June 11, 2001 (1)

Joint Finance Committee,

My name is Tom Mitchell. I work for New Horizons North of Ashland. New Horizons is a non-profit ~~org~~ human service organization. It has provided support for people with developmental disabilities since 1968. In 1986, New Horizons contracted with Ashland and Bayfield counties to develop and manage their Community Support Programs. As you know, each Wisconsin county is required by law to provide and maintain a community support program (CSP). CSP provides people with long-term and persistent mental illnesses (schizophrenia, bipolar disorder, schizo-affective disorder, etc) the support they need to live in the community of their

choice. In fact, Wisconsin pioneered the idea more than 30 years ago, when new medications and new ideas made it necessary to phase out local and state mental hospitals as warehouses for the mentally ill. CSP is, therefore, not only better for the mentally ill and helping them live a life as normal as possible, it is also far less expensive than the old way of institutionalization.

I am a Psychiatric Technician. I have worked with CSP in Bayfield County from that first day in May, 1986. Fifteen years. We have provide consistent, quality support ever sinc In that time our program has progressed and improved to be regular Certified by state mental health

division. We are recognized leaders in providing good support for people in small towns and isolated rural areas. We have met and continue to meet all the standards and requirements from the state.

Have you ever been to New York City, strolled the streets, seen the sights? It is estimated that one third of all homeless people in the city have a major mental illness, most of them going untreated. 30 years ago New York state opened its mental hospitals' doors and let everyone go. Period. They had, they have, no Community Support Program. The difference between our state and theirs is graphic and brutal.

Working day to day with people suffering from mental illness

is hard. The nature of the illnesses generates disorganization, fear, suspicion paranoia, resistance to treatment, refusal to take meds, irritability, disruption and chaos. Staff "burnout" can be high. Consistency is essential to good treatment and the reduction of the problems mentioned above.

In March of this year, 2001, our health insurance premiums at CSP, New Horizons, roared through the ceiling. I went from paying $150 a month for myself and my two children to $600 a month. I can't afford a $600 pay cut. Could you? $7200 a year less?

The disabled people I serve now make more money than I take home. And they have better health coverage.

(5)

Imagine you working so hard in Madison for your consituents and your ideals. Imagine that, suddenly, your pay has been cut so drastically that most, if not all, of your constituents are vastly better off financially. Can you imagine. How long would you continue to do the good, hard work you do?

Its time to support Community Support. Its a good idea, and its cheaper. Senator Jauch has a good idea. Listen to him. Please do what you can to help.

Sincerely

Tom Mitchell

ps I am a regular and consistent voter. I'll be paying attention.

Tom

po 323
Washburn, WI
54891
715-373-5505

AUTISM SOCIETY OF WISCONSIN

Senate Budget Committee
Public Hearing – June 12, 2001

Senator Robert Jauch, Chair; Senators Jon Erpenbach, Mark Meyer, Sheila Harsdorf and Dale Schultz, Members of the Senate Budget Committee:

Thank you for this opportunity to testify on behalf of people with autism and other developmental disabilities. My name is Frances Bicknell and I serve as a volunteer governmental affairs chairperson for the Autism Society of Wisconsin.

Our Board of Directors and membership fully supports community services for adults and children with autism. The time is past when institutional placement was considered for most children and adults with autism. Institutional placement would be an entitlement for those with severe disabilities, but services in the community are not always available.

The Joint Committee on Finance has laudably begun to address the problems related to waiting lists and early intervention for children in the Birth to Three program and the Family Support Program.

I am here to emphasize a major problem for community services that has not been adequately addressed. This is the problem related to workforce issues, the problem of inadequate wages and benefits for the workers who make community services possible.

There is a minimal increase to the CIP 1B rate that will help the state funded waiver "slots" eligible for the federal matching funds. However, this increase does not recognize the fact that the majority of CIP 1B "slots" do not receive state funded, but use county funds in order to receive the federal match. Only 2500 waiver "slots" statewide are state funded. Many more, in fact more than twice as many, 5500, are funded with county dollars. There will be no rate increase unless a further burden is put on the property tax. We ask that an amount equal to a 5% increase be included in the budget to make up for the many years of no inflationary increases. However, we ask that the increase be distributed based on days of service provided in the CIP 1B system, whether the match is provided by the state or the county. Counties that have tried to do the right thing and add county levy money to fulfill some of the state's responsibilities should not be penalized by being excluded from any inflationary increases in the CIP 1B rates.

Counties as diverse as Barron, Washburn, St. Croix, Sauk, Vernon and Dane are putting in county levy dollars from 3 to 20 times the required match for state funding of the community services needed by individuals with developmental disabilities. The counties need fiscal relief and the direct care workers need decent salaries and benefits.

Thank you for your attention to these problems.

June 12, 2001

Democratic Caucus/Conference Leadership
Wisconsin State Legislature
Madison, WI

RE: **LFB #472; Budget Summary: Page 359 #8**
Rates for Non-institutional Medicaid Providers

Dear Colleagues,

Thank you for the opportunity to propose an amendment to the Joint Finance Committee actions.

On June 5th, the JFC adopted Alternative #3 that reduced funding IN HALF for rate increases for non-institutional providers from the proposed 5.0% to about 2.5% in both biennial years. Further, the alternative adopted language states that "50% of the monies would be provided for across-the-board rate increases in reimbursement rates for non-institutional providers, AND 50% WOULD BE PROVIDED FOR RATES INCREASES TARGETED TO SERVICES WITH REIMBURSEMENTS THAT REPRESENT NO MORE THANN 50% OF CHARGES" {my emphasis added}.

The LFB Paper #472 background analysis indicates that primarily physicians would receive 75% of the targeted monies. Since therapists working under Medicaid have received only about a 1% rate of increase over the past 4 years, we respectfully suggest that it is becoming increasingly difficult to recruit high quality practitioners to work in this reimbursement setting. Further, it has been well documented that therapists have been the subject of questionable prior authorization practices by the Department, further alienating good clinicians from participation. These practices have led to a Legislative Audit currently underway. Consumer groups and providers alike agree that it is time to revitalize the therapy community by providing reasonable rates of pay in a positive working environment.

Therefore, we respectfully request the Caucus and Conference Committee reconsider the JFC recommendation, and ***drop the targeted services provision***, and ***allocate funds totaling 2.5% in both biennial years to ALL*** non-institutional providers who **SHOULD THEN ALL RECEIVE ACROSS-THE-BOARD RATE INCREASES.** There is no doubt that this suggestion is the most equitable to all Medicaid providers.

Thank you for considering this recommendation. This is the only opportunity therapists working with the elderly and disabled have to impact on Medicaid rates. Please help us care for those in need.

Sincerely,

Michael J. Steinhauer, MPH, FAOTA

Michael J. Steinhauer, Executive Director

PS: The JFC work on the Medicaid and Health/Human Services "Survival Coalition" package is very good! Thank you again for your support of a balance in long-term care funds between community based services and institutional services.

600 Williamson Street., Suite N ◆ Madison, WI 53703 ◆ (608) 287-1606 ◆ (800) 728-1992
Fax (608) 287-1608 ◆ www.wota.net ◆ wota@execpc.com

TESTIMONY OF AARP
Before the Senate 2001-03 Biennial Budget Committee
June 12, 2001

Senator Grothman + Schultz

Good morning, Chairman Jauch and committee members. My name is Rod Bohn from Sturgeon Bay. I am a retired pharmacist and Chairman of AARP Wisconsin's Government Affairs Committee.

AARP has 739,000 members in Wisconsin. Almost half of all persons over age 50 in Wisconsin belong to AARP.

