

HEALTH SERVICES

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$9,955,674,800	\$9,615,677,400	\$10,815,476,900	\$1,199,799,500	12.5%	\$859,802,100	8.6%
FED	15,443,028,600	20,221,065,200	17,154,653,500	- 3,066,411,700	- 15.2	1,711,624,900	11.1
PR	3,657,412,400	3,896,443,800	3,942,822,500	46,378,700	1.2	285,410,100	7.8
SEG	<u>1,249,772,000</u>	<u>1,561,764,800</u>	<u>1,551,891,400</u>	<u>- 9,873,400</u>	- 0.6	<u>302,119,400</u>	24.2
TOTAL	\$30,305,887,800	\$35,294,951,200	\$33,464,844,300	- \$1,830,106,900	- 5.2%	\$3,158,956,500	10.4%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	2,642.84	2,748.72	2,690.43	- 58.29	47.59
FED	1,522.77	1,401.59	1,368.02	- 33.57	- 154.75
PR	2,422.31	2,751.11	2,468.99	- 282.12	46.68
SEG	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	6,589.92	6,903.42	6,529.44	- 373.98	- 60.48

Budget Change Items

Medical Assistance -- Eligibility and Benefits

1. OVERVIEW OF MEDICAL ASSISTANCE FUNDING AND ENROLLMENT

This item presents several summary tables relating to the funding that would be provided for medical assistance (MA) benefits under Joint Finance.

The MA program is supported by general purpose revenue (GPR), federal Medicaid matching funds (FED), three segregated funds (the MA trust fund, the hospital assessment trust fund, the critical access hospital assessment trust fund), and various program revenue (PR) sources, such as drug manufacturer rebates.

Table 1 shows, by year and fund source, the total amounts that would be budgeted for MA benefits for each year of the 2023-25 biennium under Joint Finance, compared to the base level funding for the program. The cost-to-continue item reflects current estimates of MA costs in the 2023-25 biennium with no programmatic changes to benefits or eligibility. The other listed items increase or decrease funding for one or more MA funding sources to reflect program changes. Under Joint Finance, these changes are primarily increases to provider reimbursement rates.

TABLE 1

Summary of MA Benefits Funding Under Joint Finance

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2023-24					
Base Funding	\$3,989,935,800	\$6,891,808,500	\$1,336,421,400	\$624,531,700	\$12,842,697,400
MA Cost-to-Continue Estimate	\$113,687,700	\$618,648,900	\$82,458,000	\$298,691,500	\$1,113,486,100
Nursing Home and Long-Term Care					
Nursing Home Support Services	\$28,167,400	\$45,032,600	\$0	\$0	\$73,200,000
Nursing Home Incentives	6,002,900	9,597,100	0	0	15,600,000
Nursing Home Vent. Dependent	1,924,000	3,076,000	0	0	5,000,000
Home and Comm. Based Services	17,194,500	26,512,800	0	0	43,707,300
Family Care Direct Care	5,000,000	7,993,800	0	0	12,993,800
Personal Care	5,000,000	7,993,800	0	0	12,993,800
Personal Needs Allowance	0	0	0	0	0
Hospital Reimbursement					
Dis. Share Hospital Payment	\$24,100,000	\$38,530,000	\$0	\$0	\$62,630,000
Critical Care Hospital Supplement	2,250,000	3,597,000	0	0	5,847,000
Hospital Base Rates	8,741,200	13,975,100	0	0	22,716,300
Behavioral Health Units	4,000,000	6,168,000	0	0	10,168,000
Grad. Med. Education Supplement	360,800	576,700	0	0	937,500
Practitioner Reimbursement					
Primary Care	\$17,394,900	\$26,821,900	\$0	\$0	\$44,216,800
Emergency Physician	1,969,700	3,149,000	0	0	5,118,700
Chiropractic Parity	200,000	400,000	0	0	600,000
Other Adjustments					
Eliminate EMS Supp. (Act 12)	\$0	\$0	\$0	\$0	\$0
Program Revenue Reestimate	0	0	4,808,000	0	4,808,000
Administrative Transfers	-423,600	0	0	0	-423,600
Total Change to Base	\$235,569,500	\$812,072,700	\$87,266,000	\$298,691,500	\$1,433,599,700
2023-24 Total	\$4,225,505,300	\$7,703,881,200	\$1,423,687,400	\$923,223,200	\$14,276,297,100
2024-25					
Base Funding	\$3,989,935,800	\$6,891,808,500	\$1,336,421,400	\$624,531,700	\$12,842,697,400
MA Cost-to-Continue Estimate	\$240,502,500	\$326,565,800	\$38,064,300	-\$21,588,100	\$583,544,500
Nursing Home and Long-Term Care					
Nursing Home Support Services	\$28,774,900	\$44,425,100	\$0	\$0	\$73,200,000
Nursing Home Incentives	6,132,400	9,467,600	0	0	15,600,000
Nursing Home Vent. Dependent	1,965,500	3,034,500	0	0	5,000,000
Home and Comm. Based Services	71,525,000	110,426,800	0	0	181,951,800
Family Care Direct Care	10,000,000	15,438,800	0	0	25,438,800
Personal Care	10,000,000	15,438,800	0	0	25,438,800
Personal Needs Allowance	806,100	1,253,900	0	0	2,060,000

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Hospital Reimbursement					
Dis. Share Hospital Payment	\$24,100,000	\$37,208,000	\$0	\$0	\$61,308,000
Critical Care Hospital Supplement	2,250,000	3,474,000	0	0	5,724,000
Hospital Base Rates	17,859,500	27,573,000	0	0	45,432,500
Behavioral Health Units	8,000,000	12,351,000	0	0	20,351,000
Grad. Med. Education Supplement	366,900	570,600	0	0	937,500
Practitioner Reimbursement					
Primary Care	\$34,763,200	\$53,670,300	\$0	\$0	\$88,433,500
Emergency Physician	4,024,300	6,213,000	0	0	10,237,300
Chiropractic Parity	500,000	700,000	0	0	1,200,000
Other Adjustments					
Eliminate EMS Supp. (Act 12)	-\$2,000,000	0	0	0	-\$2,000,000
Program Revenue Reestimate	0	0	4,808,000	0	4,808,000
Administrative Transfers	<u>-427,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-427,400</u>
Total Change to Base	\$459,142,900	\$667,811,200	\$42,872,300	-\$21,588,100	\$1,148,238,300
2024-25 Total	\$4,449,078,700	\$7,559,619,700	\$1,379,293,700	\$602,943,600	\$13,990,935,700

Table 2 shows the biennial changes to the program under the Governor and Joint Finance shown in relationship to the appropriation base, doubled for the purposes of comparison. The final line shows the Joint Finance change to the Governor.

TABLE 2

Biennial Summary of MA Benefits Funding -- Governor and Joint Committee on Finance

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Base Doubled	\$7,979,871,600	\$13,783,617,000	\$2,672,842,800	\$1,249,063,400	\$25,685,394,800
Governor					
Cost-to-Continue	380,867,800	1,076,652,600	-13,594,200	267,573,600	1,711,499,800
Full Medicaid Expansion	-1,620,202,600	2,293,216,500	0	0	673,013,900
All Other Changes	<u>372,886,400</u>	<u>1,149,979,300</u>	<u>19,216,000</u>	<u>0</u>	<u>1,542,081,700</u>
Total Change to Base	-\$866,448,400	\$4,519,848,400	\$5,621,800	\$267,573,600	\$3,926,595,400
Total 2023-25 Funding	\$7,113,423,200	\$18,303,465,400	\$2,678,464,600	\$1,516,637,000	\$29,611,990,200
Joint Finance					
Cost-to-Continue	\$354,190,200	\$945,214,700	\$120,522,300	\$277,103,400	\$1,697,030,600
All Other Changes	<u>340,522,200</u>	<u>534,669,200</u>	<u>9,616,000</u>	<u>0</u>	<u>884,807,400</u>
Total Change to Base	\$696,712,400	\$1,479,883,900	\$130,138,300	\$277,103,400	\$2,583,838,000
Total 2023-25 Funding	\$8,674,584,000	\$15,263,500,900	\$2,802,981,100	\$1,526,166,800	\$28,267,232,800
Jt. Fin. Chg. to Governor	\$1,561,160,800	-\$3,039,964,500	\$124,516,500	\$9,529,800	-\$1,344,757,400

Table 3 shows the actual and projected average monthly enrollment by major eligibility group under Joint Finance.

TABLE 3

Actual and Projected Monthly Average Enrollment by Group

	Actual	Projected	Estimates	
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Elderly, Blind, Disabled MA				
Elderly	84,089	88,015	87,268	87,502
Non-Elderly Disabled Adults	151,437	153,460	153,571	153,755
Disabled Children	<u>34,741</u>	<u>35,893</u>	<u>35,805</u>	<u>35,834</u>
EBD Total	<u>270,266</u>	<u>277,368</u>	<u>276,645</u>	<u>277,092</u>
BadgerCare Plus				
Children	553,511	583,790	581,419	493,102
Parents	224,548	245,079	236,494	184,982
Childless Adults	257,860	286,213	221,016	179,069
Pregnant Women	<u>32,545</u>	<u>36,642</u>	<u>25,962</u>	<u>19,078</u>
BadgerCare Plus Total	<u>1,068,464</u>	<u>1,151,724</u>	<u>1,064,891</u>	<u>876,231</u>
Other Full Benefit				
Foster Care/Subsidized Adoption	25,616	27,533	23,926	21,765
Well Woman	<u>518</u>	<u>540</u>	<u>502</u>	<u>479</u>
Total Full Benefit	<u>1,364,864</u>	<u>1,457,165</u>	<u>1,365,964</u>	<u>1,175,567</u>
Limited Benefit Groups				
Family Planning Only	45,649	49,017	41,434	36,407
Medicare Cost Sharing	<u>16,244</u>	<u>15,589</u>	<u>16,212</u>	<u>16,663</u>
Total Enrollment	<u>1,426,757</u>	<u>1,521,771</u>	<u>1,423,610</u>	<u>1,228,637</u>

Table 4 shows actual and projected SEG revenues to the MA trust fund (MATF) under Joint Finance, as well as anticipated MATF expenditures. MATF revenues are used for the nonfederal share of MA benefits, offsetting an equal amount of GPR. In most years, the Department fully spends the SEG appropriation for MA benefits in order to minimize the amount of GPR needed for MA benefits. In 2022-23, however, the Department left an unspent balance of \$303.6 million in the fund, which was related to a federal initiative for the improvement of home and community-based services (HCBS) for eligible elderly and disabled persons. Under the federal program, the state received a 10.0 percentage point increase to its federal Medicaid matching rate for HCBS services during the 12-month period from April 1, 2021 to March 31, 2022. This enhanced matching rate generated state funds savings of \$405.5 million, which, under the federal program, must be spent by March 31, 2025, to enhance the state's HCBS programs. Of this amount, the Department spent \$101.9 million in the 2021-23 biennium, leaving \$303.6 million to be spent in the 2023-25 biennium. This additional HCBS plan spending is carried forward as a balance in the MATF, and is appropriated in 2023-24 as part of the cost-to-continue reestimate.

TABLE 4

**Actual and Projected Medical Assistance Trust Fund Revenues
Fiscal Years 2021-22 through 2024-25**

	Actual	Projection	Estimates	
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Beginning Balance	\$61,391,900	\$237,666,500	\$303,641,900	\$0
Provider Assessments				
Hospital Assessment*	\$195,144,400	\$185,880,100	\$155,128,900	\$149,280,100
Nursing Home/ICF-IID Bed Assessment	57,225,900	55,317,700	53,365,500	51,495,300
Critical Access Hospital Assessment*	1,795,700	1,473,800	1,009,000	831,100
Federal Funds Claiming				
County Nursing Home Cert. Pub. Expenditures	23,350,400	\$20,800,000	\$20,176,000	\$19,570,700
UW Intergovernmental Transfer	15,683,200	15,900,900	23,709,000	15,806,000
UW Certified Public Expenditures	0	1,900,000	1,900,000	1,900,000
Other				
Transfer from General Fund	\$174,665,900	\$527,783,700	\$0	\$0
Transfer from Permanent Endowment Fund	126,809,900	133,418,300	101,523,900	95,817,200
Interest Earnings**	<u>264,200</u>	<u>-450,000</u>	<u>-450,000</u>	<u>-450,000</u>
Total Available	\$656,331,500	\$1,179,691,000	\$660,004,200	\$334,250,400
Expenditures				
County Nursing Home Supplement***	\$11,530,000	\$0	\$0	\$0
MA Benefits	<u>407,135,000</u>	<u>876,049,100</u>	<u>660,004,200</u>	<u>334,250,400</u>
Year-End Balance	\$237,666,500	\$303,641,900	\$0	\$0

* Assessment revenue is first deposited in separate trust funds and a portion is used to make supplemental hospital payments. The amounts shown are the transfers to the MA trust fund after these supplemental payments are made.

** Negative interest earnings reflect negative cash balances that occur at times during the year.

*** Any amount of county nursing home certified public expenditure revenue collected in excess of budget projections is paid as a supplement to counties in the following year.

Table 5 shows the actual and projected federal medical assistance percentage (FMAP) rates applicable to MA benefit expenditures in each fiscal year from 2022-23 through 2024-25. The enhanced FMAP applicable during the COVID-19 pandemic will phase out by the end of calendar year 2023, but still impacts the weighted average in 2023-24. In addition to the FMAP for regular Medicaid (Title 19 of the federal Social Security Act), the table also shows the higher rate applicable to expenditures for children eligible under the Children's Health Insurance Plan (CHIP or Title 21).

TABLE 5**Federal Medical Assistance Percentage (FMAP) Rates
By State Fiscal Year**

<u>State Fiscal Year</u>	<u>Title 19 (Most MA Services)</u>	<u>Title 21 (Children's Health Insurance Plan)</u>
2022-23		
State	34.06%	23.84%
Federal	65.95	76.16
2023-24		
State	38.48%	26.94%
Federal	61.52	73.06
2024-25		
State	39.31%	27.52%
Federal	60.69	72.48

Table 6 shows the annual income eligibility levels, by household size, at various percentages of the 2023 federal poverty level (FPL). The current BadgerCare Plus income eligibility threshold is 100% for adults and 306% for pregnant women and children, whereas the standard for full Medicaid expansion is 138% (applicable to a proposal under the Governor, but not under Joint Finance). The other percentages shown, 160%, 200%, and 240%, are used for the different eligibility tiers in the SeniorCare program.

TABLE 6**Annual Household Income at Various Percentages of the 2023 Federal Poverty Level,
By Household Size**

<u>Household Size</u>	<u>Percentage of FPL</u>					
	<u>100%</u>	<u>138%</u>	<u>160%</u>	<u>200%</u>	<u>240%</u>	<u>306%</u>
One	\$14,580	\$20,120	\$23,328	\$29,160	\$34,992	\$44,615
Two	19,720	27,214	31,552	39,440	47,328	60,343
Three	24,860	34,307	39,776	49,720	59,664	76,072
Four	30,000	41,400	48,000	60,000	72,000	91,800
Five	35,140	48,493	56,224	70,280	84,336	107,528

2. MEDICAL ASSISTANCE COST-TO-CONTINUE ESTIMATE [LFB Paper 405]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$380,867,800	-\$26,677,600	\$354,190,200
FED	1,076,652,600	-131,437,900	945,214,700
PR	-\$13,594,200	134,116,500	120,522,300
SEG	<u>267,573,600</u>	<u>9,529,800</u>	<u>277,103,400</u>
Total	\$1,711,499,800	-\$14,469,200	\$1,697,030,600

Governor: Provide \$1,080,023,800 (\$119,124,000 GPR, \$633,051,500 FED, \$46,004,200 PR, and \$281,844,100 SEG) in 2023-24 and \$631,476,000 (\$261,743,800 GPR, \$443,601,100 FED, -\$59,598,400 PR, and -\$14,270,500 SEG) in 2024-25 to fund projected MA benefits under a cost-to-continue scenario (no program changes to benefits or eligibility). The funding adjustments are based on the Administration's projections of caseload changes and changes in the use and cost of providing medical and long-term care services. The cost-to-continue estimate is developed using projections for enrollment and average cost per beneficiary for all service categories, among other factors. The estimates for the 2023-25 biennium build on the Administration's expenditure and enrollment projections for the remainder of 2022-23.

Joint Finance: Increase funding by \$33,462,300 (-\$5,436,300 GPR, -\$14,402,600 FED, \$36,453,800 PR, and \$16,847,400 SEG) in 2023-24 and decrease funding by \$47,931,500 (-\$21,241,300 GPR, -\$117,035,300 FED, \$97,662,700 PR, and -\$7,317,600 SEG) in 2024-25 to reflect the cost-to-continue reestimate. The following table shows the resulting funding, expressed as a change to the base.

<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Biennium</u>
GPR	\$113,687,700	\$240,502,500	\$354,190,200
FED	618,648,900	326,565,800	945,214,700
PR	82,458,000	38,064,300	120,522,300
SEG	<u>298,691,500</u>	<u>-21,588,100</u>	<u>277,103,400</u>
Total	\$1,113,486,100	\$583,544,500	\$1,697,030,600

3. FULL MEDICAID EXPANSION (Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$1,619,519,900	\$1,619,519,900	\$0
FED	<u>2,295,264,400</u>	<u>- 2,295,264,400</u>	<u>0</u>
Total	\$675,744,500	-\$675,744,500	\$0

4. POSTPARTUM ELIGIBILITY EXTENSION [LFB Paper 406]

	Governor (Chg. To Base)	Jt. Finance (Chg. To Gov)	Net Change
GPR	\$11,635,300	- \$11,635,300	\$0
Fed	<u>22,778,600</u>	<u>- 22,778,600</u>	<u>0</u>
Total	\$34,413,900	- \$34,413,900	\$0

Governor: Provide \$16,949,900 (\$5,674,800 GPR and \$11,275,100 FED) in 2023-24 and \$17,464,000 (\$5,960,500 GPR and \$11,503,500 FED) in 2024-25 to reflect the estimated cost of providing one year post-partum coverage for pregnant women. Specify that, if approved by the federal government, a woman who is determined to be eligible under the BadgerCare Plus program as a pregnant woman remains eligible for benefits until the last day of the month in which the 365th day after the last day of the pregnancy falls, instead of the last day of the month in which the 90th day after the last day of the pregnancy falls.

Under current law, DHS is required to submit a request for federal approval of a state Medicaid plan amendment or federal waiver to extend postpartum eligibility for pregnant women until the last day of the month in which the 90th day following the pregnancy falls. Until such a request is approved, or if such a request is denied, postpartum eligibility lasts until the last day of the month in which the 60th day following the pregnancy falls. The Department submitted a federal waiver request in June of 2022, but the federal Centers for Medicare and Medicaid Services has not yet acted on the request (as of the date of the introduction of the bill). Consequently, the 60-day standard remains in effect. As amended by the bill, DHS would be required to submit a request for approval of the one-year postpartum coverage. Federal law permits states to adopt a one-year postpartum coverage period for pregnant women as an optional eligibility category. Since selecting this option could be implemented with an amendment to the state Medicaid plan, no federal waiver would be required.

The current income eligibility threshold for pregnant women is 306% of the federal poverty level (FPL). Women whose household income is below 100% of the FPL may retain eligibility following pregnancy, as either a parent or, if she is not a parent of a child in the household, as a childless adult. Women whose household income is above 100% of the FPL are no longer eligible for coverage following the last day of the month in which the 60th day after the last day of the pregnancy falls. Therefore, this item would affect the eligibility for women whose household income is between 100% of the FPL and 306% of the FPL, allowing them to retain eligibility for an additional 10 months.

The Administration estimates that, if approved, the monthly average number of pregnant women with coverage under BadgerCare Plus would increase by 6,700 in 2023-24 and by 4,300 in 2024-25, relative to the total enrollment baseline. Under the Administration's cost-to-continue projections (no change to eligibility), the baseline enrollment of pregnant women is expected to be 26,100 in 2023-24 and 19,100 in 2024-25.

The funding increase in the bill reflects a two-year increase in federal matching rates that the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted,

the federal share of all benefit expenditures would decrease and the GPR share would increase. In addition, the number of women affected by the coverage extension would increase since fewer women would otherwise be covered under the full expansion item. The Administration estimates that the funding required for extending postpartum coverage without full Medicaid expansion would be \$20,783,800 (\$7,997,600 GPR and \$12,786,200 FED) in 2023-24 and \$21,414,200 (\$8,379,400 GPR and \$13,034,800 FED) in 2024-25.

Joint Finance: Provision not included.

5. HOSPITAL ACCESS PAYMENTS -- ACUTE CARE HOSPITALS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$531,012,400	-\$531,012,400	\$0

6. HOSPITAL ACCESS PAYMENTS -- CRITICAL ACCESS HOSPITALS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$7,033,800	-\$7,033,800	\$0

7. HOSPITAL REIMBURSEMENT RATE INCREASE [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$23,111,500	\$3,489,200	\$26,600,700
FED	<u>45,037,300</u>	<u>-3,489,200</u>	<u>41,548,100</u>
Total	\$68,148,800	\$0	\$68,148,800

Governor: Provide \$22,716,300 (\$7,605,400 GPR and \$15,110,900 FED) in 2023-24 and \$45,432,500 (\$15,506,100 GPR and \$29,926,400 FED) in 2024-25 to support reimbursement rate increases for hospital services under MA. Require DHS, if the state has adopted full Medicaid expansion, to increase the reimbursement rates paid for hospital services by \$7,605,400 as the state share of payments, in addition to the applicable federal matching funds, in 2023-24, and by \$15,506,100 as the state share of payments, in addition to the applicable federal matching funds, in 2024-25. Specify that the Department shall limit payment to hospitals to the upper payment limit under the Medicare program if the increase to the reimbursement under this item would otherwise exceed that limit.

