



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 4, 2001

Joint Committee on Finance

Paper #480

School-Based Health Services (DHFS -- Medical Assistance)

CURRENT LAW

1995 Wisconsin Act 27 established school-based health services as a medical assistance (MA) benefit. School-based health services are MA-eligible services provided to MA-eligible students by school districts, cooperative educational service agencies (CESAs) or the Wisconsin Schools for the Visually Handicapped or the Deaf. The services that can be reimbursed as school-based health services include: (a) speech, language, hearing and audiological services; (b) occupational and physical therapy services; (c) nursing services; (d) psychological counseling and social work services; (e) developmental testing and assessments; (f) transportation if provided on a day the student receives other school-based health services; and (g) durable medical equipment.

Schools provide the state's match for school-based health services. Prior to the 1999-01 biennium, of the federal matching funds received for school-based services, 60% was distributed to school providers and 40% was credited to the state's general fund. Under provisions of 1999 Wisconsin Act 9, in the 1999-01 biennium, after the first \$16.1 million in federal MA matching funds available for school-based services, of any additional revenue received, 90% is distributed to school providers and 10% is credited to the state's general fund. Under current law, beginning July 1, 2001, 60% of all federal matching funds for school-based health services will be distributed to school providers and 40% will be credited to the state's general fund.

GOVERNOR

Estimate that MA reimbursements for school-based services deposited to the general fund would total \$8.1 million annually.

DISCUSSION POINTS

1. It is estimated that total federal MA matching funds for school-based health services will total approximately \$35.0 million annually in the 2001-03 biennium. Of this amount, approximately \$14.0 million annually, or \$5.9 million more than assumed in the Governor's budget, would be deposited to the state's general fund.

2. This projection is based on revenues of approximately \$19.5 million through February 2001. It is assumed that revenues through February represent approximately 56% of the annual claims for school-based health services. Therefore, an additional \$15.5 million in federal MA matching funds are expected through the remainder of fiscal year.

3. It is not known to what extent revenue for school-based services increased in the 1999-01 biennium as a result of the additional federal funding available to schools, nor whether schools would likely discontinue or decrease claiming costs for MA school-based services once schools are no longer eligible to receive an enhanced portion of the federal revenue. It is reasonable to assume however, that once schools established the ability to submit claims for MA reimbursement, those schools would continue to submit claims, since schools would continue to receive 60% of any federal MA matching revenue the state claims received.

MODIFICATION

Increase estimated revenues to the general fund by \$5.9 million annually to reflect a reestimate of MA reimbursement for school-based services.

Modification	GPR
2001-03 REVENUE (Change to Base)	\$11,800,000
<i>[Change to Bill</i>	<i>\$11,800,000]</i>

Prepared by: Rachel Carabell