



## Legislative Fiscal Bureau

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February 4, 2016

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 787: Alzheimer's Family and Caregiver Support Program

Assembly Bill 787 (AB 787) would increase funding for the state's Alzheimer's family and caregiver support program (AFCSP) by \$1,000,000 GPR, beginning in 2016-17, to support respite care services for caregivers that qualify for services under the program.

AB 787 was introduced on January 22, 2016, and referred to the Assembly Committee on Mental Health Reform, based on work by the 2015 Assembly Speaker's Task Force on Alzheimer's and Dementia. On February 1, 2016, the Committee recommended the bill for passage, as amended by Assembly Amendments (AAs) 1 and 2, by a vote of 10 to 0.

### **CURRENT LAW**

The AFCSP provides services for caregivers and families of individuals with Alzheimer's disease or other irreversible dementia. Caregivers receive up to \$4,000 annually in services, such as respite care, adult day care, supportive home care or other goods or services, to maintain the person with Alzheimer's disease as a member of the household. The program is administered by county aging units, which receive a GPR allocation either directly from the Department of Health Services (DHS) or under a subcontract with the Greater Wisconsin Agency on Aging Resources (GWAAR).

In order to qualify for assistance under the program, the person receiving care must meet three basic criteria: (a) have a diagnosis of Alzheimer's disease or other irreversible dementia; (b) have annual income in combination with his or her spouse of no more than \$40,000 (if joint income exceeds \$40,000, the family may subtract Alzheimer's-related expenses); and (c) reside in a community or home setting. Individuals who qualify for long-term care services under the Family Care or IRIS (Include, Respect, I Self Direct) programs are not eligible for AFCSP-funded services. The current \$40,000 household income limit requirement and the subtraction of eligible costs of services from this income limit are established by rule, rather than statute.

Caregivers can receive a broad range of services under the program, as listed in Attachment 1, and current law provides considerable flexibility as long as the services help maintain the individual in the household. The three largest spending categories of services are supportive home care (services to assist with daily living needs and maintain functioning of the home, which can include personal care services such as bathing or toileting, and routine household upkeep such as snow removal or meal preparation), adult day care, and respite care. Although the statutes limit each participating family's annual allocation for services to \$4,000 annually, county aging units may reduce these maximum annual funding allocations to maximize the number of families that participate in the program.

In addition to services purchased for caregivers, agencies may use funding for any of the following purposes: (a) contracts with service providers to develop new programs or expand services; (b) outreach activities, including those designed to develop or enhance public awareness of Alzheimer's disease; (c) assistance for support groups for persons with Alzheimer's disease or their caregivers; and (d) administrative costs, limited to 10% of the agency's allocation.

Individuals pay for a portion of benefit costs on a sliding fee scale based on income. The Department does not charge a cost-sharing amount to any two-person family with annual income under \$26,100 (equal to approximately 163% of the 2016 federal poverty level), or to any individual who qualifies for MA. For a two-person household with income at the program's maximum eligibility level of \$40,000, the cost-sharing amount equals \$196 per month. Families that do not fulfill the cost-sharing requirement may continue to receive AFCSP services, but the dollar value of the services provided through the program are reduced proportionally by the amount of the required cost-sharing.

A total of 699 households received AFCSP-funded services in fiscal year 2012-13, and 670 households received services in 2013-14. In addition to direct financial assistance to families and caregivers, administering agencies may use program funding for community outreach, education and support groups.

Statutes allow DHS to allocate up to \$2,342,800 for AFCSP services, though the Department currently allocates less than that amount. In calendar year (CY) 2016, DHS distributed a total of \$1,558,900 GPR for the program to counties, an annual amount that has not changed since 2011. Of this amount, \$1,031,400 was provided to 41 counties through the annual state-county human services contract, and \$527,500 was provided to 31 county aging units through subcontracts with GWAAR. Attachment 2 provides the AFCSP funding allocations to counties for CY 2016. Administrative rule provides a methodology for redistributing AFCSP funds among counties based on demographic changes, but the Department does not currently apply that methodology.

The following table provides information on program expenditures by service category for the most recent fiscal years for which information is available. The total shown in the table does not equal the \$1.56 million total annual allocation because the table does not include unspent funds or funds carried over to the subsequent fiscal year.