The funding that would be provided under this item is based on an estimate, using 2022 cost

and payment data, of the increase to base inpatient and outpatient hospital payments that would be needed so that total payments, including hospital supplements, would equal 85% of total hospital costs that can be allocated to MA patients. This calculation is done for all hospitals in aggregate; the actual percentage would vary by hospital. The proposed increase to payments would begin with the calendar year 2024 hospital rates.

The federal matching funds that are associated with the GPR allocations under this item are based on the assumption that the state would adopt full Medicaid expansion, and so would become eligible for a two-year, 5.0 percentage point increase to the state's standard FMAP. To provide the same level of total funding for hospital payments without this incentive would require \$8,741,200 GPR and \$13,975,100 FED in 2023-24 and \$17,777,700 GPR and \$27,654,800 FED in 2024-25.

Joint Finance: Increase GPR funding by \$1,135,800 in 2023-24 and \$2,353,400 in 2024-25 and decrease FED funding by the same amounts to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor. Remove the condition specifying that this rate increase would apply only if full Medicaid expansion is adopted.

8. PEDIATRIC HOSPITAL SUPPLEMENT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,432,700	- \$5,432,700	\$0
FED	<u>14,567,300</u>	<u>- 14,567,300</u>	<u>0</u>
Total	\$20,000,000	- \$20,000,000	\$0

9. GRADUATE MEDICAL EDUCATION SUPPLEMENT [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,267,700	- \$540,000	\$727,700
FED	<u>2,482,300</u>	<u>- 1,335,000</u>	<u>1,147,300</u>
Total	\$3,750,000	- \$1,875,000	\$1,875,000

Governor: Provide \$1,875,000 (\$627,800 GPR and \$1,247,200 FED) in 2023-24 and \$1,875,000 (\$639,900 GPR and \$1,235,100 FED) in 2024-25 to increase grants paid to hospitals to fund the creation of new accredited graduate medical training programs and the addition of positions to existing programs in hospitals serving a rural or underserved community. Increase a statutory limit on the term of grants provided for new training programs for rural hospitals from three years to five years. Under current law, grants to expand existing residency programs are subject to per-hospital and per-position annual limits. Increase the per-hospital limit from \$225,000 GPR (approximately \$575,000 all funds) to \$450,000 GPR (approximately \$1,150,000 all funds). Increase the per-position limit from \$75,000 GPR (approximately \$191,700 all funds)

to \$150,000 GPR (approximately \$383,400 all funds).

Under current law, residency positions must be in one of the following disciplines to qualify for grant funding: (a) family medicine; (b) pediatrics; (c) psychiatry; (d) general surgery; and (e) internal medicine. Hospitals in the City of Milwaukee are ineligible for grants to establish new residency programs.

The base GPR funding for graduate medical training grants is \$3,313,000, an amount that is generally eligible for federal Medicaid matching funds at the applicable FMAP. The Administration's fiscal estimate for this item (GPR and FED share) is based on the cost of increasing the per-position grant by \$75,000 for 25 positions, for a total of \$1,875,000 annually.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing the specified increases to graduate medical education grants would require \$721,500 GPR and \$1,153,500 FED in 2023-24 and \$733,700 GPR and \$1,141,300 FED in 2024-25.

Joint Finance: Reduce funding by \$937,500 (-\$267,000 GPR and -\$670,500 FED) in 2023-24 and \$937,500 (-\$273,000 GPR and -\$664,500 FED) in 2024-25. In addition to providing a smaller increase in overall funding, this modification includes fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor.

Delete the modification of per-hospital and per-position limits. The Administration indicated that their intent under the Governor's proposal was to increase administratively-set limits that are currently lower than the limits set in statute, instead of modifying the statutory limits. Retain the time limit extension from three years to five years as under the Governor's proposal.

10. PRIMARY CARE REIMBURSEMENT RATE INCREASE [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$64,150,800	-\$11,992,700	\$52,158,100
FED	<u>125,010,300</u>	<u>- 44,518,100</u>	<u>80,492,200</u>
Total	\$189,161,100	-\$56,510,800	\$132,650,300

Governor: Provide \$63,053,700 (\$21,110,400 GPR and \$41,943,300 FED) in 2023-24 and \$126,107,400 (\$43,040,400 GPR and \$83,067,000 FED) in 2024-25 to support reimbursement rate increases for primary care medical services under MA. Require DHS, if the state has adopted full Medicaid expansion, to increase the reimbursement rates paid for primary care services by \$21,110,400 as the state share of payments, in addition to the applicable federal matching funds, in 2023-24, and by \$43,040,400 as the state share of payments, in addition to the applicable federal matching funds, in 2024-25. The funding provided under this item is based on an estimate of the amount needed to increase the reimbursement rates for primary care services to 80% of the amount that Medicare pays for primary care services, with an effective date of January 1, 2024.

The federal matching funds that are associated with the GPR allocations under this item are based on the assumption that the state would adopt full Medicaid expansion, and so would become eligible for a two-year, 5.0 percentage point increase to the state's standard FMAP. To provide the same level of total funding for hospital payments without this incentive would require \$24,263,100 GPR and \$38,790,600 FED in 2023-24 and \$49,345,800 GPR and \$76,761,600 FED in 2024-25.

Joint Finance: Reduce funding by \$18,836,900 (-\$3,715,500 GPR and -\$15,121,400 FED) in 2023-24 and \$37,673,900 (-\$8,277,200 GPR and -\$29,396,700 FED) in 2024-25, reflecting an increase of reimbursement rates for primary care to 70% of Medicare rates instead of 80% as well as fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor. Remove the condition specifying that this rate increase must be implemented if full Medicaid expansion is adopted.

11. EMERGENCY PHYSICIAN REIMBURSEMENT RATE INCREASE [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$11,013,500	- \$5,019,500	\$5,994,000
FED	<u>21,461,900</u>	<u>- 12,099,900</u>	<u>9,362,000</u>
Total	\$32,475,400	- \$17,119,400	\$15,356,000

Governor: Provide \$10,825,200 (\$3,624,300 GPR and \$7,200,900 FED) in 2023-24 and \$21,650,200 (\$7,389,200 GPR and \$14,261,000 FED) in 2024-25 to increase the reimbursement rates for emergency physician services. The funding provided under this item is based on an estimate of the amount needed to increase the reimbursement rates for emergency physician services to 50% of the amount that Medicare pays for emergency physician services, with an effective date of January 1, 2024.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same reimbursement rate increases would require \$4,165,500 GPR and \$6,659,700 FED in 2023-24 and \$8,471,700 GPR and 13,178,500 FED in 2024-25.

Joint Finance: Reduce funding by \$5,706,500 (-\$1,654,600 GPR and -\$4,051,900 FED) in 2023-24 and \$11,412,900 (-\$3,364,900 GPR and -\$8,048,000 FED) in 2024-25, reflecting an increase of reimbursement rates for emergency department physician services to 40% of Medicare rates instead of 50% as well as fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor.

12. OUTPATIENT BEHAVIORAL HEALTH AND DAY TREATMENT REIMBURSEMENT RATE INCREASES [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,765,300	- \$5,765,300	\$0
FED	<u>11,234,800</u>	<u>- 11,234,800</u>	<u>0</u>
Total	\$17,000,100	- \$17,000,100	\$0

Governor: Provide \$5,666,700 (\$1,897,200 GPR and \$3,769,500 FED) in 2023-24 and \$11,333,400 (\$3,868,100 GPR and \$7,465,300 FED) in 2024-25 to support reimbursement rate increases for outpatient mental health and substance abuse services and for child-adolescent day treatment services. The bill does not include statutory or nonstatutory provisions dictating the specific manner in which these rate increases are to be implemented. Instead, the Administration indicates that the intent is that the Department would determine how to utilize the funding provided to increase the reimbursement rates for these services.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same level of total funding for reimbursement rate increases would require \$2,180,500 GPR and \$3,486,200 FED in 2023-24 and \$4,434,700 GPR and 6,898,700 FED in 2024-25.

Joint Finance: Provision not included.

13. AUTISM SERVICES REIMBURSEMENT RATE INCREASE [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,146,100	- \$4,146,100	\$0
FED	<u>8,079,500</u>	<u>- 8,079,500</u>	<u>0</u>
Total	\$12,225,600	- \$12,225,600	\$0

Governor: Provide \$4,075,200 (\$1,364,400 GPR and \$2,710,800 FED) in 2023-24 and \$8,150,400 (\$2,781,700 GPR and \$5,368,700 FED) in 2024-25 to support an increase to the reimbursement rate for autism treatment services. The funding provided under this item is based on an estimate of the cost to increase the reimbursement rate by 43%. The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same reimbursement rate increase would require \$1,568,100 GPR and \$2,507,100 FED in 2023-24 and \$3,189,300 GPR and 4,961,100 FED in 2024-25.

Joint Finance: Provision not included.

14. LEAD INVESTIGATION SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$624,600	- \$624,600	\$0
FED	<u>1,223,200</u>	<u>- 1,223,200</u>	<u>0</u>
Total	\$1,847,800	- \$1,847,800	\$0

15. COMMUNITY SUPPORT PROGRAM [LFB Paper 408]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$40,755,600	- \$40,755,600	\$0

Governor: Provide \$19,239,100 in 2023-24 and \$21,516,500 in 2024-25 for MA services provided under the community support program (CSP), reflecting a shift from counties to the state for the responsibility of paying the nonfederal share of CSP services. Require DHS to provide reimbursement payments to counties for CSP services for both the federal and nonfederal share of the payment, instead of, under current law, only the federal share. Delete CSP services from a list of county services for which counties may submit a cost report to DHS for a partial cost reconciliation payment.

The community support program is a county-based psychosocial rehabilitation program under MA, commonly used for persons with schizophrenia, bipolar disorder, schizoaffective disorder, or recurrent major depression. Approximately 4,000 individuals receive CSP services per year. Specific treatment services include individual, family, and group psychotherapy, medications, and crisis intervention. Services are delivered using a treatment team approach, with each individual having a case manager who maintains a clinical treatment relationship with the client on a continuing basis. Currently, the MA reimbursement payment to counties consists of only the federal matching funds, meaning that counties are responsible for the nonfederal share. This item would shift the responsibility for the nonfederal share to the state, paid with GPR budgeted in the MA program. The fiscal effect this item is based on the average nonfederal share of CSP reimbursement payments in 2020-21 and 2021-22, with a growth rate of 5% in 2023-24 and an additional 10% in 2024-25, based on the assumption that CSP services would be more consistently offered across all counties if the state is responsible for the nonfederal share of payments.

Joint Finance: Provision not included.

16. RESIDENTIAL SUBSTANCE USE DISORDER ROOM AND BOARD FUNDING
[LFB Paper 409]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$16,619,000	-\$16,619,000	\$0

Governor: Provide \$8,309,500 annually in the GPR appropriation for Medical Assistance to support the room and board costs of MA enrollees receiving residential substance use disorder treatment. Specify that room and board costs for residential substance use disorder treatment is a reimbursable service category under MA.

MA provides coverage of residential substance abuse disorder treatment for individuals who need a 24-hour, structured environment that is removed from their normal social routine. While the program reimburses residential treatment providers for services, the costs of room and board are not reimbursable, as federal Medicaid law does not provide coverage of room and board costs in a residential treatment facility. Consequently, room and board costs must be covered through other sources, such as the individual's county social services department. This item would provide funding for a GPR-only reimbursement of room and board costs under MA.

The funding for this item is based on the assumption that current utilization of residential substance use treatment would increase by 10% as the result of providing coverage of room and board costs. However, the Administration also estimates that utilization of inpatient hospital substance use treatment would decrease by 25%, partially offsetting the additional cost. The cost of room and board is covered under the reimbursement of inpatient hospital services.

Joint Finance: Provision not included.

17. INTEGRATED STABILIZATION, INTOXICATION MONITORING, AND DETOXIFICATION FACILITY SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

18. COMMUNITY HEALTH SERVICES COVERAGE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,179,300	-\$9,179,300	\$0
FED	<u>16,320,700</u>	<u>- 16,320,700</u>	<u>0</u>
Total	\$25,500,000	-\$25,500,000	\$0

19. COMMUNITY HEALTH WORKER SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$6,562,000	- \$6,562,000	\$0
FED	<u>12,664,600</u>	<u>- 12,664,600</u>	<u>0</u>
Total	\$19,226,600	- \$19,226,600	\$0

20. COVERAGE OF CONTINUOUS GLUCOSE MONITORING AND INSULIN PUMP DEVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,641,700	- \$4,641,700	\$0
FED	8,958,300	- 8,958,300	0
PR	<u>9,600,000</u>	<u>- 9,600,000</u>	<u>0</u>
Total	\$23,200,000	- \$23,200,000	\$0

21. HEALTH INFORMATION EXCHANGE INCENTIVE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$6,981,400	- \$6,981,400	\$0
FED	<u>13,706,600</u>	<u>- 13,706,600</u>	<u>0</u>
Total	\$20,688,000	- \$20,688,000	\$0

22. SCHOOL-BASED SERVICES FEDERAL FUNDING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	- \$112,428,000	\$112,428,000	\$0

23. COVERAGE OF SCHOOLS AS TELEHEALTH ORIGINATING SITES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,719,300	-\$3,719,300	\$0
FED	<u>7,247,600</u>	<u>- 7,247,600</u>	<u>0</u>
Total	\$10,966,900	-\$10,966,900	\$0

24. CERTIFIED PEER SPECIALIST SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,268,100	-\$1,268,100	\$0
FED	<u>2,447,400</u>	<u>- 2,447,400</u>	<u>0</u>
Total	\$3,715,500	-\$3,715,500	\$0

25. COVERAGE OF ACUPUNCTURE SERVICES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,092,200	-\$1,092,200	\$0
FED	<u>2,107,800</u>	<u>- 2,107,800</u>	<u>0</u>
Total	\$3,200,000	-\$3,200,000	\$0

Governor: Provide \$3,200,000 (\$1,092,200 GPR and \$2,107,800 FED) in 2024-25 to fund a new MA benefit, subject to federal approval, for acupuncture services provided by a certified acupuncturist. Require DHS to submit any necessary plan amendment or request any necessary waiver of federal Medicaid law to implement this benefit. Specify that DHS shall provide this benefit only if the federal government approves the request or if no approval is necessary. The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the funding for acupuncture coverage would be \$1,252,200 GPR and \$1,947,800 FED.

Joint Finance: Provision not included.

26. PSYCHOSOCIAL REHABILITATION SERVICES BY NON-COUNTY PROVIDERS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$691,900	- \$691,900	\$0
FED	<u>1,335,300</u>	<u>- 1,335,300</u>	<u>0</u>
Total	\$2,027,200	- \$2,027,200	\$0

27. COVERAGE OF DOULA SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$449,300	- \$449,300	\$0
FED	<u>867,100</u>	<u>- 867,100</u>	<u>0</u>
Total	\$1,316,400	- \$1,316,400	\$0

28. DENTAL HEALTH COORDINATOR GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$900,000	- \$900,000	\$0
FED	<u>900,000</u>	<u>- 900,000</u>	<u>0</u>
Total	\$1,800,000	- \$1,800,000	\$0

29. JOINT COMMITTEE ON FINANCE REVIEW PROCESS FOR FEDERAL WAIVERS AND MA PROGRAM CHANGES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

30. SENIORCARE REESTIMATE [LFB Paper 410]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,310,200	\$9,772,700	\$12,082,900
FED	8,775,000	- 2,779,000	5,996,000
PR	<u>15,675,600</u>	<u>- 11,306,200</u>	<u>4,369,400</u>
Total	\$26,760,800	- \$4,312,500	\$22,448,300

Governor: Provide \$7,491,800 (\$375,200 GPR, \$3,626,200 FED, and \$3,490,400 PR) in

2023-24 and \$19,269,000 (\$1,935,000 GPR, \$5,148,800 FED, and \$12,185,200 PR) in 2024-25 to fully fund benefits under the SeniorCare program. SeniorCare provides pharmacy benefits for Wisconsin residents over the age of 65 who are not eligible for full Medicaid benefits.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, fully funding benefits under the SeniorCare program would require \$4,096,600 GPR, -\$95,200 FED and \$3,490,400 PR in 2023-24 and \$3,845,200 GPR, \$3,238,600 FED, and \$12,185,200 PR in 2024-25, as shown in the table below.

The program is supported with a combination of state funds (GPR), federal funds the state receives under a Medicaid demonstration waiver (FED), and program revenue (PR) from rebate payments DHS collects from drug manufacturers. The program has four income eligibility categories: (a) less than 160% of the federal poverty level (FPL); (b) 160% of FPL to 200% of FPL; (c) 200% of FPL to 240% of FPL; and (d) greater than 240% of FPL. Each of these eligibility tiers has different requirements for deductibles. Persons in the last category, known as "spend-down" eligibility, do not receive benefits until they have out-of-pocket drug expenses in an annual period that exceed the difference between their annual income and 240% of the FPL, plus the deductible.

The federal Medicaid matching funds apply only to participants with incomes under 200% of the federal poverty line. Based on recent trends, manufacturer rebates (PR) are expected to cover 73% of costs for this group. With the temporary increase in federal matching rates related to full Medicaid expansion, federal funds would cover approximately 17% of costs for this group and the GPR portion would be 10%. If full expansion is not adopted, federal funds would cover 15% and the GPR portion would be 12%. Due to temporary changes to the federal matching rate made in response to the COVID-19 pandemic and lag in the receipt of rebates, if full expansion is not adopted the federal share will be approximately one percentage point lower in 2023-24. Variation in agreements with manufacturers and drug utilization means that the percentage of costs covered by rebates is typically higher for participants with incomes above 200% of the poverty line; for this group rebates (PR) cover about 83% of benefit costs, while the remainder is GPR.

Although the Administration estimates that each fund source's share of costs for each income group will remain approximately constant over the biennium, the enrollment in each group is expected to change, as are the per-member average costs. The Administration forecasts that enrollment will continue to increase for each group at the same annual rates as in fiscal year 2021-22: 1.2% for the group with income under 160% of FPL, 2.5% for 160–200%, 5.6% for 200–240%, and 10.2% for over 240%. Based on historical drug price inflation and Federal Reserve inflation forecasts, the Administration forecasts that per-member costs will increase for the first three enrollment groups by 9.0% per year in 2022-23, 6.4% in 2023-24, and 5.9% in 2024-25. Per-member costs in the spend-down enrollment group are forecasted to remain flat.

The base funding for SeniorCare is \$133,343,400 (\$17,971,900 GPR, \$17,738,300 FED, and \$97,633,200 PR). Under the Administration's forecast, FED expenditures in 2022-23 are expected to be above the base level, while PR expenditures are expected to be lower. This has the

effect of increasing the FED change to base relative to the forecasted growth described above, and partially offsetting the PR change to base. In addition, the expiration of the COVID-19 matching rate noted above increases the required GPR and decreases the required FED, particularly in 2023-24. These amounts are shown in the table below.

SeniorCare Funding by Fund Source - Governor's Budget

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
2022-23 Base Funding	\$17,971,900	\$17,738,300	\$97,633,200	\$133,343,400
2023-24 Cost-to-Continue	4,096,600	-95,200	3,490,400	7,491,800
2023-24 Two-Year MA Expansion FMAP	<u>-3,721,400</u>	<u>3,721,400</u>	<u>0</u>	<u>0</u>
2023-24 Total Funding	\$18,347,100	\$21,364,500	\$101,123,600	\$140,835,200
2024-25 Cost-to-Continue	3,845,200	3,238,600	12,185,200	19,269,000
2024-25 Two-Year MA Expansion FMAP	<u>-1,910,200</u>	<u>1,910,200</u>	<u>0</u>	<u>0</u>
2024-25 Total Funding	\$19,906,900	\$22,887,100	\$109,818,400	\$152,612,400

Joint Finance: Reduce funding by \$2,002,300 (\$6,229,900 GPR, -\$1,797,400 FED, and -\$6,434,800 PR) in 2023-24 and by \$2,310,200 (\$3,542,800 GPR, -\$981,600 FED, and -\$4,871,400 PR) to reflect an updated estimate of the cost to fully fund benefits under the program and the removal of the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor.

Relative to base funding, the updated estimate provides \$5,489,500 (\$6,605,100 GPR, \$1,828,800 FED, and -\$2,944,400 PR) in 2023-24 and \$16,958,800 (\$5,477,800 GPR, \$4,167,200 FED, and \$7,313,800 PR). This reflects updated enrollment, per-member costs, and rebate rates through April, 2022. Enrollment is slightly higher than projected under the Governor's budget, but per-member costs are lower, creating a net reduction in total funding. The share of costs covered by rebates (PR) is slightly lower than previously projected, increasing GPR and FED costs. The tables below show the total amount that would be provided in each year and the updated enrollment estimates in each income group for the current year and each year of the 2023-25 biennium.

