



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #425

### **Aging and Disability Resource Centers (Health Services -- Services for the Elderly and People with Disabilities)**

[LFB 2023-25 Budget Summary: Page 262, #1]

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#### **CURRENT LAW**

Aging and disability resource centers (ADRCs) provide information on a broad range of programs and services available to assist elderly individuals and individuals with disabilities, serve as the access point for publicly funded long-term care programs, and assist people in understanding the various long-term care options available to them and how to apply for programs and benefits.

ADRCs may serve either a single county or a consortia of counties and tribes. There are currently 47 ADRCs and seven tribal aging and disability resource specialists (ADRSs) serving residents statewide. The ADRC program became available on a statewide basis in 2013.

GPR base funding for ADRC and tribal ADRS services is \$42,127,500 annually, of which approximately \$36 million is used to support ADRC base contracts. In addition, DHS claims federal Medicaid administrative matching funds based on estimates of the cost of services ADRCs provide to Medicaid recipients. On average, FED accounts for 40% of ADRC costs, or approximately \$23 million in additional funding annually. The amount of federal funding the state claims for ADRC services is based on time reports submitted by ADRCs that identify MA-eligible administrative services the ADRC provides, including: (a) staff discussions about MA programs or services; (b) conducting long-term care functional screens; and (c) assisting in gathering data necessary to apply for Medicaid.

While ADRCs are mainly funded with GPR and corresponding federal matching funds, some ADRCs receive support by other revenue sources, including fee revenue, county levy funding, and other grants. The Department of Health Services (DHS) provides most of the funding for ADRCs through annual, sum certain allocations. However, counties are responsible for

expenses that exceed these allocations.

Beyond the base funding available for core contract functions, ADRCs may receive additional funding for certain programs, for example the dementia care specialist program.

## **DISCUSSION POINTS**

1. According to the DHS *Wisconsin State Aging Plan FFY 2023-25* report, "Wisconsin's population ages 60 and older totaled 1.45 million in 2020 comprising 25 percent of the state's total. Wisconsin ranked 16th nationally in this share of population... The ranking is considerably higher than in 2010 (25th, at 19 percent of population)."

2. Further, the state aging plan shows that between 2020 and 2030, Wisconsin's projected population growth rate for individuals ages 0 to 59 is 1%, compared to 21% for individuals ages 60 and older.

3. The Administration notes that current census projection estimates indicate that the 85 and older population will double in the next 20 years, even as the state population (all ages) is expected to only increase by 8% during that timeframe. Further, the Administration states that "as early as 2025, 15% growth in the very elderly population (85+) compared to 2020 heralds the beginning of unprecedented strain on the state aging system, of which resource centers are the front line."

4. AB 43/SB 70 would provide \$5,654,300 in 2023-24 and \$11,308,600 in 2024-25 to increase base allocations and fund expanded caregiver support services provided by ADRCs. Caregiver services could include assisting caregivers in navigating complexities relating to caregiving, education relating to available benefits both for the care recipient and caregiver, as well as facilitating support groups to connect them with others in this role.

5. Although a distribution method has not been finalized, the Department indicates that the plan would support both counties and tribes and that the current proposal provides funding to support staff that could provide caregiver support services on a per capita basis, considering all residents of Wisconsin over the age of 85. Further, additional funding would be predicated on contract amendments regarding expanded caregiver support services or through a separate caregiver support services contract for the ADRC.

6. While the pandemic has affected utilization in recent years, ADRC reported data indicates that total contacts increased by 11% from 2016 to 2019 (from 512,413 contacts in 2016 to 571,424 contacts in 2019), before leveling off somewhat during the pandemic. In calendar year 2022, ADRCs reported 535,329 contacts. Contacts do not represent the number of unique individuals served by the ADRC, since an individual may contact and receive services multiple times. Despite an increase in the number of contacts and individuals eligible for ADRC services, as a result of Wisconsin's aging population, GPR base funding for ADRC core contract purposes has not increased since ADRC services became available on a statewide basis in 2013.