## AFCSP Expenditures, by Service Category

	<u>2012-13</u>	<u>2013-14</u>
Supportive Home Care	\$417,100	\$418,700
Adult Day Care	361,100	348,400
Respite Care	234,200	232,300
Case Management	80,700	93,000
Support Groups	70,100	85,900
Marketing and Outreach	0	83,200
Administration	62,600	72,700
All Other Services	54,000	41,300
Expansion or Development of New Services	20,400	22,100
 TOTAL	 \$1,300,200	 \$1,397,600

### SUMMARY OF BILL

The bill would provide an additional \$1,000,000 GPR annually, beginning in 2016-17, to pay for respite care services under the AFCSP.

*Conflict with Current Statutory Limit on Distribution of AFCSP Funds.* Currently, under s. 46.40(8) of the statutes, DHS is directed to distribute "not more than \$2,342,800 in each fiscal year" for services to persons with Alzheimer's disease and their caregivers under the AFCSP. The current statutory limit on the distribution of funds has not been modified to reflect funding reductions that have occurred as Family Care and IRIS services have become available in additional counties in the state.

The bill would not modify this current statutory section. As DHS allocated \$1,558,900 GPR for the program in CY 2016, the \$1,000,000 GPR annual funding increase in the bill would potentially make \$2,558,900 GPR available for the program annually. However, DHS would continue to be prohibited from distributing more than \$2,342,800 annually for the program. To address any potential conflict between the statutory limit on the distribution of funding and amounts budgeted for AFCSP, the bill should be amended to delete the statutory limit on funding available under s. 46.40(8).

### AMENDMENTS

*Assembly Amendment 1.* AA 1 would modify the current income standard an individual with Alzheimer's disease would need to meet in order to participate in the program by specifying that: (a) a person is financially eligible for the program if the joint income of the person with Alzheimer's disease and the person's spouse, if any, is \$48,000 per year or less, unless DHS sets a higher limitation on income eligibility by rule; and (b) in determining "joint income," the administering agency must subtract any expenses attributable to the Alzheimer's-related needs of the person with Alzheimer's disease or the person's caregiver.

As previously indicated, the current \$40,000 income limit and the treatment of joint income is specified in rule, rather than statute.

*Assembly Amendment 2.* AA 2 would permit DHS to allocate program funding to federally recognized Indian tribes or bands, in addition to counties. All of the statutory provisions relating to participation by counties would be modified to also include references to tribes or bands. These tribes and bands are:

- Bad River Band of the Lake Superior Tribe of Chippewa Indians of the Bad River Reservation
- Forest County Potawatomi Community
- Ho-Chunk Nation of Wisconsin
- Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin
- Lac du Flambeau Band of Lake Superior Chippewa Indians of the Lac du Flambeau Reservation of Wisconsin
- Menominee Indian Tribe of Wisconsin
- Oneida Tribe of Indians of Wisconsin
- Red Cliff Band of Lake Superior Chippewa Indians of Wisconsin
- St. Croix Chippewa Indians of Wisconsin
- Sokaogon Chippewa Community
- Stockbridge Munsee Community

## **FISCAL EFFECT**

The bill would provide an additional \$1,000,000 GPR annually to the AFCSP, increasing the amount budgeted for the program to \$2,558,900 GPR annually, for use on respite care services only.

If the Committee adopts AA 1, the number of individuals who would potentially be eligible for the program would increase, since individuals with Alzheimer's disease with income or joint income between \$40,000 and \$48,000 would become newly eligible for the program.

If the Committee adopts AA 2, the number of individuals who would potentially be eligible for the program may not increase, since tribal members may currently receive AFCSP services from county offices. However, this change would make the program easier for tribal members to access, which was a goal proposed by DHS in its "Wisconsin Dementia Care Redesign" report released in February, 2014. If adopted, DHS would have to decide how to fund new AFCSP allocations to tribes and bands. If the additional funding provided in the bill is earmarked exclusively for respite care services, DHS could choose, for instance, to reallocate current base funding from counties, or use some portion of the new earmarked funding support tribal allocations for respite care services. If the bill were amended to broaden the use of the funding increase, as described below, DHS could choose to use some of additional funding to support allocations to

tribes to provide the current broad spectrum of AFCSP services to tribal members.