SeniorCare Total Funding – Joint Finance

	<u>Base</u>	<u>2023-24</u>	<u>2024-25</u>
GPR	\$17,971,900	\$24,576,986	\$23,449,705
FED	17,738,300	19,567,103	21,905,482
PR	<u>97,633,200</u>	<u>94,688,846</u>	<u>104,946,976</u>
Total	\$133,343,400	\$138,832,935	\$150,302,162

SeniorCare Enrollment Estimates

<u>Income Category</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Less than 160% of FPL	27,300	27,800	28,100
160% of FPL to 200% of FPL	17,100	17,600	18,100
200% of FPL to 240% of FPL	12,100	13,000	13,700
Greater than 240% of FPL	<u>58,600</u>	<u>64,700</u>	<u>71,200</u>
Total Enrollment	115,100	123,100	131,100

31. WISCONSIN CHRONIC DISEASE PROGRAM RE-ESTIMATE

GPR	-\$1,331,700
PR	<u>- 793,600</u>
Total	-\$2,125,300

Governor/Joint Finance: Decrease funding by \$1,035,800 (-\$643,600 GPR and -\$392,200 PR) in 2023-24 and \$1,089,500 (-\$688,100 GPR and -\$401,400 PR) in 2024-25 to reflect estimates of the amounts needed to fully fund the Wisconsin chronic disease program (WCDP) in the 2023-25 biennium. The WCDP funds services for individuals with chronic renal disease, hemophilia, and adult cystic fibrosis that are not covered by other public or private health insurance plans. Enrollees in WCDP are responsible for deductibles and coinsurance based on their household income and size, and copayments on prescription medications. The Department receives rebate revenue from drug manufacturers for medications dispensed through WCDP, which is budgeted as program revenue.

Base funding for the program is \$4,626,000 (\$3,700,800 GPR and \$925,200 PR), but expenditures in recent years have been below this level. DHS estimates total program costs will be \$3,590,200 (\$3,057,200 GPR and \$533,000 PR) in 2023-24 and \$3,536,500 (\$3,012,700 GPR and \$523,800 PR) in 2024-25. This estimate includes \$500,000 GPR above trend levels in both years as a contingency that would be available if costs exceed the Department's forecasts.

32. DISPROPORTIONATE SHARE HOSPITAL PAYMENTS

GPR	\$48,200,000
FED	<u>75,738,000</u>
Total	\$123,938,000

Joint Finance: Provide \$62,630,000 (\$24,100,000 GPR and \$38,530,000 FED) in 2023-24 and \$61,308,000 (\$24,100,000 GPR and \$37,208,000 FED) in 2024-25 to increase payments under the disproportionate share hospital (DSH) program. Increase the amount that DHS must distribute as the state share of payments from \$47,500,000 GPR to \$71,600,000 GPR per year.

DSH payments are provided to hospitals for which more than 6% of inpatient days are attributable to MA patients. For each qualifying hospital, payments are calculated in proportion to the hospital's base inpatient payment for MA services. A hospital's add-on percentage is generally proportional to its MA patient days percentage, such that those hospitals with a higher proportion of MA patients have a higher percentage. However, the maximum payment that a hospital may receive in a year is capped at 6.77% of the all-funds total amount available for DSH payments in each fiscal year.

The increase under Joint Finance is estimated to bring the total DSH payments up to the maximum amount eligible for federal matching funds. The all funds amount distributed will be \$182.2 million per year under forecasted federal matching rates for 2024-25, increased from \$139.7 million distributed in 2022-23.

33. HOSPITAL BEHAVIORAL HEALTH REIMBURSEMENT

GPR	\$12,000,000
FED	<u>18,519,000</u>
Total	\$30,519,000

Joint Finance: Provide \$10,168,000 (\$4,000,000 GPR and \$6,168,000 FED) in 2023-24 and \$20,351,000 (\$8,000,000 GPR and \$12,351,000 FED) in 2024-25 to provide increased MA reimbursement for hospital services provided in a behavioral health unit of a general medical and surgical hospital, effective January 1, 2024.

34. RURAL CRITICAL CARE HOSPITAL SUPPLEMENT

GPR	\$4,500,000
FED	<u>7,071,000</u>
Total	\$11,571,000

Joint Finance: Provide \$5,847,000 (\$2,250,000 GPR and \$3,597,000 FED) in 2023-24 and \$5,724,000 (\$2,250,000 GPR and \$3,474,000 FED) in 2024-25 to increase supplementary payments to hospitals under the rural critical care access program. Increase the amount that DHS must distribute as the state share of payments from \$2,250,000 GPR to \$4,500,000 GPR.

The rural critical care supplement is paid to general medical and surgical hospitals that do not qualify as disproportionate share hospitals (DSH), but do have MA patients accounting for at least six percent of total charges for services performed. These hospitals typically do not qualify for DSH payments because they do not offer obstetric care. Funding is distributed among qualifying hospitals under a formula similar to the one used for DSH payments, but based on charges for services instead of patient-days.

35. CHIROPRACTIC RATE INCREASE

GPR	\$700,000
FED	<u>1,100,000</u>
Total	\$1,800,000

Joint Finance: Provide \$600,000 (\$200,000 GPR and \$400,000 FED) in 2023-24 and \$1,200,000 (\$500,000 GPR and \$700,000 FED) in 2024-25 to increase reimbursement rates paid under MA for chiropractic services. This increase is estimated to bring rates paid to chiropractors for those procedures such as diagnostics, X-rays, and office visits that physicians can also claim reimbursement for to the same rates currently paid to physicians, effective January 1, 2024. Under current law, the MA program sets different rates for the same procedure performed by different provider types (such as physicians, physician assistants, or psychiatrists) to reflect different levels of medical expertise or when the same procedure serves a different purpose, such as the difference between a patient-evaluation office visit delivered as a primary care check-up or a psychiatric care appointment.

36. DENTAL SERVICES FOR PEOPLE WITH DISABILITIES

Joint Finance: A provision of the 2017-19 budget (Act 59) required DHS to increase reimbursement rates by a factor of two for dental services rendered by facilities that provide at least 90% of their services to people with cognitive and physical disabilities. Funding for this change, as well as a related increase in special-needs dental reimbursement was provided under the 2019-21 budget. As of June, 2023, this increase has not been implemented. The Joint Finance provision would require DHS to implement the reimbursement change by October 1, 2023.

37. GENDER-AFFIRMING CARE EXCLUSION

Joint Finance: Specify that, to the extent permitted by federal law, MA may not provide payment for puberty-blocking drugs used for the purposes of gender dysphoria or gender transition, nor payment for gender reassignment surgery. In 2019, DHS was enjoined from implementing a similar coverage exclusion by a federal court in a case titled *Flack vs. Wisconsin Department of Health Services*.

38. COUNTY AND MUNICIPAL AMBULANCE PROVIDER SUPPLEMENT

GPR	- \$2,000,000
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Joint Finance: Reduce funding for the Medical Assistance program by \$2,000,000 GPR in 2024-25 to reflect the elimination of a supplementary reimbursement program for local government ambulance providers under 2023 Act 12. The program provided supplementary payments totaling \$5,000,000 (\$2,000,000 GPR and \$3,000,000 FED) per year to municipalities and counties for ambulance services delivered to MA patients. Shared revenue payments to these counties and municipalities were reduced under the program by identical amounts, creating no net effect for counties and municipalities but net state savings of \$3,000,000 GPR. The offsetting reductions in shared revenue payments would also be eliminated under the Joint Finance recommendation, as described under "Shared Revenue and Tax Relief."

2021 Wisconsin Act 228 created a supplementary reimbursement program for public ambulance providers known as a certified public expenditures (CPE) program that will allow these providers to claim federal matching funds for certain expenditures in excess of base MA reimbursement. Hence, the federal matching funds that were claimed under the previous supplement will now be available to be claimed under the CPE supplement, and no change in federal funding levels is required.

Medical Assistance -- Long-Term Care

1. HOME AND COMMUNITY-BASED SERVICES RATE INCREASE COST-TO-CONTINUE [LFB Paper 420]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$80,976,500	\$7,743,000	\$88,719,500
FED	<u>145,954,500</u>	<u>- 9,014,900</u>	<u>136,939,600</u>
Total	\$226,931,000	- \$1,271,900	\$225,659,100

Governor: Provide \$43,115,000 (\$15,405,600 GPR and \$27,709,400 FED) in 2023-24 and \$183,816,000 (\$65,570,900 GPR and \$118,245,100 FED) in 2024-25 to fund costs associated with the American Rescue Plan Act (ARPA) home and community-based services (HCBS) 5% rate increase from April 1, 2024, through June 30, 2025.

The funding in the bill reflects a two-year increase in federal matching rates for which the state would qualify by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the Administration estimates that maintaining the 5% rate increase after March 31, 2024, would require \$43,115,000 (\$16,961,400 GPR and \$26,153,600 FED) in 2023-24 and \$183,816,000 (\$71,925,800 GPR and \$111,890,200 FED) in 2024-25.

Under ARPA, states could claim an additional 10% on their federal medical assistance percentage (FMAP) for eligible HCBS expenditures between April, 2021 and March, 2022. ARPA required states to use these additional funds to supplement, not supplant existing state funds, and used on CMS-approved activities that enhance, expand, or strengthen HCBS under the Medicaid program.

The Department's CMS-approved plan included a 5% rate increase for certain HCBS, effective January 1, 2022. This portion of the Department's plan was approved by the Joint Committee on Finance, with the condition that the rate increases are funded with ARPA HCBS reinvestment funding through March 31, 2024. In approving the rate increases, the Committee indicated that it would consider whether these rate increases would be maintained after March 31, 2024, as part of its 2023-25 budget deliberations.

The 5% rate increase applies to 42 service categories across Family Care, Family Care Partnership, IRIS (Include, Respect, I Self-Direct), PACE (Program of All-Inclusive Care for the Elderly), Children's Long-Term Supports (CLTS) Waiver, SSI Managed Care, BadgerCare Plus Managed Care, and Medicaid fee-for-service state plan services, as shown in the following table.

Adult day care service	Nursing (in-home)
Alcohol and other drug abuse (AODA)	Occupational therapy (in-home)
AODA day treatment	Personal care
Assistive technology/communication aid	Physical therapy (in-home)
Behavioral treatment services	Prenatal care coordination
Care management for Care4Kids	Prevocational services
Care management for children with medical complexities	Residential care
Care management in fee-for-service	Residential substance use disorder treatment
Consultative clinical and therapeutic services for caregivers	Respiratory care
Consumer-directed supports (self-directed supports) broker	Respite
Consumer education and training	Self-directed personal care
Counseling and therapeutic	Skilled nursing services (RN/LPN)
Environmental accessibility adaptations (home modifications)	Speech and language pathology services (in-home)
Financial management services	Supported employment - individual employment support
Habilitation services (daily living skills training and day habilitation resources)	Supported employment - small group employment support
Home delivered meals	Supportive home care (SHC)
Home health services	Training services for unpaid caregivers
Housing counseling	Transportation (specialized transportation) - community transportation
Medication therapy management	Transportation (specialized transportation) - other transportation
Mental health day treatment	Transportation services under DHS 107.23
Mental health services	Vocational futures planning and support

Joint Finance: Increase funding by \$592,300 (\$1,788,900 GPR and -\$1,196,600 FED) in 2023-24 and reduce funding by \$1,864,200 (\$5,954,100 GPR and -\$7,818,300 FED) in 2024-25 to reflect updated assumptions regarding utilization and fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor.

2. FAMILY CARE DIRECT CARE REIMBURSEMENT [LFB Paper 420]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$30,000,000	-\$15,000,000	\$15,000,000
FED	<u>58,752,500</u>	<u>- 35,319,900</u>	<u>23,432,600</u>
Total	\$88,752,500	-\$50,319,900	\$38,432,600

Governor: Provide \$44,802,900 (\$15,000,000 GPR and \$29,802,900 FED) in 2023-24 and \$43,949,600 (\$15,000,000 GPR and \$28,949,600 FED) in 2024-25 to increase the direct care and services portion of the capitation rates the Department provides to managed care organizations (MCOs) to fund long-term care services for individuals enrolled in Family Care.

The funding in the bill reflects a two-year increase in federal matching rates for which the state would qualify by adopting full Medicaid expansion. If full expansion is not adopted, the

federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, if the intent is still provide \$15,000,000 GPR annually, total funding would be \$38,981,300 (\$15,000,000 GPR and \$23,981,300 FED) in 2023-24 and \$38,333,800 (\$15,000,000 GPR and \$23,333,800 FED) in 2024-25.

In prior biennia, the Department has distributed additional funding for this purpose through the Direct Care Workforce Funding Initiative, which required MCOs to pass additional funding on to providers. Subsequently, providers chose how to pass the funding on to their staff, for example, in the form of wage increases, bonuses, or additional paid time off for certain direct care workers, or to fund employer payroll tax increases that result from increasing workers' wages.

This funding would be provided in addition to funding in the bill that the Administration estimates would be needed to fund actuarially sound capitation rates in the 2023-25 biennium, which is included as part of the Medicaid cost-to-continue item.

Joint Finance: Reduce funding by \$31,809,100 (-\$10,000,000 GPR and -\$21,809,100 FED) in 2023-24 and \$18,510,800 (-\$5,000,000 GPR and -\$13,510,800 FED) in 2024-25.

As modified, including fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor, this provision would provide \$12,993,800 (\$5,000,000 GPR and \$7,993,800 FED) in 2023-24 and \$25,438,800 (\$10,000,000 GPR and \$15,438,800 FED) in 2024-25.

3. PERSONAL CARE REIMBURSEMENT RATE [LFB Paper 420]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$30,000,000	- \$15,000,000	\$15,000,000
FED	<u>58,752,500</u>	<u>- 35,319,900</u>	<u>23,432,600</u>
Total	\$88,752,500	- \$50,319,900	\$38,432,600

Governor: Provide \$44,802,900 (\$15,000,000 GPR and \$29,802,900 FED) in 2023-24 and \$43,949,600 (\$15,000,000 GPR and \$28,949,600 FED) in 2024-25 to increase MA personal care reimbursement rates.

The funding in the bill reflects a two-year increase in federal matching rates for which the state would qualify by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, if the intent is still provide \$15,000,000 GPR annually, total funding would be \$38,981,300 (\$15,000,000 GPR and \$23,981,300 FED) in 2023-24 and \$38,333,800 (\$15,000,000 GPR and \$23,333,800 FED) in 2024-25.

As of January 1, 2023, the hourly MA personal care reimbursement rate is \$23.44. The funding increase provided in the bill is not intended to provide a specific percentage or dollar increase to the MA personal care reimbursement rates, as such distribution of the funds would be

determined by the Department upon enactment of the budget.

Joint Finance: Reduce funding by \$31,809,100 (-\$10,000,000 GPR and -\$21,809,100 FED) in 2023-24 and \$18,510,800 (-\$5,000,000 GPR and -\$13,510,800 FED) in 2024-25.

As modified, including fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor, this provision would provide \$12,993,800 (\$5,000,000 GPR and \$7,993,800 FED) in 2023-24 and \$25,438,800 (\$10,000,000 GPR and \$15,438,800 FED) in 2024-25.

4. HOME AND COMMUNITY-BASED SERVICES [LFB Paper 421]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$24,845,500	- \$24,845,500	\$0
FED	<u>29,337,200</u>	<u>- 29,337,200</u>	<u>0</u>
Total	\$54,182,700	- \$54,182,700	\$0

Governor: Provide \$54,182,700 (\$24,845,500 GPR and \$29,337,200 FED) in 2024-25 to continue, through the end of the 2023-25 biennium, a number of projects started with one-time GPR savings and federal funds the state realized under provisions of the American Rescue Plan Act.

Although not specified in the bill, the Administration indicates it intends to budget the funding under this item as follows.

(a) \$44,490,800 (\$15,153,600 GPR and \$29,337,200 FED) to fund, for the three-month period from April 1 through June 30, 2025, implementation of a minimum fee schedule for certain home and community based services (residential care and supportive home care services) the state provides through its long-term care waiver programs. The Administration estimates the annualized cost of implementing minimum rates for these services will be approximately \$178.0 million (all funds).

(b) \$627,600 GPR to fund the Wisconsin Personal Caregiver Workforce Careers Program to continue enrolling an additional 5,000 caregivers into the professional certificate program.

(c) \$101,500 GPR to provide ongoing funding for the WisCaregiver Career IT platform to remain up-to-date with available resources for caregivers and maintain the technical quality of the website.

(d) \$5,500,000 GPR to provide grants to the 11 federally recognized Native American Tribes to make improvements to tribal community facilities and tribal member housing.

(e) \$1,702,800 GPR to support the ongoing costs of the tribal aging and disability resources specialists to serve as liaisons between the tribes and the aging and disability resource

centers.

(f) \$1,060,000 GPR to build a centralized aging and disability resource center website and database that is accessible to Wisconsinites statewide, providing access to information about long-term care supports and services from the comfort of their home while also providing aging and disability resource centers with a database that centers on the individual, rather than the facility.

(g) \$100,000 GPR to fund continued licensure and maintenance of a system to coordinate certification status work between the department and managed care organizations.

(h) \$100,000 GPR to fund licensure and maintenance of a system devised as a technical solution to improve data entry, review and report generation to comply with a federal rule requiring states to define the qualities of settings eligible for Medicaid home- and community-based services.

[As the funding increase in the bill exceeds the sum of these funding allocations by \$500,000 GPR, the funding in the bill should be reduced to meet the Administration's intent.]

Require that the Department allocate not more than \$5,500,000 annually to federally-recognized American Indian tribes and bands located in Wisconsin for capital improvements to tribal facilities serving tribal members with long-term care needs and for improvements and repairs to homes of tribal members with long-term care needs to enable tribal members to receive long-term care services at home.

Modify the existing community aids and Medical Assistance payments appropriation to allow for grant payments for tribal long-term care system development activities as previously described.

Joint Finance: Items a and b removed from budget consideration pursuant to Joint Finance Motion #10. Items c thru h provisions not included.

5. CHILDREN'S LONG-TERM SUPPORT WAIVER PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. NURSING HOME PERSONAL NEEDS ALLOWANCE [LFB Paper 422]

GPR	\$806,100
FED	<u>1,253,900</u>
Total	\$2,060,000

Joint Finance: Increase the monthly MA personal needs allowance by \$10, from \$45 to \$55, effective July 1, 2024. Increase MA benefits funding by \$2,060,000 (\$806,100 GPR and \$1,253,900 FED) in 2024-25.

Most elderly, blind, and disabled Medicaid beneficiaries may retain a personal needs allowance from the amount that would otherwise be retained by a nursing home as the individuals' patient liability. The personal needs allowance is intended to allow Medicaid beneficiaries to purchase items and services not provided by the nursing homes in which they live.

7. NURSING HOME SUPPORT SERVICES

GPR	\$56,942,300
FED	<u>89,457,700</u>
Total	\$146,400,000

Joint Finance: Provide \$73,200,000 (\$28,167,400 GPR and \$45,032,600 FED) in 2023-24 and \$73,200,000 (\$28,774,900 GPR and \$44,425,100 FED) in 2024-25 to increase the support services portion of Medical Assistance program reimbursement for nursing homes. Require the Department to establish and implement a priced rate for nursing home support services based on median facility costs plus 25 percent.

8. NURSING HOME INCENTIVES

GPR	\$12,135,300
FED	<u>19,064,700</u>
Total	\$31,200,000

Joint Finance: Provide \$15,600,000 (\$6,002,900 GPR and \$9,597,100 FED) in 2023-24 and \$15,600,000 (\$6,132,400 GPR and \$9,467,600 FED) in 2024-25 to exclude provider incentives from the profit limitation in support services so they are paid separately. Require DHS to exclude provider incentives when determining the total rate adjustment to allowable costs.

9. NURSING HOME VENTILATOR DEPENDENT RATE

GPR	\$3,889,500
FED	<u>6,110,500</u>
Total	\$10,000,000

Joint Finance: Provide \$5,000,000 (\$1,924,000 GPR and \$3,076,000 FED) in 2023-24 and \$5,000,000 (\$1,965,500 GPR and \$3,034,500 FED) in 2024-25 to increase the all-encompassing ventilator-dependent resident reimbursement rate for nursing home care. Require the Department, effective July 1, 2023, to increase the reimbursement rate under the Medical Assistance program for an authorized facility treating a resident of the facility who has received prior authorization for ventilator-dependent care reimbursed under the all-encompassing ventilator-dependent resident reimbursement rate by \$200 per patient day.

10. DHS AND MANAGED CARE ORGANIZATION REPORTING REQUIREMENTS

Joint Finance: Require DHS to include information regarding managed care organization (MCO): (a) executive leadership salaries; and (b) amounts retrieved by the state under the contractual risk corridors, in the publicly available financial summaries for Family Care, Family Care Partnership, and PACE MCOs.

Require DHS and Family Care, Family Care Partnership, and PACE MCOs to track and annually report to the Joint Committee on Finance total authorized and total provided care plan hours by service category and MCO by April 1 of each year.

Services for the Elderly and People with Disabilities

1. AGING AND DISABILITY RESOURCE CENTERS [LFB Paper 425]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$16,962,900	-\$9,421,800	\$7,541,100

Governor: 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 the aging and disability resource centers (ADRCs).

Of these amounts, the Administration indicates that \$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 and \$3,140,600 in 2023-24 and \$6,281,200 in 2024-25 would be provided to expand caregiver support and programs.

ADRCs provide a variety of services as part of their core contract with DHS. Services include: (a) providing information and assistance to individuals in need of long-term care services; (b) benefits counseling; (c) short-term service coordination; (d) conducting functional screens; and (e) enrollment counseling and processing. ADRCs serve older adults and people with disabilities, as well as the families and caregivers who work with and care for them. Services provided at ADRCs are free to Wisconsin residents.

Joint Finance: Reduce funding by \$3,140,600 in 2023-24 and \$6,281,200 in 2024-25. As modified, this provision would provide \$2,513,700 in 2023-24 and \$5,027,400 in 2024-25 to increase ADRC base allocations.