7. In 2016, DHS published an analysis of the ADRCs, which found that 40.4% of people

surveyed contacted the ADRC on behalf of a spouse or relative. DHS has not commissioned a more recent formal analysis of the ADRCs. However, a 2020 report, by the National Alliance for Caregivers and AARP, indicated that more than one in five Americans are caregivers, having provided care to an adult or child with special needs at some time in the past 12 months. This equals an estimated 53.0 million adults in the United States, up from an estimated 43.5 million caregivers in 2015. For purposes of the 2020 report "caregivers" were defined as unpaid family caregivers.

8. Funding in the bill is made up of two components. First, \$2,513,700 in 2023-24 and \$5,027,400 in 2024-25 would be budgeted to increase ADRC base allocations to account for the anticipated increase in the number of older residents in the state. These amounts are based on the Administration's estimates regarding each county's percentage growth of their population aged 85 and older (between 2020 and 2025) multiplied by the current base allocations.

9. Second, \$3,140,600 in 2023-24 and \$6,281,200 in 2024-25 would be budgeted to support at least 0.5 FTE to provide caregiver support services in every county, with funds increasing proportionally for higher numbers of residents over 85 years old. Specifically, these estimates are based on counties with 1,000 or fewer people aged 85 or over in 2020, being budgeted \$43,680 to support the salary and benefits associated with 0.5 non-state FTE position. Counties with more than 1,000 people aged 85 or over in 2020, would be budgeted \$43.68 per person (\$43,680 per 1,000 persons) aged 85 or older. While funding estimates for both components in the bill are based on estimates of county populations over the age of 85, final funding would be distributed on an ADRC and tribal ADRS basis.

10. Further, funding in AB 43/SB 70 would provide the GPR necessary for the Administration's proposal. It can be assumed that as the population served by ADRCs increases under this proposal, the number of Medicaid-eligible activities increases proportionally as well. As such, ADRCs may be able to claim additional FED match on the funding provided in the bill, depending on how exactly the funds are expended. This amount would be in addition to the increased GPR, rather than an offset.

11. The Administration notes that since caregiver support resources are not currently a core service, availability of such services depends on available funding. Dedicated funding for caregiver specialists at ADRCs would provide uniform access to caregiver assistance in navigating this role. It would also help to ensure access to caregiver services for those caring for younger adults with disabilities, as current caregiver services are often limited to caregivers for older adults.

12. If the Committee wishes to expand services that ADRCs currently provide, as well as in recognition of likely future increases in demand for ADRC services as the population continues to age, the Committee could choose to provide \$5,654,300 in 2023-24 and \$11,308,600 in 2024-25 to increase base allocations and fund expanded caregiver support services at ADRCs. [Alternative 1]

13. Alternatively, in recognition of the challenges facing caregivers specifically, the Committee could choose to retain only this portion of the Administration's plan. As such, the Committee could provide \$3,140,600 in 2023-24 and \$6,281,200 in 2024-25 to expand caregiver support and programs at ADRCs. [Alternative 2]

14. On the other hand, the Committee could choose to retain only the portion of the Administration's plan to provide \$2,513,700 in 2023-24 and \$5,027,400 in 2024-25 to increase ADRC base allocations to account for the anticipated increase in the number of older residents in the state. Under this alternative, no core contract services would be expanded but rather funding would support an anticipated increase in demand for current services. [Alternative 3]

15. Finally, the Committee could choose to take no action on this item, thereby maintaining the current GPR funding level for ADRCs. [Alternative 4]

## ALTERNATIVES

1. Provide \$5,654,300 in 2023-24 and \$11,308,600 in 2024-25 to increase base allocations and fund expanded caregiver support services at ADRCs.

ALT 1	Change to Base
GPR	\$16,962,900

2. Provide \$3,140,600 in 2023-24 and \$6,281,200 in 2024-25 to expand caregiver support and programs at ADRCs.

ALT 2	Change to Base
GPR	\$9,421,800

3. Provide \$2,513,700 in 2023-24 and \$5,027,400 in 2024-25 to increase ADRC base allocations to account for the anticipated increase in the number of older residents in the state.

ALT 3	Change to Base
GPR	\$7,541,100

4. Take no action.

Prepared by: Alexandra Bentzen