I would like to take this opportunity to comment on the budget proposal developed by the Joint Finance Committee.

First, AARP Wisconsin is extremely appreciative of the long-term care package that provided significant increases ~~for nursing homes and increases~~ for home and community-based care to address the concerns of the elderly and people with disabilities. AARP believes strongly that the balance reflected in the Joint Finance proposal between institutional and community-based care should be maintained.

Secondly, we are pleased that progress was made in addressing the prescription drug issue. However, we believe that the funds set aside must be increased so that SB 1, or Wisconsin Care, can be fully funded.

After the last session, we surveyed our Wisconsin members, and their first concern was the high cost of medical care. For seniors the first issue that comes up when it comes to high medical costs is prescription drugs. In fact, 90% of our members surveyed supported establishing a state prescription drug program for seniors even if the program would require an increase in taxes.

We also received much member input indicating that last year's assembly bill was very inadequate. We realized that our membership supported a stronger bill, such as SB 1/Wisconsin Care.

These bills would reduce out-of-pocket costs for low-income seniors, and also extend a reasonable degree of coverage to moderate- and middle-income seniors. Other proposals give no help to moderate- and middle-income seniors no matter how high the cost of medication.

It is important that low income seniors do not have to pay a deductible. This ensures that they can get the prescription drugs they need to stay healthy. AB 120 currently imposes an annual deductible of $840 on all enrollees – really a burden. High out-of-pocket costs reduce medication use with resulting emergency room admissions, hospitalizations, nursing home admissions, and deaths. In other words, use of medication is cost effective.

Coverage for moderate- and middle-income seniors is just as important. If you live alone on $1,500 per month, and drug costs are $300 or $500 per month, you've got a problem. Research recently published in the journal *Health Affairs* shows that seniors with incomes between 200% and 300% of the poverty level (or roughly ~~$16,000 to $24,000 per year~~ for a single person) used 27% fewer prescriptions if they do not have prescription drug coverage. Seniors in poor health, regardless of income, use 32% fewer prescriptions if they do not have drug coverage. Remember, the use of medication saves money compared to the alternatives, such as hospitalizations and so on.

($300-2000 month)

Normally, Wisconsin is in the forefront of state public policy, but not on this issue. The majority of states have now enacted some kind of prescription benefit. We cannot wait for a federal program to be implemented, which may take years. Wisconsin seniors are being left behind. We need passage of a Wisconsin drug benefit now.

Some people are concerned with a possible reduction in federal payments to the state when a federal program is implemented. We believe that federal legislators would not tolerate penalizing the many states that are already providing prescription benefits.

Finding money to adequately support any new legislation is always difficult. But this is an issue that to our knowledge every legislator supported at election time. Now is the time to set priorities and produce a bill for prescription benefits.

AARP is ready and willing to negotiate in order to move this issue forward. However, in order to allow meaningful negotiations to take place with the Assembly, we would urge the Senate to amend the budget to fully fund Wisconsin Care. Thank you for your consideration of our views.

REMARKS MADE TO THE JOINT COMMITTEE ON INFORMATION POLICY on June 12, 2001

Co-chairs Senator Robert Jauch & Representative David Hutchison and committee members:

Thank you for the opportunity to talk about issues of great importance to me and Wisconsin's elderly which are being considered by the Legislature. First some background. I live in Madison, am retired and for the past 15 years have been a caregiver for my wife who was diagnosed with Alzheimer's 15 years ago this next month. For almost 7 years she has been a resident in an assisted care facility and is now a virtual vegetable. She has not recognized me for over 2½ years, she does not talk, move her arms, legs or feet. She is lifted into a wheel chair and sits motionless, not even opening up her eyes. I visit her 3 times a week and feed her dinner each visit. So I know what abeing a caregiver is all about. I also co-facilitate a caregiver's support group, conduct educational forums on Alzheimer's for caregivers seeking advice on how to cope with the task of caregiveing, and meet with many groups in the area to discuss issues of concern to the elderly citiznes of this state.

From those conversations and my own experience, I strongly urge you to keep the following issues moving along in the legislative process because they are desparately needed.

1. A Prescription Drug bill. I personally support Senate Bill 1.
2. Family Care/Community Options Program (COP) and Long Term Care. I support using some of the UTG (Intergovernmental Transfer Funds) to cover the costs.
3. Increased funding for Elder Abuse prevention, reporting and treatment.
4. Increased funding for the Elderly and Disabled Transportation program.
5. The Alzheimer's Family Caregivers Support Program (AFCSP), to keep it as a separate and specifically funded progra.

Many of our elderly citizens are depriving themselves of food, adequate housing and other necessities like fuel to heat their homes because of a lack of funding for the programs I've listed above. In an article published in the April 25, 2001 Wisconsin State Journal, Gove. McCallum was quoted as saying in part..."My job is to give a good future to the state of Wisconsin's citizens." Please push the Governor to make good on this promise by supporting those legislative bills dealing with elderly issues.

Thank You.

Dale Bruhn
5015 Sheboygan Ave. # 111
Madison WI 53705

Appearance before the Wisconsin Finance Committee

(8)

Reference: The vote and decision to cut funding for the Wisconsin Council on Problem Gambling (WCPG)

I am Al W., a recovering Compulsive Gambler. First let me say I am extremely grateful to be in a position today to stand before you on behalf of all Compulsive Gamblers across the nation, and specifically in the state of Wisconsin. I am making this appeal in the strongest language I can, for restoration of funding support for the Wisconsin Council on Problem Gambling (WCPG), a Council who has made a significant difference for me and my family, an absolutely vital life line for those of us stricken with this illness; and it is a difficult and devastating illness.

I will not bore you with the details of my own story of 30+ years of struggling and dealing with problem gambling and the devastation it has caused to two wives, four kids and a host of others. I am not here for that. I am here to help you look at the ramification and destruction that will occur by the committees decision to cut funding for the WCPG, an absolutely crucial agency and the only one of it's kind in the state.

WCPG has no other purpose than to attempt to keep public awareness of problems associated with the gambling addiction in full view for all the citizens exposed to the gaming industry. It is a monumental task and the council does an extremely creditable job given the limited funding and constraints placed on it. It is a sad state to see government view the WCPG as so insignificant and unimportant in the budget process.

It is my belief that rather than trying to convince the committee of the need to restore funds, this forum should be about the need to significantly increase funding to the council in the interest of the Wisconsin Citizenry.

Appearance before the Wisconsin Finance Committee

For you see, Compulsive Gambling is not just an individual problem, it affects so many other lives emotionally, physically, spiritually and what we are here to talk about today...financially. The millions of dollars realized by the gaming industry and the state demands that a portion of those funds be spent in support of citizens devastated by exposure to massive glamorization of the industry. Why not give back a few pennies to allow an avenue of recovery to those who have given all the money they could possibly get their hands-on...and then some, a chance to once again be a productive and viable member of Wisconsin's society?

Thank you for the opportunity to appear before the Wisconsin Finance Committee and put a voice to the hundreds of thousands of problem gamblers suffering on our Wisconsin streets and in our communities today.

I am Al W., a recovering Compulsive Gambler representing Compulsive Gamblers in recovery and those trying to find their way, across the state.

AL. W.
EAU CLAIRE TUESDAY NIGHT GAMBLERS ANONYMOUS GROUP, IN COLLABORATION WITH CATHY W., EAU CLAIRE TUESDAY NIGHT GAM-ANON GROUP ON BEHALF AND SUPPORT OF THE WISCONSIN COUNCIL ON PROBLEM GAMBLING, AN AGENCY CRITICAL TO DEALING WITH SUPPORT TO PROBLEM GAMBLERS NOW, AND IN INCREASING NUMBERS IN THE FUTURE.

