



# Mark Meyer

State Senator • 32nd Senate District

Senate Committee on Health, Utilities, Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Meyer

Health and Family Services – Medical Assistance  
LFB Summary of Governor’s Budget Recommendation – Page 362 – Item 14

Governor: The Governor’s budget provides \$82,100 general purpose revenue (GPR) and \$198,500 federal funds (FED) in fiscal year 2001-02 and \$392,100 GPR and \$948,300 FED in fiscal year 2002-03 to expand Medical Assistance (MA) eligibility to certain women diagnosed with breast or cervical cancer. Effective January 1, 2002, a woman would be eligible for all MA benefits and services if she: (a) is not otherwise eligible for MA or BadgerCare; (b) is under 65 years of age; (c) is not eligible for creditable health care coverage; (d) has been screened for breast or cervical cancer under an authorized program; and (e) requires treatment for breast or cervical cancer. States that exercise the option to provide this MA coverage to women who met these criteria are eligible for enhanced federal matching funds equal to the matching rate for BadgerCare, currently 71.19%.

Senator Meyer: Presumptive eligibility for the MA program is a state option available under federal law. It permits persons who are likely to be determined eligible for MA, to begin receiving MA services upon application for the program. Currently, in Wisconsin, pregnant women needing prenatal care may be presumptively eligible for MA. Providing presumptive eligibility for MA for women who have been diagnosed with breast and cervical cancer would enable women to begin necessary treatment without waiting for a formal determination of MA eligibility.

MOTION: Provide presumptive eligibility under MA for women who have been diagnosed with breast or cervical cancer in accordance with the criteria in the Governor’s proposal.





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State Senator • 32nd Senate District

Senate Committee on Health, Utilities, Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Meyer

Health and Family Services – Health  
LFB Summary of Governor’s Budget Recommendations – None

Governor: No provision.

Senator Meyer: Currently, s. 253.115, Stats., provides for a newborn hearing screening program. Infants who are identified with hearing loss can benefit from immediate treatment, including hearing aids. Under Medical Assistance (MA) and BadgerCare, coverage is currently provided for a complete hearing instrument package, plus a fee for dispensing the hearing aid. Coverage for hearing aids and dispensing fees may or may not be covered under other private insurance plans. It is important for infants identified with hearing loss to receive treatment as soon as possible, so that they may experience optimal language development.

**MOTION:** Provide state funding for a hearing instrument package and dispensing fee to for newborns that are identified with hearing loss, who do not have insurance coverage for these supplies and services and who are not eligible for MA or BadgerCare.





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State Senator • 32nd Senate District

Senate Committee on Health, Utilities, Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Meyer

Health and Family Services - Health  
LFB Summary of Governor's Budget Recommendation – None

Governor: No Provision – maintain current law.

Senator Meyer: Under current law, Wisconsin participates in the Special Supplemental Food Program for Women, Infants and Children (WIC) Farmer's Market Nutrition Program (FMNP). In fiscal year 2000, the state provided \$169,300 in general purpose revenue (GPR) which was matched by \$529,300 in federal funds (FED) for the FMNP, which currently is operated by one Indian tribe and in 21 counties. The program provides a \$20 coupon per household to purchase fresh produce and other eligible foods from farmer's market vendors.

MOTION: Provide \$614,400 GPR in each fiscal year of the 2001-03 biennium to expand the FMNP to all 72 counties, and to increase the coupon allotment from \$20 per household to \$20 per person in each household, with a maximum of two persons per household eligible to receive coupons.





# Mark Meyer

State Senator • 32nd Senate District

Senate Committee on Health, Utilities, Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Meyer

Health and Family Services – Community Aids and Supportive Living  
LFB Summary of Governor's Budget Recommendation – Page 400, Item 3.

Governor: Provide \$1,088,000 in 2001-02 and \$928,000 in 2002-03 from the federal community mental health block grants to fund (a) \$160,000 in one-time costs of continuing the mental health and substance abuse managed care demonstration pilots that began in the 1999-2001 biennium, and (b) \$928,000 in each year for systems change grants to fund expanded prevention, early intervention and recovery services for persons with mental illness

Senator Meyer: The Department of Health and Family Services (DHFS) funds consumer and family support services through the federal mental health block grant. The DFHS also currently has .6 FTE position to assist consumers and families. Current funding for these programs does not meet demand. Some of the programs funded with these federal funds include drop-in centers, consumer education and employment services, and family information and peer support activities.

Further, the Blue Ribbon Commission on Mental Health recommended the implementation of mental health and alcohol and other drug abuse (AODA) managed care demonstration projects. However, the proposed funding level in the Governor's budget is insufficient to develop these new managed care systems.

Finally, wraparound and integrated service systems for children with severe emotional disturbance are funded in part through the federal mental health block grant. These funds provide seed money to counties to develop these systems of care, which are successful in reducing inpatient hospital stays and juvenile justice placements.

MOTION: Reallocate \$928,000 per fiscal year in federal mental health block grant funds as follows:

Fiscal Year 2001-02:



Consumer and Family Support Services: \$394,000

Mental Health and AODA Managed Care Demonstration Projects: \$238,000 (this funding will be combined with mental health block grant funds of \$262,000 which are currently allocated to this purpose, which will provide \$500,000 for the fiscal year. This will fund each of the four pilot sites at \$125,000 in fiscal year 2001-02).

Children with severe emotional disturbance: \$296,000

Fiscal Year 202-03:

Consumer and Family Support Services: \$394,000

Mental Health and AODA Managed Care Demonstration Projects: \$38,000 (These funds, combined with mental health block grant funds of \$262,000 which are currently allocated to this purpose, will provide \$300,000 for the fiscal year. This will fund each of the four pilot sites at \$75,000 in fiscal year 2002-03).

Children with severe emotional disturbance: \$496,000

# JON ERPENBACH

STATE SENATOR

**Senate Committee on Health, Utilities, Veterans and Military Affairs  
BUDGET RECOMMENDATION MOTION  
Senator Jon Erpenbach**

**GOVERNOR:** Reduces HIRSP by \$3.8 million over the biennium.

**SENATOR ERPENBACH:** The budget reduces State support for HIRSP by \$3.8 million over the biennium at a time when HIRSP costs are rising significantly. That reduction could increase premiums for HIRSP policyholders by almost \$2.3 million, because policyholders pay 60 percent of program costs after State support is deducted. It will also directly add nearly \$800,000 to the premiums small businesses must pay for commercial health insurance. The balance of the \$3.8 million amounts to a health care tax imposed on all Wisconsin health care consumers and their insurers, because doctors and hospitals pay their share of HIRSP costs through reduced reimbursement and shift the cost to their other patients.

**MOTION:** Move to restore \$3.8 million in GPR support for HIRSP

# JON ERPENBACH

STATE SENATOR

Senate Committee on Health, Utilities, Veterans and Military Affairs

**BUDGET RECOMMENDATION MOTION**

Senator Jon Erpenbach

Health and Family Services - Prescription Drug Assistance - Medical Assistance  
LFB Summary of Governor's Budget Recommendations, Pages 355-356, Item 70

**Governor:** Decreases Medical Assistance reimbursement rate to pharmacists for prescription drugs. The new reimbursement rate would be reduced to the Average Wholesale Price minus 15%. (Current reimbursement rate: Average Wholesale Price minus 10%)

**Senator Erpenbach:** Once again, the pharmacies are being asked to bear the brunt of Medicaid drug cost containment. If this provision is put into effect, many pharmacies will no longer be able to provide services for MA patients, as they will be losing money on every MA prescription being filled. Worse yet, it may force some smaller pharmacies out of business. I am concerned that the access to prescription drugs for MA participants will be greatly affected.

