin... and do what's always been right for people with developmental disabilities.

What Do The State Centers Have To Do With Building Stronger Community Services for People with Developmental Disabilities?

- The community service system is millions of dollars short of what it really needs to support people with developmental disabilities to live good lives in the community.
- If the State budget is tight, we need to be looking for other ways to find that money.
- The State Centers cost \$30 million dollars more than what it would cost to support the 844 residents to live in the community.
- Closing the State Centers is the only way to capture those savings for community services.
- Money is not the only answer to building a stronger community service system. The other thing Wisconsin must do is recognize that we will never have a strong community service system as long as we have an institutional service system competing for our time and resources.

If we make the community service system the only service system for people with developmental disabilities, we can focus all of our energy and resources on making it the best it can be!

Some of Governor McCallum's Spending Ideas

He talks about the opportunity to re-focus our priorities on those things which most need our attention and our resources. He calls it . . . the re-making of Wisconsin.

- \$133 million for the creation of a new Wisconsin Department of Electronic Government.
- \$9.1 million will be provided for improvements around Lambeau Field in Green Bay.
- \$300,000 for program to better control invasive aquatic plants.
- \$206 million more for corrections.
- \$130 million to invest in water quality improvement.
- \$3 million dollars for ethanol production to help the environment and to help Wisconsin farmers.
- \$2 million dollars for "brownfield" clean-up in the Menomonee Valley.

McCallum thinks his budget is good because...

It's common sense.

It's sound fiscal management.

It's our sacred obligation as public servants.

(Governor McCallum's Budget Speech)

Center Closings are good for the same reasons. Why hasn't Governor McCallum included these in his budget?

Questions You May Be Asked

1. Where are we going to get the money to do this?

Answer: There is 775 million dollars to be spent on new projects. We are only asking for 1 million dollars. People with developmental disabilities are citizens. 1 million dollars to improve so many people's lives is not too much to ask. And that 1 million dollars will save the State many millions of dollars.

2. If the families of the Center residents think they should stay in the Centers, why should we go against their wishes?

Answer: We understand that the families are scared about the change. No one likes change. But lots of families have had to go through this. Once people move to the community, most families realize people are a lot better off.

3. Where will we find community support staff for all of the people we would be moving out of the Centers. There is already a shortage of community support staff.

Answer: Some of the good staff who work in the Centers may want to work with people in the community. And our plan makes people's daily rate 60% higher than the current daily rate for people leaving the Centers. With that extra money, they will be able to pay staff better.

4. What will happen to all of the people working at the Centers who will lose their jobs?

Answer: There are plenty of jobs in community services all over the state. And the 1 million dollars we are asking for includes money to help staff find new jobs and money for unemployment benefits if they can't find a new job.

5. What if the community is not ready to have these people live in their neighborhoods? Won't people end up worse off if they move out of the Centers and into communities that don't want them?

Answer: Communities in Wisconsin currently include over 40,000 people with developmental disabilities. If all of these people can live in Wisconsin's communities, we believe 844 more can do it too. The way to make communities more accepting is to help them get to know people with developmental disabilities. Keeping some people locked in institutions doesn't help with this.

Developing Your Message

1. Introduce yourself and say what group or groups you belong to.
2. Tell them about the problem...
 - Look at the talking points and decide what 3 or 4 points you think are important to make.
 - Add your own ideas if they are not included in the talking points.
3. Tell your personal story, which explains why you are against keeping the State Centers open...

"When I lived in a State Center, my life was... .."

"Now that I live in the community, my life is....."

OR

"I am glad I never had to live in a State Center because....."

"Because I live in the community, my life is....."

4. Explain what you think needs to be done to fix this problem. You should be clear about what you want the person to do to help. You should explain the good things that will result if the problem is fixed.
5. Ask if they think they can support this. Offer to provide more information if they need it. You can use the talking points and other hand-outs to give them more information.
6. Give them your name, phone number and address so they can contact you for more information.
7. When you leave, thank them for taking the time to meet with you. Thank them for their interest in your issues. Tell them you are counting on them to help with this problem.

How To Get Other from Your Local Area Involved

1. Ask everyone you see to sign your petition. Send signed petition forms to Lisa Mills at People First Wisconsin office, so they are received by March 15th.
2. (Before March 19th) Ask them to write or call the 4 legislators on the Legislative Council Study Committee on Developmental Disabilities. Hand out talking points and flyers on how to contact these 4 legislators.
3. Ask them to write or call their legislators:
 - Assembly Representative
 - SenatorMake and hand out flyers with how to contact legislators.
4. At your next local self-advocacy group meeting, have people write letters or make phone calls to their legislators and to the 4 legislators on the Legislative Council Study Committee on Developmental Disabilities.
5. Ask them to come with you to the April 25th Rally at the State Capitol. Ask them to join you in visiting your legislators on that day. Make an appointment with your legislators for the afternoon of April 25th.
- 6.

Before March 19th !!!!!

Please write or call the 4 legislators on the
Legislative Council Study Committee on Developmental Disabilities.
Tell them you want them to support a plan to close the State Centers.
If you know people who live in their home areas, ask them to call, too.