Appearance before the Wisconsin Finance Committee

The same way the Wisconsin government has embraced the Gaming industry is the same way government needs to embrace the dark side of that support by recognizing that there will be, is, and will continue to be a segment of the population who will be devastated by the Gaming industry system. Millions of dollars are realized each year for the entertainment value of gaming in this state and at the same time there are thousands of citizens, young and old, male and female, poor and well to do, Sister, Brothers, Aunts, Uncles, Parents and Grandparents who will inevitably become victims of the gambling addiction.

Why do some cross over into addiction and others do not really isn't the question here. The question is does government accept and recognize the dark side of gaming, that, in accepting the millions in one hand for state programs, there also needs to be a commitment to give a substantial amount of these millions to key programs and key agencies which support that part of the population negatively affected by the state government embracing the activity of gaming.

No citizen starts out to become a problem gambler. The lure of massive advertisement for gaming that can now be seen at nearly any corner you turn in Wisconsin is purely entertainment value. Why some and not others become devastated by this entertainment is really not the question. Debating it can go on, and on, and on.

The truth is that there have been, is, and will continue to be in increasing numbers, Wisconsin citizens, well meaning people, who will become a part of the citizen population caught in the grips of this affliction. Where will their hope of a way-out of the cycle come from? The meeting halls of Gamblers Anonymous and Gam-Anon continue to grow, and grow, and grow.

Professionals across the state, Psychiatrist, Social Workers, Psychologists, and other health

care providers are seeing more and more clients who are caught in the viscous cycle of problem gambling and it's destruction. Recognition of problem gambling as a disease is still quite new. The first treatment center came into existence less than 25 years ago. The only state agency that provides some continuity to bring *all* of the concerned experts, professionals, gaming industry, gamblers and those affected by the disease together to provide current crucial information and share experiences to aide in combating gambling as a disease is the WCPG. The cassette tapes made during those conferences of the information shared are re-copied and shared with many Wisconsin

citizens across the state, along with informative pamphlets, flyers, current treatment centers, advertisement, and videos offering reality, strength, experience and hope to those still suffering and so severely afflicted by the disease.

One of the most critical services provided that is available to the devastated gambler is the 1-800-GAMBLE5 hotline, which is manned by volunteers across the state trained by the WCPG, to deal with in stages, the gambling crisis. Where will these Wisconsin citizens now turn without the WCPG??? They are not alcoholics, they are not drug addicts, they have gambled away all their money - these services are free and will allow them to be in contact with a recovering gambler who really understands, or other families and friends affected by the disease.

Without the support of the WCPG to turn to, the financial cost will be realized in many other areas; broken families and the court systems, problematic youth and the penal systems, extortion, theft, and sadly, suicides. The suicide rate among Compulsive Gamblers is ten times greater than the alcoholic.

(6)

Golden Age Manor

POLK COUNTY
220 Scholl Street
AMERY, WI 54001
(715) 268-7107
FAX (715) 268-6167

BOARD CHAIRMAN
CARL McCURDY

ADMINISTRATOR
GARY TAXDAHL

June 11, 2001

To: Honorable Senator Bob Jauch
From: Frank Pascarella, Polk County Administration
Gary Taxdahl, NHA Golden Age Manor Administrator
Re: Intergovernmental Transfer Program. (IGT)

Golden Age Manor has not needed or received a county appropriation for the operation of our county nursing home for more than 25 years. In 1999 the nursing home lost $190,000 and in 2000 we lost $870,000. Our 2001 budget estimates a loss of $368,000, which includes estimated revenue of $547,000 from IGT. Over the years we have used little or no IGT to fund operations but today we are hemorrhaging in red ink. In 2000 we lost $30.63 per Medicaid resident per day or $906,341 for the year from under reimbursement, our only hope to just break even is with the help of IGT.

Without this funding now and in the future, the future for all nursing homes is very bleak. Remember you are dealing with our residents who consider our facility their home. Would you like someone to take away your home?

This is a financial crisis for all nursing homes and you are personally and politically responsible to take care of the most vulnerable residents in our society.

On behalf of the staff and residents of Golden Age Manor we ask that the IGT funds that were designated to provide care and services to the frail elderly are not to be used to balance the state budget. Therefore we ask that the following be placed in the state budget:

1. Restore the IGT funds that were cut by the Joint Committee on Finance.
2. Any changes in the labor regions would include a hold-harmless provision for facilities that would take a cut in funding.
3. Delay the implementation of a Medicaid price-based case-mix nursing home reimbursement system and use a pilot or phase-in program. Also that it be fully funded.

Thank you for your time and consideration.

Sincerely,

Frank Pascarella
Polk County Administration

Gary Taxdahl, NHA,
Administrator

WALWORTH COUNTY
Est. 1839
WISCONSIN

Lakeland Health Care Center

Monday, June 11, 2001

To: Senator Robert Jauch, Chair
Committee Members
Senate Budget Committee

From: Dave Bretl, Administrative Coordinator
Walworth County

Subject: 2001-03 Biennial Budget Senate Hearing

- Walworth County owns and operates Lakeland Health Care Center. This 245-bed facility serves the elderly, individuals with Alzheimer's and related dementia, and others with special needs.
- Walworth County is one of three participating counties assisting the State in claiming federal Medicaid funds through the Intergovernmental Transfer Program.
- We wish to express disappointment in the recent action by Joint Finance to use the funding we helped generate to help balance the budget rather than long term care.
- Our willingness to help bail out the State is now dampened by this diversion of funds, particularly after being told by the State that the funds would be used for purposes related to the Medicaid Program-the source of the funds.
- We urge this action to be reconsidered as we too are reassessing our own willingness to continue to assist the State. It seems we should all pursue working together to avoid having to use scarce General Purpose Revenues. It makes sense to access IGT funds to the maximum extent possible to fund Medicaid long term care and related programs.
- On other issues, we urge you to restore the $23.9 million cut to Medicaid nursing home providers and employees if additional IGT funds are generated. We understand Senator Rod Moen is preparing a motion to achieve this, and we would ask for your support.

W3930 County Road NN
Elkhorn, WI 53121
262.741.3600 tel
262.741.3682 fax

- On the proposed new price Medicaid system, we s upport the position of WAHSA and WACH for a two-year study or delay before a new payment system is phased in. We understand Senator Jauch is entertaining a motion to this effect, and we ask your support of this.

- Our facility, the Lakeland Health Care Center, is starting to prepare the 2002 calendar year budget. How are we to budget for the Medicaid system which accounts for 80% of our patient days without any knowledge of the new system, which is set to be effective in 3 weeks (July 1)? Even at a 25% phase-in rate, this is significant. Taking the time to study, pilot and educate seems a more reasonable way to proceed.

- Prior to phasing in a new Medicare payment system, the federal government did a host of demonstration projects; and they fostered provider education before the phase in began. Wisconsin Medicaid should do the same.

- Most importantly, we are concerned that a price system will set the bar on quality care too low and as a result quality care will be jeopardized. For example, if the bar is set at 105% of the median, by definition 45% of the industry will be providing substandard care based on this Medicaid definition of quality. This point has disturbing consequences. The quality care issue alone deserves at least 2 years of study and demonstration before implementing.

Thank you for your attention to these points. We look forward to working again with you in a cooperative partnership.

State of Wisconsin
Department of
Health & Family Services
Central Wisconsin Center
317 Knutson Drive
Madison WI 53704

Central Wisconsin Center is currently accepting applications and scheduling interviews for the following health care positions.

