

# STATE OF WISCONSIN

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative John Nygren

Date: January 3, 2017

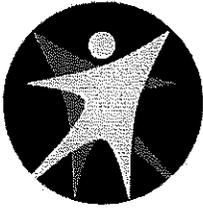
Re: DHS Report to JFC

Attached is a report on the overall condition of the Medicaid benefits budget and any changes to the program in the past quarter from the Department of Health Services, pursuant to 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

December 30, 2016

JAN 03 2017  
*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(2n), I am writing to provide an update for the second 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 \$312.5 million GPR 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.

<b>Projected Medicaid Expenditures for the 2015-17 Biennium (in millions)</b>				
	<b>September 2016 Projection</b>		<b>December 2016 Projection</b>	
	GPR	All Funds	GPR	All Funds
Act 55 Budgeted Level	\$5,683.4	\$18,679.3	\$5,683.4	\$18,679.3
Projected Expenditures	\$5,415.3	\$18,041.0	\$5,370.9	\$17,935.3
<i>Balance</i>	<i>\$268.1</i>	<i>\$638.3</i>	<i>\$312.5</i>	<i>\$744.0</i>

The projected balance is larger compared to the Department's September report. The Department has been able to update its estimate with additional months of enrollment and expenditure data. The projection also reflects finalized CY 17 rates for Family Care managed care organizations and BadgerCare Plus and SSI Managed Care health maintenance organizations. In addition, the federal government announced Medicare Part B premiums for CY

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17, which the state pays for individuals dually eligible for Medicaid and Medicare. The premium increase for CY 17 was less than previously projected.

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 growth, 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. Despite being below budget, Medicaid expenditures in FY 17 are expected to be roughly 3% higher than actual FY 16 expenditures.

*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 2016, the Department has certified 23 county and tribe regions to implement the state-matched benefit. On a date of payment basis, the Department reimbursed approved CCS regional providers \$10.8 million All Funds (\$4.5 million GPR) in FY 15, \$48.1 million All Funds (\$19.5 million GPR) in FY 16, and \$29.9 million All Funds (\$13.3 million GPR) for the first five 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 16-0012. Medication Therapy Management.* This amendment makes changes to State Plan provisions regarding medication therapy management.

*Amendment 16-0013. Managed Care.* As requested by the Centers for Medicare and Medicaid Services, the Department is submitting an amendment stating that "The state assures that all applicable requirements of 42 CFR 447.362 for payments under any non-risk contracts will be met."

*Amendment 16-0014. Third party liability.* This amendment updates current language in the State Plan regarding information the Medicaid member must provide and data matching with the Department of Transportation and removes other outdated provisions.

*Amendment 16-0015. Disproportionate Share Hospital (DSH) Payments.* This amendment updates language to reflect FY 17 funding for the payments.

## Appendix B

DHS Quarterly Report on Consumers in CCS (Q3 2016)

Reporting Period = July 1, 2016 to September 30, 2016

DMHSAS Region (with DQA-Certified Counties)	Number Served (end of last quarter)	Number Admitted (during this quarter)	Number Discharged (during this quarter)	Number Served (end of this quarter)
CCS of Clark & Trempealeau Counties	18	12	2	28
Clark County	9	9	1	17
Trempealeau County	9	3	1	11
Central Wisconsin Health Partnership (CWHP)	113	35	22	126
Adams County	28	13	4	37
Green Lake County	21	5	5	21
Juneau County	36	9	9	36
Waushara County	27	4	4	27
Marquette	0	3	0	3
Waupaca	1	1	0	2
Dane County Human Services CCS	240	97	6	331
Green-Lafayette Regional CCS Programs	55	8	3	60
Green County	44	5	2	47
Lafayette County	11	3	1	13
Human Service Center (HSC)	51	2	7	46
Forest County	3	0	1	2
Oneida County	41	2	5	38
Vilas County	7	0	1	6
JRW Tri-County Region CCS	201	43	24	220
Jefferson County	97	21	18	100
Rock County	62	17	2	77
Walworth County	42	5	4	43
Kenosha-Racine Regional Consortium (KRRC)	329	69	39	359
Kenosha County	253	58	17	294
Racine County	76	11	22	65
Lac du Flambeau Tribe	8	5	1	12
Lakeshore Recovery Collaborative	280	38	11	307
Dodge County	56	18	6	68
Ozaukee County	15	4	0	19
Sheboygan County	114	7	1	120
Washington County	95	9	4	100
Lakeshore Recovery Consortium	90	12	11	91
Door County	19	4	1	22
Kewaunee County	37	4	4	37
Shawano County	34	4	6	32
Marinette/Oconto County CCS Consortium	36	6	9	33
Marinette County	35	5	8	32
Oconto County	1	1	1	1
Milwaukee County	358	116	23	451
New Horizons North CCS	122	24	42	104
Ashland County	80	14	30	64
Bayfield County	42	10	12	40

DMHSAS Region (with DQA-Certified Counties)	Number Served (end of last quarter)	Number Admitted (during this quarter)	Number Discharged (during this quarter)	Number Served (end of this quarter)
North Central Health Care (NOHC)	616	60	40	636
Langlade County	55	11	11	55
Lincoln County	76	11	4	83
Marathon County	485	38	25	498
Northeast Wisconsin Behavioral Health Consortium	422	66	42	446
Brown County	122	21	15	128
Calumet County	15	6	0	21
Manitowoc County	20	4	1	23
Outagamie County	157	22	12	167
Winnebago County	108	13	14	107
Portage-Wood Partnership	159	21	21	159
Portage County	56	8	5	59
Wood County	103	13	16	100
Strive CCS	23	4	2	25
Crawford County	16	3	2	17
Vernon County	7	1	0	8
Taylor/Iron County CCS	28	9	3	34
Iron County	2	2	1	3
Taylor County	26	7	2	31
Waukesha County	106	5	4	107
Saint Croix/Eau Claire Share CCS	21	34	3	52
Eau Claire	7	12	0	19
Saint Croix	14	22	3	33
Western Region Integrated Care (WRIC)	304	37	19	322
La Crosse County	249	29	17	261
Jackson County	20	1	2	19
Monroe County	35	7	0	42
Western Region Recovery and Wellness Consortium (WRRWC)	183	41	15	209
Barron County	24	7	1	30
Buffalo County	5	1	1	5
Chippewa County	63	13	2	74
Dunn County	28	7	2	33
Pepin County	5	3	0	8
Pierce County	25	5	4	26
Polk County	25	3	4	24
Rusk County	8	2	1	9
Wisconsin River CCS Collaboration	222	43	25	240
Columbia County	67	16	9	74
Richland County	42	2	3	41
Sauk County	113	25	13	125
<b>DQA-Certified Counties Not in Regions</b>				
Fond du Lac County	15	5	3	17
<b>Total Number of Consumers (Across All CCS's)</b>	<b>4,000</b>	<b>792</b>	<b>377</b>	<b>4,415</b>