2. COMPLEX PATIENT PILOT PROGRAM [LFB Paper 426]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$15,000,000	-\$15,000,000	\$0

Governor: Provide \$15,000,000 in 2023-24 on a one-time basis to fund a complex patient pilot program to help facilitate the transfer of complex patients from acute care settings, such as hospitals, to post-acute care facilities, in the 2023-25 biennium.

Program Funding. Create a biennial appropriation from which to fund the complex patient pilot. Require DHS to provide payments to partnership groups designated as participating sites for care provided during the course of the pilot program under this program. Specify that any fee associated with contracting with an independent organization to evaluate the complex patient pilot

program may be paid from this appropriation. Repeal the appropriation on July 1, 2025.

Advisory Group Membership and Duties. Direct DHS to form an advisory group to assist with development and implementation of a complex patient pilot program. Require that the DHS Secretary or designee, chair the advisory group, and members of the advisory group have clinical, financial, or administrative expertise in government programs, acute care, or post-acute care.

Direct DHS to use its request-for-proposal procedure to select partnership groups that would be designated as participating sites for the complex patient pilot program. Direct the advisory group to develop a request for proposal for the complex patient pilot program that includes eligibility requirements.

Require that the complex patient pilot advisory group: (a) determine and recommend to DHS an amount of the funding budgeted for the complex patient pilot program to be reserved for reconciliation to ensure that participants in the pilot program are held harmless from unanticipated financial loss; (b) develop a methodology to evaluate the complex patient pilot program, including a recommendation on whether DHS should contract with an independent organization to evaluate the complex patient pilot program; and (c) make recommendations to the DHS Secretary regarding which partnership groups should receive designation as a participating site for the complex patient pilot program.

Application Requirements. Specify that only partnerships of at least one hospital and at least one post-acute facility are eligible to submit proposals.

Require that each partnership group that applies to DHS to be designated as a site for the complex patient pilot program address all of the following issues: (1) the number of beds that would be set aside in the post-acute facility; (2) the goals of the partnership during the pilot program and after the pilot program; (3) the types of complex patients for whom care would be provided; (4) the per diem rate requested to adequately compensate the hospital or hospitals and the post-acute facility or facilities; (5) a post-acute bed reserve rate; and (6) anticipated impediments to successful implementation and how the applicant partnership group intends to overcome the anticipated impediments.

In addition, require each partnership group to address its expertise to successfully implement the proposal, including a discussion of at least all of the following issues: (a) experience of the partners working together; (b) plan for staffing the unit; (c) ability to electronically exchange health information; (d) clinical expertise; (e) hospital and post-acute facility survey history over the past three years; (f) acute care partner readmissions history over the past three years; (g) discharge planning and patient intake resources; and (h) stability of finances to support the proposal, including matching funds that could be dedicated to the pilot program. Clarify that while no applicant is required to provide matching funds or a contribution, the advisory group and DHS may take into consideration the availability of matching funds or a contribution in evaluating an application.

Timelines. Specify that no later than 90 days after the effective date of the bill, the advisory group must complete development of the request for proposal for partnership groups to be designated as participating sites in the complex patient pilot program and provide its

recommendations to the DHS Secretary.

Specify that no later than 150 days after the bill's effective date, the advisory group must review all applications submitted in response to the request for proposal and select up to four partnership groups to recommend to the DHS Secretary for designation as participating sites for the complex patient pilot program.

Specify that between six and 18 months after the effective date of the bill, the partnership groups designated by DHS as participating sites in the complex patient pilot program must implement the pilot program and meet quarterly with both DHS and the advisory group or any independent organization hired by DHS for the purpose of evaluating the pilot program to discuss experiences relating to the pilot program.

Specify that no later than June 30, 2025, the advisory group or any independent organization hired by DHS for evaluating the complex patient pilot program must complete and submit to the DHS Secretary an evaluation of the complex patient pilot program, including a written report and recommendations.

Joint Finance: Provision not included.

On a one-time basis, provide \$5,000,000 GPR in 2023-24 for the complex patient pilot program in the JFC program supplements appropriation. Create a GPR appropriation in DHS for this purpose. The fiscal effect of this change is reflected in "Program Supplements."

3. ADULT PROTECTIVE SERVICES SYSTEM [LFB Paper 427]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$13,637,500	- \$11,637,500	\$2,000,000

Governor: Provide \$4,138,300 in 2023-24 and \$9,499,200 in 2024-25 to increase funding for adult protective services training, needs assessments for tribal adult protective services, guardian support and elder justice training grants, and other adult protective services. The following table shows funding provided under the bill for the various adult protective services projects.

**Adult Protective Services Funding Summary
Governor's Recommendation**

	Base GPR Funding	Governor		Ongoing Annual Total Under Governor's Recommendation
		2023-24	2024-25	
Items Currently Funded with Ongoing State GPR				
Adult Protective Services	\$4,900,600	\$2,500,200	\$5,000,200	\$9,900,800
Elder Abuse Prevention	2,029,500	1,500,200	3,000,200	5,029,700
Domestic Violence Prevention	74,300	\$37,900	75,700	150,000
Guardianship Training	100,000	100,000	200,000	300,000
Items Currently Funded with One-Time ARPA Funds*				
Data Reporting and Case Management	0	0	407,000	407,000
Adult Protective Services Online Training System	0	0	195,900	195,900
Adult Protective Services Contract Team	0	0	600,200	600,200
Tribal Demonstration Projects	0	0	20,000	20,000
Total	\$7,104,400	\$4,138,300	\$9,499,200	\$16,603,600

*These items are currently funded with one time ARPA funds totaling \$3,180,800 over three years.

Joint Finance: Reduce funding by \$3,138,300 in 2023-24 and \$8,499,200 in 2024-25. As modified, this provision would provide \$1,000,000 annually to increase funding for adult protective services.

4. EXPAND ELIGIBILITY FOR BIRTH TO 3 *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,259,600	-\$9,259,600	\$0

5. WISCAREGIVER CAREERS [LFB Paper 428]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$8,000,000	-\$6,000,000	\$2,000,000

Governor: Provide \$8,000,000 in 2024-25 to increase funding for WisCaregiver Career program. This program is a workforce development program that provides free nurse aide training and certification testing, as well as a retention bonus after six months of employment as a nurse aide.

Currently the program is funded from a \$6,000,000 one-time grant DHS received under the Centers for Disease Control and Prevention (CDC) Nursing Home & Long-term Care Facility Strike Team program. The federal grant funding must be used by May, 2024.

Joint Finance: Reduce funding by \$6,000,000 in 2024-25. As modified, this provision would provide \$2,000,000 in 2024-25, on a one-time basis, to fund the WisCaregiver Careers program.

6. SSI SUPPLEMENTS REESTIMATE [LFB Papers 106 and 256]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$6,914,400	\$0	\$6,914,400
PR	<u>- 9,407,300</u>	<u>-6,192,400</u>	<u>- 15,599,700</u>
Total	- \$2,492,900	- \$6,192,400	- \$8,685,300

Governor: Decrease funding by \$1,925,400 (\$3,457,200 GPR and -\$5,382,600 PR) in 2023-24 and by \$567,500 (\$3,457,200 GPR and -\$4,024,700 PR) in 2024-25 to reflect DHS's estimates of the cost of funding supplemental security income (SSI) state supplements payments in the 2023-25 biennium.

The SSI program provides cash benefits to low-income residents who are elderly, blind, or disabled to supplement SSI payments they receive from the federal program. As of May, 2022, the state made basic supplemental payments (set at \$83.78 per month for single individuals and \$132.05 for couples) to 115,400 Wisconsinites. Some SSI beneficiaries who require 40 hours of supportive home care or other care per month or live in small community-based residential facilities or other assisted living settings also qualify for an exceptional expense benefit (\$95.99 per month for single individuals, \$345.36 for couples). Recipients with dependent children may also receive a caretaker supplement payment, primarily supported by federal temporary assistance for needy families (TANF) funds transferred as program revenue from the Department of Children and Families (DCF). Eligible caretakers receive \$250 per month for a first child and \$150 per month for each additional child.

DHS complies with a federal requirement to "pass along" annual federal benefit cost-of-living increases by demonstrating that total GPR expenditures for state supplements do not decrease from one calendar year to the next. Due to retroactive corrective payments paid in calendar years 2020 and 2021, total GPR expenditures increased to \$160,398,200. To maintain this level of GPR expenditures, beginning in fiscal year 2021-22, DHS paid a portion of caretaker supplement payments using GPR, in lieu of TANF funding.

Joint Finance: Adopt a revised reestimate reducing funding by a further \$4,896,400 PR in 2023-24 and \$4,945,400 PR in 2024-25. This reestimate reflects updated caseloads showing a reduction in basic supplemental and exceptional expense payments. To maintain total GPR expenditures, this reduction is made to TANF funding transferred as PR from DCF.

Further, provide \$1,833,900 PR in 2023-24 and \$1,815,500 PR in 2024-25 to increase

payments under the caretaker supplement by 10% (\$25 per month for the first child and \$15 per month for each additional child), bringing total caretaker supplement payments to \$275 for the first child and \$165 for each additional, effective July 1, 2023.

The net effect of this revised reestimate and increased monthly caretaker supplement payment amount is a reduction of \$3,062,500 PR in 2023-24 and \$3,129,900 PR in 2024-25 relative to the Governor's budget. The corresponding decreases in TANF (FED) expenditures are shown under a separate item in the "Children and Families -- TANF and Economic Support" section of this summary. The table below summarizes the total funding that would be provided and the changes to the DHS budget.

SSI Supplemental Payments Under Joint Finance

	Base	Total Funding		Change to Base		
		2023-24	2024-25	2023-24	2024-25	2023-25
SSI State Supplements						
GPR	\$153,824,100	\$149,233,200	\$150,725,500	-\$4,590,900	-\$3,098,600	-\$7,689,500
Caretaker Supplement						
GPR	\$3,116,900	\$11,165,000	\$9,672,700	\$8,048,100	\$6,555,800	\$14,603,900
PR	<u>17,452,900</u>	<u>9,007,800</u>	<u>10,298,300</u>	<u>-8,445,100</u>	<u>-7,154,600</u>	<u>-15,599,700</u>
All Funds	\$20,569,800	\$20,172,800	\$19,971,000	-\$397,000	-\$598,800	-\$995,800
Total SSI-Related Payments						
GPR	\$156,941,000	\$160,398,200	\$160,398,200	\$3,457,200	\$3,457,200	\$6,914,400
PR	<u>17,452,900</u>	<u>9,007,800</u>	<u>10,298,300</u>	<u>-8,445,100</u>	<u>-7,154,600</u>	<u>-15,599,700</u>
All Funds	\$174,393,900	\$169,406,000	\$170,696,500	-\$4,987,900	-\$3,697,400	-\$8,685,300
Caretaker Supplement Administration (PR)	\$692,100	\$692,100	\$692,100	\$0	\$0	\$0

7. OFFICE FOR THE PROMOTION OF INDEPENDENT LIVING PROGRAMS [LFB Paper 429]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$1,683,600	1.00	-\$1,683,600	- 1.00	\$0	0.00

Governor: Provide \$833,000 in 2023-24 and \$850,600 in 2024-25 and 1.0 position, beginning in 2023-24, to support programs within the DHS Office for the Promotion of Independent Living.

The Administration indicates that the funding would: (a) fund and provide one rehabilitation specialist for the blind position within the Office for the Blind and Visually Impaired (\$59,000 in

2023-24 and \$76,600 in 2024-25); (b) increase funding available for the Telecommunications Assistance Program (TAP) by \$50,000 annually; (c) increase funding for the interpretation services by \$100,000 annually; and (d) increase funding for WisTech Grants for the Independent Living Centers by \$624,000 annually.

Joint Finance: Provision not included.

8. HEALTHY AGING GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,200,000	- \$1,200,000	\$0

9. ALZHEIMER'S FAMILY AND CAREGIVER SUPPORT PROGRAM [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$500,000	\$500,000

Governor: Provide \$500,000 annually to increase the maximum amount of funding the Department may provide under the Alzheimer's family and caregiver support program from \$2,808,900 to \$3,308,900 annually. Modify the financial eligibility limit for the program to specify that a person is eligible for assistance under the program if the joint income of the person with Alzheimer's disease and that person's spouse, if any, is \$60,000 per year or less, unless the Department sets a higher limitation on income eligibility by rule.

Under current law, the income limit for program eligibility is \$48,000 per year. Under the program, DHS allocates funding to counties, tribes, and area agencies on aging to assist individuals to purchase services and goods related to the care of someone with Alzheimer's disease. Up to \$4,000 per person may be available, depending on the county's priorities and the person's need for services. In some instances, the funds are used within the county to expand or develop new services related to Alzheimer's disease, such as respite care, adult day care, or support groups.

Joint Finance: Reduce funding by \$250,000 annually. Increase the maximum amount of funding the Department may provide under the Alzheimer's family and caregiver support program from \$2,808,900 to \$3,058,900 annually. In addition, delete the provision that would modify the financial eligibility limits for the program.

10. RESPITE CARE GRANT [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$400,000	-\$400,000	\$0

Governor: Provide \$200,000 annually to increase funding available for the respite care grant.

Currently, \$350,000 GPR is available annually to fund the life-span respite care program operating under a contract between a nonprofit agency, Respite Care Association of Wisconsin (RCAW), and DHS. As part of the life-span respite care program, RCAW administers the Caregiver Respite Grant Program and the Supplemental Respite Grant Program, as well as a third grant program for recruitment, outreach, and education events. RCAW is also responsible for delivery of caregiver training, maintenance of the respite care provider registry, and other activities included in the contract with DHS.

Joint Finance: Provision not included.

11. ALZHEIMER'S DISEASE GRANT [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$200,000	-\$200,000	\$0

Governor: Provide \$100,000 annually to increase funding for the Alzheimer's disease training and information grants.

Currently, DHS contracts with the Wisconsin Alzheimer's Institute at the University of Wisconsin to provide these services. All base funding for the Alzheimer's disease training and information grants, \$131,400 annually, is currently used to support this award.

Joint Finance: Provision not included.

12. GUARDIANSHIP TRAINING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$127,000	-\$127,000	\$0

Governor: Provide \$63,500 annually to manage training modules for guardians.

As of January 1, 2023, 2021 Wisconsin Act 97 requires individuals nominated or seeking appointment as guardian of an estate to complete training on the duties and required

responsibilities of a guardian under the law, limits of a guardian's decision-making authority, and inventory and accounting requirements. The Department has used one-time ARPA funding of \$125,000 to contract with the University of Wisconsin (UW)-Green Bay to develop the training modules. DHS indicates that UW-Green Bay estimates an ongoing need for \$63,500 annually to manage the modules and provide necessary updates, for which ARPA funding is not available.

Joint Finance: Provision not included.

13. HOME DELIVERED MEALS

GPR	\$450,000
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Joint Finance: Provide \$225,000 annually to increase funding available for home delivered meals.

Public Health

1. EMERGENCY MEDICAL SERVICES GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$150,000,000	- \$150,000,000	\$0

2. PERSONAL PROTECTIVE EQUIPMENT STOCKPILE [LFB Paper 435]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$17,195,300	- \$17,195,300	\$0

Governor: Provide \$1,346,300 in 2023-24 and \$15,849,000 in 2024-25 to maintain a state stockpile of personal protective equipment (PPE). Create a biennial appropriation in the Division of Public Health for this purpose. Authorize DHS to establish and maintain the stockpile and fund storage and warehousing costs.

Currently, DHS maintains a stockpile of medical supplies and equipment that includes personal protective equipment, cots, and other items that may be needed in an emergency. PPE in the medical stockpile includes surgical face masks, respirators, eye shield, gloves, and gowns. In the event of an emergency or supply chain interruption, items from the stockpile are available at no charge to hospitals, clinics and other healthcare providers that are not able to acquire necessary

supplies through other means. During the COVID-19 pandemic, DHS received over one million pieces of PPE from the federal Strategic National Stockpile, and acquired millions of pieces of PPE from other sources using one-time federal funds provided in response to the COVID-19 pandemic.

The funding under this item reflects \$1,346,300 per year for the rent, staffing, and operations of a warehouse and \$14,502,700 in 2024-25 for the purchase of PPE. DHS estimates that that all items currently in the inventory will be used or will need to be replaced during the 2023-25 biennium. The proposed funding reflects the Administration's estimates of the cost of replenishing a stockpile sufficient to meet the state's needs for 60 days.

Joint Finance: Provision not included.

3. LEAD POISONING INVESTIGATIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$15,286,200	16.50	-\$15,286,200	- 16.50	\$0	0.00

4. MATERNAL AND INFANT MORTALITY PREVENTION PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$5,677,900	2.00	-\$5,677,900	- 2.00	\$0	0.00

5. NEWBORN SCREENING PROGRAM [LFB Paper 436]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,225,900	-\$5,225,900	\$0

Governor: Provide \$3,556,300 in 2023-24 and \$1,669,600 in 2024-25 to increase funding for services provided under a program that screens newborns for congenital disorders. Create an annual GPR appropriation for this purpose.

Currently, the program funds costs of special dietary treatments, other treatments, follow-up counseling, and program evaluation and administration. These services are supported solely by program revenue from a fee assessed for each screening performed. The current fee for a collection

card, established by rule, is \$109. The fee revenue is divided between DHS and the University of Wisconsin (UW) State Laboratory of Hygiene, which analyzes the blood samples collected from newborns.

DHS indicates that, for at least the past six years, program costs have exceeded revenue collections, and program revenue balances have been used to fund the deficit. That balance has now been exhausted, and the program ended 2021-22 with an unsupported overdraft of \$535,000. DHS forecasts that the program will end 2022-23 with a negative balance of \$2,064,800. The proposed funding would provide this amount in 2023-24 to address the projected shortfall. The remaining \$1,491,500 in 2023-24 and \$1,669,600 in 2024-25 reflects the Department's estimate of the ongoing difference between projected program costs and fee revenue.

A separate item, summarized under "University of Wisconsin System," would provide GPR funding to support the UW State Laboratory of Hygiene's costs of analyzing tests.

Joint Finance: Provision not included.

6. ELECTROCARDIOGRAM SCREENING FOR SCHOOL ATHLETICS PILOT
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,172,000	- \$4,172,000	\$0

7. CHILD WELLNESS GRANT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,360,000	- \$3,360,000	\$0

8. SPINAL CORD INJURY RESEARCH GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,000,000	- \$3,000,000	\$0

9. MIKE JOHNSON LIFE CARE HIV/AIDS SERVICES [LFB Paper 437]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,000,000	- \$2,000,000	\$0

Governor: Provide \$1,000,000 annually to increase, from \$4,000,000 to \$5,000,000, annual funding for HIV/AIDS-related services under the Mike Johnson Life Care and Early Intervention Services grant. The current statutory annual limit on grants under the program would need to be amended to meet the Governor's intent.

Under current law, DHS awards the Mike Johnson grant to an HIV/AIDS service organization to fund certain harm reduction services for people living with HIV. These services include early intervention services to connect people to medical care and other supports following an HIV diagnosis. The grant also supports needs assessments and ongoing case management for anyone living with HIV and their family and caregivers. Grant funds may be used to provide counseling, therapy, and homecare services and supplies, and to refer people to other services that support the health of those living with HIV, including medical care, housing assistance, food assistance, and legal and social services. 2021 Act 226 expanded the Mike Johnson program to allow grant funds to be used to provide certain preventative services as well, including testing and consultation to partners of people living with HIV and others at risk of infection so that they can receive recently-developed pre-exposure prophylactic drugs (PrEP).

Joint Finance: Provision not included.

10. STATE HEALTH CARE VALUE ANALYSIS GRANT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,800,000	- \$1,800,000	\$0

11. STOCKING AMBULANCES WITH EPINEPHRINE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,440,000	- \$1,440,000	\$0

12. NATIVE AMERICAN QUITLINE FOR TOBACCO AND VAPING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,005,000	-\$1,005,000	\$0

13. UPSTREAM PREVENTIVE HEALTHCARE AND RESILIENCE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,000,000	-\$1,000,000	\$0

14. SUICIDE PREVENTION GRANT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,000,000	-\$1,000,000	\$0

15. SUICIDE PREVENTION COORDINATOR [LFB Paper 438]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$154,100	1.00	-\$154,100	- 1.00	\$0	0.00

Governor: Provide \$66,800 in 2023-24 and \$87,300 in 2024-25 and 1.0 position, beginning in 2023-24, for the Injury and Violence Prevention Program. The program conducts statewide surveillance of injuries and violence, provides education, promotes interventions to reduce injuries and violence, and works with local and tribal public health departments to implement related programs. DHS would use this position to create a suicide and self-harm prevention coordinator within the program. The coordinator would create new partnerships to support suicide and self-harm prevention efforts, organize current programs, provide training and technical assistance, and develop a communications plan, among other duties.

Joint Finance: Provision not included.

16. GRANTS TO FREE AND CHARITABLE CLINICS [LFB Paper 439]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,000,000	\$500,000	\$1,500,000

Governor: Provide \$500,000 annually to increase, from \$1,500,000 to \$2,000,000, annual funding for grants DHS distributes to free and charitable clinics. Modify the statutory requirement to distribute these grants to reflect the increased amount.

Currently, DHS distributes grants to free and charitable clinics that meet certain statutory qualifications, including operating as a nonprofit and providing medical or dental care, or prescription drugs, to people who are uninsured, underinsured, or have limited or no access to primary, specialty, or prescription care. Federally qualified health centers (FQHCs) are ineligible to receive these grants, but receive state support under a separate grant program.