NURSING ASSISTANT:
$10.105 per hour.
Certified Nursing Assistant training provided.

LICENSED PRACTICAL NURSE 1 & 2:
$11.827 or $12.799 per hour.
Licensure or eligibility for licensure required.

NURSE CLINICIAN 2 & 3:
$19.248 or $20.500 per hour.
Licensure or eligibility for licensure required.

Full-time and part-time permanent positions available
INCLUDING FULL
STATE OF WISCONSIN BENEFIT PACKAGE.

Please call (608) 243-2273
or stop by for more information.
An Equal Opportunity Employer

WAHSA
Mean Wage Rate Calculations

	1998 CR CWC	3% Increase	1998 CR SWC	3% Increase	1998 CR NWC	3% Increase	1999 CR WI Vet NF	AVERAGE WAGE	STATE AVERAGE WAGE & FRINGE	AVERAGE N.F. WAGE & FRINGE	DIFFERENCE	AVERAGE N.F. WAGE(1)	AVERAGE N.F. WAGE & FRINGE
Registered Nurse	$ 19.03	$ 19.60	$ 22.48	$ 23.15	$ 20.76	$ 21.38	$ 21.99	$ 21.53	$ 30.47	$ 22.42	$ 8.06	$ 18.81	$ 22.42
Licensed Prac. Nurse	$ 13.29	$ 13.69	$ 13.64	$ 14.05	$ 14.00	$ 14.42	$ 13.67	$ 13.96	$ 19.75	$ 16.67	$ 3.08	$ 13.99	$ 16.67
Nursing Assistant	$ 11.77	$ 12.12	$ 12.04	$ 12.40	$ 12.31	$ 12.68	$ 11.65	$ 12.21	$ 17.29	$ 11.09	$ 6.19	$ 9.31	$ 11.09
Ward Clerk	$ 13.53	$ 13.94	$ 10.94	$ 11.27	$ 11.13	$ 11.46	$ 12.20	$ 12.22	$ 17.29	$ 11.87	$ 5.42	$ 9.96	$ 11.87
Social Services	$ 17.67	$ 18.20	$ 15.20	$ 15.66	$ 18.30	$ 18.85	$ 16.09	$ 17.20	$ 24.34	$ 16.46	$ 7.88	$ 13.81	$ 16.46
Activity Director/Staff	$ 18.25	$ 18.80	$ 16.80	$ 17.30	$ 16.42	$ 16.91	$ 15.93	$ 17.24	$ 24.39	$ 11.96	$ 12.43	$ 10.04	$ 11.96
Dietary	$ 11.06	$ 11.39	$ 9.84	$ 10.14	$ 11.59	$ 11.94	$ 10.85	$ 11.08	$ 15.68	$ 10.46	$ 5.22	$ 8.78	$ 10.46
Maintenance	$ 15.46	$ 15.92	$ 16.59	$ 17.09	$ 16.05	$ 16.53	$ 15.29	$ 16.21	$ 22.94	$ 14.43	$ 8.51	$ 12.11	$ 14.43
Housekeeping	$ 10.90	$ 11.23	$ 9.85	$ 10.15	$ 10.53	$ 10.85	$ 11.14	$ 10.84	$ 15.34	$ 9.76	$ 5.58	$ 8.19	$ 9.76
Laundry	$ 10.28	$ 10.59	$ 10.87	$ 11.20	$ 10.31	$ 10.62	$ 9.40	$ 10.45	$ 14.79	$ 9.69	$ 5.10	$ 8.13	$ 9.69
Fringe Ratio	0.4116		0.4071		0.4439		0.3985	0.4153				0.1917	

	FTE's Per 100 Residents(2)	FTE's 42,600 Residents	Annual Hours	Wage/ Fringe Differential	Total Cost Wage and Fringe	Wage Differential	Total Cost Wage Only
Registered Nurses	11.6	4941.6	10,278,528	$ 8.06	$ 82,844,936	$ 2.72	$ 27,978,410
Licensed Prac. Nurses	7.7	3280.2	6,822,816	$ 3.08	$ 21,014,273	$ (0.03)	$ (225,323)
Nursing Assistants	39.8	16954.8	35,265,984	$ 6.19	$ 218,296,441	$ 2.90	$ 102,391,258
Ward Clerk	1.2	511.2	1,063,296	$ 5.42	$ 5,763,064	$ 2.26	$ 2,399,859
Social Services	2.0	852.0	1,772,160	$ 7.88	$ 13,964,621	$ 3.39	$ 6,005,452
Activity Director/Staff	3.5	1491.0	3,101,280	$ 12.43	$ 38,548,910	$ 7.20	$ 22,318,888
Dietary	11.8	5026.8	10,455,744	$ 5.22	$ 54,578,984	$ 2.30	$ 24,034,357
Maintenance	3.0	1278.0	2,658,240	$ 8.51	$ 22,621,622	$ 4.10	$ 10,894,132
Housekeeping	7.6	3237.6	6,734,208	$ 5.58	$ 37,576,681	$ 2.65	$ 17,842,958
Laundry	4.5	1917.0	3,987,360	$ 5.10	$ 20,335,536	$ 2.32	$ 9,254,463
	92.7	39,490.2	82,139,616		$ 515,545,268		$ 222,892,454
Medicaid Percentage					69.50%		69.50%
Medicaid Costs					$ 358,303,961		$ 154,910,255

(1) From Median Comparison for 405 1999 Medicaid Cost Reports

(2) Source; DHFS Report; Wisconsin Nursing Homes and Residents-1998

Prepared By: WAHSA
Brian R. Schoeneck; 9/13/00

WAHSA
Mean Wage Rate Calculations

	1998 CR CWC	3% Increase	1998 CR SWC	3% Increase	1998 CR NWC	3% Increase	1999 CR WI Vet NF	AVERAGE WAGE	STATE AVERAGE WAGE & FRINGE	AVERAGE N.F. WAGE & FRINGE	DIFFERENCE	AVERAGE N.F. WAGE(1)	AVERAGE N.F. WAGE & FRINGE
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Nursing Assistant	$ 11.77	$ 12.12	$ 12.04	$ 12.40	$ 12.31	$ 12.68	$ 11.65	$ 12.21	$ 17.29	$ 11.09	$ 6.19	$ 9.31	$ 11.09
Ward Clerk	$ 13.53	$ 13.94	$ 10.94	$ 11.27	$ 11.13	$ 11.46	$ 12.20	$ 12.22	$ 17.29	$ 11.87	$ 5.42	$ 9.96	$ 11.87
Social Services	$ 17.67	$ 18.20	$ 15.20	$ 15.66	$ 18.30	$ 18.85	$ 16.09	$ 17.20	$ 24.34	$ 16.46	$ 7.88	$ 13.81	$ 16.46
Activity Director/Staff	$ 18.25	$ 18.80	$ 16.80	$ 17.30	$ 16.42	$ 16.91	$ 15.93	$ 17.24	$ 24.39	$ 11.96	$ 12.43	$ 10.04	$ 11.96
Dietary	$ 11.06	$ 11.39	$ 9.84	$ 10.14	$ 11.59	$ 11.94	$ 10.85	$ 11.08	$ 15.68	$ 10.46	$ 5.22	$ 8.78	$ 10.46
Maintenance	$ 15.46	$ 15.92	$ 16.59	$ 17.09	$ 16.05	$ 16.53	$ 15.29	$ 16.21	$ 22.94	$ 14.43	$ 8.51	$ 12.11	$ 14.43
Housekeeping	$ 10.90	$ 11.23	$ 9.85	$ 10.15	$ 10.53	$ 10.85	$ 11.14	$ 10.84	$ 15.34	$ 9.76	$ 5.58	$ 8.19	$ 9.76
Laundry	$ 10.28	$ 10.59	$ 10.87	$ 11.20	$ 10.31	$ 10.62	$ 9.40	$ 10.45	$ 14.79	$ 9.69	$ 5.10	$ 8.13	$ 9.69
Fringe Ratio	0.4116		0.4071		0.4439		0.3985	0.4153				0.1917	

