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Assembly Bill 1056

Thank you, Chairman Snyder and Members of the Assembly Committee on Children and Families, for the opportunity to testify in favor of Assembly Bill 1056.

This bill deals with the funding mechanism for the Children's Long-Term Support (CLT) program in the Department of Health Services (DHS). This county-run program provides necessary services to children with various kinds of disabilities. These services are offered under a Medicaid waiver for both home and community based services.

Bill Topel, Winnebago Human Services Director and the Wisconsin Counties Association came to me with a concern about the funding of this program. Counties that invested in these services early on have a disproportionately large Maintenance of Effort (MOE) requirement, while some counties are not required to contribute anything at all. That's not to say that counties don't take care of their children with disabilities, but rather that the imposed MOE requirement is unfair. There has to be a more reasonable way of administering the program while assuring that children can access the appropriate services. It is certainly not our intention to allow any child to remain on a waiting list. On the other hand, strict and excessive MOEs do not make the program effective.

This bill does not arbitrarily impose a new funding mechanism. Instead, DHS will have until June 1, 2024 to report to the Legislature on their revisions to the funding for this program. The bill removes the current mandatory county contributions on December 30, 2024. The new funding mechanism will begin on January 1, 2025.

The Wisconsin Counties Association is here to dive into the technical details of how the program is serving our children and how the current funding mechanism affects our counties.

In closing, thank you for your attention, and I'll be glad to respond to your questions.



DAN FEYEN

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To: The Assembly Committee on Children and Families
From: Sen. Dan Feyen
Re: Assembly Bill 1056

Hello Chair and members of the committee, thank you for taking the time to hear testimony on AB 1056.

The Children's Long-Term Support program (CLTS) provides services and support for children with significant physical, emotional, or developmental disabilities. The program itself covers support services, teaching and skills development, management and coordination, physical aids, and housing modifications and support services.

Previously, this program was funded through a mix of state-funded slots along with county-matched slots, and federal funding. Due to the varying degrees at which counties participated and a shortfall of GPR funding, there were long wait lists for services in CLTS. In the 2017-19 budget, there was a significant investment of state GPR dollars that hoped to end the wait lists for the program. There was also a maintenance-of-effort placed on counties that required them to continue the funding they had previously been contributing.

The issue is that not all counties were contributing towards the CLTS program. In fact, only 54 of the State's 72 counties are required to make any payments. The 54 counties that are contributing are putting forward \$6.1 million annually, with five of these counties contributing more than half of that total.

This is unfair to the counties who had previously chosen to invest in the CLTS program. The current MOE is essentially punishing counties who chose to help eliminate their own waitlists, while rewarding counties that chose to do nothing.

AB 1056 is a very simple bill which directs the Department of Health Services to eliminate the current funding methodology of the CLTS program and work with the counties to come up with a new funding methodology starting in 2025.

Thank you very much for holding a public hearing on this bill.

MEMORANDUM

TO: Honorable Members of the Assembly Committee on Children and Families

FROM: Chelsea Shanks, WCA Government Affairs Associate

DATE: Wednesday, February 7, 2024

SUBJECT: Support for Assembly Bill 1056: Children's Long-Term Support Program MOE

The Children's Long-Term Support (CLTS) program provides services and supports to children with significant physical disabilities, developmental disabilities, or severe emotional disturbances. Counties determine eligibility based on functional screens, authorize services and provide case management. The program is operated under a Medicaid waiver.

Prior to 2017, the CLTS program was funded with a mix of state-funded "slots" and county-matched slots. Due to limited state GPR funding and counties varying in the extent they invested in locally-matched slots, there were wait lists for service and families receiving services could go back on a wait list if they moved to another county.

To make CLTS services consistently available, the 2017-19 state biennial budget made a significant state GPR investment in the CLTS program with the hope of eliminating the wait list for services. CLTS services are currently funded as part of the Medicaid budget and while the program is not an entitlement, the intent is to serve all eligible children.