Joint Finance: Provide an additional \$250,000 per year, for a total funding increase of \$750,000 GPR annually. Under Joint Finance, total grant funding would be \$2,250,000 per year.

17. AMYOTROPHIC LATERAL SCLEROSIS (ALS) SUPPORTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$500,000	-\$500,000	\$0

18. CERTIFICATION OF EMERGENCY MEDICAL RESPONDERS AND STATE EMS DATA SYSTEMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$505,000	2.00	-\$505,000	- 2.00	\$0	0.00

19. AMBULANCE INSPECTION PROGRAM

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$152,800	1.00	-\$152,800	- 1.00	\$0	0.00

Governor: Provide \$65,500 in 2023-24 and \$87,300 in 2024-25 and 1.0 position, beginning in 2023-24, to perform inspections of medical equipment on ambulances. Currently, the Department of Transportation (DOT) conducts vehicle safety inspections of ambulances as well as inspections of medical equipment such as stretchers, suction aspirators, and oxygen equipment. However, under recent changes to DOT administrative rules, DOT will cease inspections of medical equipment on July 15, 2023, with the intent to transfer this responsibility to DHS. DHS currently provides other oversight of emergency medical services (EMS) programs, including approving operational plans and licensing EMS professionals.

Additionally, make statutory changes to delete the requirement that DOT inspect ambulance medical equipment, require DHS to do so prior to DOT issuing or renewing an ambulance's registration, and authorize DHS to establish administrative rules relating to the inspections.

Joint Finance: Provision not included.

20. PFAS OUTREACH AND AWARENESS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$200,000	- \$200,000	\$0

Governor: Provide \$100,000 annually for the Division of Public Health to distribute as grants to increase awareness and conduct outreach related to per- and polyfluoroalkyl substances (PFAS). These substances have potential negative health impacts and can contaminate soil and drinking water and become biologically concentrated in fish and other wildlife. PFAS were used in firefighting foams and as protective coatings in many consumer products.

Joint Finance: Provision not included.

21. BUREAU OF COMMUNICABLE DISEASES POSITION CONVERSION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$170,800	1.00	-\$170,800	- 1.00	\$0	0.00
FED	<u>- 170,800</u>	<u>- 1.00</u>	<u>170,800</u>	<u>1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Provide \$73,900 GPR in 2023-24 and \$96,900 GPR in 2024-25 and reduce FED funding by identical amounts to convert 1.0 FED current epidemiologist position in the Division of Public Health from FED to GPR, beginning in 2023-24. The position is in the Bureau of Communicable Diseases, which is responsible for the prevention, surveillance, and control of communicable diseases and provides education, outreach and assistance to local and tribal health departments, health care providers, and the general public. The Bureau comprises 133.0 positions

(3.55 GPR, 127.95 FED, and 1.50 PR) in the base. Many of the federal positions are supported by one-time funding the state received to respond to the COVID-19 pandemic, and many would be removed under the standard budget adjustments.

Joint Finance: Provision not included.

22. REACH OUT AND READ [LFB Paper 657]

GPR	\$500,000
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Joint Finance: Provide \$500,000 in 2023-24 in a biennial appropriation for DHS to distribute as grants to Reach Out and Read, Inc., for the early literacy program known as Reach Out and Read Wisconsin. The program provides books and early literacy guidance integrated into regular pediatric primary care appointments. The Governor's budget provided \$250,000 GPR annually under the Department of Public Instruction to support this program, but the Committee did not include that provision. See "Public Instruction -- Administrative and Other Funding."

23. DENTISTRY RESIDENCY

Joint Finance: Provide \$5,000,000 GPR in 2023-24 in the Joint Committee on Finance program supplements appropriation for the establishment of a general dentistry residency program at the Marquette Dental School. A general practice residency program typically provides one year of postgraduate training to dentists to develop skills and experience with medically complex and special-needs patients in a variety of practice settings. The fiscal effect of this change is shown under "Program Supplements."

24. ALLIED HEALTH PROFESSIONAL TRAINING

GPR	\$5,000,000
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Joint Finance: Provide one-time funding of \$2,500,000 in 2023-24 and 2024-25 to increase funding for allied health professional education and training grants. Expand eligibility for the program to include registered nurses. Under current law, the program provides grants to hospitals, health systems, and educational entities for expenses related to training health care providers other than physicians, registered nurses, dentists, pharmacists, chiropractors, or podiatrists. This item would increase the annual amount appropriated for these grants from \$500,000 to \$3,000,000 in the 2023-25 biennium only.

25. SURGICAL COLLABORATIVE OF WISCONSIN

GPR	\$300,000
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Joint Finance: Provide one-time funding of \$150,000 in 2023-24 and 2024-25 for DHS to award as grants to the Surgical Collaborative of Wisconsin. Create an appropriation for this purpose, and repeal that appropriation effective July 1, 2025. The collaborative is a partnership of health care and insurance organizations and practitioners that seeks to improve the quality of surgical care.

26. GENERAL PROGRAM OPERATIONS FUNDING

GPR	- \$153,400
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Joint Finance: Reduce funding for the Division of Public Health's general program operations by \$76,700 annually. With base funding of \$9,724,300 GPR per year, this appropriation supports staff costs, rent, data processing, and other supplies and services for the operation of the Division of Public Health.

27. EMERGENCY MEDICAL SERVICES FUNDING ASSISTANCE PROGRAM

GPR	- \$2,200,000
SEG	<u>25,000,000</u>
Total	\$22,800,000

Joint Finance: Modify the existing appropriation for emergency medical services funding assistance program grants, funding it from the local government fund (SEG) instead of the general fund (GPR), beginning in 2024-25. Provide \$25,000,000 SEG in 2024-25 and eliminate base GPR funding of \$2,200,000, beginning in 2024-25, for a net increase of \$22,800,000. The program provides grants to ambulance service providers to support operations and improvements and to offset costs of training and professional examinations.

Under current law, DHS provides annual grants to every ambulance service provider that actively transports patients, providing a uniform base amount for each grantee and an amount based on the population of each grantee's primary service area. In addition to the funding increase and fund source modification, the Joint Finance amendment would expand eligibility for grants under the program to include emergency medical responder departments, which are agencies that respond to 9-1-1 calls to provide medical treatment but do not transport patients. The amendment would direct the Emergency Medical Services Board to adjust the formula for distribution of grants to include emergency medical responder departments on the same terms as ambulance service providers, providing a uniform base amount for each recipient plus an amount based on the population of their primary service area.

Finally, specify that grant funds may be used for disposable medical supplies or equipment and medications, in addition to the current eligible uses. Limit expenditures for medications and disposable medical supplies and equipment to 15% of an agency's total grant amount.

Behavioral Health

1. CRISIS URGENT CARE AND OBSERVATION FACILITIES [LFB Paper 445]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$10,103,200	1.00	-\$10,103,200	- 1.00	\$0	0.00

Governor: Provide \$64,700 in 2023-24 and \$10,038,500 in 2024-25 and 1.0 position, beginning in 2023-24, for making grants for crisis urgent care and observation facilities and for the administration of the grant program. Create an annual GPR appropriation for the grant program and require DHS to award grants to individuals and entities to develop and support crisis urgent care and observation facilities.

Specify that a crisis urgent care and observation facility shall do all of the following: (a) accept referrals for crisis services for both youths and adults, including involuntary patients under emergency detention, voluntary patients, walk-ins, and individuals brought by law enforcement, emergency medical responders, and other emergency medical services practitioners; (b) abstain from having a requirement for medical clearance before admission assessment; (c) provide assessments for physical health, substance use disorder, and mental health; (d) provide screens for suicide and violence risk; (e) provide medication management and therapeutic counseling; (f) provide coordination of services for basic needs; (g) have adequate staffing 24 hours a day, seven days a week, with a multidisciplinary team including, as needed, psychiatrists or psychiatric nurse practitioners, nurses, licensed clinicians capable of completing assessments and providing necessary treatment, peers with lived experience, and other appropriate staff; and (h) allow for voluntary and involuntary treatment of individuals in crisis as a means to avoid unnecessary placement of those individuals in hospital inpatient beds and allow for an effective conversion to voluntary stabilization when warranted in the same setting.

Specify that a crisis urgent care and observation facility may accept individuals for emergency detention under Chapter 51 of the statutes if the facility agrees to accept the individual, but specify that a county crisis assessment is required prior to acceptance of an individual for purposes of emergency detention at a crisis urgent care and observation facility. Specify that medical clearance is not required before admission, but that the facility must provide necessary medical services on site.

Specify that a crisis urgent care and observation facility may accept individuals for voluntary stabilization, observation, and treatment, including for assessments for mental health or substance use disorder, screening for suicide and violence risk, and medication management and therapeutic counseling.

Specify that no person may operate a crisis urgent care and observation facility without a certification for such a facility issued by the Department. Require the Department to establish a certification process for crisis urgent care and observation facilities, and specify that the Department may establish, by rule, criteria for the certification of such a facility. Specify that the Department may limit the number of certifications it grants to operate crisis urgent care and observation facilities. Require DHS to establish, by rule, a process for crisis urgent care and observation facilities to apply for provider certification under the Medical Assistance program.

Specify that a crisis urgent care and observation facility is not considered a hospital under statutory provisions pertaining to hospital regulation and specify that a crisis urgent care and observation facility is not subject to facility regulation applicable to hospitals, unless otherwise required due to the facility's licensure or certification for other services or purposes.

Specify that services provided by a crisis urgent care and observation facility that is certified

by the Department are considered crisis intervention services for the purposes of eligibility for reimbursement under the Medical Assistance program. Require DHS to request any necessary federal approval required to provide reimbursement to crisis urgent care and observation facilities for crisis intervention services. Require DHS to provide reimbursement for such services if federal approval is granted or no federal approval is required. Specify that if federal approval is necessary but is not granted, the Department may not provide reimbursement for crisis intervention services provided by crisis urgent care and observation facilities.

For these purposes, define "crisis" as a situation caused by an individual's apparent mental or substance use disorder that results in a high level of stress or anxiety for the individual, persons providing care for the individual, or the public and that is not resolved by the available coping methods of the individual or by the efforts of those providing ordinary care or support for the individual. Define "crisis urgent care and observation facility" as a treatment facility that admits an individual to prevent, de-escalate, or treat the individual's mental health or substance use disorder and includes the necessary structure and staff to support the individual's needs relating to the mental health or substance use disorder.

Authorize the Department to promulgate rules to implement provisions related to crisis urgent care and observation facilities, including requirements for admitting and holding individuals for the purposes of emergency detention. Authorize the Department to promulgate an emergency rule that may remain in effect for not more than 24 months, without meeting prerequisites that otherwise apply to emergency rulemaking authority.

The funding provided under this item reflects the Administration's estimate of the cost to support two 16-bed crisis urgent care centers.

Joint Finance: Reduce funding by \$64,700 in 2023-24 and \$10,038,500 in 2024-25 and delete the 1.0 position, to eliminate all funding for DHS under this item as well as the position to administer the program. Delete the statutory language associated with establishing the crisis urgent care and observation facility and the grant program. Create a biennial appropriation (rather than annual appropriation) for making grants for crisis urgent care and observation facilities, but with no funding provided. Provide \$10,000,000 GPR in 2023-24 in the Joint Committee on Finance program supplements appropriation, for regional crisis urgent care and observation facilities. The fiscal effect of this provision is reflected in "Program Supplements."

2. SUICIDE AND CRISIS LIFELINE GRANTS [LFB Paper 446]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,004,400	- \$3,004,400	\$0

Governor: Provide \$898,700 in 2023-24 and \$2,105,700 in 2024-25 in a new appropriation for suicide and crisis lifeline grants. Require the Department to award grants to organizations that provide crisis intervention services and crisis care coordination to individuals who contact the national crisis hotline from anywhere in the state. Specify that the national crisis hotline refers to

the 988 telephone or text access number, or its successor.

Currently, the Department contracts with Family Services of Northeast Wisconsin to operate the state's 988 suicide and crisis lifeline, which accepts calls, texts, and chats from Wisconsin residents who are experiencing crisis or are having suicidal thoughts. The lifeline operates 24 hours a day, seven days a week and is staffed by mental health professionals and trained volunteers to help callers manage crisis episodes and connect them with local, follow-up services as needed. Wisconsin's 988 lifeline is a member organization of the national 988 suicide and crisis lifeline. The Department allocates \$2,000,000 annually from the state's federal mental health block grant funds to support this service. In addition, the state has received one-time grants for 988 implementation. This item would provide the difference between the federal grant funds and the Administration's estimate of the full cost of supporting the service in the 2023-25 biennium.

Joint Finance: Provision not included.

3. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY CERTIFICATION AND GRANT PROGRAM [LFB Paper 447]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,790,000	-\$1,790,000	\$0

Governor: Provide \$1,790,000 in 2024-25 in the Department's grants for community programs appropriation, and authorize DHS to distribute not more than that amount annually to support psychiatric residential treatment facilities.

Define a psychiatric residential treatment facility (PRTF) as a non-hospital facility that provides inpatient comprehensive mental health treatment services to individuals under the age of 21 who, due to mental illness, substance use, or severe emotional disturbance, need treatment that can most effectively be provided in a residential treatment facility. Specify that no person may operate a PRTF without a certification from the Department. Specify that a PRTF that is certified by the Department is not subject to facility regulations currently applicable to children's facilities licensed by the Department of Children and Families, such as foster homes, group homes, and child care centers. Specify that the Department may limit the number of certifications it grants to operate a PRTF.

Specify that services provided by a PRTF that is certified by the Department are eligible for reimbursement under the Medical Assistance program. Require DHS to submit to the federal Department of Health and Human Services any request for a state plan amendment, waiver, or other federal approval necessary to provide reimbursement under the program. Require DHS to provide reimbursement for such services if federal approval is granted or if no federal approval is required. Specify that if federal approval is not granted, the Department may not provide reimbursement for services provided by PRTFs.

Authorize the Department to promulgate rules to implement provisions related to PRTFs.

Authorize the Department to promulgate an emergency rule implementing these provisions, including the development of a new provider type and a reimbursement model for PRTFs under MA, without meeting prerequisites that otherwise apply to emergency rulemaking authority. Specify that any such emergency rules would remain in effect until July 1, 2025, or the date that permanent rules take effect, whichever is sooner.

The Administration indicates that the creation of a psychiatric residential treatment facility type is intended to provide a treatment option for youths with complex needs in out-of-home care who are currently placed in out-of-state facilities. These facilities are expected to bill MA to support most of their operational costs. However, this item would provide funding for "bed hold" grants to help support the facility's costs, with the expectation that it would not always be fully occupied with MA-eligible youth.

Joint Finance: Provision not included.

4. MENTAL HEALTH CONSULTATION PROGRAM [LFB Paper 448]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,000,000	-\$4,000,000	\$0

Governor: Provide \$2,000,000 annually to expand consultation services the Medical College of Wisconsin provides to assist primary care physicians and clinics in providing care to their patients by creating a mental health consultation program and retaining a separate consultation program for addiction medicine.

Mental Health Consultation Program. Provide a total of \$4,000,000 GPR annually to fund a mental health consultation program by: (a) reallocating \$2,000,000 of \$2,500,000 in base funding budgeted for the child psychiatry and addiction medicine consultation program; and (b) providing an additional \$2,000,000 annually to support the new program.

Require DHS to contract with the organization that provided consultation services through the child psychiatry consultation program, as of January 1, 2023 (the Medical College of Wisconsin) to administer the mental health consultation program and specify that in subsequent fiscal years the Department must contract with that organization or another organization to administer the mental health consultation program. Specify that the contracting organization must administer a mental health consultation program that incorporates a comprehensive set of mental health consultation services, which may include perinatal, child, adult, geriatric, pain, veteran, and general mental health consultation services. Specify that the organization may contract with any other entity to perform any operations and satisfy any requirements under the program. Specify that consultation through the program may be provided by teleconference, video conference, voice over Internet protocol, email, pager, in-person conference, or any other telecommunication or electronic means.

In addition, require the contracting organization to do all of the following:

- Ensure that all mental health care providers who are providing services through the program have the applicable credential from the state, and that any psychiatric professional providing consultation services is eligible for certification or is certified by the American Board of Psychiatry and Neurology for adult psychiatry, child and adolescent psychiatry, or both, and that any psychologist providing consultation services is registered in a professional organization, including the American Psychological Association, National Register of Health Service Psychologists, Association for Psychological Science, or the National Alliance of Professional Psychology Providers;

- Maintain the infrastructure necessary to provide the program's services statewide;
- Operate the program on weekdays during normal business hours of 8 a.m. to 5 p.m.;
- Provide consultation services under the program as promptly as is practicable;
- Have the capability to provide consultation services by, at a minimum, telephone and email;

- Provide all of the following services through the program: (i) support for participating clinicians to assist in the management of mental health concerns; (ii) triage-level assessments to determine the most appropriate response to each request, including appropriate referrals to any community providers and health systems; (iii) when medically appropriate, diagnostics and therapeutic feedback; and (iv) recruitment of other clinicians into the program as participating clinicians when possible;

- Report to DHS any information requested by the Department; and
- Conduct annual surveys of participating clinicians who use the program to assess the quality of care provided, self-perceived levels of confidence in providing mental health services, and satisfaction with the consultations and other services provided through the program.

Specify that immediately after participating clinicians begin using the program and again six to 12 months later, the contracting organization may conduct assessments of participating clinicians to assess the barriers to and benefits of participation in the program to make future improvements and to determine the participating clinicians' treatment abilities, confidence, and awareness of relevant resources before and after beginning to use the program.

Specify that, in addition to the consultation services, the contracting organization may provide any of the following services eligible for funding from the Department: (a) second opinion diagnostic and medication management evaluations and community resource referrals conducted by either a psychiatrist or allied health professionals; (b) in-person or web-based educational seminars and refresher courses on a medically appropriate topic within mental or behavioral health care provided to any participating clinician who uses the program; and (c) data evaluation and assessment of the program.

Define "participating clinicians," for the purposes of the program, to include physicians, nurse practitioners, physician assistants, and medically appropriate members of the care teams of physicians, nurse practitioners, and physician assistants.

Repeal provisions enacted as part of 2019 Act 9 that direct DHS to develop a comprehensive mental health consultation program.

Child Psychiatry and Addiction Medicine Consultation Program. Repeal all provisions relating to the child psychiatry consultation program to reflect the availability of these services under the new mental health consultation program. Retitle the appropriation and purpose for this program to reflect the creation of the mental health consultation program. However, retain provisions relating to the addiction medicine consultation program, and create a biennial appropriation, budgeted at \$500,000 GPR annually, to continue to support the addiction medicine consultation program.

Joint Finance: Provision not included.

5. DEAF, HARD OF HEARING, AND DEAF-BLIND BEHAVIORAL TREATMENT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,936,000	-\$1,936,000	\$0

Governor: Provide \$1,936,000 in 2024-25 in the Department's appropriation for grants for community programs, to provide behavioral health treatment services for individuals who are deaf, hard of hearing, or deaf-blind. Authorize DHS to distribute not more than that amount in each fiscal year, beginning in 2024-25, to a statewide provider of these services. The Administration indicates that the funding would be used for services provided by healthcare providers that are fluent in American Sign Language. The funding is based on estimated cost of supporting eight personnel for providing and coordinating services, including salary, fringe benefits, supplies and services, and accommodations.

Joint Finance: Provision not included.

6. YOUTH CRISIS STABILIZATION FACILITY GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,992,800	-\$1,992,800	\$0
PR	<u>-1,992,800</u>	<u>1,992,800</u>	<u>0</u>
Total	\$0	\$0	\$0

Governor: Provide \$996,400 GPR annually and reduce PR funding by corresponding amounts to fund youth crisis stabilization grants with GPR, rather than program revenue received by the state mental health institutes. Create an annual GPR appropriation for that purpose, and require DHS to make youth stabilization grants from this appropriation.

The Department currently makes grants to support two youth crisis stabilization facilities, which provide short-term residential stabilization for youth age 17 or younger who are experiencing a mental health crisis. (The two facilities are located in Marathon County and Milwaukee County.) The 2017-19 budget act established the grant program, and funded it with annual PR transfers to the Department's "center" program revenue appropriation. The "center" appropriation authorizes DHS to transfer and expend any amount of funding from the DHS PR appropriation that supports DHS facilities operations to "make payments to an organization that establishes a center that provides services." Currently, the grants are funded from PR the mental health institutes receive from charges to counties for the admission of their residents under emergency detention or civil commitment procedures. The Administration indicates that, while there had been surplus revenue in that appropriation to support the cost of the youth crisis stabilization facility grants when the program was created, there is no longer an account balance sufficient to continue funding the grants. Under this item, the grants would instead be funded through a new GPR appropriation.

Joint Finance: Provision not included.

7. PEER-RUN RESPITE CENTER FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$900,000	-\$900,000	\$0
PR	<u>-900,000</u>	<u>900,000</u>	<u>0</u>
Total	\$0	\$0	\$0

Governor: Provide \$450,000 GPR annually and reduce PR funding by corresponding amounts to fund a peer-run respite center grant for veterans with GPR, rather than program revenue received by the state mental health institutes. Modify statutory provisions related to peer-run respite center grants to specify that all such grants would be made from the community programs appropriation and to eliminate the \$1,200,000 statutory annual limit on grants, to reflect that the Department would make the grant to the veterans peer-run respite center from that appropriation, along with the current grants made to the other peer-run respite centers.

Peer-run respite centers provide short-term residential stays for persons experiencing mental health or substance abuse issues, staffed by persons have had experience living with those conditions. DHS currently provides grants of approximately \$450,000 each to support four peer-run respite centers, one of which is a grant to Mental Health of America to operate a peer-run respite center for veterans in the Milwaukee area.