	FTE's Per 100 Residents(2)	FTE's 42,600 Residents	Annual Hours	Wage/ Fringe Differential	Total Cost Wage and Fringe	Wage Differential	Total Cost Wage Only
Registered Nurses	11.6	4941.6	10,278,528	$ 8.06	$ 82,844,936	$ 2.72	$ 27,978,410
Licensed Prac. Nurses	7.7	3280.2	6,822,816	$ 3.08	$ 21,014,273	$ (0.03)	$ (225,323)
Nursing Assistants	39.8	16954.8	35,265,984	$ 6.19	$ 218,296,441	$ 2.90	$ 102,391,258
Ward Clerk	1.2	511.2	1,063,296	$ 5.42	$ 5,763,064	$ 2.26	$ 2,399,859
Social Services	2.0	852.0	1,772,160	$ 7.88	$ 13,964,621	$ 3.39	$ 6,005,452
Activity Director/Staff	3.5	1491.0	3,101,280	$ 12.43	$ 38,548,910	$ 7.20	$ 22,316,888
Dietary	11.8	5026.8	10,455,744	$ 5.22	$ 54,578,984	$ 2.30	$ 24,034,357
Maintenance	3.0	1278.0	2,658,240	$ 8.51	$ 22,621,622	$ 4.10	$ 10,894,132
Housekeeping	7.6	3237.6	6,734,208	$ 5.58	$ 37,576,881	$ 2.65	$ 17,842,958
Laundry	4.5	1917.0	3,987,360	$ 5.10	$ 20,335,536	$ 2.32	$ 9,254,483
	92.7	39,490.2	82,139,616		$ 515,545,268		$ 222,892,454
Medicaid Percentage					69.50%		69.50%
Medicaid Costs					$ 358,303,961		$ 154,910,255

(1) From Median Comparison for 405 1999 Medicaid Cost Reports

(2) Source; DHFS Report; Wisconsin Nursing Homes and Residents-1998

Prepared By: WAHSA
Brian R. Schoeneck; 9/13/00

- This motion would acknowledge the good faith efforts of the Wisconsin Counties Associations and the nursing home associations in crafting a nursing home funding solution at no cost to the State taxpayer. It also would mitigate somewhat the disappointment that the IGT agreement those groups reached with the Administration was broken.

Nursing Home Labor Regions

The JFC adopted the Governor's recommendation to eliminate the requirement that the DHFS establish standards, or targets, for payment of allowable nursing home direct care costs that are adjusted for regional labor cost variations, establishing in its place a single labor region.

Senator Decker is expected to offer a motion to delete the JFC action and maintain current law, which would fully implement the Medicare Labor Cost Index on 7/1/01.

WAHSA, the Wisconsin Health Care Association (WHCA) and AFSCME Council 40 are seeking a compromise to the JFC and Decker labor region proposals. That compromise would concur with the Decker proposal to maintain labor regions but would direct the DHFS to develop, in consultation with the nursing home associations and representatives of organized labor, a modified labor region methodology using direct care nursing wage rates. In addition, the motion requires this modified labor region methodology to include a hold harmless provision.

- Generally speaking, the JFC labor region proposal would help rural nursing facilities and hurt urban facilities. The Decker proposal would do the opposite: it would help most urban facilities and hurt most rural facilities. Facilities in the districts of Senators Moen, Baumgart, Shibilski, Breske, Robson (Walworth; Rock would be helped) and Hansen (Marinette and Oconto; Brown would be helped) would be negatively impacted by the Decker motion. While we appreciate Senator Decker's efforts to undo the problems created by the JFC action, his motion would create similar problems for a different set of providers.

- Because we represent both urban and rural facilities, WAHSA and WHCA would like to forge a compromise somewhere between the JFC and Decker proposals.

- Current law (the Decker proposal) uses a Medicare labor index which is based on hospital wage rates, rather than nursing home wage rates. The WAHSA, WHCA, AFSCME compromise proposal uses nursing home direct care nursing labor costs, which more accurately depicts nursing home market conditions.

- Any labor region proposal will produce winners and losers. Our goal is to include a hold-harmless provision with any labor region methodology that is to be utilized so as to ease the "pain" of the losers.

- A hold-harmless is self-funded through the re-distribution of nursing home formula dollars; it has no fiscal effect. Our proposal in essence shifts funds from facilities in counties that "win" under the new methodology to facilities in counties that "lose." The winners win slightly less while the losers would be protected from rate cuts.

Price-Based Case-Mix Payment System

The DHFS has discretionary authority, within statutory requirements, to modify the nursing home reimbursement formula by amending the State Medicaid Plan Amendment. Legislative approval is not required. In its 1999-01 budget submission, the Department indicated it planned to phase-in a new prospective payment system for nursing homes that is independent of a facility's actual costs. The DHFS suggested a six-year phase-in period for conversion to a price-based, case-mix reimbursement system, beginning in FY 2000-01. Under this plan, beginning July 1, 2001, 25% of a facility's direct care rate will be based on a price-based, case-mix payment while the remaining 75% of the rate will be based on a cost-based payment. The price-based, case-mix system would be fully implemented effective July 1, 2004.

- The DHFS has had two years to develop this new system. As of June 11, 2001, twenty days before this new price-based system is to go into effect, facilities have no idea whatsoever how these changes will affect their rates and operations. The DHFS has provided nothing which will enable facilities to budget for their next fiscal year.

- The DHFS has the discretion to go forward with the price-based system. It also has the discretion to delay it. The argument that legislative intent requires its 7/1/01 implementation is incorrect.

- Under the current law cost-based system, direct care costs are paid up to a target or maximum. If your cost is $50 and your target is $60, you get paid $50. If your cost is $70 and your target is $60, you get paid $60.

- Under the price-based system, if your cost is $50 but your price is $60, you get paid $60 and earn a profit of $10. The incentive, then, is to hold down your direct care costs.

- Holding down direct care costs basically would mean paying staff less and/or staffing at lower levels. Neither is the direction we believe this State should be proceeding with respect to the provision of direct care.

- Generally speaking, this system would hurt county nursing homes, not-for-profit nursing homes and independent for-profit nursing homes. National for-profit nursing home chains would seem to benefit most under a price-based, case-mix payment system.

- A two-year delay in implementing a price-based, case-mix nursing home payment system would provide both the DHFS and providers the time needed to test this system and determine if a price-based system is in the best interest of our State's long-term care system.

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Wisconsin Association of Homes and Services for the Aging
204 South Hamilton Street, Madison, WI 53703· Phone: (608) 255-7060· Fax: (608) 255-7064· www.wahsa.org

June 11, 2001

To: Members, Senate Democratic Caucus

From: John Sauer, Executive Director
Tom Ramsey, Director of Government Relations

Subject: Long-Term Care Caucus Budget Amendments

As the statewide trade association which represents not-for-profit and governmental long-term care providers, we urge your support for the following motions we expect to be offered in the Senate Democratic Caucus:

1) Intergovernmental Transfer Program (IGT) Funding (Moen)

2) Nursing Home Labor Regions (A compromise offered by nursing homes to the Joint Committee on Finance (JFC) action and a motion expected to be offered by Senator Decker).

