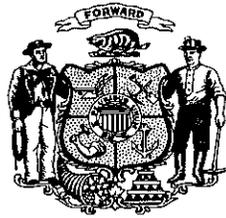


STATE OF WISCONSIN

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

309 East, State Capitol
P.O. Box 8953
Madison, WI 53708-8953
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: January 2, 2015

Re: DHS Report to JFC

Attached is a report on the overall condition of the Medicaid benefits budget and any changes made to the program in the past quarter from the Department of Health Services, pursuant to s. 49.45(2m), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:JN:jm



State of Wisconsin
 Department of Health Services

Scott Walker, Governor
 Kitty Rhoades, Secretary

December 30, 2014

RECEIVED
 JAN 02 2015

BY: J. FINANCE

The Honorable Alberta Darling, Senate Co-Chair
 Joint Committee on Finance
 Room 317 East
 State Capitol
 P.O. Box 7882
 Madison, WI 53707-7882

The Honorable John Nygren, Assembly Co-Chair
 Joint Committee on Finance
 Room 309 East
 State Capitol
 P.O. Box 8953
 Madison, WI 53708

Dear Senator Darling and Representative Nygren:

As required under s. 49.45(2m)(f), I am writing to provide an update for the second quarter of FY 15 on the overall condition of the Medicaid benefits budget and any changes made to the program in the past quarter.

In this report, we continue to project that the Medicaid program will be in balance for the current biennium.

Projected Medicaid Expenditures for the 2013-15 Biennium (in millions)				
	September 2014		December 2014	
	GPR	All Funds	GPR	All Funds
Projected Expenditures	\$4,783.3	\$16,297.05	\$4,782.6	\$16,295.3
Act 20 Budgeted Level	\$4,782.6	\$16,295.3	\$4,782.6	\$16,295.3
<i>Savings Need</i>	<i>\$0.7</i>	<i>\$1.75</i>	<i>\$0</i>	<i>\$0</i>

This projection assumes the Department will allocate \$22 million in one-time revenues from settlement payments from drug manufacturers to cover Medicaid benefit costs. The drug companies made these payments to the state to settle lawsuits alleging they improperly charged the Medicaid program for medications for Medicaid recipients.

The December projection reflects actual CY 15 per-member rates for Badger Care Plus, SSI Managed Care, Family Care, and PACE/Partnership, which were finalized in the last month.

The projection also reflects additional months of enrollment data, fee-for-service expenditure trends, and actual claiming for certain county-provided Medicaid services.

Many factors affect Medicaid expenditures, including enrollment, service utilization, and federal and third party revenues, and we will continue to monitor the program closely to ensure it remains in balance by the end of FY 15.

At the May 6, 2014, s. 13.10 meeting, the Committee directed the Department to provide updates on the implementation of the regional Comprehensive Community Services (CCS) benefit for Medicaid enrollees in need of mental health services. The 2013-15 biennial budget converted CCS from a county-matched to a state-matched Medicaid benefit for counties that adopted a regional service delivery model, effective July 1, 2014. As of December, the Department has certified 10 county and tribe regions to implement the state-matched benefit. Thirteen other proposed regions are undergoing Department review.

Regional Comprehensive Community Services Implementation Status	
Region	Region Effective Date
The Human Services Center for Forest, Oneida, Vilas Counties, including the Potawatomie Tribe and the Sokaogon Chippewa Tribe	July 2014
Columbia, Richland, Sauk	July 2014
Waukesha	July 2014
Jackson, LaCrosse, Monroe	July 2014
Langlade, Lincoln, Marathon	July 2014
Jefferson, Rock, Walworth	August 2014
Adams, Green Lake, Juneau, Marquette, Waupaca, Waushara	September 2014
Brown, Calumet, Manitowoc, Outagamie, Winnebago	September 2014
Milwaukee	September 2014
Portage, Wood	September 2014

As of November 30th, the Department has reimbursed approved CCS regional providers only a small amount, \$126,328 All Funds (\$49,800 GPR), in FY 15. This low number is not surprising, in that it typically takes multiple months after a service is delivered for Medicaid providers to submit claims for reimbursement. In addition, several of the regions were approved only in September and have been gradually increasing enrollment since then. The monthly reimbursements will continue to grow as certified regions enroll more individuals and new regions are approved. The December Medicaid projection continues to assume \$10,539,300 GPR in reimbursements for regions in FY 15.

Based on a survey of CCS counties, there were 1,540 individuals enrolled in approved regional CCS programs and 407 in non-regional programs as of December 2014. Please see Appendix B.

The Committee had also directed the Department to estimate the number of individuals who were previously receiving county-funded mental health services who have transitioned to CCS. It is not possible to estimate this number at this time because of the small number of claims to date. The Department will provide estimates, as well as updated information regarding expenditures and enrollment, in future quarterly reports.

Senator Alberta Darling
Representative John Nygren
December 30, 2014
Page 3 of 5

Finally, the latest information on the DHS Office of Inspector General's efforts to reduce and prevent fraud in the Medicaid program can be found on the Department's website at <https://www.dhs.wisconsin.gov/oig/data.htm>

Appendix A contains a list of state plan amendments submitted to the federal government this quarter.

Please contact me if you have any questions about this report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kitty Rhoades".

Kitty Rhoades
Secretary

Appendix A

Proposed Medicaid State Plan Amendments and Waivers Submitted to the Federal Government for Approval

Amendment 14-021 — Residential Care Centers. This amendment will incorporate language into the state plan regarding residential care centers. Residential care centers provide comprehensive behavioral health treatment to children in out-of-home-care who are in need of services in a structured setting.

Amendment 14-022 — Eligibility. This amendment will make changes concerning the use of the federal Modified Adjusted Gross Income (MAGI) budgeting methodology for determining eligibility for Medically Needy children and pregnant women.

Family Care B and C Waivers – The Department submitted renewals for the waivers.

Community Options Program-Waiver (COP-W) – The Department submitted renewals for the waiver.

Tribal Waiver – The Department submitted a home and community based waiver application to give Wisconsin Tribes an option to administer a home and community based program.

IRIS Waivers -- The Department submitted amendments to combine physically disabled, developmentally disabled, and frail elders target groups under one waiver, to allow for IRIS implementation in seven northeast Wisconsin counties, to include a transition plan for the waiver to comply with federal requirements, and to make minor service definition and performance measure changes.

Appendix B

Number of Consumers Enrolled in CCS (as of December 2013 & 2014)		
Approved Regions	Dec-13	Dec-14
Adams/GreenLake/Juneau/Marquette/Waushara Region	53	68
Brown/Calumet/Manitowoc/Outagamie/Winnebago Region	271	316
Columbia/Richland/Sauk Region	112	147
Forest/Oneida/Milas Region - Human Service Center	7	30
Jefferson/Rock/Walworth Region	74	98
LaCrosse/Jackson/Monroe Region	143	198
Langlade/Lincoln/Marathon Region	355	401
Milwaukee County (certified in 2014)	0	69
Portage/Wood Region	93	113
Waukesha County	104	100
Subtotal	1212	1540
Other Certified Counties	Dec-13	Dec-14
Dodge County	23	34
Green County	36	34
Fond du Lac County	11	16
Kenosha County	75	98
Kewaunee County	16	27
Marinette County	58	56
Shawano County (certified in 2014)	-	5
Sheboygan County	40	84
Washington County	48	53
Subtotal	307	407
Total Number of Consumers Enrolled in CCS	1,519	1,947
* Data based on provider surveys conducted by the Department		