Senator Judy Robson
(608) 266-2253
P.O. Box 7882
Madison, WI 53707-7882
(Beloit)

Representative Steven Foti
(608) 266-2401
P.O. Box 8952
Madison, WI 53708-8952
(Oconomowoc)

Senator Carol Roessler
(608) 266-5300
P.O. Box 7882
Madison, WI 53707-7882
(OshKosh)

Representative Joe Plouff
(608) 266-7056
P.O. Box 8953
Madison, WI 53708-8953
(Menomonie)

Please also write or call your Representative and Senator.
To find out who your Representative and Senator are:

call 1 (800) 362-9472

or look on the internet at <http://www.legis.state.wi.us/>

We, the undersigned, ask the Wisconsin State Legislature to pass legislation that directs the Department of Health & Family Services to create a plan and completely close the three State Centers for the Developmentally Disabled, and through this to make sure that:

- community living is a human right for all citizens in Wisconsin;
- no person with a developmental disability will ever again have to fear being institutionalized in Wisconsin;
- 30 million dollars in savings will be transferred to community services to help with waiting lists and better pay for community support staff.

Name	Address	Signature

Send completed petitions to People First Wisconsin by March 15th.
 3195 S. Superior Street, Milwaukee, WI 53207 (414) 483-2546 or (888) 270-5352

Closing Wisconsin's Three State Centers Human Rights Talking Points

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- 10 other states have closed their state institutions, including Minnesota and Michigan. If they can do it, why can't Wisconsin?

He is 21 yrs old.

My name is Annette Mott, and my son's name is Troy. He was born with severe disabilities. The state of Wisconsin and other states are in dire need of monies to serve our elderly, the physically disabled, and the mentally ill. The fact is there is not ^{enough} monies to cover all the costs and care it takes to provide quality care for this population. Presently, my son is living in a supportive living arrangement. That may sound good up front, the fact is that if I chose to take my son out of that establishment for any reason. I would not be able to place him in another environment, because there are no available facilities, they are not building any establishments, or homes for this population. It's a sad situation to many. Some parents are older and still taking care of their forty or fifty year old son or daughter, some parents have no other alternatives than to keep their mentally ill child at home. Some children are taking care of their loving parents, with alzheimers, diabetes, cancer, or other diseases, because there ^{are} no monies to ~~help~~ provide ^{Quality care} and assist these families. Where is the money? It seems we have money for treatment for third, fourth and even fifth time offenders of drug abuse. We house them and pay for their education, job searches, food, cigarettes, chemical dependency, only for them to go back on the street and ^{and drunk drivers} do the same thing again. They know theres a place for them. Please provide ^{Quality} services for our dear and beloved disabled children, our elderly, the mentally ill and any other population who is in need. I am asking this on behalf of many many other parents and careproviders.

Annette Mott

1614 WOODLAND Ave.
Eau Claire, WI 54601
(715) 8325910

Wisconsin Cost of Epilepsy Summary

Based on findings in "The Cost of Epilepsy in the United States: An Estimate from Population-Based Clinical and Survey Data" (Begly, Famulari, Annegars, et al, 1999), the national annual cost of epilepsy is estimated to be \$12.5 billion. Using data extrapolated from the research report, the average cost of epilepsy of \$5,435 has been applied to the estimated number of people who have epilepsy in Wisconsin. The average cost of epilepsy per person comprises estimated direct medical costs (14%) and indirect community costs (86%). Above the personal costs of epilepsy, the socioeconomic costs of epilepsy are significant, particularly for individuals with intractable seizures (or 40% of people with epilepsy).

It would seem to be in the best interest of people in Wisconsin to address indirect cost factors in order to reduce community costs and improve community quality of life. With supports, interventions, and new approaches, costs to the community can be drastically reduced. The Epilepsy Foundations serving Wisconsin are prepared to provide leadership to further develop and provide collaborative strategies to reduce short- and long-term socioeconomic costs.

Estimated Population:

105,496 Wisconsites have epilepsy

*2% prevalence of estimated Wisconsin population per www.dca.state.wi.us, Sept. 8, 2000

63,297 people or 60% have reliable seizure control

42,199 people or 40% have intractable, or recurring seizures, despite treatment

Estimated Annual Costs to Wisconsin:

\$573,370,760 Annual Cost of Epilepsy

\$5,435 Annual Cost per Person with Epilepsy

Direct Costs—medical care for diagnosis, diagnostic tests, treatments, and insurance
\$80,271,906

Indirect Costs—include lost potential earnings and reductions in household activities
\$493,098,853

Major indirect cost factors

- ◆ 14.5- to 25% unemployment rate among employable adults with epilepsy
- ◆ Loss of employment opportunity because of employers' poor understanding of epilepsy
- ◆ Loss of employment because of individual's lack of crisis resolution skills
- ◆ Missed work or lost productivity because of seizure activity due to inadequate medical care
- ◆ Lack of transportation because of driver's licensing restrictions
- ◆ Lack of access to health care to control seizures because of no health insurance