3) Delay in the DHFS Phase-in of a Price-Based, Case-Mix Payment System for Nursing Homes (Jauch)

IGT Funding

This motion would require all IGT funds received by the State in each fiscal year after June 30, 2001 in excess of the budgeted level of $75 million be retained in the Medicaid Trust Fund and spent solely to fund future nursing home rate increases and county and municipal supplemental IGT payments. In FY 2001-02, IGT funds received in excess of $75 million could be used to restore the $23.9 million in nursing home rate increase cuts imposed by the JFC, with any additional IGT revenues above that $98.9 million level in the first year of the biennium to go to the Medicaid Trust Fund.

- This motion has no fiscal effect.
- This motion would not affect the ending balance of the budget as amended by the JFC.
- This motion would restore the $23.9 million in nursing home rate increase reductions only if additional county wire transfers generate IGT revenues in excess of $75 million in the first year of the biennium.
- Without the statutory assurance this motion provides, counties most likely will be unwilling to perform the wire transfers needed to sustain the IGT base in the future or to capture additional federal Medicaid dollars beyond the level assumed by the Joint Committee on Finance. Their willingness to wire transfer very well could end at their own county's needs.

- This motion would acknowledge the good faith efforts of the Wisconsin Counties Associations and the nursing home associations in crafting a nursing home funding solution at no cost to the State taxpayer. It also would mitigate somewhat the disappointment that the IGT agreement those groups reached with the Administration was broken.

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Madison Department of Public Health

City of Madison

City-County Building, Room 507
210 Martin Luther King, Jr. Boulevard
Madison, Wisconsin 53710
608 266 4821
FAX: 608 266 4858

June 12, 2001

Thank you for this opportunity to speak to you about my concerns with the budget bill that has recently come out of the Joint Finance Committee. One of my responsibilities with Madison Department of Public Health is the coordination of our Tobacco Vendor Compliance Program. Between 1995 and 1999, our program was effective in reducing the number of tobacco vendors that sold tobacco to youth. Our first round of checks in 1995 identified a compliance rate of less than 40%. After our last round in 1999, Madison's tobacco vendors complied with the law 88% of the time. This data is found in our program report that I am submitting with my written comments. In 1999, passage of the budget bill effectively put an end to Madison's tobacco compliance program by prohibiting local agencies from employing youths to perform compliance checks outside of Wisconsin's tobacco compliance survey program.

I am here this morning to ask that you support an amendment to this budget that has been submitted by Sen. Robson. This amendment would remove language in Ch 254 of the Statutes that prevents local agencies from enforcing current laws prohibiting the sale of tobacco to youth. This change would also remove language in this chapter that confuses the actions of surveillance and enforcement. These changes are imperative for Madison to perform tobacco vendor compliance enforcement in the future.

I would also ask the members of this committee and all others interested in effective tobacco vendor compliance to remove Rep Duff's and Sen. Darling's motion (#348) from the budget. This motion was made during the Joint Finance Committee's review of the budget and would remove tobacco license holders from responsibility for tobacco sales to youth if they provide training to their staff. Clearly, educating sales staff will help improve compliance with tobacco sales laws. However, the tobacco license holder's responsibility does not end with provision of "training on the requirements of state law with regard to the sale of tobacco products to minors" as this motion states. To ensure that minors do not have access to tobacco from their

establishment, the license holder must continually support his/her staff by establishing clear procedures and supporting the efforts of sales staff to prohibit tobacco sales to minors.

Another problem with this motion is that there is no standard for training. Under the language in this motion, it is likely that any level of training would be considered sufficient to remove a license holder from responsibility. Clearly, informing a clerk, cashier, or sales person that it is illegal to sell tobacco to minors is not enough to prohibit sales to minors. If it were, we would not be here discussing this issue.

Thank you for this opportunity to present these issues to you.

Respectfully submitted by,

John S Hausbeck, MS RS
Environmental Epidemiologist
(608) 294-5315

Tobacco Vendor Compliance Report, Final Report for July 1998- June 1999
Madison Department of Public Health

Madison Department of Public Health (MDPH) is continuing to perform compliance checks in an attempt to decrease the availability of tobacco to minors. The Department has contracted with Dane County Youth Connection (DCYC) to perform up to 500 compliance checks between July 1, 1998 and June 30, 1999. For these services, DCYC will be paid up to $10,000. At the end of the contract period, DCYC was paid for 499 tobacco vendor compliance checks. Of these checks, 492 compliance checks were complete. Seven checks were considered to be incomplete because the teen became uncomfortable during the check. Ten of the compliance checks conducted were performed as part of a complaint follow-up or as a re-inspection of problem tobacco vendors. The results of these checks are not included in the sale statistics of this report to avoid potential bias. Adult establishments are omitted from all compliance checks.

According to data from the City Clerks office, there were 332 licensed vendors in the City at the beginning of the licensing year. All of these vendors have paid the $5 license fee and $50 compliance check fee.

Key Points:

~ Compliance rates dropped in 1998-1999 (82%) compared with the compliance levels in 1997-1998 (86%).
~ Within the 1998-1999 licensing year, compliance rates were lowest in the first round (78%) and increased to 88% in the third round of the year.
~ Vending machines for the sale of tobacco continue to be restricted to areas accessible only to adults.

Tobacco Vendor Information:

The following table lists the number of vendors checked during the second and third rounds of the 98-99 licensing year and the number of active tobacco licenses as of October 1998.

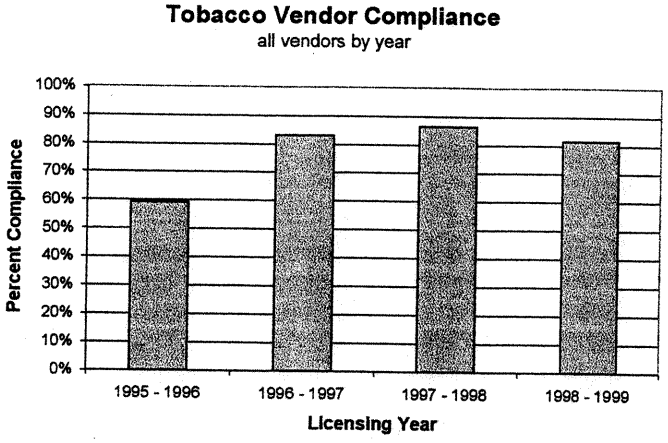
	Round 2, 98 – 99 Number of Vendors		Round 3, 98 – 99 Number of Vendors		Active Tobacco Licenses	
Vendor Type	Checked	Sold	Checked	Sold	Number Licenses	Percent Total Licenses
Drug Store	11	1	12	1	12	4
Liquor Store	24	3	25	1	26	8
Convenience Store	57	17	54	8	60	18
Gas Station	21	6	22	3	22	7
Grocery Store	32	4	34	5	31	9
Other	3	0	3	0	24	7
Hotel & Motel	0	0	0	0	7	2
Retail	12	0	13	2	17	5
Restaurants	3	1	1	0	26	8
Bars and Taverns	0	0	0	0	107	32
Total	163	32	164	20	332	100

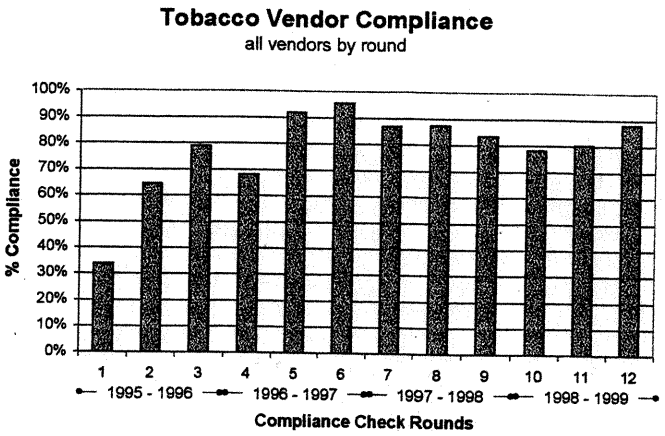
Compliance Check Personnel Information:

Compliance checks were conducted by The Dane County Youth Connection, under the direction of Mr. Steve Levine. Each check was performed by one or more youths under 18 years of age and an accompanying adult driver. Youths selected for compliance checks ranged in age from 13 to 17 years. Criteria for selection of youth were 1) that they looked their age and 2) that they provide accurate information about their age if asked.