The 2017-19 budget established the grant for the peer-run respite center for veterans, and funded it with annual PR transfers to the Department's "center" program revenue appropriation. The "center" appropriation authorizes DHS to transfer and expend any amount of funding from the DHS PR appropriation that supports DHS facilities operations to "make payments to an organization that establishes a center that provides services." Currently, the grant is funded from revenue the mental health institutes receive from charges to counties for the admission of their residents under emergency detention or civil commitment procedures. The Administration

indicates that, while there had been surplus revenue in that appropriation to support the cost of the veterans peer-run respite facility grant when the program was created, there is no longer an account balance sufficient to continue funding that grant. Under this item, the grant for the veterans peer-run respite center would be made from the same GPR appropriation that is used to support the grants for the other three peer-run respite centers.

Joint Finance: Provision not included.

8. PEER RECOVERY CENTER GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$520,000	- \$520,000	\$0

Governor: Provide \$260,000 annually in the Department's grants for community programs appropriation and specify that DHS may make grants of not more than that amount for regional peer recovery centers for individuals experiencing mental health and substance abuse issues. A peer recovery center is a place where adults who have experienced mental health or substance use issues may meet with others who have had similar experiences to help sustain their recovery. The Administration indicates that the grant funds would be used to support existing peer recovery centers that have received grants from the Department using federal block grant funds, as well as to support two other peer recovery centers in other parts of the state. In 2021, DHS awarded \$30,000 grants for 11 peer recovery centers using federal mental health and substance abuse block grant funds.

Joint Finance: Provision not included.

9. OPIOID ANTAGONIST PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,000,000	- \$4,000,000	\$0

10. STIMULANT PREVENTION AND TREATMENT RESPONSE PROGRAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,288,000	- \$3,288,000	\$0

11. QUALIFIED TREATMENT TRAINEE GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,576,600	-\$1,576,600	\$0

Governor: Provide \$1,576,600 in 2024-25 for qualified treatment trainee (QTT) grants. A QTT is a person who has earned or is working toward a graduate degree in one of several mental health fields, such as psychology, social work, marriage and family therapy, or nursing, but who has not yet completed supervised practice requirements necessary for professional licensure. DHS makes grants to mental health and substance abuse providers to help support the employment of QTTs during their period of supervised practice. The base funding for making grants is \$750,000 GPR, but in 2022 the Department allocated \$7,600,000 in ARPA funds for additional QTT grants, to be distributed over a 29-month period that ends in December 2024. With this supplemental funding, the Department is currently providing a total of \$3,153,100 on an annualized basis for QTT grants. This item would increase GPR funding for QTT grants in 2024-25, bringing the GPR total to \$2,326,600. This increase would provide sufficient state funding to replace the expiring federal funding in the final six months of that fiscal year. To continue this level of support with GPR, an additional increase of \$826,500 would be needed in 2025-26.

Joint Finance: Provision not included.

12. HEALTH CARE AND PUBLIC HEALTH WORKFORCE MENTAL HEALTH PILOT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$621,000	-\$621,000	\$0

13. OPENING AVENUES TO REENTRY SUCCESS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$384,200	2.00	-\$384,200	- 2.00	\$0	0.00

Governor: Provide \$167,500 in 2023-24 and \$216,700 in 2024-25 and 2.0 positions, beginning in 2023-24, to support administrative functions associated with an expansion of the opening avenues to reentry success program (OARS). OARS is administered jointly by DHS and the Department of Corrections (DOC) to provide behavioral health services to persons who are released from prison with identified mental health needs and who are assessed to have a moderate

to high risk of reoffending. A separate item, summarized under Corrections--Community Corrections, would provide \$3,449,600 GPR in 2023-24 and \$5,346,900 GPR in 2024-25 to allow the program to enroll additional individuals and to provide state funding to replace a portion of the funding that is currently provided by a federal grant, which will expire in 2023-24.

This item would provide two positions in DHS to perform the administrative functions of the program, including oversight of the contracts with the providers who render services to clients.

Joint Finance: Provision not included.

14. SERVICE DOGS TRAINING GRANT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$250,000	-\$250,000	\$0

15. SCHOOL-BASED MENTAL HEALTH CONSULTATION PILOT PROGRAM

GPR	-\$350,000
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Governor/Joint Finance: Delete the appropriation and associated program language for the school-based mental health consultation pilot program, and reduce funding by \$175,000 annually to eliminate base funding for the program. The school-based mental health consultation program was created by 2019 Act 117 to provide consultation services to school personnel in Outagamie County. The Department contracted with the Medical College of Wisconsin to provide consultation services under the program. The Administration indicates that the program should be eliminated to reflect the conclusion of the pilot program.

16. OFFICE OF CHILDREN'S MENTAL HEALTH

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$142,300	1.00	-\$142,300	- 1.00	\$0	0.00

Governor: Provide \$63,800 in 2023-24 and \$78,500 in 2024-25 and 1.0 position, beginning in 2023-24, for the Wisconsin Office of Children's Mental Health. The Administration indicates that the position, which would be a program and policy analyst-advanced, would support carrying out the duties of the Office. The Office of Children's Mental Health is charged with improving integration across state agencies that provide mental health services to children and monitoring the performance of state programs that provide these services. The Office is independent of DHS, but is attached to the Department for administrative purposes. It currently has 4.0 positions and a base budget of \$572,500 GPR.

Joint Finance: Provision not included.

17. SUBSTANCE USE DISORDER TREATMENT PLATFORM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$60,000	- \$60,000	\$0

Governor: Provide \$30,000 annually for the cost to maintain a substance use disorder treatment platform, which is an online resource listing available treatment providers, including information on the type of services each provider offers and their location. The Joint Committee on Finance approved one-time funding of \$300,000 GPR, under s. 13.10 of the statutes, for the development of the platform in February of 2022. The Department contracted with a vendor, which is developing the platform. This item would provide ongoing funding for the continuing maintenance of the platform.

Joint Finance: Provision not included.

18. MARIJUANA REVENUE -- PAYMENTS FOR COUNTY BEHAVIORAL HEALTH SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$44,400,000	- \$44,400,000	\$0

19. 2015 ACT 153 MENTAL HEALTH PILOT PROJECTS [LFB Paper 448]

GPR	- \$533,400
GPR-Lapse	\$1,958,600

Joint Finance: Reduce funding by \$266,700 annually for mental health pilot projects and repeal the mental health pilot projects appropriation. Repeal statutory provisions for two pilot projects, established by 2015 Act 153, for a behavioral health care coordination program and a psychiatric consultation program. Increase estimated GPR lapses by \$1,958,600 in 2023-24 to reflect the lapse of uncommitted continuing balance in the appropriation. The pilot projects that would be eliminated under this item have not been implemented.

20. TELEMEDICINE CRISIS RESPONSE PILOT PROGRAM

Joint Finance: Provide \$2,000,000 in 2023-24 in the Joint Committee on Finance program supplements appropriation for as telemedicine crisis response pilot program. The fiscal effect of this item is reflected in "Program Supplements."

Care and Treatment Facilities

1. NONFOOD SUPPLIES AND SERVICES [LFB Paper 455]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$40,025,600	-\$16,355,100	\$23,670,500
PR	<u>93,294,200</u>	<u>-4,341,700</u>	<u>88,952,500</u>
Total	\$133,319,800	-\$20,696,800	\$112,623,000

Governor: Provide \$62,089,200 (\$17,500,400 GPR and \$44,588,800 PR) in 2023-24 and \$71,230,600 (\$22,525,200 GPR and \$48,705,400 PR) in 2024-25 to fund projected increases in nonfood supplies and services costs for the Department's care and treatment facilities. Base funding for nonfood supplies and services for the Department's facilities is \$59,134,500 (\$32,025,000 GPR and \$27,109,500 PR).

Nonfood supplies and services includes medical services, medical supplies, prescription drugs, clothing, laundry and cleaning supplies. For medical services and prescription drugs, the Administration's estimate calculates the average per person costs by facility, inflates the per person cost by the average growth rate over the past three years (with certain exceptions for extreme values) and multiplies the results by the projected average population for each facility. For other supplies and services, the estimate uses a 5.9% annual inflationary growth rate, which was the 12-month change in the consumer price index (excluding food and energy) in June of 2022.

For the 2023-25 biennium, the nonfood supplies and services adjustment includes funding for contract staffing, electronic health records implementation costs, and COVID-19 testing, based on monthly average expenditures for these items in 2021-22. Collectively these three expenditure categories account for 89% of the biennial increase.

For all nonfood supplies and services, the funding is allocated between GPR and PR sources based on the mix of patients and residents. Generally, services for forensic patients at the mental health institutes and patients at the secure treatment facilities are funded with GPR, while services for civil mental health patients and residents of the state centers are funded with program revenue collected from counties or Medical Assistance reimbursement.

Joint Finance: Reduce funding by \$9,878,200 (-\$7,399,400 GPR and -\$2,478,800 PR) in 2023-24 and \$10,818,600 (-\$8,955,700 GPR and -\$1,862,900 PR) in 2024-25 for variable nonfood supplies and services. These amounts reflect the net effect of the following changes: (a) a reestimate of variable nonfood supplies and services based on updated expenditure data, and revised projections for facility populations and cost inflation, resulting in reductions totaling \$1,492,500 (-\$2,874,800 GPR and \$1,382,300 PR) in 2023-24 and \$2,385,500 (-\$4,405,600 GPR and \$2,020,100 PR) in 2024-25; and (b) a reestimate of the anticipated increases in the costs for maintaining electronic health records systems, relative to current base funding available for that purpose, resulting in reductions totaling \$8,385,700 (-\$4,524,600 GPR and -\$3,861,100 PR) in

2023-24 and \$8,433,100 (-\$4,550,100 GPR and -\$3,883,000 PR) in 2024-25.

The following table shows the resulting budget for variable nonfood supplies and services by facility and fund source, amounts that do not include the budget established for electronic health records costs.

Budget for Variable Nonfood Supplies and Services under Joint Finance

	2023-24			2024-25		
	GPR	PR	Total	GPR	PR	Total
Mendota MHI	\$16,016,400	\$1,073,100	17,089,500	\$17,537,000	\$1,174,900	\$18,711,900
Winnebago MHI	6,814,500	34,981,300	41,795,800	7,126,500	36,582,400	43,708,900
Sand Ridge STC	8,385,000	0	8,385,000	9,158,000	0	9,158,000
Wis. Resource Center	6,391,000	0	6,391,000	6,979,200	0	6,979,200
Central Wis. Center	0	21,533,500	21,533,500	0	23,615,500	23,615,500
Northern Wis. Center	0	1,615,500	1,615,500	0	1,768,900	1,768,900
Southern Wis. Center	0	6,159,300	6,159,300	0	6,719,000	6,719,000
Total	\$37,606,900	\$65,362,700	\$102,969,600	\$40,800,700	\$69,860,700	\$110,661,400

The following tables shows the facility population projections that are the basis for the variable nonfood supplies and services estimates, as well as the resident food budget estimates (summarized separately in the next item). For the Sand Ridge and Wisconsin Resource Center projections, the totals include the number of forensic patients that the Department expects to place in these facilities in order to allow the Mendota Mental Health Institute to admit more patients from the forensic waiting list.

Average Daily Population Projections, by Facility

	2023-24	2024-25
Mendota Mental Health		
Adult Forensic/Civil	300	300
Mendota Juvenile Treatment Center	29	29
Mendota Total	329	329
Winnebago Mental Health Institute	184	188
Sand Ridge Secure Treatment Center		
Chapter 980 Civil	210	210
Forensic Patients	60	60
Sand Ridge Total	270	270
Wisconsin Resource Center		
Corrections Inmates	385	385
Forensic Patients	20	20
WRC Total	405	405
Central Wisconsin Center	171	171
Southern Wisconsin Center	106	106
Northern Wisconsin Center	11	11

As modified by Joint Finance, the supplies and services budget for costs related to establishing and maintaining the facilities' electronic health records system would be \$14,386,900 (\$7,762,400 GPR and \$6,624,500 PR) in 2023-24 and \$14,896,100 (\$8,037,100 GPR and \$6,859,000 PR) in 2024-25.

2. RESIDENT FOOD REESTIMATE [LFB Paper 455]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,852,200	- \$1,336,300	\$1,515,900
PR	<u>1,630,100</u>	<u>- 639,600</u>	<u>990,500</u>
Total	\$4,482,300	-\$1,975,900	\$2,506,400

Governor: Provide \$1,849,400 (\$1,172,300 GPR and \$677,100 PR) in 2023-24 and \$2,632,900 (\$1,679,900 GPR and \$953,000 PR) in 2024-25 to fund projected increases in food costs at the Department's seven care and treatment facilities. The Administration developed estimates of food costs for residents by inflating actual 2021-22 per person food expenditures at each of the facilities, using an inflation index for food, as reported by the U.S. Bureau of Labor Statistics, for the 12-month period ending July of 2022. This rate, which was 10.9%, is first used to project 2022-23 food costs, and then applied again to the two years of the 2023-25 biennium. The resulting per person averages are multiplied by the Department's projections of the average daily occupancy at each facility to estimate total food costs. Base funding for food costs is \$5,163,400 (\$3,498,000 GPR and \$1,665,400 PR).

Joint Finance: Reduce funding by \$661,500 (-\$451,700 GPR and -\$209,800 PR) in 2023-24 and \$1,314,400 (-\$884,600 GPR and -\$429,800 PR) in 2024-25 to reflect a reestimate of resident food costs in the 2023-25 biennium. The funding reductions are due to revised facility population and food inflation projections. The following table shows the resulting budget for resident food by facility and fund source.

Budget for Resident Food under Joint Finance

	2023-24			2024-25		
	<u>GPR</u>	<u>PR</u>	<u>Total</u>	<u>GPR</u>	<u>PR</u>	<u>Total</u>
Mendota MHI	\$1,327,400	\$88,900	\$1,416,300	\$1,351,300	\$90,500	\$1,441,800
Winnebago MHI	179,200	920,000	1,099,200	181,200	954,100	1,135,300
Sand Ridge STC	634,600	0	634,600	646,000	0	646,000
Wis. Resource Center	2,077,400	0	2,077,400	2,114,800	0	2,114,800
Central Wis. Center	0	388,500	388,500	0	395,500	395,500
Northern Wis. Center	0	112,900	112,900	0	114,900	114,900
Southern Wis. Center	<u>0</u>	<u>622,400</u>	<u>622,400</u>	<u>0</u>	<u>633,600</u>	<u>633,600</u>
Total	\$4,218,600	\$2,132,700	\$6,351,300	\$4,293,300	\$2,188,600	\$6,481,900

3. SALARY ADD-ON FOR SELECTED POSITIONS [LFB Paper 220]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,740,700	- \$3,740,700	\$0
FED	4,367,100	- 4,367,100	0
PR	<u>14,331,800</u>	<u>- 14,331,800</u>	<u>0</u>
Total	<u>\$22,439,600</u>	<u>- \$22,439,600</u>	<u>\$0</u>

Governor: Provide \$11,557,700 (\$1,903,500 GPR, \$2,347,000 FED, and \$7,307,200 PR) in 2023-24 and \$10,881,900 (\$1,837,200 GPR, \$2,020,100 FED, and \$7,024,600 PR) in 2024-25 to provide hourly wage increases for certain nursing and therapy staff positions at the Department's facilities and disability determination and income maintenance positions in the Division of Medicaid Services. The permanent hourly wage increases would replace temporary pilot add-ons provided for these positions, which the Department of Administration's Division of Personnel Management implemented under terms of the 2021-23 compensation plan. The pilot wage adjustments, which are scheduled to expire at the end of the 2021-23 biennium, provide hourly increases for nurse clinicians, licensed practical nurses, nursing assistants, residential care technicians, respiratory therapists, disability determination associates, and income maintenance specialists.

Joint Finance: Modify provision to instead provide funding to compensation reserves in the amounts included in AB 43/SB 70, less a 5% reduction associated with a higher than usual level of position vacancies, to continue supplemental pilot add-on pay to address severe recruitment and retention issues. [See "Budget Management and Compensation Reserves."]

4. OVERTIME SUPPLEMENT [LFB Paper 456]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$10,679,800	\$1,625,800	\$12,305,600
PR	<u>4,338,000</u>	<u>- 2,783,000</u>	<u>1,555,000</u>
Total	<u>\$15,017,800</u>	<u>- \$1,157,200</u>	<u>\$13,860,600</u>

Governor: Provide \$7,508,900 (\$5,339,900 GPR and \$2,169,000 PR) annually to fund anticipated overtime costs at the Department's care and treatment residential facilities. The funding under this item reflects the difference between the actual overtime costs in 2021-22 at each facility and the amount that is provided by the bill under the overtime standard budget adjustment. The overtime funding provided in the standard budget adjustment item is based on the amount of funding provided for overtime by the 2021-23 budget. Since actual overtime costs in 2021-22 exceeded the funding provided by the budget, the funding in this item is intended to make up the difference.

The following table shows, by facility and fund source, the annual overtime increase that would be provided under the standard budget adjustment item, the funding increase under this

item, and the total funding that would be available annually to support overtime costs under the bill.

Facility	Standard Budget Adjustments			Overtime Supplement (This Item)			Total Annual Overtime Budget		
	GPR	PR	Total	GPR	PR	Total	GPR	PR	Total
Mendota MHI	\$5,208,400	\$1,196,300	\$6,404,700	\$3,326,200	\$763,900	\$4,090,100	\$8,534,600	\$1,960,200	\$10,494,800
Winnebago MHI	879,600	2,769,000	3,648,600	452,700	1,424,800	1,877,500	1,332,300	4,193,800	5,526,100
Sand Ridge STC	1,415,700	0	1,415,700	541,100	0	541,100	1,956,800	0	1,956,800
WI Resource Center	1,893,100	0	1,893,100	1,019,900	0	1,019,900	2,913,000	0	2,913,000
Central WI Center	0	3,787,100	3,787,100	0	106,800	106,800	0	3,893,900	3,893,900
Northern WI Center	0	419,300	419,300	0	114,400	114,400	0	533,700	533,700
Southern WI Center	0	2,263,000	2,263,000	0	-240,900	-240,900	0	2,022,100	2,022,100
Total	\$9,396,800	\$10,434,700	\$19,831,500	\$5,339,900	\$2,169,000	\$7,508,900	\$14,736,700	\$12,603,700	\$27,340,400

Joint Finance: Reduce funding for the overtime supplement by \$578,600 annually, which is the net effect of annual increases of \$812,900 GPR and decreases of \$1,391,500 PR annually. The reestimate is based on updated data on overtime hours and costs, which indicate higher overtime use at the Mendota Mental Health Institute, and somewhat lower use at the other facilities, compared to 2021-22. The following table shows the resulting overtime supplement by facility and fund source, and the total overtime budget including the standard budget adjustment overtime decision item.

Facility	Standard Budget Adjustments			Overtime Supplement			Total Annual Overtime Budget		
	GPR	PR	Total	GPR	PR	Total	GPR	PR	Total
Mendota MHI	\$5,208,400	\$1,196,300	\$6,404,700	\$4,733,600	\$1,087,400	\$5,821,000	\$9,942,000	\$2,283,700	\$12,225,700
Winnebago MHI	879,600	2,769,000	3,648,600	124,600	392,300	516,900	1,004,200	3,161,300	4,165,500
Sand Ridge STC	1,415,700	0	1,415,700	15,100	0	15,100	1,430,800	\$0	1,430,800
WI Resource Center	1,893,100	0	1,893,100	1,279,500	0	1,279,500	3,172,600	\$0	3,172,600
Central WI Center	0	3,787,100	3,787,100	0	-197,500	-197,500	0	3,589,600	3,589,600
Northern WI Center	0	419,300	419,300	0	92,600	92,600	0	511,900	511,900
Southern WI Center	0	2,263,000	2,263,000	0	-597,300	-597,300	0	1,665,700	1,665,700
Total	\$9,396,800	\$10,434,700	\$19,831,500	\$6,152,800	\$777,500	\$6,930,300	\$15,549,600	\$11,212,200	\$26,761,800

5. MENDOTA JUVENILE TREATMENT CENTER -- STAFFING AND FUNDING FOR EXPANSION

	Governor (Chg. to Base) Funding Positions	Jt. Finance (Chg. to Gov) Funding Positions	Net Change Funding Positions
PR	\$24,691,800 174.00	-\$24,691,800 - 174.00	\$0 0.00

Governor: Provide \$9,075,800 and 114.5 positions in 2023-24 and \$15,616,000 and 174.0 positions in 2024-25 to provide position and expenditure authority to expand the capacity of the Mendota Juvenile Treatment Center (MJTC).

MJTC, which is on the campus of the Mendota Mental Health Institute (MMHI) in Madison, is a juvenile correctional facility that provides psychiatric evaluation and treatment for juveniles transferred from the juvenile correctional system whose behavior is highly disruptive and who have not responded to standard services and treatment at the Department of Corrections' (DOC) secure correctional facility at Lincoln Hills. MJTC treatment and programming includes therapy for anger management, treatment to address substance abuse, sexual offense, or mental illness, and academic support. MJTC has 29 staffed beds for male juveniles, in addition to a 14-bed unit that is currently being used for adult forensic patients at MMHI. MJTC has a 93.0 authorized PR positions and base expenditure authority of \$9,859,400. The Department charges a daily rate to DOC for juveniles placed at MJTC, so actual staffing and expenditures generally reflects the census.

