



Legislative Fiscal Bureau

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May 18, 2001

Joint Committee on Finance

Paper #518

Family Support Program (DHFS -- Community Aids and Supportive Living)

CURRENT LAW

The family support program provides services to families with children who have severe disabilities. The program helps families cope with the specialized care needs of children whose disabilities seriously limit their capacity to care for themselves, to communicate, to move around, to learn and to become independent.

The family support program was created to enable parents of children with disabilities to care for their children in their own homes, rather than placing them in institutions or other out-of-home placements, thereby enhancing their quality of life; improving the availability and coordination of community services to families; and increasing the control of families over the types of services and goods provided to them.

Funding for the family support program is budgeted as a categorical allocation within the community aids appropriation. Under the family support program, the Department of Health and Family Services (DHFS) may distribute up to \$4,339,800 GPR annually to counties to pay for services that enable parents to keep children who have severe disabilities at home.

GOVERNOR

Maintain base funding of \$4,339,800 GPR annually for the family support program.

DISCUSSION POINTS

1. During public hearings on the Governor's budget recommendations, the Committee heard testimony from numerous individuals in support of programs that provide community-based

services to persons with disabilities, including the family support program. This paper provides information on the program and several options the Committee may wish to consider to respond to this testimony.

2. In order to be eligible for program services, a child must have a severe physical, emotional or mental impairment which is diagnosed medically, behaviorally or psychologically and which is characterized by the need for individually planned and coordinated care, treatment, vocational rehabilitation or other services and which has resulted, or is likely to result in, a substantial functional limitation on at least three of the following seven functions of daily living: (a) self care; (b) receptive and expressive language; (c) learning; (d) mobility; (e) self-direction; (f) capacity for independent living; and (g) economic self-sufficiency.

3. For the purposes of the program, a child is defined as a person under the age of 24. However, a county must receive approval from DHFS to provide services for families of children ages 21 through 23. Although family income is not a basis for eligibility, cost-sharing may be required on a sliding fee scale.

4. Under the family support program, families receive an assessment to determine which services are needed to enable a child with a disability to live at home. Counties are required to ensure that the family participates in the assessment and that the assessment process involves other persons who are knowledgeable about the child's condition. The assessment also includes a review of available services and sources of funding, such as the family's health insurance or medical assistance. A written service plan is then developed with family support program funds used to provide services for which other funding sources are not available. Up to 10% of the funds allocated to a county may be used to pay for staff and other administrative costs.

5. In 1999, 91.4% of the reported 2,291 children who received services under the program had developmental disabilities. Approximately 21% of the children who received services were age six or under, 39.2% were age seven through 12, 39.5% were age 13 through 20 and 0.2% were age 21 or over. Of the reported children that received services in 1999: (a) 40.8% required personal care services because they were unable to help with their personal care; (b) 55.3% required assistance with some personal care activities; (c) 34.9% could not walk; (d) 16.5% required assistance with walking; (e) 38.4% had a severe developmental delay; and (f) 50.0% had a moderate or mild developmental delay.

6. Although the program provides up to \$3,000 in services and goods annually to eligible families (along with additional amounts that may be provided with the Department's approval), the average per child cost for the reported 2,291 children served in 1999 was \$1,705. Of these children, 540 were served on a one-time basis or considered underserved.

7. The family support program is not an entitlement program. Consequently, counties may establish waiting lists for persons eligible for services. As of December, 2000, 2,505 children were on waiting lists to receive services under the family support program. The following table shows the number of children receiving services and the number of children on waiting lists from

1992 through 2000. As the table shows, the number of children on waiting lists has increased 114% from 1991 to 2000. In addition, DHFS staff indicate that waiting lists do not fully capture the demand for the program's services because parents may decide not to place their eligible child on the list. Attached to this document are the estimated number of children served and number of children on waiting lists, in each county, as of December 1, 2000.

TABLE 1

**Family Support Program
Total Number of Children Served and Number of Children on Waiting Lists
(as of December 1 of each year)**

<u>Calendar Year</u>	<u>Number of Children Served</u>	<u>Number of Children on Waiting Lists</u>
1991	2,749	1,169
1992	2,813	1,489
1993	2,762	1,851
1994	2,575	1,859
1995	2,568	1,862
1996	2,465	1,980
1997	2,802	2,220
1998	2,692	2,209
1999	2,291	2,333
2000	2,370 (est.)	2,505 (est.)

8. The family support program is funded entirely with GPR. State funding has remained at the current funding level of \$4,339,800 annually since 1994-95. All of this funding is provided directly to counties as a categorical allocation under community aids to support counties' family support programs. Under the Governor's budget proposal, this funding level would be maintained in each year of the 2001-03 biennium. In addition, while there is some anecdotal evidence that additional resources are being provided in counties to support services similar to those provided under the family support program, quantitative data are not available.