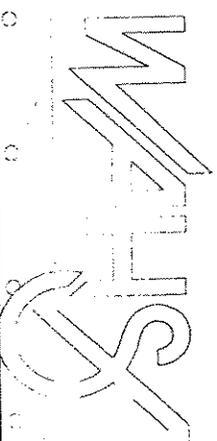
Strategies to reduce indirect costs

- ◆ Assure eligibility for affordable health care program until individual is eligible for employer-sponsored plans while individual is seeking or beginning employment or is enrolled in post-secondary education.
- ◆ Assure specialized pre-employment skills training in disclosure, employment rights, crisis resolutions skills
- ◆ Assure access to affordable, reliable and realistic transportation options /
- ◆ Assure supports for the individual up to 1 year or more past crisis to assure skills development and to prevent employer crisis. /

Issue: 2001-2003 Medicaid Nursing Facility Funding Increases

- The Governor's 2001-2003 Budget would increase Medicaid (MA) nursing facility funding by \$115 million in 2001-02 and by \$157.2 million in 2002-03 (Note: the Governor's 2001-03 Executive Budget Summary indicates larger increases to reflect a technical adjustment in current IGT funding).

- This presentation clarifies the funding level that would be provided under the Governor's budget and addresses the critical need for these increases.



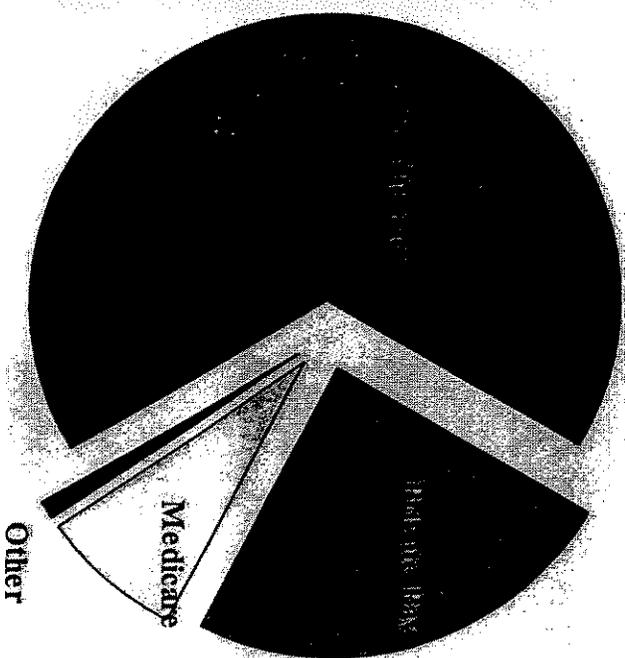
Briefing Overview

- **Why do nursing homes need additional Medicaid funding increases?**
- **What level of funding increases would be provided under the Governor's budget?**
- **How would these increases be funded?**
- **What happens if the expanded IGT Program isn't approved?**

Why do Nursing Facilities Need Additional Medicaid Funding Increases?

- Nearly 70% of all nursing facility residents are Medicaid recipients--When Medicaid doesn't provide adequate facility payments, the added burden on the facility/residents/staff is enormous.

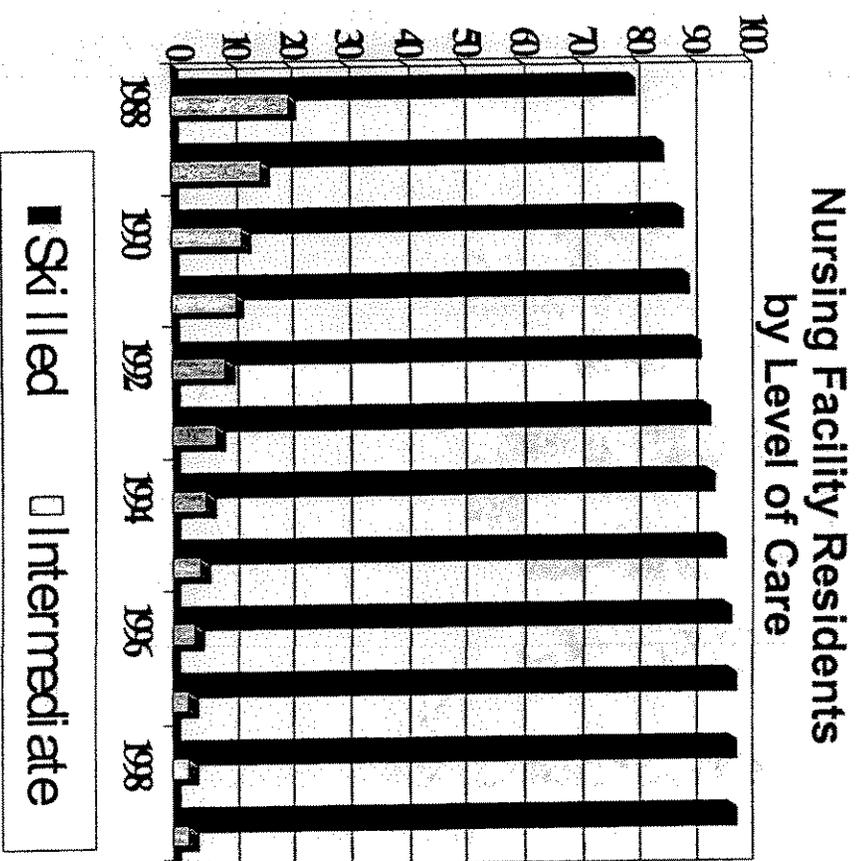
Nursing Facility Residents
by Payor Source



