

2003 DRAFTING REQUEST

Bill

Received: **09/20/2002**

Received By: **dkennedy**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 267-7980**

By/Representing: **Blaine**

This file may be shown to any legislator: **NO**

Drafter: **dkennedy**

May Contact:

Addl. Drafters:

Subject: **Mental Health - miscellaneous**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Blaine - BB0039,

Topic:

Hospital diversion program for severely emotionally disabled children

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							S&L
/1	dkennedy 10/09/2002	csicilia 10/22/2002	rschluet 10/23/2002		sbasford 10/23/2002		

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: 09/20/2002

Received By: dkennedy

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 267-7980

By/Representing: Blaine

This file may be shown to any legislator: NO

Drafter: dkennedy

May Contact:

Addl. Drafters:

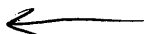
Subject: Mental Health - miscellaneous

Extra Copies:

Submit via email: NO

Pre Topic:

DOA:.....Blaine - BB0039 ↑



check Request sheet

Topic:

Hospital diversion program for severely emotionally disabled children

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		1/10/22 02 cjs		 pb 10/22/22 <END>			

FE Sent For:

DHFS

DRAFT

**Department of Health and Family Services
1999-2001 Biennial Budget Statutory Language Request
September 3, 2002**

Hospital Diversion Program for SED Children

Current Language

S. 46.485 governs the use of hospital diversion funds, which represents the cost savings that Integrated Service Programs have achieved by reducing the need to hospitalize children for their mental health needs. Under current law (s. 46.485(2g)(b)), hospital diversion funds are available only to counties that plan to enroll children in LSHOs (i.e. managed care organizations).

S. 46.485(3g) limits the amount of hospital diversion savings that can be allocated to each county to the actual diversion savings achieved by that county.

Currently s. 46.485 (3r), which governs the allocation process for hospital diversion funds, reads "Funds that a county does not encumber before 24 months after June 30 of the fiscal year in which the funds were distributed under sub. (2g) lapse to the appropriation under s. 20.435(4)(b)."

Proposed Change

Revise s. 45.485 (2g)(b) so that counties would either need to implement an LSHO or provide "Service Coordination" as defined under section 46.56(1)(L) in order to receive hospital diversion funds. Service coordination is defined as a case management service that coordinates multiple service providers who are serving a particular child with severe disabilities and the child's family.

Delete S. 46.485(3g) to allow diversion savings achieved on a statewide basis to be allocated to counties to begin new ISPs.

Revise s. 46.485 (3r) to read "Funds the State of Wisconsin have not transferred to counties under s. 20.435 (7)(kb) before 24 months after June 30 of the fiscal year in which the funds were allocated to them for hospital diversion savings under sub. (2g) lapse to the appropriation under s. 20.435 (4)(b). Counties may expend funds transferred at any time consistent with the requirements under (3m)."

DRAFT

Effect of the Change

The change to s. 46.485(2g)(b) will make hospital diversion funds available to small and medium sized counties that do not plan to implement Medical Assistance managed care programs, but will implement a "wraparound" model of service coordination designed to support children in the community rather in an institution.

The deletion of s. 46.485(3g) will allow diversion savings achieved on a statewide basis to be allocated to counties to begin new ISPs. This will allow flexibility in selecting counties to implement ISPs.

The change to s. 46.485 (3r) will reflect the fact that the funds are not "encumbered" by the county, but instead are transferred to the county for SED programs.

Rationale for the Change

In Wisconsin, ISPs are used to help respond to an under-diagnosed and under treated population. It is estimated nationally that 3.75 million children need mental health services and only 20% of them receive treatment. In Wisconsin, that estimate results in an assumption that over 18,000 children need public funded mental health services.

The statutory language changes will make funding available to counties that implement an LSHO or provide service coordination to SED children and allow statewide hospital diversion savings to be allocated to 2 additional counties, and allow a more flexible timeframe for allocating funds to counties. The 2 counties will serve approximately 125 throughout the biennium.