9. Table 2 identifies expenditures for the family support program, by service category, in calendar year 2000. In addition to these service expenditures, counties spent \$533,300 GPR on administrative and program support costs.

TABLE 2

Estimated Family Support Program Expenditures, by Service Category
Calendar Year 2000

<u>Service Type</u>	<u>Program Expenditures</u>	<u>Percent of Total</u>
Architectural Modifications of Home	\$299,200	8%
Child Care	319,500	8
Counseling/Therapeutic Resources	143,100	4
Dental and Medical Care	127,100	3
Diagnosis and Evaluation	13,100	0
Diet, Nutrition and Clothing	116,000	3
Equipment and Supplies	1,141,900	30
Homemaker Services	26,700	1
In-Home Nursing Services - Attendant Care	24,700	1
Home Training/ Parent Courses	50,400	1
Recreation/Alternative Activities	409,900	11
Respite Care	800,500	21
Transportation	147,100	4
Utility Costs	46,100	1
Vehicle Modification	88,600	2
Other, as approved by DHFS	<u>52,600</u>	<u>1</u>
Total	\$3,806,500	100%

10. Waiting lists exist statewide because this program, unlike the birth-to-three program, is a non-entitlement program. In addition, interest in the program has grown as more families become aware of this program. In some counties, families are on a waiting list for services for five to seven years. Because of this, the number of children on the waiting lists do not solely represent new family support service needs.

11. Based on the public testimony presented to the Committee, the Committee could decide to increase funding for this program to help eliminate waiting lists. Using the average cost per child in calendar year 1999 of \$1,705, there are different levels of funding that the Committee could consider, which are presented in the table below.

TABLE 3

**Projected Costs
Expanding Family Support Program
2001-03 Biennium**

<u>Alternative</u>	<u>Estimated Number of Additional Children Served</u>			<u>Total Cost (State GPR)</u>			<u>Annual GPR Costs to Continue</u>
	<u>FY 02</u>	<u>FY 03</u>	<u>Cumulative Total</u>	<u>FY 02</u>	<u>FY 03</u>	<u>Biennium</u>	
1	250	250	500	\$213,100	\$639,400	\$852,500	\$852,500
2	500	500	1,000	426,300	1,278,800	1,705,100	1,705,000
3	750	750	1,500	639,400	1,918,100	2,557,500	2,557,500
4	1,000	1,000	2,000	852,500	2,557,500	3,410,000	3,410,000
5	1,250	1,250	2,500	1,065,600	3,196,900	4,262,500	4,262,500

Alternative 5 would provide sufficient funding, based on the current average cost of service per child, over the biennium to support families currently on the wait list for the family support program, if the funding was only used to provide services to families on the waiting lists and not to provide additional services to those families currently receiving services.

12. The family support program is administered on a calendar year basis. The funding alternatives presented in this paper would provide increased funding to counties beginning January 1, 2002.

ALTERNATIVES

1. Provide \$213,100 GPR in 2001-02 and \$639,400 GPR in 2002-03 to DHFS to increase funding for counties to provide services to families currently on a waiting list under the family support program. This would provide services to an estimated 250 children in 2001-02 and 500 children in 2002-03.

<u>Alternative 1</u>	<u>GPR</u>
2001-03 FUNDING (Change to Bill)	\$852,500

2. Provide \$426,300 GPR in 2001-02 and \$1,278,800 GPR in 2002-03 to DHFS to increase funding for counties to provide services to families currently on a waiting list under the family support program. This would provide services to an estimated 500 children in 2001-02 and 1,000 children in 2002-03.

Alternative 2	GPR
2001-03 FUNDING (Change to Bill)	\$1,705,100

3. Provide \$639,400 GPR in 2001-02 and \$1,918,100 GPR in 2002-03 to DHFS to increase funding for counties to provide services to families currently on a waiting list under the family support program. This would provide services to an estimated 750 children in 2001-02 and 1,500 families in 2002-03.

Alternative 3	GPR
2001-03 FUNDING (Change to Bill)	\$2,557,500

4. Provide \$852,500 GPR in 2001-02 and \$2,557,500 in 2002-03 to DHFS to increase funding for counties to provide services to families currently on a waiting list under the family support program. This would provide services to an estimated 1,000 children in 2001-02 and 2,000 children in 2002-03.

Alternative 4	GPR
2001-03 FUNDING (Change to Bill)	\$3,410,000

5. Provide \$1,065,600 GPR in 2001-02 and \$3,196,900 GPR in 2002-03 to DHFS to increase funding for counties to provide services to families currently on a waiting list under the family support program. This would provide services to an estimated 1,250 children in 2001-02 and 2,500 children in 2002-03.