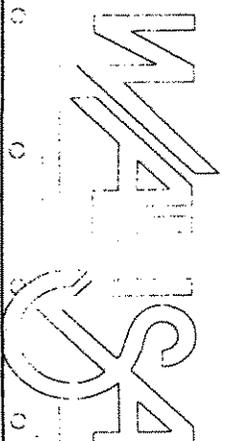
Source: DHFS 1999 Annual Survey of Nursing homes

Additional Medicaid Funding Increases Are Critical

- Resident acuity, and related costs, continue to skyrocket.
- Nearly 80% of all Residents are admitted directly from hospitals and require extensive care, services and supervision.



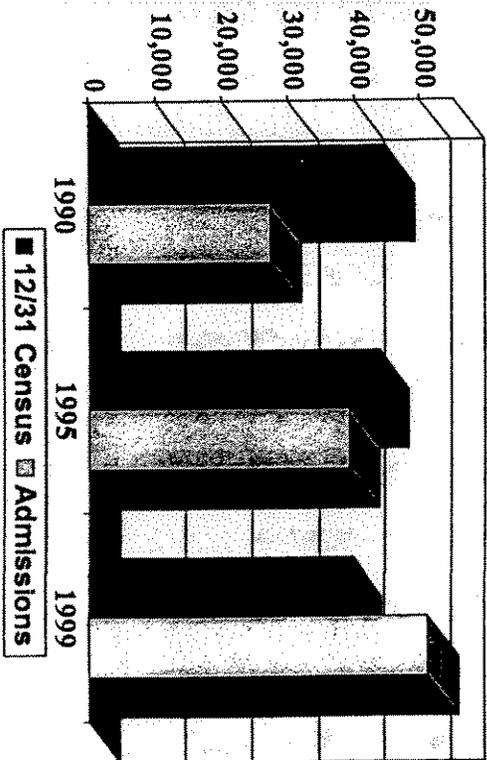
Source: DHFS, 1999 WI Nursing Homes & Residents



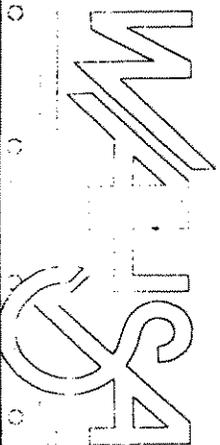
Additional Medicaid Funding Increases Are Critical

- Admissions to nursing facilities have increased by 87% since 1990. These admissions require intensive assessment and care planning resources.
- Contrary to popular belief, more residents (40%) receive restorative or rehabilitative care, and are discharged to home, than end-of-life care (31%).

Resident Census and Admissions
1990-1999



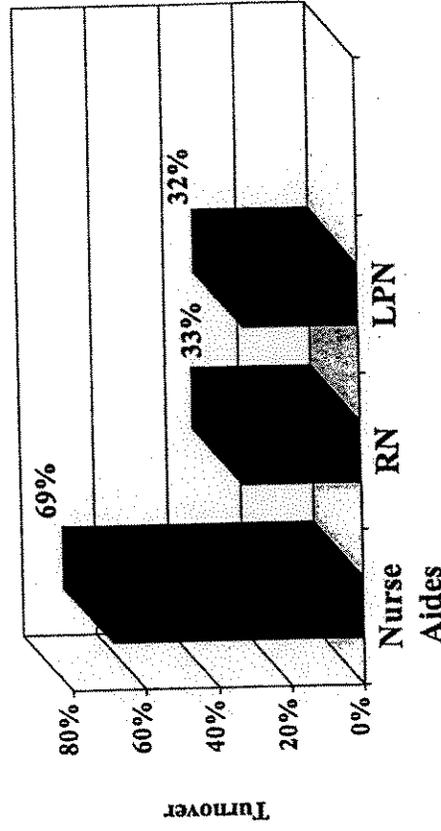
Source: DHFS, 1999 WI Nursing Homes & Residents



Additional Medicaid Funding Increases Are Critical

- Approximately 70% of facility costs are for personnel, primarily nursing staff.
- Facilities are combating increasing turnover rates and this battle can not be won without additional Medicaid payments.
- Non-profit and governmental homes have lower turnover rates but incur substantially higher Medicaid direct care losses because they generally staff higher and pay better.