**MOTION:** Delete the Governor's recommendation

# JON ERPENBACH

## STATE SENATOR

Senate Committee on Health, Utilities, Veterans and Military Affairs

### BUDGET RECOMMENDATION MOTION

Senator Jon Erpenbach

Health and Family Services - Respite Care Program  
SENATE BILL 55 - Page 395, Line 17

**Governor:** Authorizes \$225,000 over the biennium for this program.

**Senator Erpenbach:** At this level of funding, families will not be sufficiently funded to get enough respite to continue doing the valuable work they do in caring for their loved ones. Keeping these caregivers healthy will save the state in the long run, as without them, these folks would move to far more expensive settings for care.

**MOTION:** Add \$225,000 GPR to this program, for a total of \$450,000 over the biennium



# JON ERPENBACH

## STATE SENATOR

Senate Committee on Health, Utilities, Veterans and Military Affairs

### BUDGET RECOMMENDATION MOTION

Senator Jon Erpenbach

Health and Family Services - Community Aids and Supportive Living  
LFB Summary of Governor's Budget Recommendations, Pages 398-399, Item 1

**Governor:** Authorizes DHFS to distribute not more than \$2,342,800 in each fiscal year for this program

**Senator Erpenbach:** The Alzheimer's Family Caregiver Support Program has traditionally served families earning up to \$40,000 per year. With the inclusion in the FamilyCare program, and the \$20,000 annual income limit, middle income families will be left out of vital services that the caregivers desperately need to get them through the often difficult and strenuous time of taking care of their loved one.

**MOTION:** Augment the Governor's appropriation language on Page 399, with language defining that Alzheimer's patients earning up to \$20,000 per year would be eligible for Family Care, but not AFCSP. Alzheimer's patients earning up to \$40,000 per year would still be eligible for AFCSP. (Currently the program serves people earning up to \$40,000 per year, but when enrolled in Family Care face eligibility limits to \$20,000 per year. This motion will prevent middle class families from losing services while maintaining the integrity of Family Care.) Further clarify that the monies allocated to AFCSP clients stays with AFSCP when the FamilyCare patient no longer needs the services, instead of reverting to DHFS and Family Care (the goal being serving more of the constantly increasing Alzheimer's rolls, instead of the money diverting to some other program within Family Care.)

# JON ERPENBACH

## STATE SENATOR

Senate Committee on Health, Utilities, Veterans and Military Affairs

### BUDGET RECOMMENDATION MOTION

Senator Jon Erpenbach

Health and Family Services - Community Based Waiver – Birth to Three Program  
LFB Summary of Governor's Budget Recommendations, Pages 411, Item 5

**Governor:** Maintains funding for the Birth to Three program at current level (has not had an increase since 1996)

**Senator Erpenbach:** This very successful early intervention program has ever-increasing demand, placing an undue burden on counties to provide the service to those in need. This program has not had an increase in funding since 1996. Currently, 7,000 children are being served at 1996 funding levels – causing the counties to make up the more than 35% funding differential. Without an increase, I am concerned that ever burdened counties will be unable to continue funding the extra participants. The benefits to the children and families who are able to participate in this program, along with the far-reaching benefits to our assistance systems that are already in place due to these early interventions, far outweigh the costs associated with it.

**MOTION:** Increase General Purpose Revenue (GPR) by \$2 million in year 1 and \$2 million in year 2 for the Birth to Three Program.

# JON ERPENBACH

## STATE SENATOR

Senate Committee on Health, Utilities, Veterans and Military Affairs

### BUDGET RECOMMENDATION MOTION

Senator Jon Erpenbach

Workforce Development – Vocational Rehabilitation - Independent Living Assistive Living Technology Proposal

**Governor:** No change/provision in the Governor's budget

**Senator Erpenbach:** This proposal will provide resources and technical assistance regarding assistive technology to persons of all disabilities and all ages in the State of Wisconsin.

**MOTION:** Provide General Purpose Revenue (GPR) funding of \$800,000, broken down as follows:

1. Independent Living Centers (ILC'S) for the eight Wisconsin ILC's (\$60,000 each) for a total of \$480,000
2. Wisconsin Coalition for Advocacy (WCA) for a total of \$120,000
3. Office for Persons with Physical Disabilities (OPPD) for a total of \$60,000
4. Agrability for a total of \$60,000
5. Wheel Chair Recycling Program for \$80,000

Detailed Distribution:

1. ILC's – The \$60,000 to each ILC would be used to maintain a full time Assistive Technology/Adaptive Equipment Specialist and funds of the the ILC's to maintain the Assistive Device/Equipment Loan Closet. The Assistive Technology Specialist would provide information, resources and assessments for person's assistive technology needs. This would be based on the existing and latest information and products available. The Assistive Technology Specialist would maintain the equipment loan closet for test trials.
2. WCA – The \$120,000 would allow WCA to maintain two positions to provide statewide systematic advocacy on assistive technology issues. The position would focus on assessing systematic barriers to the provision of technology in school systems, human service programs, businesses, and public and private insurance programs. WCA staff will develop education, training, technical assistance, and advocacy services to overcome the barriers.
3. OPPD – The \$60,000 to OPPD would provide the office a staff to administer the state funding, develop statewide reporting mechanisms, contact performance evaluation, training and additional resource development. Specifically, in the area of resource development, the staff would work with assistive technology /adaptive equipment vendors to obtain equipment to maintain and update the trial equipment.
4. AGRABILITY – Provide Easter Seals Society of Wisconsin with \$60,000 to staff their unique program of providing persons with disabilities in the agricultural industry, living in the state of

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# ROGER BRESKE

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STATE SENATOR

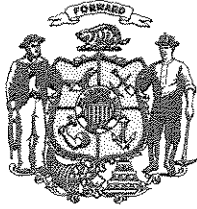
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## MA – PHARMACY CUTS

***Motion:*** Restore GPR funding for MA pharmacy reimbursement rates.

***Rationale:*** By drastically reducing the state's reimbursement to pharmacies, the Governor has seriously threatened access to prescriptive services throughout the state, but particularly to residents in rural areas such as northern Wisconsin. Most, if not all, area pharmacies simply could not absorb the reduced rates proposed as part of this budget package.

Pharmacists provide a valuable, personalized service to the public who depend upon them. They are not the cause of the high prescriptive drug costs the state has experienced and should not be singled out for what they cannot control. Unless these provisions are deleted, many elderly and disabled residents will be forced to make long, difficult commutes to far off cities simply to fill their prescriptions.

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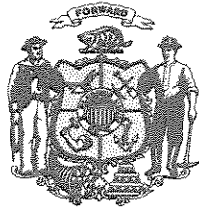
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## SPECIALIZED MEDICAL VEHICLE REIMBURSEMENT RATE

**MOTION:** Increase state GPR funding for the Specialized Medical Vehicle Medicaid (MA) Reimbursement Rate by a minimum of 15%.

**RATIONALE:** The Specialized Medical Vehicle program was designed to help keep elderly and disabled people in their own homes by providing safe, competent transportation to medical appointments. After years of funding declines beginning in 1992, the Specialized Medical Vehicle program has never recovered. Inadequate reimbursement rates have forced providers from the business. These programs are especially important in rural areas outside of the service areas of municipal transit systems. Wisconsin's reimbursement rates for these services are substantially lower than those of neighboring states. We are also unique in establishing recipient co-payments for these important services.

