



Legislative Fiscal Bureau

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October 31, 2019

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 192: Coverage of Clinical Consultations under Medical Assistance

Assembly Bill 192 was introduced on April 25, 2019 and referred to the Assembly Committee on Medicaid Reform and Oversight. On September 24, that Committee adopted Assembly Substitute Amendment 1 and recommended the bill for passage, as amended, on a vote of 5 to 0.

BACKGROUND

Medical assistance (MA) pays for consultations between a mental health professional and school personnel regarding treatment issues involving clients who are students under the age of 21. Formally, a "clinical consultation" is defined as communication between the mental health professional (or qualified treatment trainee working under the supervision of a mental health professional) and another individual who is working with the client, to inform, inquire, and instruct regarding the client's symptoms, strategies for effective engagement, care, and intervention for the client, and treatment expectations for the client across services settings.

In guidance developed for the benefit, the Department of Health Services specified that consultation is restricted to educator teams, individual educators, or school staff. Furthermore, the student must have an established mental health diagnosis, and consultation must be related to that diagnosis or treatment for mental illness. MA pays \$22.72 for each 15 minute increment for consultations involving a mental health professional with a master's degree or a qualified treatment trainee, and \$30.30 for consultations involving a doctoral level psychologist, a psychiatrist, or an advanced practice nurse prescriber with a psychiatric specialty.

The clinical consultation benefit was created by 2017 Act 59, but with an expiration date of June 30, 2019. The 2019-21 budget eliminated the expiration date to establish clinical consultations as an ongoing MA benefit.

SUMMARY OF ASSEMBLY SUBSTITUTE AMENDMENT 1 TO AB 192

ASA 1 to AB 192 would expand the clinical consultation benefit by including clinical consultations with a parent of a student as a reimbursable expense. For the purposes of this provision, a "parent" would be defined to also include a foster parent, a guardian, or a relative other than a parent, who lives with the student. The substitute amendment would increase funding for medical assistance benefits by \$75,600 GPR annually to reflect an estimate of the fiscal effect of adding consultation with parents as a covered service.

FISCAL EFFECT

As introduced, AB 192 would have added clinical consultations with parents as a reimbursable service under MA, but also would have removed the expiration date that had been established for the clinical consultations benefit by 2017 Act 59. Based on both changes, the fiscal estimate prepared by the Department of Health Services projected that MA expenditures would increase by \$421,700 on an annual basis. Of this amount, \$177,100 was the estimated increase in the state cost share and \$244,600 was the estimated increase in federal Medicaid matching funds. The bill would have increased the GPR appropriation for MA benefits by \$177,100 to account for the estimated increase in state costs. [Because the FED appropriation for MA allows DHS to expend any amount of federal funds received for MA benefits costs, legislation does not customarily modify the FED appropriation.]

Act 9, which was enacted prior to consideration of AB 192 by the Assembly standing committee, eliminated the clinical consultations expiration date, and provided funding to account for this change, estimated at \$250,000 (\$101,500 GPR and \$148,500 FED) annually. Because the elimination of the expiration date had been enacted, the substitute amendment did not include that provision, and adjusted the GPR fiscal change to provide the difference between the Department's fiscal estimate and the amount provided by Act 9. Accordingly, the substitute amendment would increase funding for MA benefits by \$75,600 annually to account for an anticipated increase in MA benefit expenditures for consultations involving parents. Based on an estimated 60% federal medical assistance matching rate for these services, federal funding to support the clinical consultations benefit would increase by approximately \$113,400 annually.

Prepared by: Jon Dyck