

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-3741/1	Introduction Number AB-0510	
Description Health care aid for certain veterans and their family members		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.485 (2)(u)		
Agency/Prepared By DVA/ Brett Coomber (608) 267-1785	Authorized Signature James Parker (608) 266-1843	Date 11/23/2015

Fiscal Estimate Narratives

DVA 11/23/2015

LRB Number	15-3741/1	Introduction Number	AB-0510	Estimate Type	Original
Description					
Health care aid for certain veterans and their family members					

Assumptions Used in Arriving at Fiscal Estimate

The fiscal estimate for LRB 2958 does not consider all veteran health care costs including health care already included in s. 45.40 (2)(a); dental care, including dentures, vision care, including eyeglasses and lenses and hearing care including hearing aids. The estimate will focus solely on mental health care and the provision of that care as a stop-gap measure for an estimated 26 day average wait period, recently reported by the Governmental Accountability Office, before a veteran will receive approval for VA services.

Although the department is aware that there are statutory provisions that limit the amount of authorized funding available for this proposed legislation, it would not be responsible to calculate a fiscal estimate that would not represent total current veteran mental health needs, especially because eligibility requirements are removed in s. 45.40 (2) and the proposed bill gives the department the ability to waive any income or other financial reporting requirements (the waiver nullifies VA 2.01 (2)(b) which allows eligibility for applicant income below the 180% federal poverty level). The department is also aware that the legislature has the ability to increase authority or re-designate funding to accommodate new initiatives.

The sources for the assumptions, averages and current statutory language used to calculate this estimate are listed below.

- According to the National Center for Veterans Analysis and Statistics (NCVAS) the projected veteran population, as of 9/30/2014, was 21,999,000. The total enrollees in USDVA health care system was 9.11 million or 42%.
- The estimate includes veterans spouses and family members. According to the US Census Bureau, the average number of people per household is 2.63. The American Psychological Association states that 19% of spouses reported they were in counseling and the Journal of Adolescent Health stated that military connected adolescents have a much higher rate of need for mental health care. The Journal study found that 35% of adolescents reported mental health care symptoms.
- Westat National Survey of Veterans reported that 69.7% of veterans were married and 30.8% have kids.
- Pursuant to s. 45.40 (3), the total cumulative amount that any veteran may receive for health care under the Assistance to Needy Veterans Program is \$7,500.
- Wisconsin currently has approximately 413,000 veterans.
- The National Alliance on Mental Illness used information from 2000-2007 medical records of more than 206,000 veterans that entered the Federal VA health care system. 41% of those veterans were diagnosed with a mental health disorder or behavioral adjustment disorder.
- The average CPT code rate, \$80, was used for all mental health care procedures. The information came from the American Medical Association.

Veteran:

413,000 (WI veterans) X .42 = 173,460 (est. veterans that use VA Health Care System)

173,460 X .41 = 71,119 (est. veterans that may need mental health care)

71,119 X \$80 (ave. CPT code rate for all Mental Health Codes) = \$5,689,520

Total estimated cost for one service cost for veterans = \$5,689,520

Veterans Spouse:

413,000 (WI veterans) X .697 = 287,861 (est. number of veteran spouses)

287,861 X .19 = 54,693 (est. number of spouses that may need mental health care)

54,693 X \$80 (ave. CPT code rate for all Mental Health Codes) = \$4,375,440

Total estimated cost for one service for veterans spouses = \$4,375,440

Veterans Children:

287,861 X .308 = 88,661 (est. number of veteran children with married spouses)*

88,661 X .35 = 31,031 (est. number of children that may need mental health care)

31,031 X \$80 (ave. CPT code rate for all Mental Health Codes) = \$2,482,480

Total estimated cost for one service for veterans children = \$2,482,480

Grand Total Estimated Cost for LRB 2958 = \$12,547,440. The total cost would allow one service for each veteran, spouse or child.

*The estimate does not take into account single parents or the fact that most spouses and children are not eligible for VA benefits and could be reliant on the voucher program indefinitely.

**The calculations do not include 60% of veterans who screen positive for serious mental health problems but choose not to seek treatment. This information came from the American Psychological Association. In addition, we have included a summary of the Veterans Outreach and Recovery Program, a federal grant to serve homeless veterans.

Veterans Outreach and Recovery Program (VORP)

In the fall of 2014, the Wisconsin Department of Health Services (WDHS), partnered with the Wisconsin Department of Veterans Affairs (WDVA) applied for and was awarded a \$1.2 million dollar, three year grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) to provide mental health and substance abuse services to homeless and/or chronic homeless veterans in Wisconsin. Effective October 2015, the departments were awarded a supplemental SAMHSA Enhancement Grant of \$1.2 million dollars, for a two year period to provide additional resources and expand county participation in the program.

VORP is a comprehensive, coordinated outreach, treatment and recovery support program for veterans who are homeless and have a behavioral health disorder. VORP will support the existing treatment and homeless programs and provide services in the 49 counties of northern and central Wisconsin. This new program employs Outreach and Recovery Specialists (ORSs), working as case-managers, assigned to a region where veterans have difficulties accessing adequate housing and treatment services. Six regions will be established where ORSs will work with key local contacts including county homeless programs, behavioral health services, veteran organizations, and housing services to help provide the appropriate recovery supports so that the veterans are successful in reaching their goals. The ORSs will use the evidence-based Motivational Interviewing method to work with the veterans to ensure they have stable housing, connect them to proper treatment, and follow-up to ensure that the treatment is continual and effective.

1) This cost estimate does not include an analysis of the potential costs to the WDVA and each of the 72 counties and CVSO offices for compliance training, additional staff, and IT costs associated with compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and subsequent state and federal regulations.

Long-Range Fiscal Implications