Compliance Check Results:

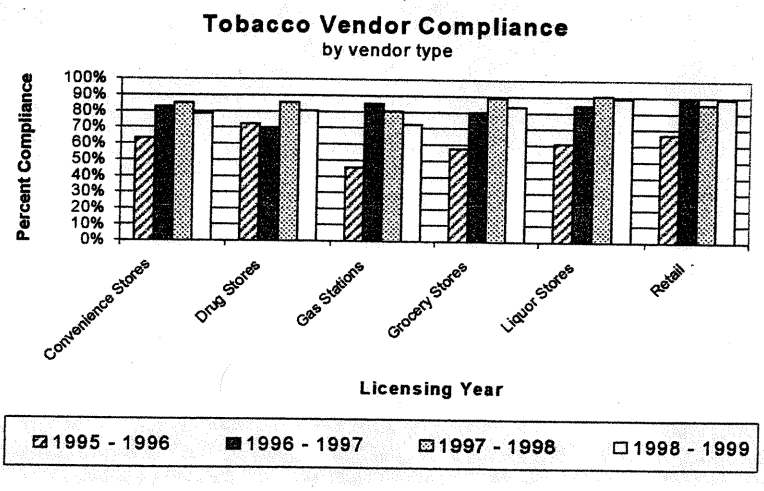
Compliance rates dropped in the 1998-1999 licensing year as compared with the compliance rates in the second and third years of this program (Fig. 1). Most non-compliance occurred in the first round of this licensing year (Fig 2). Compliance rates in the second an third rounds were similar to levels observed in past years.





Tobacco vendors have eliminated the use of vending machines in areas accessible to children. Tobacco vendors continue to be cooperative in keeping their vending machines in areas that are unavailable to minors or ensuring that minors cannot operate the machine.

Figure 3 shows the percent of tobacco purchases broken down by vendor type. Vendor types "Other", "Hotel/Motel", and "Restaurants" are not included in the graph because there were less than 5 establishments checked in each one of these categories. Most vendor types experienced a decrease in compliance with the greatest decrease occurring at gas stations.



Enforcement actions taken during the second and third rounds of 98-99 included mandatory tobacco vendor training, citation for the first sale after training, and fine and suspension. The numbers of enforcement actions in the last two rounds and the entire licensing year are reported in the following table. MDPH continued to provide tobacco vendor training on a one-to-one basis. This seems to be more effective due to the receptiveness of most vendors. All vendors making their first sale to a minor during a compliance check have attended the mandatory tobacco vendor training offered by the Health Department.

	2nd Round	3rd Round	Total for 98-99
Training	13	4	28
Citation	13	8	32
Fine and Suspension	6	6	17

The following table shows the number of tobacco vendors in each alder district and details the number of vendors checked and the number that sold during rounds 2 and 3 of the last licensing year.

	Alder Districts																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
# Licenses	15	7	10	28	6	32	4	31	33	14	11	16	15	13	29	14	50	5	7	9
# Checks	20	8	14	20	6	22	4	31	26	11	14	18	17	6	33	13	39	5	10	19
# Sales	5	0	5	2	1	0	2	4	3	1	3	4	2	1	2	4	5	0	2	4

Report Prepared by: John Hausbeck, Environmental Epidemiologist, MDPH, April 5, 2000

CAMPAIGN for TOBACCO-FREE Kids®

TOBACCO USE AMONG WOMEN AND GIRLS IN WISCONSIN

Current Women Smokers: **23.3% (469,000 women).**

Current High School Girl Smokers: **37.8% (76,000 girls)**

Current High School Girl Smokeless Tobacco Users: **3.5% (7,000 girls)**

Wisconsin ranks 39th among the states for smoking by women (1st = lowest rate). Nine out of ten women smokers begin before age 19; and 152,000 of all girls under 18 living in Wisconsin today will be regular, daily smokers at some point in their lives if current trends continue. Nationwide, 22.0% of women and 28.2% of high school girls smoke, and 1.5% of high school girls use smokeless tobacco.

Female Deaths from Smoking in Wisconsin

Girls under 18 alive in Wisconsin today who will die prematurely from smoking if current trends continue: 48,000

Women who die each year in Wisconsin from smoking: 2,692

Children under 18 in Wisconsin who lose a mom to smoking each year: 160

Children under 18 in state today who have lost a mom to smoking: 1,100

Expenditures in Wisconsin to Treat Women's Smoking-Caused Health Problems

Total state health care costs to treat female smokers each year: $714.7 million

Wisconsin residents also annually pay $12.0 million in federal taxes to cover their share of the U.S. Social Security Supplementary Income program's support payments to children under 18 and other dependent children eligible for SSSI because they have lost a mom to smoking.

Factors Affecting Tobacco Use Rates Among Women and Girls in Wisconsin

Annual per-capita tobacco industry marketing expenditures in state: $29.27

Annual per-capita state tobacco prevention expenditures: $4.10
CDC recommended minimum per-capita tobacco-prevention spending level for state: $5.81
State's national rank: 13th

[1st = highest state spending to prevent and reduce tobacco use as a percentage of the minimum amounts recommended by the U.S. Centers for Disease Control and Prevention (CDC).]

State cigarette tax per pack: 59¢ [States' average: 41.6¢ per pack]
State's national rank: 14th

[1st = highest cigarette tax rate. Cigarette taxes increase cigarette prices and research studies have shown that every 10% increase in state cigarette prices reduces overall cigarette consumption by four percent and reduces the number of kids who smoke by almost seven percent.]

National Center for Tobacco-Free Kids, March 26, 2001

1707 L Street, NW Suite 800 · Washington, DC 20036
Phone (202) 296-5469 · Fax (202) 296-5427 · www.tobaccofreekids.org

Sources

State women's smoking rate: 1999 Behavioral Risk Factor Surveillance System. National women's smoking rate: 1998 National Health Interview Survey. State girls smoking rate: 2000 Youth Tobacco Survey (YTS) National girls smoking rate: 1999 National YTS. Using a different methodology, the 1999 YRBS found that 34.9% of U.S. female high schoolers smoked. State girls smokeless rate: 1999 YRBS. National girls smokeless rate: 1999 YTS. Using a different methodology, the 1999 YRBS found that 1.3% of U.S. high school females used smokeless. Much of this data is available in U.S. Centers for Disease Control and Prevention (CDC) publications, including its *Investment in State Tobacco Control: State Highlights 2001*, available at www.cdc.gov/tobacco. Numbers of women and girl smokers and smokeless users calculated using prevalence rates and state population data from the U.S. Census Bureau, www.census.gov. Portion of women smokers who start before 19 calculated using unpublished data on female adult daily users and age of first use from the U.S. Substance Abuse and Mental Health Services Administration, *National Household Surveys on Drug Abuse 1998* (2000), www.icpsr.umich.edu/cgi-bin/SDA12/hsda?samhda+nhsda98.

