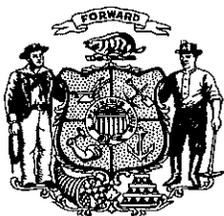


STATE OF WISCONSIN

SENATE CHAIR
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ASSEMBLY CHAIR
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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: October 4, 2016

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(2n), 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
 Linda Seemeyer, Secretary

September 30, 2016

OCT 04 2016
St. 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(2n), I am writing to provide an update for the first quarter of FY 17 on the overall condition of the Medicaid benefits budget and any changes to the program in the past quarter.

The Department projects that the Medicaid benefits budget will have a balance of \$268 million at the end of the 2015-17 biennium. The table below reflects current estimates for Medicaid expenditures through FY 17, based on trends in enrollment, costs per enrollee, federal claiming rates, and third party revenues.

Projected Medicaid Expenditures for the 2015-17 Biennium (in millions)				
	June 2016 Projection		September 2016 Projection	
	GPR	All Funds	GPR	All Funds
Act 55 Budgeted Level	\$5,683.4	\$18,679.3	\$5,683.4	\$18,679.3
Projected Expenditures	\$5,507.6	\$18,260.7	\$5,415.3	\$18,041.0
<i>Balance</i>	<i>\$175.8</i>	<i>\$418.6</i>	<i>\$268.1</i>	<i>\$638.3</i>

The projection indicates a larger balance compared to the Department's June report, because with three additional months of data, the Department can project FY 17 expenditures with more confidence. Overall, GPR Medicaid expenditures are below budget in the current biennium due to multiple factors, such as a more favorable federal matching rate, lower enrollment, larger than projected decreases in nursing home utilization, slower growth in managed care costs per enrollee, and smaller increases in several fee-for-service lines, such as personal care and federally qualified health centers.

Senator Alberta Darling
Representative John Nygren
September 30, 2016
Page 2

As I indicated in the Department's 2017-19 biennial budget request on September 15th, these trends also lead to a more moderate cost-to-continue increase for Medicaid in the coming biennium, of approximately \$452 million GPR. This favorable budget picture reflects the improving economy, the success of Governor Walker's entitlement reforms, efforts to improve health outcomes through better care coordination, and initiatives to identify and eliminate waste, fraud, and abuse. It also results from improved oversight of managed care contracts and reforms enacted by the Governor and Legislature.

Our expenditure projections will no doubt vary somewhat through the remainder of FY 17. The key factors affecting costs for the rest of this year will be enrollment and the outcome of the Department's CY 17 rate setting process for BadgerCare Plus, SSI Managed Care, and Family Care managed care organizations.

State Plan and Waiver Amendments

Appendix A lists state plan amendments submitted to the federal government this quarter.

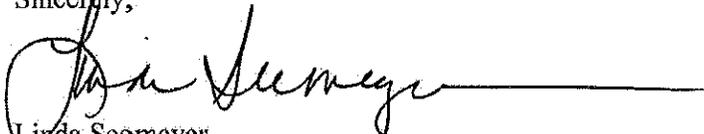
Comprehensive Community Services Implementation

Appendix B contains updated enrollment data for 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 September, the Department has certified 23 county and tribe regions to implement the state-matched benefit. On a date of payment basis, the Department has reimbursed approved CCS regional providers \$11.3 million All Funds (\$4.5 million GPR) in FY 15, \$52.9 million All Funds (\$19.5 million GPR) in FY 16, and \$10.9 million (\$4.1 million GPR) for the first two months of FY 17.

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 at <https://www.dhs.wisconsin.gov/oig/data.htm>.

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

Sincerely,



Linda Seemeyer
Secretary

Appendix A

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

Amendment 16-007. Access payments for inpatient hospital services. This amendment updates language for Medicaid access payments for inpatient hospital services.

Amendment 16-008. Access payments for outpatient hospital services. This amendment updates language for Medicaid access payments for outpatient hospital services.

Amendment 16-009. Nursing home rates and methodologies. This amendment changes nursing home rates and methodologies to reflect various payment-related policy changes.

Amendment 16-0010. Targeted dental rate increase. This amendment will implement a targeted Medicaid rate increase for pediatric dental care and adult emergency dental services provided in four Wisconsin counties, as directed in the 2015-17 biennial budget.

Amendment 16-0011. Hospice services. This amendment updates hospice services to reflect a final federal Medicare hospice rule published in August and other recent guidance from the Centers for Medicare and Medicaid Services.

