



## Legislative Fiscal Bureau

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May 15, 2013

Joint Committee on Finance

Paper #361

### **Supplies and Services for Residents at DHS Facilities (DHS -- Care Facilities and Quality Assurance)**

[LFB 2013-15 Budget Summary: Page 256, #3]

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#### **CURRENT LAW**

The Department of Health Services (DHS) operates seven residential institutions, including the three state centers for persons with intellectual disabilities (Central, Northern, and Southern), the state's two mental health institutes (Mendota and Winnebago), the Wisconsin Resource Center (WRC), and the Sand Ridge Secure Treatment Center (SRSTC). Funding to support variable non-food costs at these residential institutions, such as medical care, drugs, clothing, and other supplies, are budgeted separately from the other supplies and services costs associated with operating these institutions.

Variable non-food costs at the two state mental health institutes are assigned to payment sources based on the estimated percentage of their respective populations whose care will be supported by GPR (nearly all forensic patients and other non-billable patients) and by program revenues contributed by counties, medical assistance, and other third-party payers (civil commitments, medical assistance (MA) recipients, and certain other patients). For the 2013-15 biennium, it is estimated that the population splits will be 86% GPR/14% PR at Mendota, and 67% GPR/33% PR at Winnebago. Variable non-food costs at the three state centers are funded entirely by PR (primarily medical assistance reimbursement), while variable non-food costs at WRC and SRSTC are funded entirely by GPR.

#### **GOVERNOR**

Provide \$747,900 (\$1,464,000 GPR and -\$716,100 PR) in 2013-14 and \$4,557,600 (\$4,934,000 GPR and -\$376,400 PR) in 2014-15 to reflect estimates of the cost of providing supplies and services, other than food, for residents at DHS care facilities.

## MODIFICATION

1. Modify the Governor's recommendations by decreasing funding by \$484,600 (-\$334,000 GPR and -\$150,600 PR) in 2013-14 and by \$566,200 (-\$405,000 GPR and -\$161,200 PR) in 2014-15.

**Explanation:** The variable funding increases for non-food costs in the bill were calculated by applying estimated inflation factors to each category of variable costs to arrive at a projected variable non-food cost per capita for each residential institution, and then multiplying those per capita costs by the institution's estimated population for 2013-14 and 2014-15. Based on a review of current and historical resident populations at these facilities, the population projections at most facilities are revised downward for 2013-14 and 2014-15, compared to the AB 40 estimates. This modification adjusts funding for variable non-food costs to incorporate these lower population estimates. The following table compares the populations estimates the administration used in estimating variable non-food costs, for which funding is provided in the bill, with the current estimates.

### Comparison of Population Estimates at DHS Facilities

Facility	AB 40		Current Estimate		Difference	
	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>
Mendota Mental Health Institute	251	251	252	252	1	1
Winnebago Mental Health Institute	178	178	181	181	3	3
Wisconsin Resource Center	389	389	376	381	-13	-8
Sand Ridge Secure Treatment Center	369	372	354	357	-15	-15
Central Wisconsin Center	245	245	242	242	-3	-3
Northern Wisconsin Center	16	16	14	14	-2	-2
Southern Wisconsin Center	<u>157</u>	<u>157</u>	<u>153</u>	<u>153</u>	<u>-4</u>	<u>-4</u>
Total	1,605	1,608	1,572	1,580	-33	-28

Modification	Change to Bill Funding
GPR	- \$739,000
PR	<u>- 311,800</u>
Total	- \$1,050,800

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