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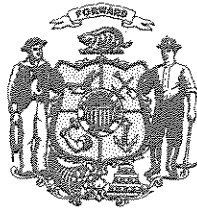
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## RESTORE HIRSP FUNDING

**Senators Breske & Erpenbach: Move to restore \$3.8 million in GPR support for HIRSP**

### **RATIONALE:**

- The budget reduces State support for HIRSP by \$3.8 million over the biennium at a time when HIRSP costs are rising significantly. That reduction could increase premiums for HIRSP policyholders by almost \$2.3 million, because policyholders pay 60 percent of program costs after State support is deducted. It will also directly add nearly \$800,000 to the premiums small businesses must pay for commercial health insurance. The balance of the \$3.8 million amounts to a health care tax imposed on all Wisconsin health care consumers and their insurers, because doctors and hospitals pay their share of HIRSP costs through reduced reimbursement and shift the cost to their other patients.

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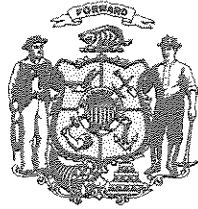
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## FUNDING EQUITY FOR MEDICAID/BADGERCARE

**MOTION:** Move to establish nonstatutory language requiring DHFS to factor into the development of the HMO fee-for-service equivalent rate any Medicaid/BadgerCare reimbursement increases to providers to HMOs participating in the Medicaid/BadgerCare program, to actuarially reflect the increased rates payable to providers.

### **RATIONALE:**

- The Budget Bill must provide some kind of linkage to allow Medicaid reimbursement increases, such as the proposed 37-percent increase for hospital outpatient services, to pass through to HMOs in recognition that nearly a quarter-million Medicaid and BadgerCare recipients are covered through the Managed Care Program.
- In the absence of a pass-through mechanism, the large increase in provider reimbursement may unintentionally create an incentive for providers to terminate their contracts with HMOs. Providers may make an economic decision to opt out of the Managed Care Program to take advantage of reimbursement rates that would greatly exceed what HMOs could pay.
- The State requires HMOs to provide a baseline discount from Medicaid's fee-for-service equivalent costs. These cost savings are threatened if HMOs are unable to contract with hospitals or other medical providers because of a significant funding inequity. Reduced HMO participation in Medicaid/BadgerCare would increase the State's baseline costs because the State would have to directly fund Medicaid benefits at the higher fee-for-service rates.

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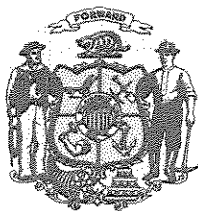
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## WISCONSIN AIDS/HIV PROGRAM

**Governor:** No change to base funding of \$4,083,800 GPR per year/\$8,167,600 for biennium.

**Senators Breske, Rosenzweig & Erpenbach:** After years of decline, new state AIDS/HIV figures indicate sharp increases in HIV infections, AIDS cases and AIDS deaths for 2000. Increased funding is urgently needed to turn back the renewed threat of AIDS in Wisconsin. Time limits are being reached on the first generation of effective treatments for AIDS, while the visible success of those treatments continues to cause widespread complacency about HIV. Heightened attention must be paid to prevention, which remains the only surefire treatment available for one of the state's gravest public health threats. Prevention efforts should be targeted at high-risk groups, including persons of color, who account for more than half of new infections in Wisconsin; women, who account for one-quarter of new infections in Wisconsin; and persons under 25, who account for more than half of new infections nationwide.

**MOTION:** Increase funding to the state AIDS/HIV program by \$1.7 million over the biennium, including:

- \$1.1 million for prevention, to be divided equally between AIDS service organizations and minority community-based organizations;
- \$200,000 for a 5 percent increase in community-based HIV care and treatment services;
- \$250,000 for a statewide multimedia campaign re-emphasizing the dangers of AIDS and the absence of a cure or permanent treatment;
- \$150,000 for a statewide education program in high schools, to break teens of the fatal misperception that their youth shields them from a "disease of the '80s."





WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR – 31ST DISTRICT

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Board on Aging and Long Term Care*

**LFB Summary of Governor's Budget Recommendations, Page 148, Items 2**

**Governor:** Reduce the Board on Aging and Long Term Care's state operations appropriation by \$31,400 GPR annually.

**Senator Moen:** The Board on Aging and Long Term Care provides advocacy services to individuals receiving long term care services. The Board's Ombudsman Program provides one-on-one counseling and defends against abuse and neglect in long term care settings. Ombudsman work with individuals and their families, as well as long term care providers and staff, to resolve situations that arise between patients and caregivers. The Board estimates that it would lose two of its current fifteen ombudsman positions if the governor's budget cuts were enacted.

**Motion:** Retain the current level of funding for the Board on Aging and Long Term Care.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR – 31ST DISTRICT

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Employee Trust Funds*

**Letter from ETF Secretary Eric Stanchfield Dated April 11, 2001 regarding the Private Employer Health Care Coverage Program Budget**

**Governor:** No provision

**Senator Moen:** The lack of affordable health insurance is a serious problem facing small businesses in Wisconsin. In an attempt to address this issue, the legislature created the Private Employer Health Care Coverage Program in the 1999-2001 budget to allow small business owners to pool together to purchase insurance for their employees.

According to Secretary Stanchfield, continued funding is required for the Department of Employee Trust Funds to make the small business pool operational. The Department is seeking an amendment to its biennial budget to fund the existing 3.5 positions created in the previous budget, to provide legal and actuarial related consulting services to the department and to enhance the marketing potential of the program.

The Department requests full GPR funding of \$1,097,600 in the first year of the biennium. In the second year of the biennium, the Department estimates that it will require \$397,000 GPR due to the offset of premiums collected. The Department estimates that it will make progress toward self-sufficiency by 2004.

**Motion:** Provide \$1,097,600 GPR in 2001-2002 and \$397,000 GPR in 2002-2003 to support administrative and marketing costs of the Private Employer Health Care Coverage Program.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Health and Family Services – Medical Assistance*

**LFB Summary of Governor's Budget Recommendations, Pages 353-54, Item 6**

**Governor:** Require DHFS, not later than January 1, 2002, to request a waiver from the federal Secretary of the U.S. Department of Health and Human Services (DHHS) to: (a) permit DHFS to verify whether a family or a child has access or has had access to employer-subsidized health care prior to enrolling the family or child in BadgerCare; and (b) increase the time period a family or a child is required to be without access to employer-subsidized health care before the family or child would be eligible for BadgerCare.

Specify that the waiver request would propose to increase the waiting period for BadgerCare eligibility from three to six months with certain exceptions.

**Senator Moen:** One of the main goals of the Badgercare program is to prevent gaps in health insurance coverage for working families. This provision will encourage families to go without health insurance coverage for a longer period of time.

**Motion:** Delete the Governor's recommendation.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR – 31ST DISTRICT

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Health and Family Services – Medical Assistance*

**LFB Summary of Governor's Budget Recommendations, Pages 355-58, Item 7**

**Governor:** Require DHFS and DOA to engage in the following activities that are intended to provide prescription drug assistance to certain individuals: MA Prescription Drug Assistance Project; MA Bulk Purchase and Mail Order Delivery of Prescription Drugs and Supplies; and Prescription Drug Discount Program.

**Senator Moen:** Between Senate Bill 1, Assembly Bill 120 and the governor's prescription drug assistance plan, the governor's plan helps the fewest people with the lowest incomes. A comprehensive prescription drug assistance plan that serves all those in need is overdue.

