

# 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: April 4, 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 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

March 31, 2017

APR 04 2017  
*J. Fingace*

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 third 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 \$330.0 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>December 2016 Projection</b>		<b>March 2017 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	\$5,370.9	\$17,935.3	\$5,353.4	\$17,893.6
<i>Balance</i>	<i>\$312.5</i>	<i>\$744.0</i>	<i>\$330.0</i>	<i>\$785.7</i>

The projected balance increased by \$17.5 million GPR compared to the December report, which is a small change relative to the total expenditures in the program. This improvement is not the result of any major factor, but rather small changes in expenditure trends in multiple service categories, additional months of enrollment data, and updates to federal revenue claim amounts.

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As indicated in previous reports, 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 December 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 \$62.5 million All Funds (\$25.4 million GPR) for the first eight 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 17-0001. Medicaid Reimbursement for Covered Outpatient Drugs and Professional Dispensing Fees.* This amendment will amend the Medicaid state plan to comply with the federal rule for outpatient drug pricing, effective April 1, 2017.

*Amendment 17-0002. Inpatient Hospital Rates.* The Department will update inpatient hospital rate methodologies.

*Amendment 17-0003. Outpatient Hospital Rates.* The Department will update outpatient hospital rate methodologies.

*Amendment 17-0004. Eligibility Cost of Living Adjustment.* Eligibility thresholds will be adjusted to reflect Social Security Act cost of living adjustments.

*Community Options Program Waiver and Community Integration Program Waivers.* The Department submitted applications to renew the waivers.

## Appendix B

DHS Quarterly Report on Consumers in CCS (Q4 2016)

Reporting Period: from Oct 1, 2016 to Dec 31, 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	27	10	3	34
Clark County*	16	7	3	20
Trempealeau County	11	3	0	14
Central Wisconsin Health Partnership (CWHP)	127	34	14	147
Adams County*	38	3	4	37
Green Lake County	21	6	5	22
Juneau County	36	7	4	39
Waushara County	27	8	1	34
Marquette	3	9	0	12
Waupaca	2	1	0	3
Dane County Human Services CCS*	326	122	13	436
Green-Lafayette Regional CCS Programs	60	3	1	62
Green County	47	1	1	47
Lafayette County	13	2	0	15
Human Service Center (HSC)	46	4	8	42
Forest County	2	1	0	3
Oneida County	38	3	8	33
Vilas County	6	0	0	6
JRW Tri-County Region CCS	220	18	14	224
Jefferson County	100	10	5	105
Rock County	77	8	6	79
Walworth County	43	0	3	40
Kenosha-Racine Regional Consortium (KRRC)	359	51	29	381
Kenosha County	294	39	18	315
Racine County	65	12	11	66
Lac du Flambeau Tribe	12	8	4	16
Lakeshore Recovery Collaborative	297	28	13	312
Dodge County	68	12	5	75
Ozaukee County	19	1	0	20
Sheboygan County*	110	5	6	109
Washington County	100	10	2	108
Lakeshore Recovery Consortium	86	16	9	93
Door County*	23	4	2	25
Kewaunee County*	31	3	3	31
Shawano County	32	9	4	37
Marinette/Oconto County CCS Consortium	33	3	4	32
Marinette County	32	3	4	31
Oconto County	1	0	0	1
Milwaukee County	451	114	46	519
New Horizons North CCS	104	10	22	92
Ashland County	64	7	15	56
Bayfield County	40	3	7	36

DMHSAS Region	Number Served	Number Admitted	Number Discharged	Number Served
(with DQA-Certified Counties)	(end of last quarter)	(during this quarter)	(during this quarter)	(end of this quarter)
North Central Health Care (NCHC)	508	49	30	527
Langlade County*	56	7	3	60
Lincoln County	83	3	4	82
Marathon County*	369	39	23	385
Northeast Wisconsin Behavioral Health Consortium	446	45	50	441
Brown County	128	6	15	119
Calumet County	21	0	8	13
Manitowoc County	23	0	1	22
Outagamie County	167	26	18	175
Winnebago County	107	13	8	112
Portage-Wood Partnership	159	21	13	167
Portage County	59	6	2	63
Wood County	100	15	11	104
Strive CCS	28	6	3	31
Crawford County	17	2	1	18
Vernon County*	11	4	2	13
Taylor/Iron County CCS	31	0	5	26
Iron County*	0	0	0	0
Taylor County	31	0	5	26
Waukesha County	107	5	3	109
Saint Crox/Eau Claire Share CCS	52	45	8	89
Eau Claire	19	26	4	41
Saint Croix	33	19	4	48
Western Region Integrated Care (WRIC)	322	41	32	331
La Crosse County	261	26	26	261
Jackson County	19	6	3	22
Monroe County	42	9	3	48
Western Region Recovery and Wellness Consortium (WRRWC)	209	40	28	221
Barron County	30	6	1	35
Buffalo County	5	4	0	9
Chippewa County	74	11	9	76
Dunn County	33	9	6	36
Pepin County	8	4	0	12
Pierce County	26	4	6	24
Poik County	24	0	4	20
Rusk County	9	2	2	9
Wisconsin River CCS Collaboration	242	38	34	246
Columbia County*	76	14	11	79
Richland County	41	1	8	34
Sauk County	125	23	15	133
<b>DQA-Certified Counties Not in Regions</b>				
Fond du Lac County	17	3	3	17
<b>Total Number of Consumers (Across All CCS's)</b>	<b>4,269</b>	<b>714</b>	<b>389</b>	<b>4,594</b>