Alternative 5	GPR
2001-03 FUNDING (Change to Bill)	\$4,262,500

6. Maintain current law.

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBLESKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

Prepared by: Yvonne M. Arsenault

Attachment

AYE _____ NO _____ ABS _____

ATTACHMENT

Family Support Program Estimated Number of Children Served and Number of Children on Waiting Lists (as of December 1, 2000)

	<u>Estimated Number of Children Served</u>	<u>Number of Children on Waiting List</u>		<u>Estimated Number of Children Served</u>	<u>Number of Children on Waiting List</u>
Adams	11	11	Marinette	19	31
Ashland	9	18	Marquette	8	8
Barron	33	25	Menominee	20	0
Bayfield	19	15	Milwaukee	290	549
Brown	114	203	Monroe	18	12
Buffalo	9	3	Oconto	26	33
Burnett	N.A.	N.A.	Outagamie	69	77
Calumet	17	0	Ozaukee	27	19
Chippewa	40	35	Pepin	11	0
Clark	N.A.	N.A.	Pierce	43	21
Columbia	38	19	Polk	24	37
Crawford	6	4	Portage	27	31
Dane	110	238	Price	10	0
Dodge	2	37	Racine	89	94
Door	36	11	Richland	11	13
Douglas	14	34	Rock	86	57
Dunn	24	41	Rusk	11	7
Eau Claire	67	50	St. Croix	23	93
Florence	7	0	Sauk	20	9
Fond du Lac	51	62	Sawyer	30	2
Forest/Oneida/Vilas	36	36	Shawano	31	24
Grant/Iowa	32	10	Sheboygan	40	12
Green	15	8	Taylor	16	3
Green Lake	9	4	Trempealeau	12	12
Iron	5	1	Vernon	15	0
Jackson	14	13	Walworth	27	0
Jefferson	41	18	Washburn	12	12
Juneau	22	7	Washington	101	8
Kenosha	75	9	Waukesha	85	194
Kewaunee	N.A.	N.A.	Waupaca	26	24
LaCrosse	48	78	Waushara	19	0
Lafayette	16	0	Winnebago	70	0
Langlade	50	66	Wood	34	10
Lincoln	31	0			
Manitowoc	19	57	Total	2,370	2,505

AGENCY: Department of Health and Family Services

LFB PAPER #: 519

ISSUE: Community Aids - Birth to Three Program

ALTERNATIVE: B1

SUMMARY:

The advocates would love alt. D1 or C1, but realize they aren't going to get it. Lynn Breedlove says they will accept motion B1. They wanted a total of \$4 million over the biennium, but will accept this. Even though alternative C2 is more total money, because of the different formulas used in these two options, more counties will receive increases under B1 (43 counties) than under C2 (36 counties). Also, the advocates think this sets a good precedent to build on in the future, for the counties share of funding under birth-to-three to equal 60% of the total state, federal and county calendar year 1999 costs.

I've talked to Matt and he says Gard is on board with this option as well.

BY: Cindy

Gwen wants E-1
also

Don't do E-2 per
Gwen



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May 18, 2001

Joint Committee on Finance

Paper #519

Birth-to-Three Program (DHFS -- Community Aids and Supportive Living)

CURRENT LAW

The early intervention program for infants and toddlers up to three years of age with disabilities, commonly referred to as the birth-to-three program, is a federal program authorized under Part C of the Individuals with Disabilities Education Act (IDEA). Under the program, Wisconsin supplements federal grant funds with state funds to develop and implement a statewide, comprehensive, coordinated, multidisciplinary, interagency program of early intervention services for infants and toddlers with disabilities and their families.

The goals of the birth-to-three program, as expressed in the federal legislation, are to: (a) enhance the development of infants and toddlers with disabilities and to minimize their potential for developmental delay; (b) reduce the educational costs to society and schools, by minimizing the need for special education and related services; (c) minimize the likelihood of institutionalization of individuals with disabilities and maximize their potential for independent living in society; (d) enhance the capacity of families to meet the special needs of their infants and toddlers with disabilities; and (e) enhance the capacity of state and local agencies and providers to identify, evaluate and meet the needs of historically underrepresented populations, particularly minority, low-income, inner-city and rural populations.

Counties are responsible for administering the program, based on state and federal guidelines. Counties have the following primary responsibilities:

- Establishing a comprehensive child find system to identify, locate and evaluate children who may be eligible for the birth-to-three program;
- Designating a service coordinator for every child referred to the program for evaluation;

- Ensuring that core services, such as evaluation, service coordination and the development of an individualized family service plan (IFSP) are provided to families at no cost; and

- Determining parental liability for services received in accordance with the IFSP.

Children receive evaluations from a team of professionals to determine whether they are eligible for the program. Each team includes the service coordinator and at least two professionals from different disciplines of suspected areas of need. Such an evaluation must be done in consultation with the child's parents.