**Motion:** Delete the Governor's recommendations and insert the provisions of Senate Bill 1.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Health and Family Services – Medical Assistance*

**LFB Summary of Governor's Budget Recommendations, Page 359, Item 9**

**Governor:** The Governor's budget provides \$22,907,900 (\$13,409,600 FED and \$9,498,300 SEG) and 2001-02 and \$24,199,400 (\$14,103,500 FED and \$10,095,900 SEG) in 2002-03 to fund increases in the maximum reimbursement rates paid to hospitals for outpatient services and increases in reimbursement rates for inpatient services provided by disproportionate share hospitals (DSHs). SEG funding would be provided from the MA trust fund created in the budget bill with federal dollars received through the Intergovernmental Transfer (IGT). Under the bill, the outpatient services rate paid to a rural hospital would be recalculated so that in 2001-02, each hospital would be paid a rate equivalent to 100% of a hospital's costs for outpatient services. For urban hospitals in 2001-02, the rate would be equivalent to approximately 90-95% of a hospital's costs for outpatient services.

**Senator Moen:** The governor's budget proposes to use IGT funding to create an MA trust fund which would then be used to fund an increase in MA reimbursement rates to hospitals for outpatient services. I believe that trust fund dollars should be used for long term care services and, in part, to reducing waiting lists for community long term care programs. The Survival Coalition estimates that 5000 adults with developmental disabilities are waiting for services under various MA waiver programs, and 2200 people with physical disabilities are waiting for services under the Community Options Program (COP) waiver program.

In 1999, Wisconsin's 121 non-profit, GMS hospitals reported a net income of more than \$396 million. The majority of that profit was incurred by urban hospitals. Eliminating the increase in MA reimbursement rates paid to urban hospitals would save an estimated \$15 million that could be used instead to address the waiting lists for community programs. These funds could be used in place of GPR to draw down federal matching funds.

**Motion:** Eliminate the MA outpatient rate increase for urban hospitals funded through the proposed MA trust fund. Use the available SEG to provide funds for individuals who are on waiting lists for MA waiver programs. Retain provisions relating to rural and DSH hospitals.



WISCONSIN STATE SENATE

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Health and Family Services – Medical Assistance*

**LFB Summary of Governor's Budget Recommendations, Pages 360-61, Item 10**

**Governor:** Reduce MA benefits by \$11,521,700 (all funds) in 2001-2002 and \$17,650,300 in 2003-2003 to reflect the projected cost savings that would result by reducing MA reimbursement rates to pharmacies and pharmacists. Under the proposal, DHFS would reimburse pharmacies and pharmacists at a rate equal to the average wholesale price (AWP) minus 15 percent, plus the applicable dispensing fee. DHFS currently pays pharmacies and pharmacists a rate equal to the AWP minus ten percent, plus the applicable dispensing fee.

**Senator Moen:** If MA funding for pharmacies were reduced to the AWP minus fifteen percent as the governor has proposed, pharmacies may be forced to stop serving MA patients or go out of business. This would be detrimental to many Wisconsin residents, particularly those in rural areas. The legislature should look for ways to increase access to health care in underserved areas instead of jeopardizing the access we currently have.

**Motion:** Delete the governor's recommendation and maintain current reimbursement rate for pharmacists.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR – 31ST DISTRICT

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State Capitol, P.O. Box 7882, Madison, Wisconsin 53707-7882 Phone: (608) 266-8546 Toll-free: 1-877-ROD-MOEN

**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Health and Family Services – Medical Assistance*

**Department of Health and Family Services Biennial Budget Request, DIN Number 5411**

**Governor:** No provision

**Senator Moen:** The Department of Health and Family Services, in its biennial budget request, proposed spending \$47,500 GPR to provide MA coverage to youths who have aged out of the foster care system. This proposal would capture \$66,300 in federal funding.

Children and youths in foster care have higher than average health care needs. These needs are oftentimes unmet after a child turns 19 and leaves the foster care system, creating a huge barrier to self-sufficiency.

**Motion:** Provide \$47,500 GPR and \$66,300 FED in 2003 to expand MA coverage, beginning January 1, 2003, to youths ages 18 to 21 who had been in out-of-home care at least one year before aging out of the out-of-home care system.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR – 31ST DISTRICT

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Health and Family Services – Medical Assistance*

**Legislative Council Report to the Legislature – Legislation on Dental Care Access**

**Governor:** No provision.

**Senator Moen:** Inadequate access to dental care for Wisconsin's lower income families is one of the biggest health care challenges facing our state today. Even though dental care is a covered service under the MA and BadgerCare programs, it is difficult to find dentists in Wisconsin who are willing to see MA patients.

In an effort to address this critical problem, the legislature created the Special Committee on Dental Care Access to study ways to improve access to dental care in Wisconsin. After spending several months studying the issue, the committee produced a comprehensive package of solutions to address the dental access problems in our state.

The study committee introduced its recommendations as two separate bills in the legislature – one fiscal bill and one bill containing non-fiscal policy items. The 2001-2003 budget is the appropriate vehicle for the consideration of the fiscal items proposed by the study committee.

The lack of dental care can have dire consequences for both children and adults, such as chronic pain, missed school, malnutrition and susceptibility to other diseases. Ensuring access to dental care for all Wisconsin citizens, especially preventative dental services, would not only increase the quality of life for many citizens, but save MA dollars in the long run.

**Motion:** Incorporate in the 2001-2003 budget the fiscal recommendations proposed by the Special Committee on Dental Care Access. The provisions included in Wisconsin Legislative Council draft WLC:0089/2, are as follows:

- Increase in the maximum number of students that qualify for tuition assistance at Marquette University School of Dentistry, along with an increase in the amount of tuition assistance available to Wisconsin students who attend Marquette,
- Provide funding for a licensed dental health professional in each of the five DHFS public health administrative regions, to provide dental health outreach and dental care to underserved individuals,
- Establish a grant program to provide funds to entities that provide, or seek to provide or expand, dental services to low-income individuals,
- Increase the MA reimbursement rate for dental services to the 75<sup>th</sup> percentile of fees from the American Dental Association fee schedule for the east north central region,
- Authorize MA reimbursement for topical fluoride varnish for young children; for services provided by dental hygienists and for two dental cleaning per adult per year,
- Provide grants for community water fluoridation.





WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR – 31ST DISTRICT

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Health and Family Services – Family Care and other Community  
Based Long Term Care Programs*

**LFB Summary of Governor's Budget Recommendations, Page 411, Item 5**

**Governor:** No increase. Provide continued funding of \$4,759,200 GPR annually for the program.

**Senator Moen:** The Birth to Three program provides a vital service to children with disabilities and their families by maximizing the potential for development and helping families to meet the special needs of their infants. The program's focus on early intervention is cost effective, because it reduces the need for special education and other services for children with disabilities.

**Motion:** Provide an additional \$2,000,000 million annually for Birth to Three services.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR - 31ST DISTRICT

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Military Affairs*

**LFB Summary of Agency Budget Requests, page 134, Item 5**

**Governor:** No provision.

**Senator Moen:** The Badger Challenge program is a six-week residential program for 14-16 year olds who are at-risk of dropping out of school. Badger Challenge is modeled on a military format that provides a structured environment designed to cultivate positive growth through self-discipline, personal leadership, and responsibility.

Nationally, 82-percent of those in prison do not have a high school diploma. The ultimate goal of Badger Challenge is for the program graduates to remain in school and receive their high school diploma. The state Department of Corrections reports that the annual cost of incarcerating one juvenile in a state-run juvenile facility is \$58,400. The successful diversion of only two Badger Challenge cadets from incarceration will recoup the costs of the program expansion.

The governor denied a request by the Department of Military Affairs to expand the Badger Challenge program from 65 to 100 cadets.