To reduce the GPR impact of fully funding CLTS services, included in 2017 Wisconsin Act 59 was a provision requiring counties to maintain a specified level of local contribution for the CLTS program. The Department of Health Services (DHS) established a mechanism to continue the locally controlled funding contribution mechanism for the CLTS program, also known as a maintenance of effort (MOE). The county MOE plus state GPR is used as match for federal Medicaid funding.

The MOE amounts for each county was determined using the CY 2016 CLTS cost reconciliation process. DHS reserves the right, in consultation with counties, to adjust the MOE methodology in the future to meet changing program needs.

According to a DHS memo, the county MOE can come from the following sources:

- Children's Community Options Program (CCOP)
- Community Aids Basic County Allocation (BCA)
- County Tax Levy

The current county MOE amount is \$6,105,940. There are currently 54 counties subject to the MOE requirements (see attached table). Of the 54 counties subject to the MOE, amounts range from \$1,347 to over \$1 million. Five counties contribute over 50 percent of the total MOE. The remaining 18 counties have no MOE requirement for the program.

The counties with the MOE requirement are counties that invested local funds in the CLTS program prior to CY 2017. These counties helped make CLTS services broadly available in their counties through locally-match slots, while other counties used only state-matched slots to avoid making a local contribution.

While the 2017 investment of GPR funds to eliminate the CLTS waitlist was greatly appreciated by counties, counties objected to the MOE provision included in the proposal. It is not fair that the counties that invested the most to promote the CLTS program prior to 2017 are penalized with an ongoing MOE contribution. The ongoing MOE contribution limits the ability of the affected counties to pay for services that are not covered by the CLTS waiver.

Elimination of the MOE requirement will result in the need for DHS to replace the MOE funds in the Medicaid budget. The legislation directs DHS to submit a plan to the Joint Committee on Finance.

The Wisconsin Counties Association respectfully requests your support of AB 1056 and will be available should any questions arise. Thank you for your consideration.

County Waiver Agency	CY 2016 Reconciled BCA/Tax Levy Expenditures (nonfederal)	CY 2016 Reconciled CCOP Expenditures (nonfederal)	CY 2016 Reconciled Legacy COP Expenditures (nonfederal)	Annual MOE Requirement (nonfederal)
Agency: 1 - ADAMS CO DHHS	-	-	31,176	31,176
Agency: 2 - ASHLAND CO HSD	-	4,669	-	4,669
Agency: 3 - BARRON CO DSS	-	50,625	-	50,625
Agency: 4 - BAYFIELD CO DSS	-	-	-	-
Agency: 5 - BROWN CO HSD	-	160,203	-	160,203
Agency: 6 - BUFFALO CO HSD	-	4,750	-	4,750
Agency: 7 - BURNETT CO DSS	-	3,311	-	3,311
Agency: 8 - CALUMET CO HSD	102,119	134,487	-	236,606
Agency: 9 - CHIPPEWA CO HSD	28,728	38,845	-	67,573
Agency: 10 - CLARK CO CCS 51 BD	-	42,372	-	42,372
Agency: 11 - COLUMBIA CO HLTH&HUMAN	66,557	26,370	-	92,927
Agency: 12 - CRAWFORD CO HSD	-	6,459	-	6,459
Agency: 13 - DANE CO HSD	-	-	1,051,606	1,051,606
Agency: 14 - DODGE CO HSHD	-	3,430	-	3,430
Agency: 15 - DOOR CO DSS	-	-	-	-
Agency: 16 - DOUGLAS CO DHS	-	109,668	-	109,668
Agency: 17 - DUNN CO HSD	37,226	17,755	-	54,981
Agency: 18 - EAU CLAIRE CO HSD	222,275	137,695	-	359,970
Agency: 19 - FLORENCE CO HSD	-	-	-	-
Agency: 20 - FOND DU LAC CO 51 BD	-	202,966	-	202,966
Agency: 21 - FOREST ONEIDA VILAS 51 BD	-	32,146	21,645	53,791
Agency: 22 - GRANT CO DSS	-	-	-	-
Agency: 22 - UNIFIED COMMUNITY SERVICE	-	-	-	-
Agency: 23 - GREEN CO HSD	-	4,599	-	4,599