A child is considered eligible if he or she is under three years of age and has a developmental delay or is determined to have a physician-diagnosed and documented physical or mental condition that has a high probability of resulting in a developmental delay.

Once eligibility is determined, an assessment is conducted by the early intervention team to further identify the unique needs of the child and his or her family. The results of the assessment are used by a team of professionals, the service coordinator, the parents, other family members and an advocate if requested by the parent, to develop the IFSP. The IFSP must include a statement of the outcomes expected to be achieved for the child and family, how those outcomes will be achieved, a timeline for the provision of services, the manner in which the services will be provided and how the services will be paid.

DHFS allocates funding to counties on a calendar year basis, but supports these county contracts with funds budgeted on a state and federal fiscal year basis. In state fiscal year 2000-01, \$4,759,200 GPR is budgeted for the program. The estimated 2000-01 federal fiscal year federal grant amount is \$6,217,800. In addition, program services are supported by medical assistance (MA) and other third party-payers and county funds.

GOVERNOR

Maintain base funding of \$4,759,200 GPR annually to support the birth-to-three program.

DISCUSSION POINTS

1. During public hearings on the Governor's budget recommendations, the Committee heard testimony from numerous individuals in support of increased funding for the birth-to-three program. This paper provides information on the program and several options the Committee may wish to consider in response to this testimony.

County Funding Concerns

2. As of December 1, 2000, 5,157 children were being served statewide in the birth-to-

three program. From December 1, 1999 through December 1, 2000, the statewide caseload increased by 528 children, or 11%. This increase followed the highest one-year caseload increase in the state's ten-year program history of 676 children from December 1, 1998 to December 1, 1999. There is no readily apparent explanation for this significant increase in caseloads over 1998-1999. However, counties are now serving more children in the birth-to-three program than ever before. With stable state funding and minor increases in federal funding, counties are funding a greater share of total program costs.

The following table shows the increase in the statewide birth-to-three caseload from 1992 to 2000.

TABLE 1

**Statewide Birth-to-Three Caseloads
(as of December 1 of each year)
1992 - 2000**

<u>Calendar Year</u>	<u>Caseload</u>	<u>Percent Change</u>
1992	2,492	--
1993	2,997	20%
1994	3,321	11
1995	3,616	9
1996	3,817	6
1997	3,887	2
1998	3,953	2
1999	4,629	17
2000	5,157	11

1. Birth-to-three is a federal entitlement program; therefore, counties may not place children on waiting lists for services. However, providing additional state funding for the program would reduce the amount of funding counties would otherwise expend to support the program. Additionally, increasing state funding for the program could have an effect on other county human service programs. Since birth-to-three is an entitlement program with increasing costs, counties may reallocate funding from other, non-entitlement programs to fund the birth-to-three services instead.

2. Federal funds are available under Part C of IDEA. The amount of funding a state is allocated is determined by a formula based on the number of children up to age three in a state, in relation to the national population of children up to age three. The following table shows the level of federal funding Wisconsin has received from federal fiscal year 1996 through 2000.

TABLE 2

**Federal Funding Allocations to Wisconsin
Federal Fiscal Year 1995-96 to 1999-00**

<u>Federal Fiscal Year</u>	<u>State Allocation</u>
1995-96	\$5,553,800
1996-97	5,553,800
1997-98	5,672,900
1998-99	6,003,000
1999-00	6,102,700

This funding can be used by the state for: (a) maintenance and implementation of the statewide birth-to-three program; (b) direct early intervention services for eligible children and their families; and (c) expansion and improvement on services for eligible children and their families.

3. In 2000-01, \$4,759,200 GPR and \$5,289,400 FED was distributed to counties and tribes to support their birth-to-three programs. DHFS distributes state and federal birth-to-three funds to counties under a formula that uses three factors: (a) the amount of funding the county formally received under Chapter 1, a special education program that was a precursor to the birth-to-three program, so that counties were held harmless once the Chapter 1 federal funds were no longer available; (b) the community aids formula; and (c) 2.5% of the 1990 birth rate.

4. Each county must satisfy a maintenance of effort (MOE) requirement so that, in each year, the county must spend at least as much on early intervention services as the county spent in calendar year 1990. In that year, counties reported spending a total of \$5,371,460 for these services. MOE levels vary from zero in Jackson and Price counties to \$1,401,100 in Milwaukee County. Since 1997, the amount of total program costs that are supported by county funds have increased from \$7,989,900 (42%) in 1997 to \$9,337,400 (45%) in 1999.