**Motion:** Provide \$83,700 GPR and \$27,900 TANF in each year of the biennium to increase the size of the Badger Challenge program from 65 to 100 cadets.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR - 31ST DISTRICT

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Veterans Affairs*

**LFB Summary of Governor's Budget Recommendations, Page 703, Item 3**

**Governor:** Repeal the current health care aid grant program and replace it with an eye and dental care grant program. Specify that the Department would be authorized to award grants to eligible veterans or their dependents for the costs of eyeglasses, contact lenses, hearing aids and basic dental care, including dentures. Re-title the existing health care aid grants program to apply instead to the new eye and dental care grant program. The base level of funding for the program is \$1,200,000 annually and would not be changed under the proposed modifications. Direct the Department to promulgate rules establishing criteria and procedures for awarding such grants. Specify that the rules must include eligibility requirements and applications procedures. For the period prior to the promulgation of permanent rules, authorize the Department to promulgate emergency rules without first having to provide evidence of an emergency.

**Senator Moen:** The Health Care Aid Grant program currently provides emergency assistance to financially needy veterans and their dependents to help pay for certain medical treatment and hospitalization. Grants under the current program assist in the payment of essential medical services, including doctors' services, hospital charges, corrective lenses, prostheses, leasing or purchase of medical appliances and equipment and dental care.

Under the governor's proposal, needy veterans and their dependents - including widows and widowers - who have inadequate or no health insurance would be limited to receiving grants only for eyeglasses, contact lenses, hearing aids and basic dental care including dentures. Veterans most in need would no longer be able to receive grants pay for emergency medical care through the program.

**Motion:** Delete governor's provision.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR – 31ST DISTRICT

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Veterans Affairs*

**LFB Summary of Governor's Budget Recommendations, Page 704, Item 6**

**Governor:** Create a biennial appropriation to fund a grant to the Wisconsin Veterans War Memorial / Milwaukee, Inc., to support its veterans education center and provide \$200,000 in 2001-02 for this purpose. Include a nonstatutory provision authorizing the Department to make one grant of \$100,000 during the 2001-03 biennium for the veterans education center. As drafted the remaining \$100,000 in the appropriation would remain unspent and would lapse to the Veterans Trust Fund at the end of the biennium. Repeal the new appropriation effective July 1, 2003.

**Senator Moen:** The Veterans Trust Fund was created as a self-perpetuating vehicle to finance most of the loan and grant programs for state veterans. The Governor's recommendation to use trust fund resources to assist a private fund raising venture for the development of and education center at the Veterans War Memorial is inconsistent with the trust funds mission. Veterans Trust Fund resources should only be used to fund veterans programs and benefits.

**Motion:** Delete governor's provision.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR – 31ST DISTRICT

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**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Veterans Affairs*

**LFB Summary of Governor's Budget Recommendations, Page 696, Item 8**

**Governor:** Provide -\$471,100 GPR and \$680,500 SEG in 2001-02 and -\$471,100 (GPR) and \$576,900 SEG in 2002-03 and 1.0 SEG two-year project position for Wisconsin Veterans Museum initiatives.

**Senator Moen:** The Veterans Trust Fund finances most of the loan and grant programs for state veterans and trust fund resources should be maintained for that purpose. The Wisconsin Veterans Museum was created to affirm, acknowledge and commemorate the role of Wisconsin veterans in our nation's history. However, the museum also serves the state as a tourist attraction and an educational resource for the many thousand's of school children who visit the museum each year.

The costs associated with maintaining and improving the museum that perpetuates and honors the history and legacy of Wisconsin's veterans and citizen-soldiers who served in the National Guard should be funded with GPR.

**Motion:** Modify governor's provision as follows: delete shift in veterans museum space rental and utility costs from GPR to SEG; provide that funding for the remainder of the provision be GPR.

Sen. Rosenberg 414-651-9937

Budget Recommendations:

The following is a list of recommendations we heard during committee hearings and some we did not. I put an asterisk next to the suggestions I think are a high priority.

- Done* X. Funding for Private Employer Health Care Coverage Plan: ETF estimates they need \$1,097,600 in year 1 and \$794,500 in year 2. ✓
- yes* 2. Modify gov's prescription drug proposal to incorporate Senate Bill 1. ✓
- yes* 3. Maintain current reimbursement rate for pharmacists. ✓
- yes* 4. Eliminate Military Funeral Honors program and create grant program for Vets service organizations? ✓
- Y* 5. Maintain GPR for vets museum ✓
- Y* 6. Maintain current requirements for Health Care Aid Grants for veterans and dependents ✓
- Y* 7. Badger Challenge? ✓
- \* 8. Additional funding for the Birth to 3 Program (\$2 million each year) → *yes* ✓
- 9. Maintain IGT dollars for nursing homes. If IGT money not approved, replace with GPR.
- yes* 10. The Survival coalition wants to eliminate community program waiting lists for people with disabilities: CIP IB and Brain Injury Waiver programs would equal \$6 million in first year and \$32 million in the second, COP-Waiver would equal \$2 million in year 1 and \$6 million in year 2, and the Family Support Program would be \$2.5 million GPR in year 1 and \$5 million in year 2. You may want to some or all of these. ✓
- 11. Survival Coalition also asks for \$90 million to increase wages for community workers. They also want funding for assistive technology. The list goes on and on.
- 12. There is no funding in budget for Family Care pilot project expansion. DHFS requested funding for Kenosha county but didn't provide a breakdown of the costs of doing so.
- yes* 13. The governor's budget eliminates \$62,800 in base funding for the Board on Aging and also eliminates an ombudsman for Family Care. We should retain this funding. ✓
- 14. Insurers are concerns about a cut in GPR for HIRSP funding, which will increase costs to enrollees and insurers and providers. While I'm concerned about enrollees, I don't care so much about insurers.
- If she doesn't we will* 15. HMOs are also concerned about management contracts and an MA reimbursement increase on hospital side but not HMO side. If the MA increase went through for outpatient hospital services, it could cause some hospitals to terminate contracts with HMOs for MA in order to take advantage of these increases. HMOs want the increase passed on to them.

16. Support gov's recommendation to increase in funding for community health centers.

17. Funding for St. Clare???? \$50,000

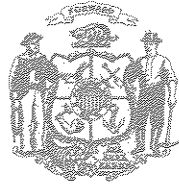
18. The governor's budget makes harmful changes in eligibility requirements for BadgerCare – increases waiting period from 3 to 6 months. This should be eliminated. 4

19. Recommendations of the Special Committee on Dental Care Access all Fiscal 4

20. WI Council on Children and Families got a provision included in DHFS budget request to extend MA coverage to 18-21 year old youth that have aged out of foster care system. Unfortunately, this good idea wasn't included in gov's budget. Cost: \$47,500 GPR to phase in 2003. 4

21. Aids Resource Center requests \$1.1 for prevention, and an additional \$700,000 for enhanced care and education programs.

22. Breast Cancer - presumptive eligibility



# Judith B. Robson

Wisconsin State Senator

**Senate Committee on Health, Utilities  
And Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Robson**

Health & Family Services – Medical Assistance

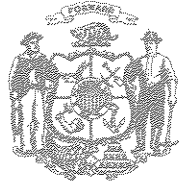
**LFB Summary of Governor's Budget Recommendations, Pages 353-54, Item 6**

**Governor:** Require DHFS, no later than January 1, 2002, to request a waiver from the federal Secretary of the U.S. Department of Health and Human Services (DHHS) to: (a) permit DHFS to verify whether a family or a child has access or has had access to employer-subsidized health care prior to enrolling the family or child in BadgerCare; and (b) increase the time period a family or a child is required to be without access to employer-subsidized health care before the family or child would be eligible for BadgerCare.