Full-Time Nursing
Staff Turnover Rates



Source: DHFS, 1999 WI Nursing Homes & Residents

Source: DHFS, 1998 Nursing Homes and 1998 MA Cost Reports

WATSA

September 2000 Report Documents

Financial Crisis--BDO Seidman, LLP

- Facility Medicaid deficits (the difference between MA costs incurred and MA reimbursement) currently exceed \$125 million.
- In 1999, nearly 83% of all facilities were not fully paid for serving Medicaid residents. This number undoubtedly is higher today.
- The average projected facility loss for the 2000-2001 is \$300,000.
- Taking into account *all* sources of payment, the average margin for all Wisconsin nursing homes in 1999 was a negative 4.79%.
- Wisconsin's 2000-2001 Medicaid payment ceilings relative to costs are the lowest in the United States.
- *To improve the state's present system to a level where only 40% (rather than the 83% in 1999) of the state's facilities experience 2001 rates below their costs would require an appropriation of at least \$120 million in new funds.*

View full BDO Seidman study at: www.wahsa.org/public.htm

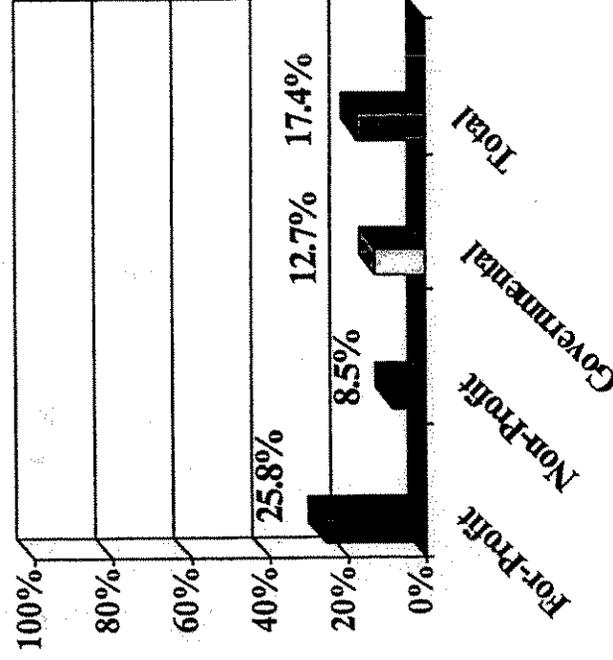
WAHSA

Very Few Homes Receive Medicaid Rates Equal to Costs

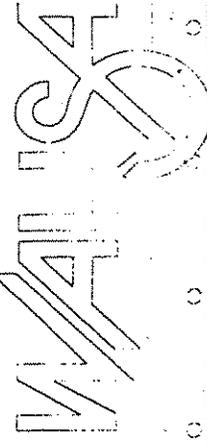
- When only 17.4% (1999 figures) of all facilities receive Medicaid rates equal to their costs, the public is not well served. Such a system makes it impossible for many facilities to effectively address increasing staffing and resident care needs.
- To help cover these losses, private pay residents are charged rates substantially above their actual care costs. The difference between Medicaid and private pay rates in many facilities exceeds \$50/day!

% of WI Nursing Facilities

Fully Reimbursed under Medicaid – 1999



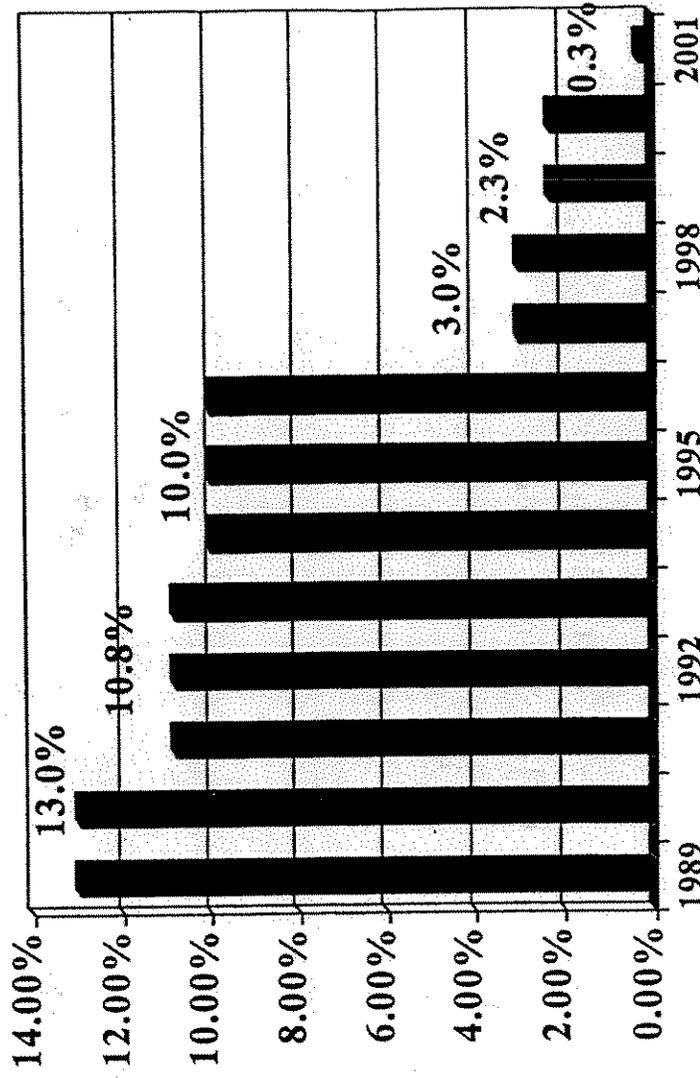
Source: BDO Seidman, September 2000 Study