County Waiver Agency	CY 2016 Reconciled BCA/Tax Levy Expenditures (nonfederal)	CY 2016 Reconciled CCOP Expenditures (nonfederal)	CY 2016 Reconciled Legacy COP Expenditures (nonfederal)	Annual MOE Requirement (nonfederal)
Agency: 24 - GREEN LAKE CO HSD	-	-	-	-
Agency: 25 - IOWA CO DSS	-	-	-	-
Agency: 26 - IRON CO HSD	-	-	-	-
Agency: 27 - JACKSON CO HSD	-	18,775	-	18,775
Agency: 28 - JEFFERSON CO HSD	912	190,307	-	191,219
Agency: 29 - JUNEAU CO HSD	-	49,800	-	49,800
Agency: 30 - KENOSHA CO HSD	125,077	22,053	-	147,130
Agency: 31 - KEWAUNEE CO DSS	10,296	43,756	-	54,052
Agency: 32 - LA CROSSE CO HSD	54,063	449,308	-	503,371
Agency: 33 - LAFAYETTE CO HSD	-	-	-	-
Agency: 34- NORTH CENTRAL HLTH CARE	-	15,174	-	15,174
Agency: 35 - LINCOLN CO DSS	-	-	-	-
Agency: 36 - MANITOWOC CO HSD	137,575	60,091	-	197,666
Agency: 37 - MARATHON CO DSS	-	149,493	-	149,493
Agency: 38 - MARINETTE CO HSD	-	1,710	-	1,710
Agency: 39 - MARQUETTE CO CONS AID	-	6,446	-	6,446
Agency: 40 - MILWAUKEE CO CONS AID	-	-	-	-
Agency: 41 - MONROE CO HSD	-	41,106	-	41,106
Agency: 42 - OCONTO CO DHS	-	33,990	-	33,990
Agency: 44 - OUTAGAMIE CO HSD	109,415	143,546	-	252,961
Agency: 45 - OZAUKEE CO DSS	40,979	35,777	-	76,756
Agency: 46 - PEPIN CO HSD	-	16,197	-	16,197
Agency: 47 - PIERCE CO HSD	-	10,293	-	10,293
Agency: 48 - POLK CO DSS	-	63,686	-	63,686
Agency: 49 - PORTAGE CO HSD	-	-	-	-
Agency: 50 - PRICE CO HSD	-	3,115	-	3,115
Agency: 51 - RACINE CO HSD	-	-	-	-
Agency: 52 - RICHLAND CO CONS AID	-	-	-	-

County Waiver Agency	CY 2016 Reconciled BCA/Tax Levy Expenditures (nonfederal)	CY 2016 Reconciled CCOP Expenditures (nonfederal)	CY 2016 Reconciled Legacy COP Expenditures (nonfederal)	Annual MOE Requirement (nonfederal)
Agency: 53 - ROCK CO HSD	19,657	119,050	305,534	444,241
Agency: 54 - RUSK CO DSS	-	4,004	-	4,004
Agency: 55 - ST CROIX CO HSD	-	62,323	-	62,323
Agency: 56 - SAUK CO HSD	14,583	40,845	-	55,428
Agency: 57 - SAWYER CTY HSD	18,362	17,358	-	35,720
Agency: 58 - SHAWANO CO DSS	-	3,206	-	3,206
Agency: 59 - SHEBOYGAN CO HSD	-	1,347	-	1,347
Agency: 60 - TAYLOR CO HSD	-	-	-	-
Agency: 61 - TREMPLEALEAU CO DSS	-	44,197	-	44,197
Agency: 62 - VERNON CO HSD	-	-	-	-
Agency: 64- WALWORTH CO HSD	-	1,747	-	1,747
Agency: 65 - WASHBURN CO DSS	7,955	96	-	8,051
Agency: 66 - WASHINGTON CO DSS	53,556	21,957	-	75,513
Agency: 67 - WAUKESHA CO HSD	-	55,952	-	55,952
Agency: 68- WAUPACA CO HSD	-	99,087	-	99,087
Agency: 69 - WAUSHARA CO DSS	-	8,695	-	8,695
Agency: 70 - WINNEBAGO CO DHS	214,114	579,611	-	793,725
Agency: 71 - WOOD CO DSS	-	1,154	-	1,154
Agency: 72 - MENOMINEE CO HSD	-	-	-	-
Total:	1,263,449	3,395,600	1,409,961	6,069,010