**Senator Robson:** The governor's proposal will needlessly delay and decrease access to health insurance coverage for families.

**Motion:** Delete the Governor's recommendation.





**Judith B. Robson**  
Wisconsin State Senator

**Senate Committee on Health, Utilities  
And Veterans and Military Affairs  
Budget Recommendation Motion**  
Senator Robson

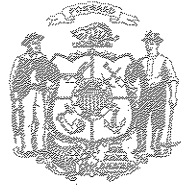
Health & Family Services – Medical Assistance

**LFB Summary of Governor's Budget Recommendations, Pages 360-01, Item 10**

**Governor:** Decrease Medical Assistance reimbursement rate to pharmacists for prescription drugs. The current reimbursement rate is equal to the average wholesale price (AWP), minus 10%. The new reimbursement rate would be AWP minus 15%.

**Senator Robson:** Our committee heard testimony that adopting the governor's proposal will give our state the distinction of paying the lowest reimbursement rate in the nation. Pharmacists from rural areas could be forced out of business and pharmacists with a large customer base could decide not to serve Medicaid recipients. The end result will be reduced access to pharmacy services.

**Motion:** Delete the Governor's recommendation.



**Judith B. Robson**  
Wisconsin State Senator

**Senate Committee on Health, Utilities  
And Veterans and Military Affairs  
Budget Recommendation Motion  
Senators Robson and Erpenbach**

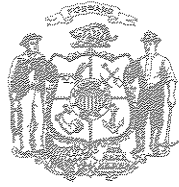
Health & Family Services – Health

**LFB Summary of Governor's Budget Recommendations, Page 371, Item 1**

**Governor:** Delete \$1,900,000 GPR annually in HIRSP funding to reduce GPR support for the program.

**Senator Robson:** The governor's proposal reduces state support for HIRSP at a time when enrollment and costs are rising significantly. This reduction will result in increased premium rates for the policyholders, with most of them already paying 150% of the rate that would be charged for a standard plan.

**Motion:** Increase the GPR appropriation by \$1.9 million annually in Section 20.435 (4) (af) HIRSP; transfer to fund for costs.



# Judith B. Robson

Wisconsin State Senator

**Senate Committee on Health, Utilities  
And Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Robson**

Health & Family Services – Medical Assistance

**LFB Summary of Governor's Budget Recommendations, Pages 355-58, Item 7**

**Governor:** Require DHFS and DOA to engage in the following activities that are intended to provide prescription drug assistance to certain individuals: MA Prescription Drug Assistance Project; MA Bulk Purchase and Mail Order Delivery of Prescription Drugs and Supplies; and Prescription Drug Discount Program.

**Senator Robson:** The governor proposes a federal waiver request instead of a prescription drug assistance plan. The governor proposes mail order deliveries to displace neighborhood services. The governor proposes a drug discount program that has not been analyzed or evaluated for its impact on pharmacies and service availability.

WisconsinCare, embodied in Senate Bill 1, is a plan that serves seniors with lowest incomes and highest out-of-pocket costs for drugs as well as moderate-income persons with very high drug costs. WisconsinCare passed the Senate with a bipartisan 20-13 vote. WisconsinCare has the support of the Coalition for Wisconsin Aging Groups, AARP, Wisconsin Citizen Action, League of Women Voters, Federation of Nurses and Health Professionals, Allied Council of Senior Citizens, Service Employees International Union, State Medical Society, Pharmacy Society of Wisconsin, Wisconsin Nurses Association, Medical College of Wisconsin, United Auto Workers, Wisconsin Pipe Trades Association, Wisconsin Retired Educators, and Wisconsin State AFL-CIO.

**Motion:** Delete the Governor's recommendations and insert Senate Bill 1.

Wisconsin, with specialized assistance regarding adaptations/modifications to continue their chosen profession.

5. WHEEL CHAIR RECYCLING PROGRAM – Provide \$80,000 to fund the wheelchair recycling program.



WISCONSIN STATE SENATE

**RODNEY C. MOEN**

SENATOR – 31ST DISTRICT

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State Capitol, P.O. Box 7882, Madison, Wisconsin 53707-7882 Phone: (608) 266-8546 Toll-free: 1-877-ROD-MOEN

**To:** Members, Senate Committee on Health, Utilities and Veterans and  
Military Affairs

**Info:** Laura Rose, Legislative Council

**From:** Senator Rod Moen, Chair

**Re:** Budget recommendations to the Joint Committee on Finance

**Date:** April 25, 2001

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Attached please find the paper ballots on the budget recommendations before the committee. Those motions that receive a majority vote will be forwarded to the members of the Joint Committee on Finance as Senate Health Committee recommendations.

Please return your ballots to my office by 12:00 noon on Friday, April 27. If you have any questions or concerns, please feel free to contact me.

**Senate Committee on Health, Utilities  
and Veterans and Military Affairs**  
**Budget Recommendation Motion**  
Senator Cowles

*General Provisions*

**LFB Memorandum Dated March 26, 2001, Relating to Non-Fiscal Policy Items Contained  
Within the Governor's 2001-2003 Budget Bill**

**Governor:** Several provisions

**Senator Cowles:** Non-fiscal policy items should not be included in the 2001-03 Budget.

**Motion:** Remove all provisions identified by the Legislative Fiscal Bureau as non-fiscal policy items from the 2001-03 budget bill.

**Aye**

**No**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 1**

*Relating to: non-fiscal policy items*

**Senate Committee on Health, Utilities  
and Veterans and Military Affairs**  
**Budget Recommendation Motion**  
Senator Moen

*Board on Aging and Long Term Care*

**LFB Summary of Governor's Budget Recommendations, Page 148, Items 2**

**Governor:** Reduce the Board on Aging and Long Term Care's state operations appropriation by \$31,400 GPR annually.

**Senator Moen:** The Board on Aging and Long Term Care provides advocacy services to individuals receiving long term care services. The Board's Ombudsman Program provides one-on-one counseling and defends against abuse and neglect in long term care settings. Ombudsman work with individuals and their families, as well as long term care providers and staff, to resolve situations that arise between patients and caregivers. The Board estimates that it would lose two of its current fifteen ombudsman positions if the governor's budget cuts were enacted.

**Motion:** Retain the current level of funding for the Board on Aging and Long Term Care.

Aye

No

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 2**

*Relating to: Board on Aging and Long Term Care*

**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Employee Trust Funds*

**Letter from ETF Secretary Eric Stanchfield Dated April 11, 2001 regarding the Private Employer Health Care Coverage Program Budget**

**Governor:** No provision

**Senator Moen:** The lack of affordable health insurance is a serious problem facing small businesses in Wisconsin. In an attempt to address this issue, the legislature created the Private Employer Health Care Coverage Program in the 1999-2001 budget to allow small business owners to pool together to purchase insurance for their employees.

According to Secretary Stanchfield, continued funding is required for the Department of Employee Trust Funds to make the small business pool operational. The Department is seeking an amendment to its biennial budget to fund the existing 3.5 positions created in the previous budget, to provide legal and actuarial related consulting services to the department and to enhance the marketing potential of the program.

The Department requests full GPR funding of \$1,097,600 in the first year of the biennium. In the second year of the biennium, the Department estimates that it will require \$397,000 GPR due to the offset of premiums collected. The Department estimates that it will make progress toward self-sufficiency by 2004.

