



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #414

Alzheimer's Family Caregiver Support Program and Community Aids Federal Funding Modification (DHS -- Quality Assurance, Disabilities, and Substance Abuse)

[LFB 2009-11 Budget Summary: Page 335, #4 (Part) and Page 337, #6 (Part)]

CURRENT LAW

AFCSP. The Alzheimer's family and caregiver support program (AFCSP) funds services for caregivers and families of individuals with Alzheimer's disease or other irreversible dementia. Families may receive up to \$4,000 a year in assistance for goods and services that permit individuals with Alzheimer's disease to remain in the household or community. Typical services include in-home help, respite care, adult day care and transportation. Examples of goods purchased with these funds include nutritional supplements, security systems, and chair lifts.

In order to qualify for assistance under the program, the person with Alzheimer's disease and that person's spouse may have income of no more than \$40,000 for the 12-month period immediately following application for the program. For a household with a joint gross income of more than \$40,000, any expenses attributable to Alzheimer's-related needs may be subtracted to determine net income. If net income for a household is \$40,000 or less, the household meets the household income eligibility condition.

In calendar year 2008, 982 individuals with Alzheimer's disease received services through the AFCSP, and 211 individuals were on a wait-list for services.

Funding for the program is budgeted as a categorical allocation under the community aids program. In calendar year 2009, the Department of Health Services (DHS) allocated this funding to 46 county human services and social services departments (approximately \$1,333,000), and to 26 agencies on aging (approximately \$586,800).

The following table provides the annual AFCSP participation and expenditure, by service category, in calendar years 2007 and 2008.

**AFCSP Statewide Expenditure and Participation
Calendar Years 2007 and 2008**

	<u>2007</u>	<u>2008</u>
Service Category		
Adult Day Care	\$459,900	\$466,900
Respite Care	213,400	224,400
Supportive Home Care	446,600	364,900
Support Group	90,000	96,800
Care Management	111,800	116,800
Other	453,700	478,500
Administration	<u>122,400</u>	<u>115,500</u>
	\$1,897,800	\$1,863,800
Individuals Enrolled	940	982
Individuals on Wait List	276	211

Family Care. The Family Care program serves adults over 65 years of age, individuals with developmental disabilities, and individuals with physical disabilities. Services are provided by managed care organizations (MCOs), which either contract with providers that offer long-term care services, or provide services directly. MCOs receive capitation payments to support care for their enrollees. The Family Care benefit includes all of the long-term care services that can be funded under AFCSP. Under Family Care, the amount of services an individual can receive is defined in the individual's plan of care, and is not limited to a maximum amount per year, as under AFCSP.

GOVERNOR

Reduce funding by \$246,700 GPR in 2009-10 and \$668,500 GPR in 2010-11 to reflect cost savings of eliminating AFCSP allocations for counties where the Family Care benefit is currently available, or will be available in the 2009-11 biennium. Under the proposal, DHS would discontinue AFCSP allocations: (a) on January 1, 2010, for counties where the Family Care benefit was available prior to January 1, 2009; and (b) 12 months after the Family Care benefit become available in counties that begin to implement Family Care after January 1, 2009.

DISCUSSION POINTS

1. The Governor's proposal reflects an expectation that many of the individuals who currently receive services under AFCSP are, or would be, eligible to receive similar or expanded services if they choose to enroll in Family Care. For this reason, the administration indicates that funding provided through the AFCSP allocations are unnecessary in the Family Care counties.

2. Individuals who currently receive services under AFCSP have low income, and may be eligible for medical assistance (MA) benefits. However, if an individual is enrolled in MA, his or her MA coverage does not fund the long-term care services that are available through AFCSP unless the individual participates in an MA home- and community-based long-term care program, such as the community options waiver program (COP-W) or Family Care. The AFCSP does not fund any services for an individual if the individual could receive the service under MA, since MA-eligible services can be partially funded with federal matching funds.

3. Family Care has both financial and functional eligibility requirements. In order to meet financial eligibility for the program, an individual may retain up to \$2,022 per month in countable income. This amount, which is adjusted annually, is referred to as the “personal maintenance allowance” and is equal to 300% of the federal payment level for an individual under the supplemental security income (SSI) program. An individual whose income exceeds that amount can enroll in Family Care, but any income an individual receives that exceeds that amount is used to pay for the cost of the individual’s care.

4. In order to meet the functional eligibility requirements, an individual must either: (a) require a nursing home level of care, which is defined as a long-term or irreversible condition expected to last at least 90 days or result in death within one year of the date a person applies for Family Care, and requires ongoing care, assistance, or supervision; or (b) have a condition that is expected to last at least 90 days or result in death within 12 months after the date of application.

5. The Family Care program provides all the allowable services currently provided by the AFCSP. Although there are differences in the financial and functional eligibility criteria for AFCSP and Family Care, it appears likely that some families that receive services under AFCSP would qualify for Family Care once the Family Care benefit becomes available to them as the program expands to additional counties.