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Kirsten L. Johnson, Secretary

TO: Members of the Assembly Committee on Children and Families

FROM: HJ Waukau, Legislative Director

DATE: February 7, 2024

RE: AB 1056 relating to: Funding methodology under the Children's Long-Term Support program

The Wisconsin Department of Health Services (DHS) would like to submit written testimony for information only regarding Assembly Bill 1056 (AB 1056) relating to revising funding methodologies for the Children's Long-Term Support (CLTS) program. AB 1056 directs DHS to work with counties to develop a revised funding methodology for the CLTS program and to not require any county contribution. It also requires DHS to submit a report to the legislature by June 2024. DHS could be supportive of AB 1056 if recommended amendments are adopted.

The CLTS program helps children with disabilities and their families. Examples of covered services include respite care, skills development, care management and coordination, housing support, and physical aids. To be eligible, a child must be under age 22; eligible for Medicaid; need a level of care that people get at a hospital, nursing home, or institution for people with developmental disabilities; and be able to get safe and required care at home or in the community. Once a child is found eligible, their county health and human services agency works to enroll them using the statewide budget. As of December 2023, there were 20,984 children enrolled.

CLTS is not explicitly treated as an entitlement program under Wisconsin statutes. For this reason, DHS historically administered the program with limited funds resulting in some counties using local county levy funds to enroll children. Beginning with 2017 Act 59 (2017-19 biennial budget), the state significantly increased funding for CLTS with the goal of eliminating the waiting list. DHS began fully funding county costs for children in CLTS as well as funding children off of the waitlist, who were not yet enrolled. Per legislative direction under Wis. Stat. 46.995, DHS also required counties that previously contributed county levy dollars to supplement state funding and/or fund waitlist children to make ongoing maintenance of effort (MOE) contributions. While the waitlist has been significantly reduced, children across the state continue to wait months to receive services.

As of December 2023, there were 2,245 eligible children still on the waitlist for the CLTS program. These children have waited an average of 112 days after referral to be enrolled. Wait times are as long as 537 days in Polk County and 444 days in Barron County.¹ AB 1056 represents a critical opportunity to reduce the CLTS waitlist and help children and families receive supportive programming.

To augment the ending of the county MOE requirement, DHS recommends that SB 1056 be amended to include a timely enrollment and service provision requiring counties to develop a child's individual service plan and authorize services within 90 days of referral. Timely access to enrollment is supported by participating families, advocates, and local partners. The recommended amendment for timely enrollment will provide program metrics, goals, and accountability for all counties in tandem with reduced cost

¹ "Children's Long-Term Support: Enrollment Dashboard," Wisconsin Department of Health Services, <https://www.dhs.wisconsin.gov/clts/enrollment-dashboard.htm>.

obligations under the MOE. Many counties already meet this standard or close to it, and it provides clarity and consistency for counties when administering other DHS-related regulations, such as the Birth to 3 program.

DHS also recommends two other changes to AB 1056. First, for consistency across programs, the bill language should be modified to reflect current law language that “counties shall cooperate with the Department to develop an equitable funding methodology.” AB 1056 states that “the Department shall cooperate with counties.” In addition, AB 1056 has a fiscal impact of \$6 million GPR annually for Medicaid benefits. As the bill is effective on January 1, 2025, DHS requests that the legislature appropriate \$3 million GPR to Wis. Stat. 20.435(4)(b) in 2024-25.

DHS welcomes dialogue and conversation with the bill authors to make adjustments to AB 1056 and is happy to meet with the authors to discuss its recommendations in more detail. Further, DHS thanks the Committee for the opportunity to provide written testimony in support with amendments, and offers itself as a resource for the Committee.