5. DHFS distributes all of the GPR funding budgeted for the birth-to-three program to counties and tribes. Of the federal funds, in state fiscal year 2000-01, \$5,099,200 was provided to counties and \$1,003,500 was retained by DHFS to cover vendor contracts and administrative and operating costs. DHFS vendor, administrative and operating costs include support for 4.5 FED positions, direct program costs, and federally required services and supportive programs for counties. These state costs are considered by DHFS as indirect funding to counties, since they support the county birth-to-three programs.

6. Counties are expecting their costs to support the birth-to-three program to increase over the next few years because of changes in state and federal policy, and continued decreasing revenue from private insurance companies to support program costs as described in the discussion points below.

7. *Newborn Hearing Screening Program.* 1999 Act 9, the 1999-01 biennial budget act,

established the newborn hearing screening program. Under this program, an infant (birth to three months of age) may be tested, using currently available medical techniques, to determine if the infant has a hearing loss. Beginning July 1, 2002, and annually thereafter, DHFS is required to collect information from hospitals for the previous calendar year on the number of deliveries in each hospital and whether the hospital has a newborn hearing screening program. DHFS is then required to use this information to determine the percentage of deliveries in the state that are performed in hospitals with newborn hearing screening programs by July 1, 2003, and annually thereafter.

If, by August 5, 2003, DHFS determines that fewer than 88% of all deliveries in the state are performed in hospitals that have a newborn hearing screening program, DHFS will notify all hospitals that every hospital must establish a newborn hearing screening program that is available to all infants delivered in the hospital by January 1, 2004.

8. This change in state law is expected to increase the birth-to-three caseload and therefore, increase program costs. DHFS staff expect this new law, when fully implemented, to increase statewide caseloads by an estimated 200 cases per year. Even though some of these children would have been enrolled in the birth-to-three program without the newborn hearing screening program, their developmental delays may have been detected at a later stage, and therefore these children would have received services available under the birth-to-three program for a shorter duration.

9. *Private Insurance Reimbursement Changes.* Federal policy changes have increased the amount of services children receive in natural environments – where the child would be if he/she did not have disability – so that more services are provided in the child's home or day care center, rather than in clinics. From December, 1992, through December, 1999, there has been a 10.6% decrease in the number of services provided in classrooms and a 303.5% increase in the number of services provided in homes. These services are less frequently reimbursed by private insurance policies.

10. Additionally, private insurance companies are increasingly treating birth-to-three services as habilitative (services that provide a skill that an individual never had) rather than rehabilitative services (services to help an individual regain the capacity to execute a previously held skill), and thus are not funding these services.

11. *MA Eligibility.* DHFS staff estimate that 75% of the children currently enrolled in the birth-to-three program are MA eligible. Therefore, the MA eligible services that these children receive are billed to MA. However, with changes in the federal regulations in 1997 that increased the amount of services children receive in natural environments, even though the services may still be MA reimbursable, service providers' travel time and transportation costs are not. Counties and service providers are therefore now absorbing these additional costs. DHFS staff estimate that the costs associated with the natural environment requirement totals approximately \$3,000,000 annually.

Eligibility Changes

12. Under federal law, states may change eligibility requirements and parents' share of costs. DHFS staff, in collaboration with counties, have examined both of these options as a way to reduce counties' costs. DHFS staff have developed a new cost-share system that is currently being used on a trial basis by counties. This is expected to increase the amount of revenue available to counties to support birth-to-three program costs. However, since many families with children enrolled in the program would still be exempt from the cost-share provisions, this change is not expected to address the counties' concerns over their increasing costs of providing services.

13. Under current administrative rule, a child is eligible for the birth-to-three program if he or she has a diagnosed physical or mental condition which will likely result in a developmental delay or if the IFSP team determines that the child is developmentally delayed. A developmental delay is currently defined as a delay of at least 25% in one or more areas of development.

14. DHFS has identified two ways to reduce eligibility for this program as a means of reducing program costs. First, the definition of a developmental delay could be modified to require a 25% total delay for a given developmental area, rather than solely a delay in one aspect of the developmental area. DHFS staff estimate that, under this change, 300 fewer children would be eligible for the program in a given year, at an estimated annual cost savings of \$1.3 million.

Second, the level of delay could be increased from 25% to 30% in one area of development. DHFS staff estimate that under this change, approximately 1,000 fewer children would be eligible for the program, at an estimated cost savings of \$1.4 million in the first year of implementation and \$2.8 million in the second year.

Either of the eligibility or cost-share options would not require statutory language changes, but would require changes to the administrative code.

15. However, DHFS staff indicate that counties are not supportive of changes in eligibility because early intervention services, as provided in the birth-to-three program, result in cost savings to the county and state in the long run by reducing the level of special education and other supportive services required for the child over his or her life. For this reason, DHFS may not propose administrative rule changes to modify these definitions if additional GPR funding is provided for the program in the 2001-03 budget.

