

Fiscal Estimate Narratives

DHS 11/22/2013

LRB Number	13-2320/1	Introduction Number	AB-0428	Estimate Type	Original
Description Requiring the Family Care benefit and self-directed services option to be provided in certain northeastern Wisconsin counties					

Assumptions Used in Arriving at Fiscal Estimate

Currently, the Family Care and IRIS programs are available in 57 of Wisconsin's 72 counties. The Department of Health Services contracts with aging and disability resource centers to provide information and determine eligibility for Family Care, and with care management organizations (CMOs) to administer the Family Care benefit. Under current law, DHS must obtain approval from the Joint Committee on Finance before entering into a proposed contract with a CMO.

This bill would require DHS to begin providing the Family Care and IRIS programs on July 1, 2015, in at least one of the following counties in Northeastern Wisconsin, and on July 1, 2016, in the remaining counties: Brown, Door, Kewaunee, Marinette, Menominee, Oconto and Shawano Counties. Under the bill, DHS would not be required to obtain approval from the Joint Committee on Finance to enter into contracts with CMOs or provide IRIS services in these counties.

Counties that provide legacy home- and community-based waiver services instead of Family Care and IRIS are permitted to maintain waiting lists for these services. In contrast, the Family Care and IRIS programs become an entitlement for each eligible individual 36 months after those services become available in the region.

Initially, Family Care expansion generates savings as existing legacy waiver participants transition to Family Care. As counties reach entitlement, however, costs increase. To illustrate potential post-entitlement costs for the 7 counties in the Northeast Wisconsin region, this estimate projects costs through SFY 2019. The bill does not specify how many or which counties will begin the program in SFY 2016, but this estimate assumes that the start date for all 7 counties in the Northeast Region is July 1, 2015. It uses trend analysis to project capitation rates and target group specific trends for CY 2014-2018 and applies those trended rates to CY 2015-2019. Because trended rates are one year behind, projected costs for SFY 2016-2019 may be slightly underestimated.

The estimate includes the following enrollment assumptions:

- Enrollment is based on enrollment in the legacy waivers and the wait list count as of November 2012.
- The wait list in counties with fewer than 36 people on a wait list is increased to 36 people to allow each county to grow at a minimum of one member per month.
- All members on the wait list are assumed to be enrolled evenly over 36 months.
- Pilot county growth trends are used once a county reaches entitlement.

Projected costs for SFY 2016-2019 are illustrated in the attachment. It should be noted that in year 4, costs would be expected to increase by approximately \$8.2 million GPR. Approximately \$3.4 million of this GPR increase is due to the fact that current state law reduces each county's required contribution to Family Care over the first five years of implementation, which shifts costs to the state.

Long-Range Fiscal Implications

See Assumptions. Projected costs for SFY 2016-2019 are illustrated in the attachment.

**Cost (Savings) of Family Care and IRIS Expansion to Northeast Wisconsin Counties
SFY 2016-2019**

	SFY 16	SFY 17	SFY 18	SFY 19	Total Estimated Costs SFY 16-19
GPR	(\$3,974,721)	\$912,791	\$3,389,210	\$8,230,401	\$8,557,680
FED	(\$5,116,865)	\$2,299,984	\$6,005,340	\$13,248,998	\$16,437,458
AF	(\$9,091,586)	\$3,212,775	\$9,394,551	\$21,479,399	\$24,995,138

**Average Enrollment in Family Care and IRIS in Northeast Wisconsin Counties
SFY 2016-2019**

SFY 16	SFY 17	SFY 18	SFY 19
2,337	2,958	3,298	3,813