Desired Effective Date: Upon passage
Agency: DHFS
Agency Contact: Mark Resheske
Phone: 267-0356



SOON - Budget 10/9
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0200/1

DAK:.....

cjs

D-NOTE

DOA:.....Blaine - BB0039 Hospital diversion program for severely emotionally disabled children

FOR 2003-05 BUDGET - NOT READY FOR INTRODUCTION

LPS: check request sheet

SA ✓

DO NOT GEN

- 1 AN ACT ...; relating to: the use of hospital diversion funds for severely
- 2 emotionally disturbed children.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Currently, DHFS may distribute to applying counties not more than \$1,330,500 in each fiscal year for inpatient and community mental health care and treatment for children with severe emotional disturbances. These moneys are available as cost savings achieved by reducing the need to hospitalize children for their mental health needs and are a combination of state general purpose revenues that are transferred from the Medical Assistance Program (MA) and federal funds. Funds that a county does not encumber before 24 months after June 30 of the fiscal year in which DHFS distributes them lapse to the MA appropriation account. The amount that DHFS distributes to an individual county is limited to the estimated state share of MA payments for inpatient mental health care and treatment for children with severe emotional disturbances in that county. A county applying for the funds must meet several requirements, including planning to enroll children served under the program in a limited service health organization that covers both inpatient and outpatient expenses.

This bill permits a county that is applying for community ~~and~~ inpatient mental health care and treatment funding for children with severe emotional disturbances

and

- 2 -
fix
quotation
mark

to use service coordination provided by the county to meet an application requirement for the funds. (Service coordination" is a case management service that coordinates multiple service providers who are serving a particular child with severe disabilities and the child's family.) The bill removes the limitation on the amount of funds that DHFS may distribute to an individual county. Lastly, the bill changes requirements for lapsing unencumbered funds to require that funds that are transferred from the MA appropriation account and not distributed by DHFS to counties lapse after 24 months after June 30 of the fiscal year in which DHFS allocated the funds. Counties may at any time expend funds that are transferred to them.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 46.485 (2g) (b) of the statutes is renumbered 46.485 (2g) (b) 1.

2 SECTION 2. 46.485 (2g) (b) (intro.) of the statutes is created to read:

3 46.485 (2g) (b) (intro.) Any of the following applies to the county:

4 SECTION 3. 46.485 (2g) (b) 2. of the statutes is created to read:

5 46.485 (2g) (b) 2. The county provides service coordination, as defined in s.
6 46.56 (1) (L), on behalf of a child ^(a) and the child's family in the county. with serious emotional disturbance

7 SECTION 4. 46.485 (3g) of the statutes is amended to read:

8 46.485 (3g) The amount that the department may transfer under sub. (2g) for
9 a county counties may not exceed the estimated state share of payments under s.
10 49.45, 49.46 or 49.47 for mental health care and treatment that is provided in
11 inpatient facilities for children with a severe emotional disturbance who reside in the
12 county severe emotional disturbances.

distribute

History: 1989 a. 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27; 1997 a. 27; 1999 a. 9.

13 SECTION 5. 46.485 (3r) of the statutes is amended to read:

14 46.485 (3r) Funds that a county does not encumber from the appropriation
15 under s. 20.435 (7) (kb) that the department does not transfer to a county before 24

distributes

1 months after June 30 of the fiscal year in which the department allocated the funds
2 were distributed to the county under sub. (2g) lapse to the appropriation under s.
3 20.435 (4) (b). A county may at any time expend funds that the department ~~transfers~~
4 to the county, consistent with the requirements under sub. (3m).

History: 1989 a. 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27; 1997 a. 27; 1999 a. 9.

5

(END)

D-NOTE

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0200/1dn
DAK:.....