**Motion:** Provide \$1,097,600 GPR in 2001-2002 and \$397,000 GPR in 2002-2003 to support administrative and marketing costs of the Private Employer Health Care Coverage Program.

**Aye**

**No**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 3**

*Relating to: Private Employer Health Care Purchasing Alliance*



**Senate Committee on Health, Utilities  
and Veterans and Military Affairs**  
**Budget Recommendation Motion**  
Senators Moen and Robson

*Health and Family Services – Medical Assistance*

**LFB Summary of Governor's Budget Recommendations, Pages 353-54, Item 6**

**Governor:** Require DHFS, not later than January 1, 2002, to request a waiver from the federal Secretary of the U.S. Department of Health and Human Services (DHHS) to: (a) permit DHFS to verify whether a family or a child has access or has had access to employer-subsidized health care prior to enrolling the family or child in BadgerCare; and (b) increase the time period a family or a child is required to be without access to employer-subsidized health care before the family or child would be eligible for BadgerCare.

Specify that the waiver request would propose to increase the waiting period for BadgerCare eligibility from three to six months with certain exceptions.

**Senator Moen:** One of the main goals of the Badgercare program is to prevent gaps in health insurance coverage for working families. This provision will encourage families to go without health insurance coverage for a longer period of time.

**Senator Robson:** The governor's proposal will needlessly delay and decrease access to health insurance coverage for families.

**Motion:** Delete the Governor's recommendation.

**Aye**

**No**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 4**

*Relating to: BadgerCare eligibility*

**Senate Committee on Health, Utilities  
and Veterans and Military Affairs**  
**Budget Recommendation Motion**  
Senators Robson and Moen

*Department of Health and Family Services – Medical Assistance*

**LFB Summary of Governor's Budget Recommendations, Pages 355-58, Item 7**

**Governor:** Require DHFS and DOA to engage in the following activities that are intended to provide prescription drug assistance to certain individuals: MA Prescription Drug Assistance Project; MA Bulk Purchase and Mail Order Delivery of Prescription Drugs and Supplies; and Prescription Drug Discount Program.

**Senator Robson:** The governor proposes a federal waiver request instead of a prescription drug assistance plan. The governor proposes mail order deliveries to displace neighborhood services. The governor proposes a drug discount program that has not been analyzed or evaluated for its impact on pharmacies and service availability.

WisconsinCare, embodied in Senate Bill 1, is a plan that serves seniors with lowest incomes and highest out-of-pocket costs for drugs as well as moderate-income persons with very high drug costs. WisconsinCare passed the Senate with a bipartisan 20-13 vote. WisconsinCare has the support of the Coalition for Wisconsin Aging Groups, AARP, Wisconsin Citizen Action, League of Women Voters, Federation of Nurses and Health Professionals, Allied Council of Senior Citizens, Service Employees International Union, State Medical Society, Pharmacy Society of Wisconsin, Wisconsin Nurses Association, Medical College of Wisconsin, United Auto Workers, Wisconsin Pipe Trades Association, Wisconsin Retired Educators, and Wisconsin State AFL-CIO.

**Senator Moen:** Between Senate Bill 1, Assembly Bill 120 and the governor's prescription drug assistance plan, the governor's plan helps the fewest people with the lowest incomes. A comprehensive prescription drug assistance plan that serves all those in need is overdue.

**Motion:** Delete the Governor's recommendations and insert the provisions of Senate Bill 1.

**Aye**

**No**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 5**

*Relating to: Prescription Drug Assistance*

**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Health and Family Services – Medical Assistance*

**LFB Summary of Governor's Budget Recommendations, Page 359, Item 9**

**Governor:** The Governor's budget provides \$22,907,900 (\$13,409,600 FED and \$9,498,300 SEG) and 2001-02 and \$24,199,400 (\$14,103,500 FED and \$10,095,900 SEG) in 2002-03 to fund increases in the maximum reimbursement rates paid to hospitals for outpatient services and increases in reimbursement rates for inpatient services provided by disproportionate share hospitals (DSHs). SEG funding would be provided from the MA trust fund created in the budget bill with federal dollars received through the Intergovernmental Transfer (IGT). Under the bill, the outpatient services rate paid to a rural hospital would be recalculated so that in 2001-02, each hospital would be paid a rate equivalent to 100% of a hospital's costs for outpatient services. For urban hospitals in 2001-02, the rate would be equivalent to approximately 90-95% of a hospital's costs for outpatient services.

**Senator Moen:** The governor's budget proposes to use IGT funding to create an MA trust fund which would then be used to fund an increase in MA reimbursement rates to hospitals for outpatient services. I believe that trust fund dollars should be used for long term care services and, in part, to reducing waiting lists for community long term care programs. The Survival Coalition estimates that 5000 adults with developmental disabilities are waiting for services under various MA waiver programs, and 2200 people with physical disabilities are waiting for services under the Community Options Program (COP) waiver program.

In 1999, Wisconsin's 121 non-profit, GMS hospitals reported a net income of more than \$396 million. The majority of that profit was incurred by urban hospitals. Eliminating the increase in MA reimbursement rates paid to urban hospitals would save an estimated \$15 million that could be used instead to address the waiting lists for community programs. These funds could be used in place of GPR to draw down federal matching funds.

**Motion:** Eliminate the MA outpatient rate increase for urban hospitals funded through the proposed MA trust fund. Use the available SEG to provide funds for individuals who are on waiting lists for MA waiver programs. Retain provisions relating to rural and DSH hospitals.

**Aye**

**No**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 6**

*Relating to: Waiting lists for community programs*

**Senate Committee on Health, Utilities  
and Veterans and Military Affairs**  
**Budget Recommendation Motion**  
Senators Moen, Breske, Robson and Erpenbach

*Department of Health and Family Services – Medical Assistance*

**LFB Summary of Governor's Budget Recommendations, Pages 360-61, Item 10**

**Governor:** Reduce MA benefits by \$11,521,700 (all funds) in 2001-2002 and \$17,650,300 in 2003-2003 to reflect the projected cost savings that would result by reducing MA reimbursement rates to pharmacies and pharmacists. Under the proposal, DHFS would reimburse pharmacies and pharmacists at a rate equal to the average wholesale price (AWP) minus 15 percent, plus the applicable dispensing fee. DHFS currently pays pharmacies and pharmacists a rate equal to the AWP minus ten percent, plus the applicable dispensing fee.

**Senator Moen:** If MA funding for pharmacies were reduced to the AWP minus fifteen percent as the governor has proposed, pharmacies may be forced to stop serving MA patients or go out of business. This would be detrimental to many Wisconsin residents, particularly those in rural areas. The legislature should look for ways to increase access to health care in underserved areas instead of jeopardizing the access we currently have.

**Senator Breske:** By drastically reducing the state's reimbursement to pharmacies, the Governor has seriously threatened access to prescriptive services throughout the state, but particularly to residents in rural areas such as northern Wisconsin. Most, if not all, area pharmacies simply could not absorb the reduced rates proposed as part of this budget package.

Pharmacists provide a valuable, personalized service to the public who depend upon them. They are not the cause of the high prescriptive drug costs the state has experienced and should not be singled out for what they cannot control. Unless these provisions are deleted, many elderly and disabled residents will be forced to make long, difficult commutes to far off cities simply to fill their prescriptions.

**Senator Robson:** Our committee heard testimony that adopting the governor's proposal will give our state the distinction of paying the lowest reimbursement rate in the nation. Pharmacists from rural areas could be forced out of business and pharmacists with a large customer base could decide not to serve Medicaid recipients. The end result will be reduced access to pharmacy services.