Girls who will become daily smokers and those who will die early from smoking: Based on formula in CDC, "Projected Smoking-Related Deaths Among Youth -- United States," *Morbidity and Mortality Weekly Report (MMWR)* 45(44): 971-974 (November 8, 1996), using current population and smoking rate data, www.cdc.gov/mmwr. Women deaths from smoking: CDC, *Investment in State Tobacco Control: State Highlights 2001*, www.cdc.gov/tobacco/statehi/statehi_2001.htm. Lost moms data and related SSSI costs: Leistikow, B., et al., "Estimates of Smoking-Attributable Deaths at Ages 15-54, Motherless or Fatherless Youths, and Resulting social Security Costs in the United States in 1994," *Preventive Medicine* 30(5): 353-360 (May 2000) and state-specific data provided by the author.

Health costs from women smoking: From Miller, L., et al., "State Estimates of Total Medical Expenditures Attributable to Cigarette Smoking, 1993," *Public Health Reports* 113: 447-58 (Sept./Oct. 1998), http://hav54.socwel.berkeley.edu/faculty/publications/lmiller.html and X. Zhang et al., "Cost of Smoking to the Medicare Program, 1993," *Health Care Financing Review* 20(4): 1-19 (Summer 1999), with state healthcare expenditures to treat women smokers calculated using proportion of women among all adult smokers in state. The smoking-caused healthcare cost estimates in these studies do not include health costs from smokeless tobacco use, smoking among youth under 19, or secondhand smoke exposure, and they are based on 1993 healthcare expenditure data. Since then, healthcare costs have increased sharply. Accordingly, the amount presented here for annual healthcare costs to treat women with smoking-caused disease is quite conservative.

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Tobacco company marketing: U.S. Federal Trade Commission (FTC), *Cigarette Report for 1999* (2001), www.ftc.gov/bcp/menu-tobac.htm; FTC, *Report to Congress for the Years 1998 and 1999 Pursuant to the Comprehensive Smokeless Tobacco Health Education Act of 1986* (2001). The state total is a prorated per-capita estimate based on the state's population.

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June 11, 2001 Public Hearing
Cumberland, WI

Restore Tobacco Control Board funding and set aside a special endowment for a long-term tobacco prevention program.

Tobacco use is the single most preventable cause of death and disease in our society. The Centers for Disease Control recommends that States establish tobacco control programs that are comprehensive, sustainable, and accountable. Comprehensive tobacco control programs produce substantial reductions in tobacco use, which results in a decrease in death and disease related to tobacco use. Since implementing a program such as this in Arizona there has been a significant decrease in the prevalence of cigarette use in Arizona residents and a substantial increase in the proportion of smokers who report that either a health-care provider or a dentist both asked about tobacco use and advised them to quit. This type of intervention substantially increases successful quitting. In California there have been significant declines in lung cancer rates through tobacco prevention efforts. These programs work!

In Burnett County we have established a comprehensive plan to target tobacco use in young people; to promote quitting among current smokers; to eliminate environmental exposure to tobacco smoke; and to eliminate disparities related to tobacco use among pregnant women and Native Americans. We have just begun our work. But the recent budget cuts made to the Wisconsin Tobacco Control Board (WTCB) will cripple our ability to carry out these prevention efforts. The local county coalitions receive their funding through the Control Board.

The Tobacco Control Board funding needs to be restored to give these prevention programs a chance to succeed—so Wisconsin can see the benefits that have come to other states who have implemented these programs and save dollars and lives in the future. How to do this? Sixty-eight percent of the public supports a 41-cent increase in the tobacco tax bringing it to a dollar a pack. Reserving two-cents of whatever tobacco tax increase that passes would restore the $12 million for the WTCB's program. The higher tax will also decrease tobacco consumption.

In addition, there must be a mechanism for long-term funding for tobacco prevention. Wisconsin voters overwhelmingly support using at least a quarter of the tobacco settlement money for helping people quit smoking and prevent children from starting to smoke. Creating a tobacco control endowment of at least $313 million would provide earnings to support the Wisconsin Tobacco Control Board prevention programs at $31 million/year—enough to fund a comprehensive and effective tobacco control and prevention program in Wisconsin for years to come.

Respectfully Submitted:

Ruth Tripp
Siren, WI

References:
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Tobacco Free Coalition
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June 12, 2001

To: Senate Budget Committee Hearing

From: Tobacco Free Coalition of Wood County

RE: Funding for Tobacco Control

Dear Honorable Senators:

The Tobacco Free Coalition of Wood County would like to express to you the importance providing long term funding for the Tobacco Control Board. The Tobacco Control Board has developed a comprehensive plan to reduce tobacco use in Wisconsin and is supporting local coalitions to make a positive impact on the health of its citizens. The Tobacco Free Coalition of Wood County has developed a local implementation plan to directly impact and reduce the social and financial burden of tobacco in our county. In order for us to achieve our goals and objectives, we must have the continued funding and support of the Wisconsin Tobacco Control Board.

We believe that the purpose of the Master Settlement Agreement was to hold the tobacco companies accountable for the financial burdens imposed on our citizens from using this deadly product. An adequate portion of the funds awarded to the State of Wisconsin need to be spent on effective tobacco control. Never before have we had such an opportunity and the funding to combat a leading cause of death and disability in our state. We must take advantage of this opportunity to save lives and save our county from continued financial burdens.

We strongly urge you to support long term funding for the Tobacco Control Board so that we may continue in our efforts to control and reduce tobacco use in Wood County.

Sincerely,

Nancy Prince

Nancy Prince, Coordinator
Tobacco Free Coalition of Central Wisconsin

Tobacco Free Coalition
of Portage County

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Stevens Point, WI 54481
ph 715-345-5350
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June 12, 2001

To: Senate Budget Committee Hearing

From: Tobacco Free Coalition of Portage County

RE: Long Term Funding for Tobacco Control

Dear Honorable Senators:

I am present today on behalf of the Tobacco Free Coalition of Portage County to convey to you the importance of tobacco funding in Wisconsin. There are two key needs that the coalition is asking you to support:

1. An. increase on the cigarette tax with 2 cents allocated to fund the Wisconsin Tobacco Control Board;
2. Provision for an endowment from the Master Settlement Agreement funds to provide ongoing funding for the Wisconsin Tobacco Control Board.

These issues are very important to the coalition because the Tobacco Control Board funds $65,636 to Portage County to be used for local tobacco prevention and control. This use of settlement dollars is directly helping the people in Portage County in the following ways:

- Provide support for local cessation programs for Portage County's 14,180 smokers.
- De-normalize tobacco use in restaurants and work sites with voluntary smoke free policies.
- Provide cessation interventions with pregnant women who smoke.
- Reduce tobacco use and exposure to second hand smoke on the campus of UW-SP.
- Protect children from the harmful effects of second hand smoke in homes and restaurants.

The mission of the Tobacco Free Coalition of Portage County is, "To reduce tobacco related death and disability through education and advocacy, creating a community environment that encourages tobacco free living." Our coalition is in the beginning stages of launching our comprehensive tobacco control plan in the county. We must continue to receive funding from the Tobacco Control Board in order to make an impact on the health of our citizens and reduce the social and financial burden of tobacco in Portage County. We urge you to support funding for this important public health issue. By supporting these two issues, you will be promoting the use of Master Settlement Agreement funds as they were meant to be used and as the public wants them to be use. Thank you for this opportunity.

Sincerely,

Nancy Prince

Nancy Prince, Supervisor, Tobacco Control Program of Portage County