To Robert Blaine:

I have drafted the amendment to s. 46.485 (3r) as I understand the proposed language to read, i.e., as a two-step process: DHFS allocates (earmarks) moneys in s. 20.435 (7) (kb) and then at some point transfers (distributes) the allocated moneys to counties. Is that what was intended? If so, I'm not quite sure I understand how s. 46.485 (3r) will work. Does DHFS transfer funds from s. 20.435 (4) (b) to s. 20.435 (7) (kb) periodically or all at once? Does DHFS allocate the funds immediately after it transfers the funds from s. 20.435 (4) (b)? How will a county know when the money may lapse? Since, under this bill, the limitation on how much an individual county may receive is lifted, won't counties continually be pressuring DHFS to ~~transfer~~ the moneys to them, particularly if DHFS has discretion about how much a county gets and whether (depending on when the allocation is made) the money is available or must be lapsed back to s. 20.435 (4) (b)? What purpose does this process serve?

distribute

Debora A. Kennedy
Managing Attorney
Phone: (608) 266-0137
E-mail: debora.kennedy@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0200/1dn
DAK:cjs:rs

October 22, 2002

To Robert Blaine:

I have drafted the amendment to s. 46.485 (3r) as I understand the proposed language to read, i.e., as a two-step process: DHFS allocates (earmarks) moneys in s. 20.435 (7) (kb) and then at some point transfers (distributes) the allocated moneys to counties. Is that what was intended? If so, I'm not quite sure I understand how s. 46.485 (3r) will work. Does DHFS transfer funds from s. 20.435 (4) (b) to s. 20.435 (7) (kb) periodically or all at once? Does DHFS allocate the funds immediately after it transfers the funds from s. 20.435 (4) (b)? How will a county know when the money may lapse? Since, under this bill, the limitation on how much an individual county may receive is lifted, won't counties continually be pressuring DHFS to distribute the moneys to them, particularly if DHFS has discretion about how much a county gets and whether (depending on when the allocation is made) the money is available or must be lapsed back to s. 20.435 (4) (b)? What purpose does this process serve?

Debora A. Kennedy
Managing Attorney
Phone: (608) 266-0137
E-mail: debora.kennedy@legis.state.wi.us

Kennedy, Debora

From: Resheske, Mark
Sent: Monday, December 23, 2002 10:26 AM
To: Jablonsky, Sue; Kennedy, Debora
Subject: Re: FW: Hospital diversion program for SED children--Drafter's Note



350003e9809b8baa

.rtf

Answers to the drafters questions are in bold.

>>> Jablonsky, Sue 12/18/02 02:51PM >>>

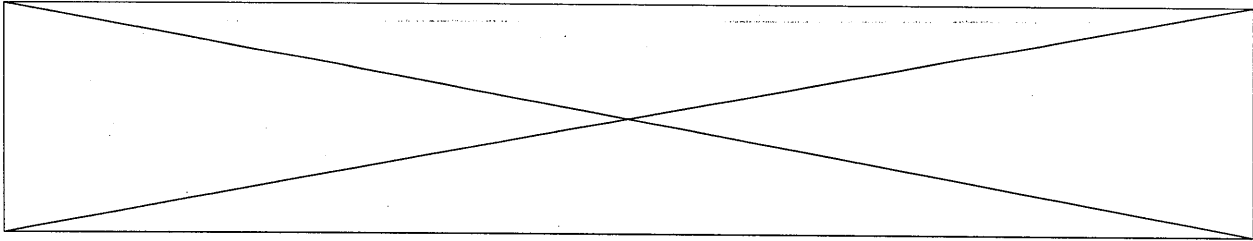
-----Original Message-----

From: Kennedy, Debora
Sent: Monday, December 02, 2002 2:57 PM
To: Jablonsky, Sue
Subject: Hospital diversion program for SED children--Drafter's Note

Debora A. Kennedy
Managing Attorney
Legislative Reference Bureau
(608) 266-0137
debora.kennedy@legis.state.wi.us

FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0200/1dn
DAK:cjs:rs



October 22, 2002

To Robert Blaine:

I have drafted the amendment to s. 46.485 (3r) as I understand the proposed language to read, i.e., as a two-step process: DHFS allocates (earmarks) moneys in s. 20.435 (7) (kb) and then at some point transfers (distributes) the allocated moneys to counties. Is that what was intended? **Yes.** If so, I'm not quite sure I understand how s. 46.485 (3r) will work. Does DHFS transfer funds from s. 20.435 (4) (b) to s. 20.435 (7) (kb) periodically or all at once? **Transfers are made when contracts are issued.** Does DHFS allocate the funds immediately after it transfers the funds from s. 20.435 (4) (b)? **When the contracts are issued.** How will a county know when the money may lapse? **The contracts are dated, this applies to "before 24 months after June 30 of the fiscal year in which the funds were allocated."** Since, under this bill, the limitation on how much an individual county may receive is lifted, won't counties continually be pressuring DHFS to distribute the moneys to them, particularly if DHFS has discretion about how much a county gets and whether (depending on when the allocation is made) the money is available or must be lapsed back to s. 20.435 (4) (b)? **The funds are distributed when counties report expenditures.** What purpose does this process serve?

Debora	A.	Kennedy
Managing		Attorney
Phone:	(608)	266-0137
E-mail:	debora.kennedy@legis.state.wi.us	



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0200/1

DAK:cjs:rs

DOA:.....Blaine - BB0039, Hospital diversion program for severely emotionally disabled children

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the use of hospital diversion funds for severely
2 emotionally disturbed children.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Currently, DHFS may distribute to applying counties not more than \$1,330,500 in each fiscal year for inpatient and community mental health care and treatment for children with severe emotional disturbances. These moneys are available as cost savings achieved by reducing the need to hospitalize children for their mental health needs and are a combination of state general purpose revenues that are transferred from the Medical Assistance program (MA) and federal funds. Funds that a county does not encumber before 24 months after June 30 of the fiscal year in which DHFS distributes them lapse to the MA appropriation account. The amount that DHFS distributes to an individual county is limited to the estimated state share of MA payments for inpatient mental health care and treatment for children with severe emotional disturbances in that county. A county applying for the funds must meet several requirements, including planning to enroll children served under the program in a limited service health organization that covers both inpatient and outpatient expenses.

This bill permits a county that is applying for inpatient and community mental health care and treatment funding for children with severe emotional disturbances

to use service coordination provided by the county to meet an application requirement for the funds. (“Service coordination” is a case management service that coordinates multiple service providers who are serving a particular child with severe disabilities and the child’s family.) The bill removes the limitation on the amount of funds that DHFS may distribute to an individual county. Lastly, the bill changes requirements for lapsing unencumbered funds to require that funds that are transferred from the MA appropriation account and not distributed by DHFS to counties lapse after 24 months after June 30 of the fiscal year in which DHFS allocated the funds. Counties may at any time expend funds that are transferred to them.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 46.485 (2g) (b) (intro.) of the statutes is created to read:

2 46.485 (2g) (b) (intro.) Any of the following applies to the county:

3 **SECTION 2.** 46.485 (2g) (b) of the statutes is renumbered 46.485 (2g) (b) 1.

4 **SECTION 3.** 46.485 (2g) (b) 2. of the statutes is created to read:

5 46.485 (2g) (b) 2. The county provides service coordination, as defined in s.
6 46.56 (1) (L), on behalf of a child with a serious emotional disturbance and the child’s
7 family in the county.

8 **SECTION 4.** 46.485 (3g) of the statutes is amended to read:

9 46.485 (3g) The amount that the department may transfer under sub. (2g) for
10 ~~a county~~ counties may not exceed the estimated state share of payments under s.
11 49.45, 49.46 or 49.47 for mental health care and treatment that is provided in
12 inpatient facilities for children with ~~a severe emotional disturbance who reside in the~~
13 county severe emotional disturbances.

14 **SECTION 5.** 46.485 (3r) of the statutes is amended to read:

1 46.485 (3r) Funds ~~that a county does not encumber~~ from the appropriation
2 under s. 20.435 (7) (kb) that the department does not distribute to a county before
3 24 months after June 30 of the fiscal year in which the department allocated the
4 funds were distributed to the county under sub. (2g) lapse to the appropriation under
5 s. 20.435 (4) (b). A county may at any time expend funds that the department
6 distributes to the county, consistent with the requirements under sub. (3m).

7

(END)