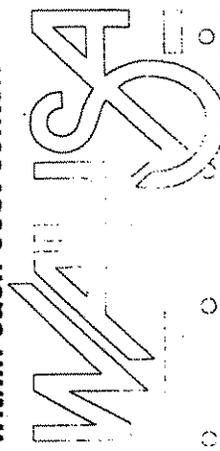
Medicaid Payment Ceilings Decline

- The Medicaid nursing facility formula's Direct Care payment ceilings have been lowered dramatically over the past ten years. As facilities increase their wages, benefits and staffing hours, payments are capped and direct care deficits escalate.
- The majority of WAHSA member facilities exceed the direct care cost ceilings, meaning that added nursing costs are not reimbursed by Medicaid resulting in higher losses.

Direct Care Ceilings Expressed as a Percentage Above (or Below) Median



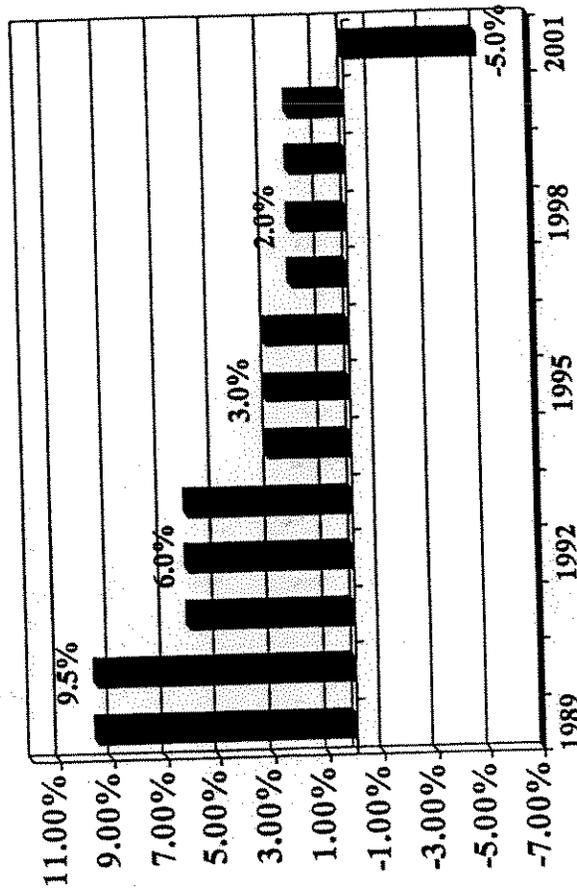
Note: The MA ceilings are expressed as a % of the statewide median of nursing facility costs within each cost center.



Medicaid Payment Ceilings Decline

- Medicaid's payment ceiling for support services (dietary, housekeeping, laundry, etc.,) is even lower than for direct care.
- Mounting support services losses further stress facilities' ability to fund resident-related care.

Support Services Ceilings Expressed as a %
Above (or Below) Median



FY 2001 Medicaid Payments

Although the authorized 2000-01 Medicaid nursing home rate increase was 2%, the payment system actually delivered lower rates for many facilities. Approximately 20% of all homes experienced a rate cut, and 52% of the homes received an increase of 2% or less. The reason: Medicaid cost inflation (4.58%) significantly outpaced the 2% rate increase.

Governor's Medicaid Nursing Facility Recommendations--2001 SB 55/AB 144

- **Increase Medicaid nursing facility funding by \$115 million in 2001-02 and by \$157.2 million in 2002-03.**
- **The entire increase would be funded from an anticipated expansion of the Intergovernmental Transfer Program (IGT). No New GPR State Dollars are authorized under the Governor's budget for nursing facilities.**
- **IGT dollars also would entirely fund \$50 million rate increases for other Medicaid providers over the biennium.**

What Increases Would be Funded

Under the Governor's Budget?

- Although the Governor's *Budget in Brief* document indicates the 2001-02 Medicaid nursing home rate increase would be 13.5%, the increases facilities actually would receive under the MA payment formula would be substantially less. Funds would be allocated as follows:

\$40.0 million: In separate IGT payments to counties for property tax relief, to pay for costs associated with serving hard-to-care for residents and to cover losses for county facility downsizings.

\$25 million (est.): Required to restore Medicaid formula cuts implemented in 2000-01.

\$40.0 million (est.): Required to pay for inflationary costs incurred by facilities, over the past 12-18 months but not recognized by the payment system.

\$10 million (est.): To fund future inflationary costs and to achieve modest improvements to the current Medicaid payment system.

- The IGT program also would fund a Medicaid nursing-facility rate increase of 4% in 2002-03.

WATTS

What Medicaid Formula Changes Are Anticipated?