An expansion project, which will add 30 beds for males juveniles and 20 beds for female juveniles, is expected to be completed in October of 2023. Upon completion, the existing MJTC units will undergo renovation, which is expected to be completed in January of 2025. This item would provide PR position and expenditure authority in two phases, aligning with the completion of the new construction and renovation. When fully complete, MJTC will have physical space for 93 beds, including 20 females and 73 males. Although this item would provide position and expenditure authority based on fully using this space, actual expenditures would be constrained by daily rate charges collected from DOC.

Joint Finance: Provision not included.

6. EXPAND NORTHERN WISCONSIN CENTER'S INTENSIVE TREATMENT PROGRAM [LFB Paper 458]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$15,508,600	92.00	-\$15,508,600	- 92.00	\$0	0.00
GPR-REV	\$0		\$5,900,000		\$5,900,000	

Governor: Provide \$6,751,000 annually in 2023-24 and \$8,757,600 in 2024-25 to fund 92.0 positions, beginning in 2023-24, to expand the intensive treatment program (ITP) at Northern Wisconsin Center (NWC).

NWC currently provides ITP services to people ages 14 and older with an intellectual disability and co-occurring mental health or behavioral disorder. ITP services include behavioral and psychiatric evaluation and treatment, medical services, and vocational programming. Patients in NWC's program reside at NWC while participating in the ITP. In 2021-22, the ITP served an average daily population of 11 patients.

DHS currently has 25 licensed beds at NWC and does not plan to add additional licensed beds. Rather, the bill would provide staff to expand services for up to 12 additional residents. The Administration estimates that of the \$15,508,600 for the biennium, \$3,560,100 would fund resident

costs (such as food) and the remaining \$11,948,500 would fund staff costs (such as salary, fringe benefits, and supplies and services) of the additional 92.0 positions.

Joint Finance: Provision not included.

In its action on the Department of Health Services, the Committee adopted a motion to authorize DHS to retain \$2,000,000 GPR-earned annually, as reflected in estimates of GPR-REV for the bill as a whole. As modified, DHS would be authorized to retain \$3,000,000 annually for purposes of reducing the unsupported overdraft at Northern Wisconsin Center. Increase estimates of GPR-REV by \$2,900,000 in 2023-24 and \$3,000,000 in 2024-25.

7. WISCONSIN RESOURCE CENTER -- TRANSFER DEPARTMENT OF CORRECTIONS POSITIONS TO DHS [LFB Paper 296]

	Governor (Chg. to Base) Funding Positions	Jt. Finance (Chg. to Gov) Funding Positions	Net Change Funding Positions
GPR	\$18,641,200 110.00	-\$827,400 0.00	\$17,813,800 110.00

Governor: Provide \$9,320,600 annually and 110.0 positions, beginning in 2023-24, to reflect the transfer of security positions currently budgeted under the Department of Corrections (DOC) to the Wisconsin Resource Center (WRC). Repeal a statutory provision that specifies that security staff at the WRC shall be employees of the Department of Corrections and modify the appropriation authority for WRC to reflect this change. An item summarized under Corrections--Adult Institutions reflects the reduction in position authority and funding in that agency.

Specify that 110.0 FTE GPR positions, and the incumbent employees holding those positions in the Department of Corrections who are responsible for the performance of security operations at WRC, as determined by the DOA Secretary, would be transferred to DHS. Specify that the transferred employees have all the rights and the same status DHS that they enjoyed in DOC immediately before the transfer and that no transferred employee who has attained permanent status would be required to serve a probationary period.

Specify that all assets and liabilities of the Department of Corrections that are primarily related to security operations at WRC, as determined by the DOA Secretary would be become the assets and liabilities of DHS. Specify that all tangible personal property, including records, of DOC that are primarily related to security operations at WRC would be transferred to DHS.

Specify that any matter pending with DOC on the effective date of the bill that is primarily related to security operations is transferred to DHS and that all materials submitted to or actions taken by DOC with respect to the pending matter are considered as having been submitted to or taken by DHS.

Specify that all contracts entered into by DOC primarily related to security operations at WRC in effect on the effective date of the bill remain in effect and would be transferred DHS. Require DHS to carry out any obligations under those contracts unless modified or rescinded to

the extent allowed under the contract.

The Wisconsin Resource Center, in Oshkosh, is a secure treatment facility operated by the Department of Health Services that provides mental health and substance abuse treatment for inmates transferred from DOC prisons. DHS operates the facility and provides the treatment services, but security functions are performed by the Department of Corrections personnel under the direction of the Oshkosh Correctional Institution. This item would transfer 71 correctional officer positions, 31 correctional sergeant positions, and eight supervising officer positions from DOC to DHS so that all personnel at WRC would be under the direction of DHS.

Joint Finance: Reduce funding by \$413,700 annually so that the funding increase provided for supplies and services for the transferred positions in DHS is \$59,300 annually, the same amount by which the supplies and services budget in the Department of Corrections would be reduced.

8. CONTRACTED COMMUNITY SERVICES [LFB Paper 459]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$10,999,800	-\$2,155,600	\$8,844,200

Governor: Provide \$3,910,700 in 2023-24 and \$7,089,100 in 2024-25 for projected costs of the Division of Care and Treatment Services contracts for community-based mental health services for the treatment and monitoring for its forensic and sexually violent persons programs.

The funding in this item pertains to six contracted programs: (a) supervised release services; (b) conditional release services; (c) competency restoration services; (d) outpatient competency examination; (e) Department of Correction community supervision services; and (f) court liaison services. Each of these services, which are funded from a single GPR appropriation, are described below. For the first five of these services, the Administration's estimates generally use a caseload growth factor, based on recent trends, and an annual inflationary adjustment to the per-client costs. For the inflationary adjustment, the estimate uses 5.9% annual rate, which was the 12-month change in the consumer price index (excluding food and energy) in June of 2022. For the sixth contract, for court liaison services, the estimate adjusts the contract total by the inflationary rate, rather than calculating the cost on a per-client basis.

The final cost estimates for each contract are summed and the total for each year is subtracted from the total appropriation base, to determine the Governor's recommended funding increases. In addition to the estimated contract costs, this item includes limited-term employee (LTE) salary funding to provide supportive living needs for individuals on supervised release. Unlike the other funding in this item, the funding for LTE salaries would be provided in the DCTS general operations appropriation.

The following table shows the estimated totals for each of the six contracted services, and the difference between the totals and the appropriation base. The LTE salary component is shown in a separate row above the total.

	<u>2023-24</u>	<u>2024-25</u>
Appropriation Base*	\$20,389,500	\$20,389,500
Estimated Contract Costs		
Supervised Release	7,492,900	8,708,900
Conditional Release	6,213,100	6,675,200
Competency Restoration**	4,180,000	5,057,800
Outpatient Competency Exams	4,068,700	4,489,700
DOC Community Supervision	1,966,600	2,150,400
Court Liaison Services	<u>270,100</u>	<u>286,000</u>
Total Estimated Contract Cost	\$24,191,400	\$27,368,000
Total Estimate Minus Base	\$3,801,900	\$6,978,500
LTE Salary for Supervised Release	\$108,800	\$110,600
Total Increase in Bill	\$3,910,700	\$7,089,100

* This is the base used for the Administration's calculation. The actual base is \$20,560,800.

** Includes standard, community-based competency restoration services and jail-based competency restoration.

In developing the estimate, the Administration excluded the current funding for court liaison services, which is \$171,300, from the appropriation base. Excluding this amount from the base has the effect of overstating the amount needed to fully fund the contract estimates by \$171,300 in each year. The table above shows the appropriation base that was the basis of the estimate, in order to match the amount of funding provided by the bill.

Description of Contracted Services

Supervised Release Services. The supervised release program provides community-based treatment to individuals who are found to be sexually violent persons (SVPs) under Chapter 980 of the statutes. SVPs are committed to DHS and provided institutional treatment at the Sand Ridge Secure Treatment Center in Mauston, but may petition the court for supervised release if at least 12 months have elapsed since the initial commitment order was entered, since the most recent release petition was denied, or since the most recent order for supervised release was revoked. The supervised release program provides intensive monitoring, continued treatment, and supportive services for transition back into the community.

Conditional Release Services. The conditional release program provides monitoring and treatment to individuals who have been found not guilty by reason of mental disease or defect and are either immediately placed on conditional release following the court's finding or following release from one of the state's mental health institutes.

Competency Restoration Services. DHS contracts with a vendor to provide outpatient

treatment services to individuals who are determined to be incompetent to proceed to a criminal trial if a court determines that the individual is likely to be competent within 12 months, or within the time of the maximum sentence specified for the most serious offense with which the defendant is charged. These services are delivered on an outpatient basis for individuals who, based on an assessment of their risk level, are able to live in the community, or in county jails, as an alternative to admitting those individuals to one of the mental health institutes for treatment.

Outpatient Competency Examination. Chapter 971 of the statutes prohibits courts from trying, convicting, or sentencing an individual if the individual lacks substantial mental capacity to understand the proceedings or assist in his or her own defense. Courts may order DHS to conduct competency examinations, which may be performed either on an inpatient basis by DHS staff at the state mental institutes, or on an outpatient basis in jails and locked units of other facilities by contracted staff.

Department of Corrections Community Supervision. DHS contracts with the Department of Corrections for the supervision of clients in the supervised release and conditional release programs. The contract includes supervision, transportation escort, and global positioning system (GPS) monitoring.

Court Liaison Services. The Department contracts for the cost of court liaison services, used to provide consultation to courts regarding mental health issues for individuals in the judicial system.

Components of the Estimates

The following table shows the Administration's caseload and annualized, per person costs projections for the contracted services for which budget estimates are calculated on a per person basis. Estimates are shown for 2022-23, in addition to the two years of the 2023-25 biennium.

<u>Contracted Service</u>	<u>Caseload Estimates</u>			<u>Annualized Per Person Cost</u>		
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Supervised Release	84	92	101	\$76,684	\$81,209	\$86,000
Conditional Release	321	332	337	17,671	18,714	19,818
Competency Restoration						
Community-based	163	201	238	\$13,406	\$14,197	\$15,034
Jail-based	464	489	513	2,576	2,728	2,889
Outpatient Competency Exams	2,144	2,571	2,679	\$1,494	\$1,583	\$1,676
DOC Community Supervision	405	424	438	4,377	4,635	4,909

Joint Finance: Reduce funding by \$498,800 in 2023-24 and \$1,656,800 in 2024-25 to reflect a reestimate of the cost of contracted services related to the treatment and monitoring of forensic and sexually violent persons programs. With these reductions, the resulting funding increases would be \$3,411,900 in 2023-24 and \$5,432,300 in 2024-25. Of these amounts, \$3,410,100 in 2023-24 and \$5,428,700 would be provided in the appropriation for the contracts and \$1,800 in 2023-24 and \$3,600 would be related to increased salary costs for limited-term

employees in the supervised release program. The table shows the total funding levels by program component in the contracts appropriations (excluding the LTE salaries).

Total Estimated Contract Cost by Program Component

	<u>2023-24</u>	<u>2024-25</u>
Supervised Release	\$7,810,300	\$8,532,200
Conditional Release	5,609,100	5,832,800
Competency Restoration	4,548,000	5,256,900
Outpatient Competency Exams	4,009,400	4,279,800
DOC Community Supervision	1,731,600	1,818,700
Court Liaison Services	<u>262,500</u>	<u>269,100</u>
Total Estimated Contract Cost	\$23,970,900	\$25,989,500

The following table shows the revised caseload and per person costs estimates that are the basis for the contract reestimate.

Caseload and Per Person Costs Estimates under Joint Finance

<u>Contracted Service</u>	<u>Caseload Estimates</u>			<u>Annualized Per Person Cost</u>		
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Supervised Release	71	76	81	\$87,341	\$102,767	\$105,336
Conditional Release	304	308	313	17,555	18,187	18,641
Competency Restoration						
Community-based	184	221	259	\$13,317	\$13,797	\$14,142
Jail-based	539	564	589	2,559	2,651	2,717
Outpatient Competency Exams	2,180	2,607	2,715	\$1,484	\$1,538	\$1,576
DOC Community Supervision	375	384	394	4,348	4,505	4,617

9. FORENSIC ASSERTIVE COMMUNITY TREATMENT TEAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,898,400	- \$9,898,400	\$0
FED	<u>3,105,800</u>	<u>- 3,105,800</u>	<u>0</u>
Total	\$13,004,200	- \$13,004,200	\$0

10. MENTAL HEALTH INSTITUTES FUND SOURCE REALLOCATION

	Funding	Positions
GPR	-\$12,482,000	- 59.10
PR	<u>12,482,000</u>	<u>59.10</u>
Total	\$0	0.00

Governor/Joint Finance: Reduce funding by \$6,116,600 GPR in 2023-24 and \$6,365,400 GPR in 2024-25, reduce positions by 56.77 GPR in 2023-24 and 59.10 GPR in 2024-25, and provide corresponding PR funding and position increases to reallocate the funding source for services provided at the state mental health institutes. The funding and position adjustments reflect the Administration's estimated changes in the percentage of patients whose care will be funded with GPR and PR, respectively, in the 2023-25 biennium. The state is responsible for the cost of caring for forensic patients, funded with GPR, while the Department collects PR assessments from counties or health insurance for the cost of the care of civil patients, including emergency detention. For the 2023-25 biennium, the Administration anticipates that a higher share of the total patient population will be civil patients, resulting in a funding reallocation from GPR to PR sources.

11. DEBT SERVICE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,193,300	\$17,132,100	\$20,325,400

Governor: Provide \$942,600 in 2023-24 and \$2,250,700 in 2024-25 to reflect estimates of debt service payments on bonds issued for capital projects at DHS care and treatment facilities. Base debt service funding is \$16,583,400. With the adjustments under this item, total debt service payments are estimated at \$17,526,000 in 2023-24 and \$18,834,100 in 2024-25.

Joint Finance: Increase funding by \$4,203,300 in 2023-24 and \$12,928,800 in 2024-25 to reflect a reestimate of debt service payments on bonds issued for DHS facilities. With these adjustments, total debt service payments would be estimated at \$21,729,300 in 2023-24 and \$31,762,900 in 2024-25.

12. FUEL AND UTILITIES

GPR	\$97,000
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Governor/Joint Finance: Provide \$10,100 in 2023-24 and \$86,900 in 2024-25 to reflect an estimate of GPR-funded fuel and utilities costs at the care and treatment facilities. Base funding for fuel and utilities costs is \$5,707,000 GPR and \$6,927,800 PR. With the adjustments under this item, the GPR appropriation for fuel and utilities would be \$5,717,100 in 2023-24 and \$5,793,900 in 2024-25. The bill would not adjust the PR appropriation for fuel and utilities.

Quality Assurance

1. HEALTH CARE PROVIDER INNOVATION GRANTS [LFB Paper 460]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$22,500,000	- \$22,500,000	\$0

Governor: Provide \$7,500,000 in 2023-24 and \$15,000,000 in 2024-25 to fund health care provider innovation grants.

Authorize DHS to distribute not more than \$15,000,000 in each fiscal year as grants to health care and long-term care providers to implement best practices and innovative solutions to increase worker recruitment and retention.

Joint Finance: Provision not included.

2. BUREAU OF ASSISTED LIVING STAFF [LFB Paper 461]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,535,000	19.68	-\$2,535,000	- 19.68	\$0	0.00
FED	<u>1,592,200</u>	<u>12.32</u>	<u>- 1,592,200</u>	<u>- 12.32</u>	<u>0</u>	<u>0.00</u>
Total	\$4,127,200	32.00	-\$4,127,200	- 32.00	\$0	0.00

Governor: Provide \$1,814,500 (\$1,114,500 GPR and \$700,000 FED) in 2023-24 and \$2,312,700 (\$1,420,500 GPR and \$892,200 FED) in 2024-25 to fund 32.0 positions (19.68 GPR and 12.32 FED), beginning in 2023-24, to address a backlog of surveys the Bureau of Assisted Living (BAL) conducts in response to complaints, to license new facilities, and to meet its standard of conducting a licensing survey for every facility at least once every two years. Of the additional positions, 31.0 would be assigned to BAL and 1.0 would be an attorney assigned to the Office of Legal Counsel to meet the increased workload resulting from these additional surveys.

BAL is responsible for licensing and surveying community-based residential facilities, some adult family homes, and residential care apartment complexes and certifying substance abuse and mental health treatment programs. The Bureau is currently authorized 75.0 positions, including 49.0 surveyors.

Joint Finance: Provision not included. Instead, direct DHS to submit a plan to the Joint Committee on Finance, within six months of passage of the 2023-25 biennial budget act, to increase licensing fees for assisted living facilities and outpatient mental health clinics to cover the cost of staffing within BAL necessary to ensure adequate protection of the health and well-being of vulnerable individuals, as determined by DHS.

3. OFFICE OF CAREGIVER QUALITY [LFB Paper 462]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$592,700	4.00	-\$592,700	- 4.00	\$0	0.00
FED	423,600	2.80	-302,100	- 2.00	121,500	0.80
PR	<u>635,500</u>	<u>4.20</u>	<u>-453,200</u>	<u>- 3.00</u>	<u>182,300</u>	<u>1.20</u>
Total	\$1,651,800	11.00	-\$1,348,000	- 9.00	\$303,800	2.00

Governor: Provide \$739,700 (\$266,000 GPR, \$189,500 FED, and \$284,200 PR) in 2023-24 and \$912,100 (\$326,700 GPR, \$234,100 FED, and \$351,300 PR) in 2024-25, to fund 11.0 positions (4.0 GPR, 2.8 FED, and 4.2 PR) beginning in 2023-24 in the Office of Caregiver Quality (OCQ). According to the Administration, these positions would enable the Department to increase investigations into allegations of misconduct in long-term care facilities and expand the background check program.

Joint Finance: Reduce funding by \$603,900 (-\$266,000 GPR, -\$135,200 FED, and -\$202,700 PR) in 2023-24 and \$744,100 (-\$326,700 GPR, -\$166,900 FED, and -\$250,500 PR) in 2024-25, and 9.00 positions (-4.0 GPR, -2.0 FED, and -3.0 PR), beginning in 2023-24.

As modified, this provision would provide \$135,800 (\$54,300 FED and \$81,500 PR) in 2023-24 and \$168,000 (\$67,200 FED and \$100,800 PR) in 2024-25, to fund 2.0 (0.8 FED and 1.2 PR) four-year project positions in OCQ, beginning in 2023-24.

4. ASSISTED LIVING REVENUE SUPPLEMENT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,500,000	-\$1,500,000	\$0

Governor: Provide \$750,000 annually to supplement the revenue collected from assisted living facilities and program certification fees for outpatient mental health facilities. The Administration indicates that this funding is necessary to avoid a fee increase for these providers.

Joint Finance: Provision not included.

5. HEALTH CARE PROVIDER LICENSING, CERTIFICATION, AND INCIDENT REPORTING SYSTEM UPGRADE

	<u>Governor</u> <u>(Chg. To Base)</u>		<u>Jt. Finance</u> <u>(Chg. To Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$738,300	0.30	-\$738,300	- 0.30	\$0	0.00
FED	<u>89,200</u>	<u>0.70</u>	<u>- 89,200</u>	<u>- 0.70</u>	<u>0</u>	<u>0.00</u>
Total	\$827,500	1.00	-\$827,500	- 1.00	\$0	0.00

Governor: Provide \$56,100 (\$16,900 GPR and \$39,200 FED) in 2023-24 and \$771,400 (\$721,400 GPR and \$50,000 FED) in 2024-25, and 1.0 position (0.30 GPR and 0.70 FED), beginning in 2023-24, to modernize the health care provider licensing, certification, and health care staff misconduct incident reporting computer systems. The position would provide data analysis and support services for DHS staff using data from the new system.

Joint Finance: Provision not included.

6. NURSING HOME GRANT PROGRAM

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$156,900	1.00	-\$156,900	- 1.00	\$0	0.00

Governor: Provide \$70,000 in 2023-24 and \$86,900 in 2024-25 to fund 1.0 grant specialist position, beginning in 2023-24, to administer the nursing home grant program. The position would review applications, develop and manage grant agreements, and conduct outreach and marketing for the program.

Currently, the program is administered by several staff in the Division of Quality Assurance. The federal Centers for Medicare and Medicaid Services collects civil money penalties from nursing facilities that have not maintained compliance with federal nursing home requirements and distributes a portion of this revenue to states to support projects to protect the health or property of residents of nursing facilities.

Joint Finance: Provision not included.

7. STAFFING REQUIREMENT FOR HOSPITAL EMERGENCY SERVICES
(Removed from budget consideration pursuant to Joint Finance Motion #10)

FoodShare and Public Assistance Administration

1. FOODSHARE EMPLOYMENT AND TRAINING PROGRAM [LFB Paper 465]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,091,200	-\$143,200	\$8,948,000
FED	<u>3,773,200</u>	<u>-254,800</u>	<u>3,518,400</u>
Total	\$12,864,400	-\$398,000	\$12,466,400

Governor: Provide \$7,444,000 (\$4,067,500 GPR and \$3,376,500 FED) in 2023-24 and \$5,420,400 (\$5,023,700 GPR and \$396,700 FED) in 2024-25 to fund costs of projected increases in the number of individuals who will participate in the FoodShare employment and training (FSET) program upon the resumption of the federal ABAWD (able-bodied adult without dependents) policy.