Funding Options

16. The Committee could decide to increase funding for the birth-to-three program to enable counties to serve the higher projected caseload while maintaining the level and quality of services provided to families. Even though this program is an entitlement, counties have indicated to DHFS that they are unable to support the higher caseloads at the same level of care, based on current state and federal funding provided for the program and their need to meet other human service needs. Continuing to provide counties with the same level of state funding may affect the level and quality of services that families receive under the program. Several options are presented for the Committee's consideration.

17. *Fund Specified Percentage of Total State, Federal and County Costs.* The Committee could decide to increase funding for the program to enable DHFS to increase counties' birth-to-three allocations such that each county would receive an amount that represents a specified minimum percentage of the total state, federal and county costs incurred in calendar year 1999. For example, under one alternative, \$2,039,300 GPR annually would be provided to increase funding for 43 counties so that these counties' future allocations would represent 60% of total state, federal and county calendar year 1999 costs. DHFS staff have indicated that those counties that currently support 60% or more of their program costs with state and federal funds report fewer fiscal problems and better program capacity in their birth-to-three program. Counties that do not receive at least 60% of their costs from state and federal funding report greater difficulties providing all necessary components of the birth-to-three program. This does not take into account projected future increases in costs. Rather, this alternative would target additional funding to counties with the smallest percentage of costs that are currently reimbursed by the state.

18. Alternatively, the Committee could increase counties' birth-to-three allocations such that each county would receive an amount that represents 50% of the total state, federal and county calendar year 1999 costs. This alternative would provide \$804,200 GPR annually to increase funding for 27 counties so that these counties' future allocations would represent 50% of the total state, federal and county calendar year 1999 costs. This alternative does not take into account projected future increases in costs. Rather, this alternative would also target additional funding to counties with the smallest percentage of costs that are currently reimbursed by the state.

19. *Fund a Portion of the County Overmatch.* The Committee could provide counties with funding equal to the difference between county expenditures and county MOE requirements, or, in other words, equal to the county overmatch. In 1999, the overmatch for this program was \$4,015,300. Consequently, the Committee could increase funding by this amount annually in order to fully fund the amount of the overmatch reported in that year.

20. Similar to the previous alternative, the Committee could increase funding so that the state would pay the difference between the current overmatch amount (\$4,015,300) and an amount that represented a 50% increase in each county's 1990 MOE amount. Under this option, a total of \$2,325,500 GPR would be provided annually to 36 counties. The counties that would not receive additional funding under this alternative would be those counties that did not expend at least 150% of their 1990 MOE amount in 1999. This estimate does not include projected increases in the birth-to-three caseload over the next three years.

21. *Fund a Portion of the Projected Caseload.* To take into account future projected increases in birth-to-three caseloads, the committee could provide funding equal to 60% of the 1997 average annual expenditures per child ($\$4,902 \times .60 = \$2,941$), multiplied by the DHFS estimate of the number of children who will be served in the future (5,101 annually). The 1997 average annual expenditure per child is used here because DHFS staff indicate that 1997 was the most recent year in which the average expenditure per child was sufficient to meet the needs of children and families. However, counties in which state and federal funds would exceed 60% of the costs of providing services to this projected caseload would not receive more or less funds under this proposal. It is estimated that approximately \$5,408,500 GPR would be needed annually to fund this proposal to an

estimated 48 counties. This estimate is based on the 1997 expenditure level per child, a point where DHFS staff indicate that counties had adequate funds to meet the needs of children and families.

22. The Committee could also require counties to maintain their level of funding commitment in calendar year 1999. This would reestablish the maintenance of effort requirement for counties at their 1999 level of spending. However, for this requirement to be equitable, the Committee could authorize DHFS to exempt counties that can demonstrate extraordinary efforts in from this requirement and establish that county's MOE at a different level.

23. *MA Enhanced Rate Maximum Reimbursement.* Another option to support counties' costs to fund birth-to-three services would be to increase the maximum MA reimbursement rate for services provided to children enrolled in birth-to-three in the child's natural environment. By providing an enhanced maximum reimbursement rate for services provided in this environment, providers would no longer require additional reimbursement from counties for transportation and travel costs associated with providing services in a child's natural environment. In addition, providers who are not receiving reimbursement for transportation and travel costs from counties would be able to support these higher costs with the enhanced maximum reimbursement rate.

24. To implement an enhanced maximum reimbursement rate would require: (a) a change to the state's MA state plan; (b) a public notice of the rate change prior to its implementation; and (c) programming changes to the MA claims processing system so that providers could identify whether a service was provided to a birth-to-three enrollee in a natural environment. Because of the timing involved with these actions, DHFS indicates that it would be appropriate to have such a change effective January 1, 2002.