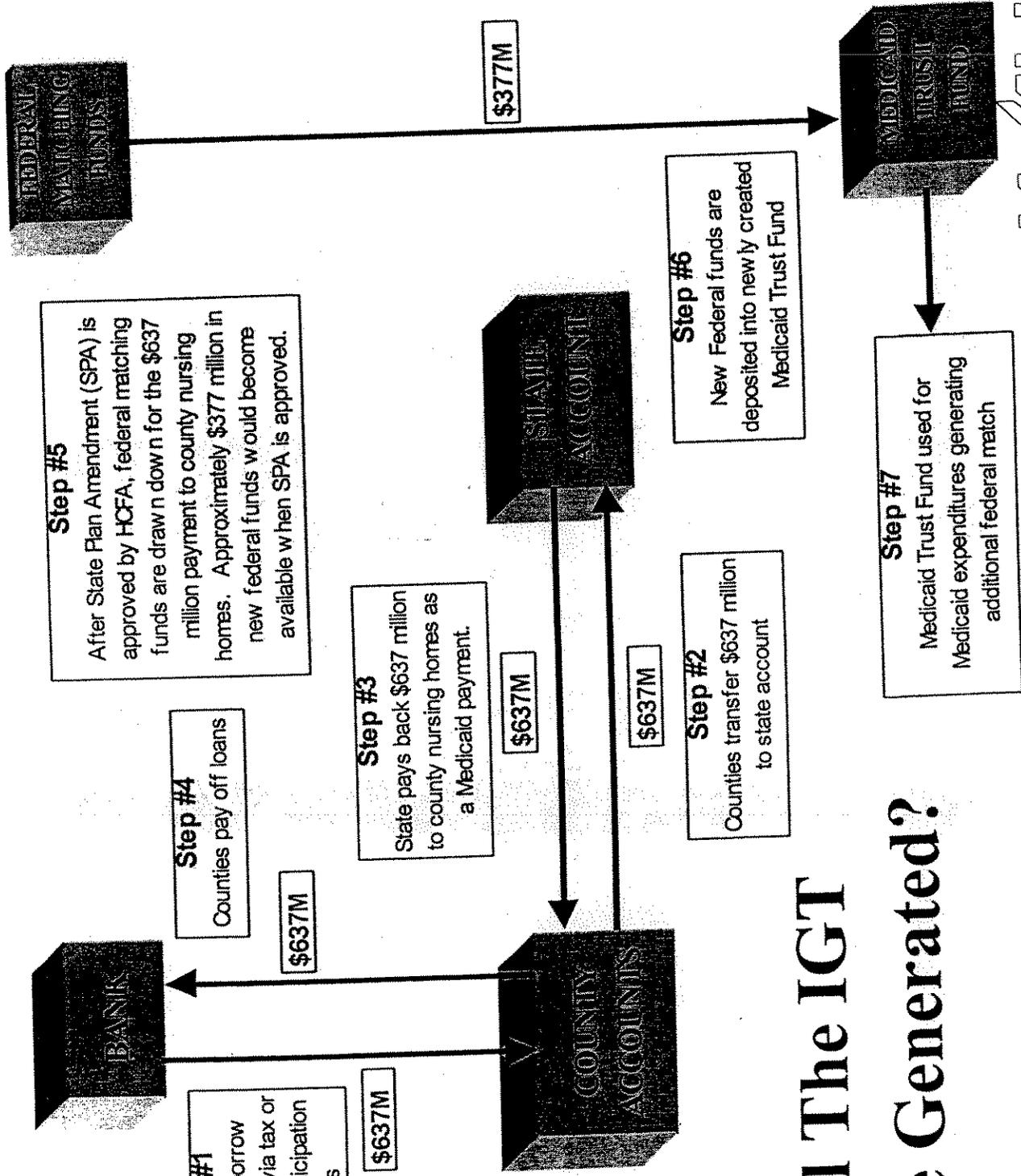
- WAHSA members are appreciative of the Governor's efforts to increase the Medicaid nursing facility payment system and have agreed to fully support the funding increases contained in his budget. It must be understood, however, that the proposed 2001-03 budget would not dramatically improve the nursing facility payment system.
- The BDO Seidman report recommended increasing the Direct Care ceiling to 115% (now 100.33 %) and the Support Services and Administration ceilings to 110% (now 95% and 91.2%, respectively), which would move Wisconsin's system closer to the nationwide averages. Under the Governor's budget these ceilings are projected to be set 104% for Direct Care and at 95% for both Support Services & Administration.
- The proposed budget does not provide adequate funding to: rectify staffing shortages; meet optimal nursing staffing levels identified by the federal government; greatly increase staff wage/benefit packages; address provider concerns with the proposed elimination of the MA labor regions; or adequately fund a new payment system based on resident acuity.

WAHSA

Explanation of the Expanded IGT Program

- **The Governor's budget would replace the State's current IGT program, which uses county nursing facility losses to capture Federal Medicaid matching funds, with a new IGT program that relies on borrowed county dollars annually transferred to the State and matched by the federal government. Rock, Sheboygan and Walworth have agreed to serve as the transfer counties.**
- **This change is necessary to address federal concerns with the current IGT program and to capture significantly more federal Medicaid funds.**
- **An IGT program similar to that proposed by the Governor is used by approximately 26 other states.**

WALWORTH



WAHFS

How Will The IGT Funds be Generated?