ABAWD Work Requirement. Under federal law, able-bodied adults who are able to work, are 18 to 49 years of age, are not pregnant, and do not reside with any children under the age of 18, are required to meet a work requirement of at least 20 hours per week as a condition of receiving supplemental nutrition assistance program (SNAP) benefits. This work requirement can be met through paid work, volunteer work, in-kind work, or participation in FSET or a similar job training program. Individuals who do not meet this work requirement are limited to three months of FoodShare benefits in a 36-month period. In addition to individuals participating in FSET to meet the ABAWD work requirement, FSET participation is open to all FoodShare members ages 16 and older.

Temporary Suspension of the ABAWD Work Requirement. Under the federal Families First Coronavirus Response Act, the ABAWD policy has been suspended since March, 2020. This suspension is currently in effect and will remain so until the end of the month subsequent to the month that the U.S. Secretary of Health and Human Services declares that the SARS-CoV-2 public health emergency has ended. With the federal public health emergency ending in May, 2023, the ABAWD policy will be re-implemented statewide beginning in July, 2023. Due to the length of time that the ABAWD policy has been suspended, the Food and Nutrition Services is requiring states to restart the 36-month clock for all ABAWDs.

Enrollment. With the resetting of the 36-month clock for all ABAWDs, the Administration assumes that the percentage of total FoodShare participants who will enroll in FSET under the reinstated ABAWD policy will largely mirror the percentage of total FoodShare participants who

enrolled in FSET during the initial implementation of the ABAWD policy statewide beginning in April, 2015. As such, the Administration estimates that average monthly FSET enrollment will be 7,079 in 2022-23, 10,292 in 2023-24, and 8,796 in 2024-25.

Enrollee Expenditures. The Administration estimates that total per enrollee per month expenses will be \$410.72 in 2022-23 and decrease to \$394.88 in 2023-24 and subsequently increase to \$400.84 in 2024-25. These total expenses are primarily based on payments to the FSET program's vendors, but also include \$1,371,800 annually, which funds administrative expenses relating to the FSET program. Excluding the amounts for administrative expenses, the Administration estimates average per enrollee per month payments to the FSET vendors of \$383.77 in 2023-24 and \$387.84 in 2024-25.

Carry Over Funding. The Administration estimates that FSET funding for 2023-25 will be offset by unspent carry over funding from 2022-23 resulting from a decrease in average monthly FSET enrollment, in part due to the temporary suspension of the ABAWD work requirement.

Joint Finance: Reduce funding by \$397,800 (-\$143,100 GPR and -\$254,700 FED) in 2023-24 and \$200 (-\$100 GPR and -\$100 FED) in 2024-25 to reflect current estimates of FSET program participation in the 2023-25 biennium.

The following table shows estimated enrollment, costs, and total GPR funding necessary for the 2023-25 biennium, under Joint Finance.

**2023-25 FSET Expenses and Funding
Joint Finance**

	<u>2023-24</u>	<u>2024-25</u>
Total Annual Administrative Expenses	\$1,371,800	\$1,371,800
Total Annual Vendor Expenses	\$46,887,800	\$40,937,600
Average Monthly Enrollment	10,174	8,796
Per Enrollee per Month Vendor Expenses	<u>\$384.05</u>	<u>\$387.84</u>
Total Program Expenses (Total Annual Vendor + Administrative Expenses)	\$48,259,600	\$42,309,400
100% Federal Funding Offset	\$3,014,400	\$3,014,400
Total Program Expenses After FED Offset	\$45,245,200	\$39,295,000
50% GPR Expenses	\$22,622,600	\$19,647,400
50% FED Expenses	\$22,622,600	\$19,647,600
Existing GPR Funding		
GPR Base Funding	\$14,623,800	\$14,623,800
Projected GPR Carry Over	\$4,074,400	-\$3,924,400
GPR Surplus/Deficit (Base GPR - 50% GPR Expenses)	-\$3,924,400	-\$8,948,000

2. **PAYMENT PROCESSING EQUIPMENT FOR FARMERS MARKETS AND DIRECT MARKETING FARMERS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,470,000	-\$1,470,000	\$0

3. **DOUBLE UP FOOD BUCKS PILOT PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$536,600	0.50	-\$536,600	- 0.50	\$0	0.00
FED	<u>536,600</u>	<u>0.50</u>	<u>- 536,600</u>	<u>- 0.50</u>	<u>0</u>	<u>0.00</u>
Total	\$1,073,200	1.00	-\$1,073,200	- 1.00	\$0	0.00

4. **REPEAL FOODSHARE WORK REQUIREMENT FOR ABLE-BODIED ADULTS WITH DEPENDENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

5. **REPEAL FSET DRUG SCREENING, TESTING, AND TREATMENT REQUIREMENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. **REPEAL PAY-FOR-PERFORMANCE PAYMENT SYSTEM FOR FSET VENDORS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. **MA AND FOODSHARE ADMINISTRATION -- CONTRACTS** [LFB Paper 466]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$49,239,100	-\$3,242,600	\$45,996,500
FED	<u>89,178,000</u>	<u>- 6,890,600</u>	<u>82,287,400</u>
Total	\$138,417,100	-\$10,133,200	\$128,283,900

Governor: Provide \$65,486,800 (\$23,069,500 GPR and \$42,417,300 FED) in 2023-24 and \$72,930,300 (\$26,169,600 GPR and \$46,760,700 FED) in 2024-25 to increase funding for contractual services and systems costs for the administration of the MA and FoodShare programs.

This item includes increases in GPR funding for programming services DHS purchases from Deloitte for the Client Assistance for Re-employment and Economic Support (CARES) system. The CARES system is used by county and state staff for eligibility determinations and managing cases for the state's public assistance programs. Under the bill, GPR funding for these programming services would increase from \$11.5 million budgeted in 2022-23 to \$26.5 million in 2023-24 and \$28.1 million in 2024-25, largely due to the discontinuation of enhanced federal funding that was available to support these costs through September, 2022, and scheduled rate increases for programming services under the current contract.

This item also includes additional funding to support projects not funded in the current biennium, including: (a) replacing the current system used for administering the Birth to 3 program; (b) the development and implementation of a business operations support system for the Bureau of Fiscal Accountability and Management; (c) the creation of training modules to support professional development as part of the prenatal care coordination redesign project; (d) the development of a business tool to assist in the administration of the Wisconsin funeral and cemetery aids program to replace a payment tracking tool that is no longer functional; and (e) several enhancements to CARES.

Further, this item includes additional funding to support projected cost increases for several contracts, including the contract with Gainwell Technologies, the state's MA fiscal agent and contract vendor for the state's Medicaid management information system (MMIS) and contracts for telecommunications services used by MA recipients.

Finally, this item includes transferring expenditure authority for the costs associated with the Wisconsin Shares childcare statewide administration on the web (CSAW) system to the Department of Children and Families.

Joint Finance: Reduce funding by \$4,914,100 (-\$1,572,500 GPR and -\$3,341,600 FED) in 2023-24 and by \$5,219,100 (-\$1,670,100 GPR and -\$3,549,000 FED) in 2024-25 to fund administrative contracts.

The following table summarizes the GPR and FED funding amounts that would be budgeted for contracted services and systems costs for MA and FoodShare under Joint Finance.

**Summary of MA and FoodShare Administrative Contracts Funding -- GPR and FED
Joint Finance**

	2023-24			2024-25		
	GPR	FED	Total	GPR	FED	Total
FoodShare Electronic Benefit Contract	\$1,221,600	\$1,221,600	\$2,443,200	\$1,221,600	\$1,221,600	\$2,443,200
MMIS	37,230,900	82,913,400	120,144,300	40,091,200	91,316,800	131,408,000
MMIS Modules and Related Contracts	5,669,800	25,742,700	31,412,600	4,930,400	19,057,500	23,988,000
CARES Maintenance and Programming	37,700,900	70,576,300	108,277,200	39,287,600	73,946,700	113,234,300
Other Major and Minor Contracts	19,129,400	25,901,000	45,030,400	18,386,000	24,901,600	43,287,600
Telecommunications	2,781,300	3,399,400	6,180,800	2,819,600	3,446,200	6,265,800
Hearings and Appeals and Disability Determinations	<u>2,106,100</u>	<u>2,087,100</u>	<u>4,193,200</u>	<u>2,106,100</u>	<u>2,087,100</u>	<u>4,193,200</u>
Subtotal	\$105,840,000	\$211,841,500	\$317,681,700	\$108,842,500	\$215,977,500	\$324,820,100
Costs Funded from Other Approps.	-\$3,500,000	\$0	-\$3,500,000	-\$3,500,000	\$0	-\$3,500,000
Net Expenditures	\$102,340,000	\$211,841,500	\$314,181,700	\$105,342,500	\$215,977,500	\$321,320,100
2022-23 Base Funding	\$80,843,000	\$172,765,800	\$253,608,800	\$80,843,000	\$172,765,800	\$253,608,800
Difference (JFC Change to Base)	\$21,497,000	\$39,075,700	\$60,572,900	\$24,499,500	\$43,211,700	\$67,711,300

8. COVERING WISCONSIN *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,000,000	-\$2,000,000	\$0
FED	<u>2,000,000</u>	<u>- 2,000,000</u>	<u>0</u>
Total	\$4,000,000	-\$4,000,000	\$0

9. SUPPLEMENTAL AMBULANCE REIMBURSEMENTS

GPR	\$632,800
FED	<u>632,800</u>
Total	\$1,265,600

Governor: Provide \$632,800 (\$316,400 GPR and \$316,400 FED) annually to contract for the administration of a certified public expenditure (CPE) program to increase MA reimbursement to ambulance service providers owned by local governments. 2021 Act 228 requires the Department to create such a program, subject to federal regulatory approval, which will allow the state to claim federal matching funds on eligible ambulance service expenditures made by local governments and to make a supplemental payment for ambulance services using that revenue.

Additionally, make statutory changes related to a separate supplemental reimbursement created under Act 228, to be paid to private ambulance service providers using revenue generated from a new assessment on those providers and matching federal funds. Create a new appropriation to expend the assessment revenue on supplemental payments to ambulance service providers. Direct the DOA Secretary to transfer an amount equal to the cost of administering the assessment and supplemental payments from the new segregated ambulance trust fund to an existing PR

appropriation for MA administration.

Joint Finance: Delete the statutory changes. Substantially similar provisions are included in 2023 Senate Bill 157, which was passed by the Senate on June 7, 2023, and concurred in and messaged by the Assembly on June 21, 2023.

10. INCOME MAINTENANCE -- LOCAL ASSISTANCE [LFB Paper 467]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,664,100	\$250,000	\$1,914,100
FED	<u>2,121,200</u>	<u>250,000</u>	<u>2,371,200</u>
Total	\$3,785,300	\$500,000	\$4,285,300

Governor: Provide \$1,506,800 (\$677,700 GPR and \$829,100 FED) in 2023-24 and \$2,278,500 (\$986,400 GPR and \$1,292,100 FED) in 2024-25 to: (a) increase base contracts for income maintenance (IM) consortia and tribal IM agencies by 2% in 2023-24 and an additional 2% in 2024-25 (\$302,700 GPR and \$454,100 FED in 2023-24 and \$611,400 GPR and \$917,100 FED in 2024-25); and (b) increase funding to support fraud prevention investigations by \$750,000 (\$375,000 GPR and \$375,000 FED) annually.

Eligibility and caseload management functions related to MA, FoodShare, Wisconsin Shares, and other public assistance programs are performed by county employees in all counties (except Milwaukee County) by 10 regional, multi-county IM consortia. State employees in Milwaukee Enrollment Services (MiES) perform these functions in Milwaukee County. In nine tribal jurisdictions, tribal agency staff provide these services. IM services are funded from a combination of state, federal, and local funds. Base GPR funding for IM eligibility and caseload management functions is \$15,132,500 and \$1,000,000 for fraud prevention investigations.

Joint Finance: Provide an additional \$250,000 (\$125,000 GPR and \$125,000 FED) annually to support local fraud prevention investigations so that the total increase for local fraud prevention investigations would be \$1,000,000 (\$500,000 GPR and \$500,000 FED) annually.

11. FUNERAL AND CEMETERY AIDS

GPR	- \$549,600
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Governor/Joint Finance: Reduce funding by \$396,800 in 2023-24 and by \$152,800 in 2024-25 to reflect reestimates of the cost of payments under the Wisconsin funeral and cemetery aids program (WFCAP). Under the program, DHS reimburses costs incurred by funeral homes, cemeteries, and crematories for services they provide to certain deceased individuals who were eligible for MA or Wisconsin Works benefits at the time of their death. DHS is required to pay up to \$1,000 for cemetery and crematory expenses and up to \$1,500 for funeral and burial expenses that are not covered by the decedent's estate or other persons. The program does not provide any reimbursement if the total cemetery expenses exceed \$3,500 or total funeral expenses exceed \$4,500.

Base funding for the program is \$8,476,700. The Administration estimates that reimbursement payments will total \$7,843,000 in 2022-23, \$8,079,900 in 2023-24 and \$8,323,900 in 2024-25.

12. USE OF INDIVIDUAL INCOME TAX FORMS TO INITIATE HEALTH CARE ELIGIBILITY DETERMINATIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$529,200	-\$529,200	\$0

13. TRIBAL REIMBURSEMENT STAFF *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$154,100	1.00	-\$154,100	- 1.00	\$0	0.00
FED	<u>154,100</u>	<u>1.00</u>	<u>- 154,100</u>	<u>- 1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$308,200	2.00	-\$308,200	- 2.00	\$0	0.00

14. MEDICAL ASSISTANCE RECOVERIES -- QUI TAM CLAIMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,644,800	0.00	-\$1,658,200	0.00	\$986,600	0.00
FED	18,616,700	- 139.00	- 2,820,000	0.00	15,796,700	- 139.00
PR	11,445,900	0.00	- 625,400	0.00	10,820,500	0.00
SEG	<u>16,000</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>16,000</u>	<u>0.00</u>
Total	\$32,723,400	- 139.00	-\$5,103,600	0.00	\$27,619,800	- 139.00

Governor: Provide \$20,660,900 (\$1,320,600 GPR, \$13,613,000 FED, \$5,719,300 PR, and \$8,000 SEG) in 2023-24 and \$12,062,500 (\$1,324,200 GPR, \$5,003,700 FED, \$5,726,600 PR and \$8,000 SEG) and a reduction of 139.00 FED positions in 2024-25 to reflect the net effect of the following standard budget adjustments: (a) turnover (-\$4,058,800 GPR, -\$2,115,000 FED, and -\$3,065,300 PR annually); (b) removal of noncontinuing elements from the base (-\$10,683,300 FED in 2023-24 and -\$19,352,100 FED and -139.0 FED positions in 2024-25); (c) full funding of continuing positions (-\$5,714,200 GPR, \$25,968,400 FED, -\$4,069,800 PR, and \$1,800 SEG annually); (d) overtime (\$9,396,800 GPR and \$10,434,700 PR annually); (e) night and weekend differential pay (\$2,281,500 GPR, \$101,100 FED, and \$2,256,100 PR annually); and (f) full funding of lease and directed moves costs (-\$584,700 GPR, \$341,800 FED, \$163,600 PR, and \$6,200 SEG in 2023-24 and -\$581,100 GPR, \$401,300 FED, \$170,900 PR, and \$6,200 SEG in 2024-25).

Joint Finance: Reduce funding by \$2,551,800 (-\$829,100 GPR, -\$1,410,000 FED, and -\$312,700 PR) annually to increase, from 3% to 5%, the turnover rates in the bill.

2. STATE OPERATIONS -- SUPPLIES AND SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,108,800	- \$4,108,800	\$0
SEG	<u>3,200</u>	<u>- 3,200</u>	<u>0</u>
Total	\$4,112,000	- \$4,112,000	\$0

3. TRANSLATE WEBSITE AND FORMS INTO MULTIPLE LANGUAGES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,194,400	- \$1,194,400	\$0
FED	<u>634,400</u>	<u>- 634,400</u>	<u>0</u>
Total	\$1,828,800	- \$1,828,800	\$0

Governor: Provide \$851,900 (\$556,400 GPR and \$295,500 FED) in 2023-24 and \$976,900 (\$638,000 GPR and \$338,900 FED) in 2024-25 to translate the Department's website and forms into multiple languages.

Currently, the Department's website is only available in English. However, the Department is using one-time federal funds to translate the website into Spanish. The Administration indicates that funding (\$625,000 all funds in 2023-24 and \$750,000 all funds in 2024-25) in the bill would be used to translate the website into Hmong and one other language. Additionally, the Department is currently translating its 13,400 active forms and publications into other languages. Funding in the bill (\$226,900 all funds, annually) would double the funding available to pay the contractor to translate additional forms.

Joint Finance: Provision not included.

4. AGENCY EQUITY OFFICER (Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$170,900	1.00	-\$170,900	- 1.00	\$0	0.00

5. FEDERAL REVENUE REESTIMATES

FED	\$120,631,000
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Governor/Joint Finance: Provide \$60,315,500 annually to reflect the net effect of funding adjustments to certain appropriations funded from federal revenue.

The following table shows the base funding amount for each appropriation, the funding change under this item, the net funding changes to these appropriations under other items in the bill, and the total amount that would be budgeted for these appropriations under Joint Finance.

Federal Revenue Reestimates

	Base	2023-24			2024-25		
		Reestimate	Other Items	Total	Reestimate	Other Items	Total
Public Health							
MA State Administration	\$2,127,600	\$6,600,200	-\$51,300	\$8,676,500	\$6,600,200	-\$51,300	\$8,676,500
Federal Program Operations -- Aging	1,463,000	41,800	49,300	1,554,100	41,800	49,300	1,554,100
Prev. Health Block Grant -- Aids	907,200	86,800	0	994,000	86,800	0	994,000
MCH Block Grant -- Aids	7,000,000	450,000	0	7,450,000	450,000	0	7,450,000
Programs for the Elderly	29,934,900	6,282,300	0	36,217,200	6,282,300	0	36,217,200
						0	
						0	
Care and Treatment Services							
Federal Project Aids	15,886,400	403,300	0	16,289,700	403,300	0	16,289,700
Substance Abuse Block Grant Aid to Counties	9,756,800	19,644,000	0	29,400,800	19,644,000	0	29,400,800
Federal Block Grants -- Local Assistance	7,185,200	23,688,000	0	30,873,200	23,688,000	0	30,873,200
Substance Abuse Block Grant -- Operations	2,532,900	1,161,100	496,300	4,190,300	1,161,100	487,800	4,181,800
Community Mental Health Block Grant -- Operations	1,384,900	1,625,900	240,900	3,251,700	1,625,900	218,200	3,229,000
Community Mental Health Block Grant -- Local Assistance	2,513,400	200	0	2,513,600	200	0	2,513,600
Disability and Elder Services							
Social Services Block Grant -- Local Assistance	21,106,800	48,400	0	21,155,200	48,400	0	21,155,200
General Administration							
Federal WIC Program Operations	746,900	133,500	5,600	886,000	133,500	5,600	886,000
Office of the Inspector General -- Local Assistance	1,350,000	150,000	375,000	1,875,000	150,000	375,000	1,875,000
Total		\$60,315,500			\$60,315,500		

6. PROGRAM REVENUE REESTIMATES

PR	\$62,314,900
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Governor/Joint Finance: Provide \$31,115,500 in 2023-24 and \$31,199,400 in 2024-25 to reflect the net effect of funding adjustments to certain appropriations funded from program

revenue.

The following table shows the base funding amount for each appropriation, the funding change under this item, the net funding changes to these appropriations under other items in the bill, and the total amount that would be budgeted for these appropriations under Joint Finance.

Program Revenue Funding Reestimates

	Base	2023-24			2024-25		
		Reestimate	Other Items	Total	Reestimate	Other Items	Total
Public Health							
Fees for Administrative Services	\$112,500	\$6,000	\$0	\$118,500	\$6,000	\$0	\$118,500
Interagency and Intra-Agency Aids	5,466,500	2,922,500	-13,000	8,376,000	2,922,500	-13,000	8,376,000
Mental Health and Developmental Disabilities Facilities							
Repair and Maintenance	965,100	246,500	0	1,211,600	246,500	0	1,211,600
State Centers Operations	135,770,600	4,949,100	28,909,500	169,629,200	4,949,100	31,304,700	172,024,400
Medicaid Services							
Interagency and Intra-Agency Aids	23,192,000	4,808,000	3,758,700	31,758,700	4,808,000	2,500,500	30,500,500
Care and Treatment Services							
Gifts and Grants	94,300	98,300	0	192,600	98,300	0	192,600
Quality Assurance							
Licensing and Support Services	3,336,000	801,200	-695,100	3,442,100	885,100	-695,100	3,526,000
General Administration							
Bureau of Information Technology Services	19,951,700	<u>17,283,900</u>	-367,200	36,868,400	<u>17,283,900</u>	-367,200	36,868,400
Total		\$31,115,500			\$31,199,400		

7. ADMINISTRATIVE TRANSFERS

Governor/Joint Finance: Reduce PR funding by \$193,000 annually and increase FED funding by corresponding amounts, and convert 1.50 PR positions to FED positions, beginning in 2023-24, to reflect the net effect of position transfers that occurred within the Department in the 2021-23 biennium. These transfers are intended to more accurately align base staff costs with funding sources that reflect the positions' current responsibilities.

	Funding	Positions
FED	\$386,000	1.50
PR	<u>- 386,000</u>	<u>- 1.50</u>
Total	\$0	0.00

8. DELETE VACANT POSITIONS

Joint Finance: Delete 33.48 positions (3.31 GPR, 18.05 FED, and 12.12 PR), beginning in 2023-24, that have been vacant for more than 18 months.

	Positions
GPR	- 3.31
FED	- 18.05
PR	<u>- 12.12</u>
Total	- 33.48