**Motion 7**

*Relating to: MA Rates for Prescription Drugs*  
(CONTINUED ON NEXT PAGE)

**Senator Erpenbach:** Once again, the pharmacies are being asked to bear the brunt of Medicaid drug cost containment. If this provision is put into effect, many pharmacies will no longer be able to provide services for MA patients, as they will be losing money on every MA prescription being filled. Worse yet, it may force some smaller pharmacies out of business. I am concerned that the access to prescription drugs for MA participants will be greatly affected.

**Motion:** Delete the Governor's recommendation and maintain the current reimbursement rates for pharmacies and pharmacists.

Aye

No

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 7**

*Relating to: MA Rates for Prescription Drugs*

**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Meyer**

*Department of Health and Family Services – Medical Assistance*

**LFB Summary of Governor's Budget Recommendations, Page 362, Item 14**

**Governor:** The Governor's budget provides \$82,100 general purpose revenue (GPR) and \$198,500 federal funds (FED) in fiscal year 2001-02 and \$392,100 GPR and \$948,300 FED in fiscal year 2002-03 to expand Medical Assistance (MA) eligibility to certain women diagnosed with breast or cervical cancer. Effective January 1, 2002, a woman would be eligible for all MA benefits and services if she: (a) is not otherwise eligible for MA or BadgerCare; (b) is under 65 years of age; (c) is not eligible for creditable health care coverage; (d) has been screened for breast or cervical cancer under an authorized program; and (e) requires treatment for breast or cervical cancer. States that exercise the option to provide this MA coverage to women who met these criteria are eligible for enhanced federal matching funds equal to the matching rate for BadgerCare, currently 71.19%.

**Senator Meyer:** Presumptive eligibility for the MA program is a state option available under federal law. It permits persons who are likely to be determined eligible for MA, to begin receiving MA services upon application for the program. Currently, in Wisconsin, pregnant women needing prenatal care may be presumptively eligible for MA. Providing presumptive eligibility for MA for women who have been diagnosed with breast and cervical cancer would enable women to begin necessary treatment without waiting for a formal determination of MA eligibility.

**Motion:** Provide presumptive eligibility under MA for women who have been diagnosed with breast or cervical cancer in accordance with the criteria in the Governor's proposal.

**Aye**

**No**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 8**

*Relating to: Presumptive MA Eligibility for Women Diagnosed  
with Breast or Cervical Cancer*

**Senate Committee on Health, Utilities  
and Veterans and Military Affairs**  
**Budget Recommendation Motion**  
Senator Moen

*Department of Health and Family Services – Medical Assistance*

**Department of Health and Family Services Biennial Budget Request, DIN Number 5411**

**Governor:** No provision

**Senator Moen:** The Department of Health and Family Services, in its biennial budget request, proposed spending \$47,500 GPR to provide MA coverage to youths who have aged out of the foster care system. This proposal would capture \$66,300 in federal funding.

Children and youths in foster care have higher than average health care needs. These needs are oftentimes unmet after a child turns 19 and leaves the foster care system, creating a huge barrier to self-sufficiency.

**Motion:** Provide \$47,500 GPR and \$66,300 FED in 2003 to expand MA coverage, beginning January 1, 2003, to youths ages 18 to 21 who had been in out-of-home care at least one year before aging out of the out-of-home care system.

**Aye**

**No**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 9**

*Relating to: MA Coverage for Youths Leaving Foster Care*

**Senate Committee on Health, Utilities  
and Veterans and Military Affairs**  
**Budget Recommendation Motion**  
Senator Breske

*Department of Health and Family Services – Medical Assistance*

**Funding Equity for Medicaid/BadgerCare**

**Governor:** The budget bill provides an increase in Medical Assistance reimbursement rates for certain providers without providing a pass-through mechanism for managed care companies who participate in the Medical Assistance/BadgerCare programs. Most notably, the budget provides a 37 percent increase for hospital outpatient services.

**Senator Breske:** The Budget Bill must provide some kind of linkage to allow Medicaid reimbursement increases, such as the proposed 37-percent increase for hospital outpatient services, to pass through to HMOs in recognition that nearly a quarter-million Medicaid and BadgerCare recipients are covered through the Managed Care Program.

In the absence of a pass-through mechanism, the large increase in provider reimbursement may unintentionally create an incentive for providers to terminate their contracts with HMOs. Providers may make an economic decision to opt out of the Managed Care Program to take advantage of reimbursement rates that would greatly exceed what HMOs could pay.

The State requires HMOs to provide a baseline discount from Medicaid's fee-for-service equivalent costs. These cost savings are threatened if HMOs are unable to contract with hospitals or other medical providers because of a significant funding inequity. Reduced HMO participation in Medicaid/BadgerCare would increase the State's baseline costs because the State would have to directly fund Medicaid benefits at the higher fee-for-service rates.

**Motion:** Establish nonstatutory language requiring DHFS to factor into the development of the HMO fee-for-service equivalent rate any Medicaid/BadgerCare reimbursement increases to providers to HMOs participating in the Medicaid/BadgerCare program, to actuarially reflect the increased rates payable to providers.

**Aye**

**No**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 10**

*Relating to: Funding equity for managed care providers under the  
Medicaid and BadgerCare programs.*



**Senate Committee on Health, Utilities  
and Veterans and Military Affairs  
Budget Recommendation Motion  
Senator Moen**

*Department of Health and Family Services – Medical Assistance*

**Legislative Council Report to the Legislature – Legislation on Dental Care Access**

**Governor:** No provision.

**Senator Moen:** Inadequate access to dental care for Wisconsin's lower income families is one of the biggest health care challenges facing our state today. Even though dental care is a covered service under the MA and BadgerCare programs, it is difficult to find dentists in Wisconsin who are willing to see MA patients.

In an effort to address this critical problem, the legislature created the Special Committee on Dental Care Access to study ways to improve access to dental care in Wisconsin. After spending several months studying the issue, the committee produced a comprehensive package of solutions to address the dental access problems in our state.

The study committee introduced its recommendations as two separate bills in the legislature – one fiscal bill and one bill containing non-fiscal policy items. The 2001-2003 budget is the appropriate vehicle for the consideration of the fiscal items proposed by the study committee.

The lack of dental care can have dire consequences for both children and adults, such as chronic pain, missed school, malnutrition and susceptibility to other diseases. Ensuring access to dental care for all Wisconsin citizens, especially preventative dental services, would not only increase the quality of life for many citizens, but save MA dollars in the long run.

**Motion:** Incorporate in the 2001-2003 budget the fiscal recommendations proposed by the Special Committee on Dental Care Access. The provisions included in Wisconsin Legislative Council draft WLC:0089/2, are as follows:

- Increase in the maximum number of students that qualify for tuition assistance at Marquette University School of Dentistry, along with an increase in the amount of tuition assistance available to Wisconsin students who attend Marquette,
- Provide funding for a licensed dental health professional in each of the five DHFS public health administrative regions, to provide dental health outreach and dental care to underserved individuals,
- Establish a grant program to provide funds to entities that provide, or seek to provide or expand, dental services to low-income individuals,

**Motion 11**  
**Relating to: Dental Care Access**  
(CONTINUED ON NEXT PAGE)

- Increase the MA reimbursement rate for dental services to the 75<sup>th</sup> percentile of fees from the American Dental Association fee schedule for the east north central region,
- Authorize MA reimbursement for topical fluoride varnish for young children; for services provided by dental hygienists and for two dental cleaning per adult per year,
- Provide grants for community water fluoridation.

Aye

No

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Motion 11**

*Relating to: Dental Care Access*