Source: DHFS

Explanation of the Expanded IGT Program

- **The IGT funds would be deposited into a Medicaid Trust Fund. The Fund would entirely finance MA provider increases recommended by the Governor.**
- **The IGT program will likely be phased-out as a funding option. The Federal government is working to eliminate the ability of States to obtain federal Medicaid matching funds using IGT mechanisms.**
- ***Securing the federal Medicaid matching IGT funds is not a certainty. The State has submitted a change to its Medicaid plan and the Federal government is expected to approve or deny this change some time prior to May 1, 2001. If this IGT program change is denied, substantial GPR increases for nursing facilities and other MA providers would be required.***

WAFSA

IGT Expansion--A Delicate Partnership

- Recognizing the State's GPR budget concerns, WAHSA, the Wisconsin Counties Association and the Wisconsin Health Care Association first suggested the expanded IGT option. These associations have signed an agreement to support the Governor's IGT budget and pledge not to seek additional 2001-2003 Medicaid Trust funds beyond the levels recommended by the Governor.
- IGT expansion can not occur without county participation. Any substantive modification or expansion of the IGT agreement reflected in the Governor's budget could be viewed by counties as reason to opt out of the IGT program and not transfer funds after the first year, effectively stopping the program.

WAHSA

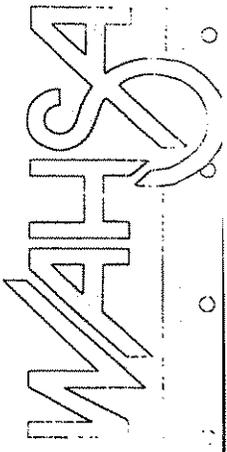
The Partnership Continues

Nursing facilities and counties have long been helpful partners in financing the State's long term care system. The nursing facility and ICF-MR provider assessment (tax) generates \$39.2 million, saving the State \$16.6 million GPR annually. The current IGT program funds nearly \$73 million of Medicaid costs. According to the Legislative Audit Bureau, nursing facility GPR expenditures actually have declined in recent years and the Legislative Fiscal Bureau figures show that nursing facility all funds expenditures increased by only 0.8% from 1996 to 2000.

Medicaid Expenditures for Skilled Nursing Care FY 1994-95 through 2000-01

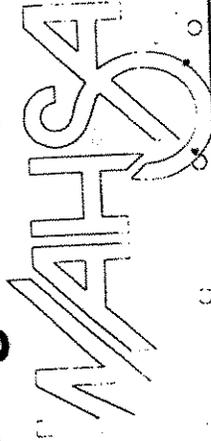
Fiscal Year	GPR	% GPR	Federal		Total Reimbursed	
			Funding	% FED	Expenditures	Expenditures
1994-95	\$233,670,029	37.4%	\$391,680,161	62.6%	\$625,350,190	\$625,350,190
1995-96	231,264,146	34.5	438,920,182	65.5	670,184,327	670,184,327
1996-97	202,265,712	30.1	470,390,288	69.9	672,656,000	672,656,000
1997-98	222,789,935	32.8	457,391,443	67.3	680,181,378	680,181,378
1998-99	229,931,767	32.9	468,201,659	67.1	698,133,426	698,133,426
1999-00*	224,080,967	33.4	446,547,142	66.6	670,628,109	670,628,109
2000-01*	199,383,543	30.7	449,029,730	69.3	648,413,272	648,413,272
*estimated						

Sources: Legislative Audit Bureau, County Nursing Home Funding, 00-01, 1/2000
Legislative Fiscal Bureau 1/2001 Informational Paper #43



What if the IGT Expansion Isn't Successful?

- The well documented nursing facility funding crisis needs immediate attention and must be addressed regardless of whether the federal government approves the proposed IGT program expansion.
- If IGT funding increases are not secured, it is estimated that GPR funding increases of \$46 million in 2000-01 and \$63 million in 2002-03 will be necessary to fund the Governor's nursing facility budget.
- WAHSA and its members pledge to continue working with the Governor and Legislature in addressing the needs of Wisconsin's nursing facility residents, staff and communities.



Questions?

- WAHSA and its members are available to answer your questions on long term care services and funding matters.

Wisconsin Association of Homes and Services for the Aging (WAHSA) is a statewide membership organization of not-for-profit corporations principally serving elderly and disabled persons. Membership is comprised of 190 religious, fraternal, private and governmental organizations which own, operate and/or sponsor 194 not-for-profit nursing homes, 71 community-based residential facilities, 39 residential care apartment complexes, 100 independent living facilities, and 446 community service programs which provide services ranging from Alzheimer's support, child day care, hospice and home care to Meals on Wheels. For more information, please contact the WAHSA staff at (608) 255-7060: John Sauer, Executive Director; Tom Ramsey, Director of Government Relations; or Brian Schoeneck, Financial Services Director.

WAHSA, 204 S. Hamilton St., Madison, WI 53703

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www.wahsa.org