Children's Long Term Supports Waiver. The Department submitted an application to renew the waiver effective January 1, 2017.

Appendix B

DHS Quarterly Report on Consumers in CCS (Q1 2016)

Reporting Period = April 1, 2016 to June 30, 2016

DMHSAS Region (with DQA-Certified Counties)	Number Served (end of last quarter)	Number Admitted (this quarter)	Number Discharged (this quarter)	Number Served (end of this quarter)
CCS of Clark & Trempealeau Counties	16	5	3	18
Clark County	9	3	3	9
Trempealeau County	7	2	0	9
Central Wisconsin Health Partnership (CWHP)	92	33	10	113
Adams County	24	2	1	25
Green Lake County	16	10	5	21
Juneau County	26	12	2	36
Waushara County	26	5	4	27
Marquette	0	3	0	3
Waupaca	0	1	0	1
Dane County Human Services CCS	159	90	10¹	239
Green-Lafayette Regional CCS Programs	49	6	0	55
Green County	39	5	0	44
Lafayette County	10	1	0	11
Human Service Center (HSC)	41	12	3	50
Forest County	2	2	1	3
Oneida County	33	8	1	40
Vilas County	6	2	1	7
JRW Tri-County Region CCS	206	25	30	201
Jefferson County	96	16	15	97
Rock County	66	7	11	62
Walworth County	44	2	4	42
Kenosha-Racine Regional Consortium (KRRC)	319	53	30	342
Kenosha County	246	40	20	266
Racine County	73	13	10	76
Lac du Flambeau Tribe	8	2	2	8
Lakeshore Recovery Collaborative	271	27	18	307
Dodge County	54	12	10	56
Ozaukee County	16	1	2	15
Sheboygan County	112	7	5	114
Washington County	89	7	1	95
Lakeshore Recovery Consortium	91	12	14	89
Door County	18	1	0	19
Kewaunee County	38	4	6	36
Shawano County	35	7	8	34
Marinette/Oconto County CCS Consortium	35	5	4	36
Marinette County	33	5	3	35
Oconto County	2	0	1	1
Milwaukee County	257	121	20	358

¹ One (1) individual listed as discharged this quarter was actually discharged on 3/25/2016 and should have been counted as being discharged in QTR 1 of 2016.

DHS Quarterly Report on Consumers in CCS (Q2 2016), cont.

Reporting Period = April 1, 2016 to June 30, 2016

DMHSAS Region (with DQA-Certified Counties)	Number Served (end of last quarter)	Number Admitted (this quarter)	Number Discharged (this quarter)	Number Served (end of this quarter)
New Horizons North CCS	106	41	25	122
Ashland County	76	26	22	80
Bayfield County	30	15	3	42
North Central Health Care (NCHC)	476	35	23	488
Langlade County	52	6	2	56
Lincoln County	75	3	2	76
Marathon County	349	26	19	356
Northeast Wisconsin Behavioral Health Consortium	424	43	54	424
Brown County	110	26	14	122
Calumet County	19	4	8	15
Manitowoc County	25	1	4	22
Outagamie County	159	1	14	157
Winnebago County	111	11	14	108
Portage-Wood Partnership	163	19	23	159
Portage County	52	8	4	56
Wood County	111	11	19	103
Strive CCS	24	3	3	24
Crawford County	8	1	1	8
Vernon County	16	2	2	16
Taylor/Iron County CCS	22	7	2	29
Iron County	1	1	1	2
Taylor County	21	6	1	27
Waukesha County	106	2	2	106
Western Region Integrated Care (WRIC)	288	42	26	304
La Crosse County	245	25	21	249
Jackson County	18	5	3	20
Monroe County	25	12	2	35
Western Region Recovery and Wellness Consortium (WRRWC)	159	51	27	183
Barron County	24	4	4	24
Buffalo County	4	3	2	5
Chippewa County	52	18	7	63
Dunn County	22	9	3	28
Pepin County	4	2	1	5
Pierce County	27	2	4	25
Polk County	19	11	5	25
Rusk County	7	2	1	8
Wisconsin River CCS Collaboration	210	31	27	214
Columbia County	52	11	4	59
Richland County	46	1	5	42
Sauk County	112	19	18	113
Eau Claire/St. Croix Shared CCS	0	20	0	20
St. Croix	0	13	0	13
Eau Claire	0	7	0	7
DQA-Certified Counties Not in Regions				
Fond du Lac County	12	6	3	15
Total Number of Consumers (Across All CCS's)	3534	691	360	4005