25. It is estimated that the cost of funding providers' costs to provide services in a natural environment through an enhancement to the MA maximum reimbursement rate, effective January 1, 2002, would total \$1,553,100 (\$640,700 GPR and \$912,400 FED) in 2001-02 and \$3,148,200 (\$1,306,400 GPR and \$1,841,800 FED) in 2002-03. It is estimated that this funding would provide an enhancement equal to 27% of the maximum reimbursement rate available for services provided to MA-eligible children enrolled in birth-to-three.

26. The Committee could require DHFS to implement the enhancement to MA maximum reimbursement rates by appropriating the estimated amount of GPR to the MA benefits appropriation.

27. Alternatively, if the Committee wishes to assist counties in accessing additional federal funds available under MA to support birth-to-three costs without appropriating additional GPR, the Committee could budget the estimated amount of GPR funds in the MA benefits appropriation and provide a corresponding decrease in the GPR appropriation for the birth-to-three program. Since increasing MA reimbursements for these services would relieve a portion of counties' costs of providing these services, decreasing the birth-to-three appropriation to offset the increase in MA could be appropriate. Counties would still benefit under this alternative, since it would increase the amount of federal funds available to fund a portion of birth-to-three costs, but it would not provide any additional GPR for program costs.

ALTERNATIVES

A. Governor's Recommendation

1. Maintain base GPR funding for the program (\$4,759,200 GPR annually).

B. Fund Specified Minimum Percentage of the Total State, Federal and County Costs

1. Provide \$1,019,700 GPR in 2001-02 and \$2,039,300 GPR in 2002-03 to DHFS to increase counties' birth-to-three allocations, beginning in January, 2002, such that each county would receive an amount that represents 60% of the total state, federal and county calendar year 1999 costs. Require counties to maintain their calendar year 1999 level of funding for the birth-to-three program. Authorize DHFS to exempt counties that can demonstrate extraordinary efforts in calendar year 1999 from this requirement and establish that county's maintenance of effort at an agreed upon level.

<u>Alternative B1</u>	<u>GPR</u>
2001-03 FUNDING (Change to Bill)	\$3,059,000

2. Provide \$402,100 GPR in 2001-02 and \$804,200 GPR in 2002-03 to increase counties' birth-to-three allocations, beginning in January, 2002, such that each county would receive an amount that represents 50% of the total state, federal and county calendar year 1999 costs. Require counties to maintain their calendar year 1999 level of funding for the birth-to-three program. Authorize DHFS to exempt counties that can demonstrate extraordinary efforts in calendar year 1999 from this requirement and establish that county's maintenance of effort at an agreed upon level.

<u>Alternative B2</u>	<u>GPR</u>
2001-03 FUNDING (Change to Bill)	\$1,206,300

C. Fund a Portion of the County Overmatch

1. Provide \$2,007,700 GPR in 2001-02 and \$4,015,300 GPR in 2002-03 to increase counties' birth-to-three allocations, beginning in January, 2002, such that each county would receive an amount that equals their overmatch expenditures in calendar year 1999. Require counties to maintain their calendar year 1999 level of funding for the birth-to-three program. Authorize DHFS to exempt counties that can demonstrate extraordinary efforts in calendar year 1999 from this requirement and establish that county's maintenance of effort at an agreed upon level.

<u>Alternative C1</u>	<u>GPR</u>
2001-03 FUNDING (Change to Bill)	\$6,023,000

2. Provide \$1,162,800 GPR in 2001-02 and \$2,325,500 GPR in 2002-03 to increase counties' birth-to-three allocations, beginning in January, 2002, such that each county would receive an amount that represents additional expenditures in calendar year 1999 above 150% of the county's 1990 MOE level. Require counties to maintain their calendar year 1999 level of funding for the birth-to-three program. Authorize DHFS to exempt counties that can demonstrate extraordinary efforts in calendar year 1999 from this requirement and establish that county's maintenance of effort at an agreed upon level.

<u>Alternative C2</u>	<u>GPR</u>
2001-03 FUNDING (Change to Bill)	\$3,488,300

D. Fund a Portion of the Projected Caseload

1. Provide \$2,704,300 GPR in 2001-02 and \$5,408,500 GPR in 2002-03 to increase counties' birth-to-three allocations, beginning in January, 2002, such that each county would receive an amount that supports 60% of the costs of the providing services to the projected caseload over the biennium. However, counties in which state and federal funds would exceed 60% of the costs of providing services to this projected caseload would not receive any change in their funding allocations. Require counties to maintain their calendar year 1999 level of funding for the birth-to-three program. Authorize DHFS to exempt counties that can demonstrate extraordinary efforts in calendar year 1999 from this requirement and establish that county's maintenance of effort at an agreed upon level.