However, as Family Care expands to additional counties, the Family Care benefit is not immediately available to all individuals who qualify for Family Care services. Under AB 75, an individual who currently receives services under the AFCSP may need to wait up to three years after the MCO begins offering Family Care in a county before the individual would be entitled to receive the Family Care benefit to replace services the individual currently receives under AFCSP.

6. However, families with individuals who currently meet the AFCSP eligibility criteria but not the Family Care eligibility criteria would no longer have access to AFCSP services. For these individuals, some services may be available under the national family caregiver support program (NFCSP). Under the NFCSP, DHS uses federal funds the state receives under the Older Americans Act to support some, but not all, of the types of services funded under the AFCSP. The NFCSP funds services that are specifically targeted at caregivers, and are therefore more limited in scope than the services currently available under AFCSP. In calendar year 2008, DHS distributed approximately \$2.2 million FED to counties to support services under the NFCSP.

Individuals who receive AFCSP support are not guaranteed to receive support through the

NFCSP. It is not known how many individuals who currently receive services under AFCSP would qualify for Family Care or receive services under NFCSP if the AFCSP allocations were eliminated in the Family Care counties.

7. In estimating the GPR savings of the Governor's proposal, the administration accounted for AFCSP allocations DHS currently provides to county human services departments and social services departments, but did not account for allocations to 26 agencies on aging that currently receive AFCSP allocations. The administration has indicated that, if the Governor's proposal is approved, it would discontinue allocations to agencies on aging in the same manner as it would discontinue payments to county human services and social services departments. For this reason, if the Committee adopts the Governor's recommendation to discontinue AFCSP allocations to counties under the schedule proposed by the Governor, it could reduce funding in the bill by an additional \$301,000 GPR in 2009-10 and \$683,000 GPR in 2010-11 (Alternative A1).

8. Alternatively, the Committee could approve the Governor's recommended funding level for the program, but use the additional savings identified in the previous discussion point to provide services for individuals who do not receive services under Family Care or the NFCSP in the Family Care counties (Alternative A2). Under this option, the Committee could allocate these surplus funds that would be deleted under Alternative 1 (\$301,000 GPR in 2009-10 and \$683,000 in 2010-11 for this purpose. This would require no funding increase to AB 75, and would target funds to provide services to individuals who would not receive services under Family Care or NFCSP.

9. Finally, the Committee could restore base funding by increasing funding in the bill by \$246,700 GPR in 2009-10 and \$668,500 GPR in 2010-11 (Alternative A3). Under this alternative DHS would continue to allocate base funding to all counties that currently receive these funds; funding for the program would not be reduced as Family Care expands to additional counties. If counties realize savings due to the conversion of AFCSP enrollees to Family Care, surplus funding could be used to serve individuals who are currently not served by the program.

10. Two modifications are needed to AB 75 to reflect current estimates of federal funding that will be available to support the community aids program in the 2009-11 biennium. First, funding from the social services block grant should be reduced by \$459,900 FED in 2009-10 and \$600,600 FED in 2010-11. Second, federal funding from the substance abuse prevention treatment block grant to support community aids should be reduced by \$1,057,000 FED annually. These changes would have no effect on the amount of funding DHS will allocate to the program. However, without these changes, the amounts budgeted in the bill for community aids will overstate the amount that DHS intends to allocate to counties and tribes.

ALTERNATIVES

A. Alzheimer's Family Caregiver Support Program

1. Approve the Governor's recommendations. In addition, reduce funding in the bill by \$301,000 GPR in 2009-10 and by \$683,000 GPR in 2010-11 to reflect the administration's intention

to reduce AFCSP funding for area agencies in the same manner as it would reduce funding it allocates to county human services departments and social services departments in Family Care counties.

ALT A1	Change to Bill Funding
GPR	- \$984,000

2. Approve the Governor's recommended funding level for the program. However, require DHS to continue to distribute \$301,000 GPR in 2009-10 and \$683,000 in 2010-11 and each fiscal year thereafter to social services departments, human services departments, and area agencies on aging to provide services to persons with Alzheimer's disease and their families who do not receive services under Family Care or the NFCSP.

3. Delete provision. Increase funding in the bill by \$246,700 GPR in 2009-10 and by \$668,500 GPR in 2010-11.

ALT A3	Change to Bill Funding
GPR	\$915,200

B. Community Aids Federal Funding Adjustments Modification

Reduce funding for community aids by \$1,516,900 FED in 2009-10 and by \$1,657,600 FED in 2010-11, to reflect the amount of federal funding from the social services block grant and the substance abuse prevention and treatment block grant that DHS would budget for the community aids program in the 2009-11 biennium.

	Change to Bill Funding
FED	- \$3,174,500

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