*Allocation of Funding for Respite Services.* The bill aims to increase funding available for respite care services for families participating in AFCSP. However, under current practice, DHS allocates funding for all eligible AFCSP services (including respite care services), but does not require counties to expend a designated amount on any particular service. Instead, the types of services that are provided are based on the needs of participating families. Currently, participating families are free to utilize the services, including respite care, that are most likely to maintain the individual with Alzheimer's disease in the community. (In 2013-14, respite care accounted for approximately 16.6% of total service expenditures.)

In addition to the necessary amendment to remove the program spending limit, the bill could be amended to replace specific references to "respite care" with "services funded under the AFCSP program, including respite care," if the Committee does not wish the funding increase to be used to fund respite care services exclusively. This would allow families who benefit from the additional funds to choose respite care if that is a service they require, or another appropriate service such as supportive home care (the current largest expenditure category in the program) if it more closely fits that family's needs. Alternatively, if the Committee wants to ensure that at least \$1,000,000 is expended on respite care services in 2016-17 and future years, it could amend the bill to have that requirement in the DHS statutes (rather than in non-statutory language, as currently drafted).

Prepared by: Sam Austin  
Attachments

## **ATTACHMENT 1**

### **Allowable AFCSP Services**

- Adult Family Home
- Advocacy and Legal Assistance
- Case Management or Service Coordination
- Community-Based Care or Treatment Facility
- Community Organization and Awareness (including all activities designed to start or support Alzheimer's support groups)
- Community Support
- Congregate Meals
- Counseling and Therapeutic Resources
- Crisis Intervention
- Daily Living Skills Training
- Day Center Services or Treatment
- Health Screening and Accessibility
- Home-Delivered Meals
- Housing and Energy Assistance
- Information and Referral
- Inpatient Treatment
- Intake and Assessment
- Interpreter Services and Adaptive Equipment
- Outreach
- Protective Payment or Guardianship
- Recreation and Alternative Activities
- Respite Care
- Shelter Care
- Specialized Transportation and Escort
- Supportive Home Care
- Work-Related Services
- Other goods and services that are necessary to maintain the person with Alzheimer's Disease as a member of the household.

## ATTACHMENT 2

### AFCSP Calendar Year 2016 Allocations

Adams*	\$8,133	Milwaukee	242,158
Ashland	7,132	Monroe	12,863
Barron*	14,192	Oconto *	11,242
Bayfield	5,531	Oneida*	12,776
Brown*	74,416	Outagamie	42,892
Buffalo	5,622	Ozaukee*	17,426
Burnett*	5,564	Pepin	4,489
Calumet	7,937	Pierce*	8,740
Chippewa*	18,528	Polk	12,691
Clark*	11,702	Portage*	9,103
Columbia	13,240	Price	5,797
Crawford	6,072	Racine	66,602
Dane	139,786	Richland	3,565
Dodge	22,114	Rock	72,180
Door*	7,732	Rusk	6,213
Douglas	18,177	St. Croix*	12,061
Dunn*	11,648	Sauk	14,077
Eau Claire*	31,906	Sawyer	5,718
Florence*	5,335	Shawano	12,244
Fond du Lac*	14,960	Sheboygan*	31,502
Forest*	6,921	Taylor	6,129
Grant	16,634	Trempealeau	11,483
Green	8,939	Vernon	9,561
Green Lake	5,699	Vilas*	5,342
Iowa	5,799	Walworth	18,275
Iron	4,262	Washburn*	5,702
Jackson	6,853	Washington*	22,173
Jefferson	19,565	Waukesha	73,893
Juneau*	7,690	Waupaca	15,537
Kenosha*	47,518	Waushara	7,391
Kewaunee*	6,854	Winnebago	46,502
La Crosse	30,800	Wood*	<u>24,333</u>
Lafayette	5,834		
Langlade*	7,618	Total	\$1,558,900
Lincoln*	9,345		
Manitowoc*	26,228		
Marathon*	33,013		
Marinette*	17,795		
Marquette	5,268		
Menominee	5,878		

\*These counties that receive the GPR allocation through the Greater Wisconsin Agency on Aging Resources. All other counties receive this allocation through the state-county contract.