<u>Alternative D1</u>	<u>GPR</u>
2001-03 FUNDING (Change to Bill)	\$8,112,800

E. MA Enhanced Reimbursement Rate

1. Provide \$1,553,100 (\$640,700 GPR and \$912,400 FED) in 2001-02 and \$3,148,200 (\$1,306,400 GPR and \$1,841,800 FED) in 2002-03 in the MA benefits appropriations to fund the cost of providing an enhancement to the maximum MA reimbursement rate available for MA services provided to children enrolled in the birth-to-three program and provided in the child's natural environment. This enhancement would first be available January 1, 2002.

<u>Alternative E1</u>	<u>GPR</u>	<u>FED</u>	<u>Total</u>
2001-03 FUNDING (Change to Bill)	\$1,947,100	\$2,754,200	\$4,701,300

2. Adopt Alternative E1, but provide a corresponding decrease in the GPR appropriation for birth-to-three (\$640,700 in 2001-02 and \$1,306,400 in 2002-03) to offset the GPR increase in the MA benefits appropriation to reflect that the increase in MA benefits would reduce counties' costs of providing services in a child's natural environment. Authorize DHFS to reduce

allocations only for counties that had been funding MA providers' transportation and travel time costs in calendar year 1999.

<u>Alternative E2</u>	<u>FED</u>
2001-03 FUNDING (Change to Bill)	\$2,754,200

Prepared by: Yvonne M. Arsenault

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE _____ NO _____ ABS _____

HEALTH AND FAMILY SERVICES – COMMUNITY AIDS AND SUPPORTIVE LIVING

Alzheimer's Family and Caregiver Support Program

Motion:

Move to provide \$115,100 GPR in 2001-02 and \$230,200 GPR in 2002-03 for the Alzheimer's family and caregiver support program to provide services for families that are not eligible for Family Care, but who would otherwise be eligible for AFCSP, in counties that operate a Family Care care management organization (CMO).

Note:

In Fond du Lac, La Crosse, Milwaukee, Portage and Richland Counties, which all currently operate a Family Care care management organization, new applicants to the Alzheimer's family and caregiver support program are eligible for these services through Family Care if they meet the eligibility requirements of Family Care. This motion would allow applicants who do not meet the Family Care eligibility requirements but whose annual income is equal to or less than \$40,000 to receive services under the Alzheimer's family and caregiver support program.

The Alzheimer's family and caregiver support program funds services and goods to persons with Alzheimer's disease or irreversible dementia and their families (or caregivers) to enable the family to maintain the person with Alzheimer's disease as a member of the household. Participating families receive a variety of services, including supportive home care, adult day care, respite care, support groups and case management services. In addition, the program funds certain purchased goods, such as nutritional supplements, specialized clothing and chair lifts. Participating families may receive a maximum benefits of \$4,000 in each calendar year. In order to be eligible for the program, the total adjusted gross income of the individual with irreversible dementia and his or her spouse may not exceed \$40,000.

A person is financially eligible for the Family Care benefit if, as determined by DHFS or its designee, the person: (a) is eligible for MA and accepts MA unless he or she is exempt from the acceptance under DHFS rules; or (b) could qualify for MA except for financial criteria and the projected cost of the person's care plan, as calculated by DHFS or its designee, exceeds the person's gross monthly income, plus one-twelfth of his or her countable assets, less deductions and allowances permitted by DHFS rule.

[Change to Bill: \$345,300 GPR]

MO# _____

1 BURKE	Y	N	A
2 DECKER	Y	N	A
MOORE	Y	N	A
SHIELSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 8 NO 8 ABS _____

Given motion
DAPIS funding
\$250,000 for AOPA
counseling services
for women.

HEALTH AND FAMILY SERVICES

Community Aids and Supportive Living

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
2	Milwaukee County's Contribution for Child Welfare Services
7	Caregiver Complaint Contract
8	Program Certification Staff
9	Hospital and Nursing Home Fee Revenue

LFB Summary Items to be Addressed in a Subsequent Paper

Item #	Title
6	SSI Caretaker Supplement Reestimate

LFB Summary Items for Introduction as Separate

Item #	Title
10	Health Facility Licensing and Enforcement
11	Study for Centralizing Nursing Home and Hospital C
12	Delete Obsolete Reference.

MO#				
BURKE	Y	N	A	
DECKER	Y	N	A	
MOORE	Y	N	A	
SHIBLSKI	Y	N	A	
PLACHE	Y	N	A	
WIRCH	Y	N	A	
DARLING	Y	N	A	
WELCH	Y	N	A	
GARD	Y	N	A	
KAUFERT	Y	N	A	
ALBERS	Y	N	A	
DUFF	Y	N	A	
WARD	Y	N	A	
HUEBSCH	Y	N	A	
HUBER	Y	N	A	
COGGS	Y	N	A	

AYE _____ NO _____ ABS _____