



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

May, 2019

Joint Committee on Finance

Paper #415

FSET -- Cost-to-Continue and Services for Certain MA Recipients (Health Services -- FoodShare)

[LFB 2019-21 Budget Summary: Page 185, #28 and Page 218, #1]

CURRENT LAW

FoodShare Employment and Training Program. FoodShare is Wisconsin's name for the federal supplemental nutrition assistance program (SNAP). FoodShare enables low income individuals and households who meet a series of financial and non-financial eligibility criteria to receive monthly funds on an electronic benefit card to use on eligible food at authorized retailers.

Able-bodied adults without dependents (ABAWDs) must meet a work requirement in order to remain eligible for FoodShare benefits. Under the work requirement ABAWDs must work, participate in qualifying education and training activities, comply with a workfare program, or a combination of these activities, for a total of at least 80 hours per month. ABAWDs who do not meet the work requirement can only receive FoodShare benefits for three months in a 36-month period.

FoodShare recipients in Wisconsin have the option to participate in the FoodShare employment and training (FSET) program, either as a way to meet the 80 hour per month work requirement for ABAWDs, or as a way to expand their career opportunities. The Department of Health Services (DHS) contracts with eight tribes and eight vendors in 11 FSET regions across the state to provide FSET services.

Starting October 1, 2019, DHS must implement an FSET participation requirement on all able-bodied adults, between the ages of 18 and 50, who are not pregnant and not determined by DHS to be medically certified as physically or mentally unfit for employment or exempt from the work requirement as specified in federal law. This requirement does not apply to able-bodied adults who are employed, as determined by DHS. Further, DHS is prohibited from requiring

participation in FSET for an individual who is: (a) enrolled at least half time in a school, a training program, or an institution of higher education; or (b) the caretaker of a child under the age of six or the caretaker of a dependent who is disabled.

Medical Assistance Coverage for Childless Adults. Childless adults are covered under the medical assistance (MA) program under the terms of a federal Medicaid waiver. On October 31, 2018, the federal Centers for Medicare and Medicaid Services (CMS) approved an amendment to the Medicaid waiver that allows the state to impose various conditions on eligibility and participation in medical assistance by adults without dependent children. Among other provisions, the waiver establishes a conditional eligibility time limit, tied to meeting a work or community engagement requirement. One way to meet this requirement is through participation in FSET. Under state law, DHS must implement the provisions of this requirement on November 1, 2019.

GOVERNOR

Provide \$4,668,000 (\$2,334,000 GPR and \$2,334,000 FED) in 2019-20 and \$5,724,000 (\$2,862,000 GPR and \$2,862,000 FED) in 2020-21 to increase funding for the FoodShare employment and training (FSET) program.

DISCUSSION POINTS

1. This paper provides a discussion of the bill's funding for ongoing FSET vendor costs to serve ABAWDs who may participate in the program to maintain eligibility for FoodShare benefits and non-ABAWD FoodShare beneficiaries. In addition, this paper addresses the potential additional costs of expanding the program to provide employment and training services for childless adult MA enrollees who do not participate in FoodShare.

FoodShare FSET Vendor Cost Estimates

2. Federal law requires ABAWDs to meet work requirements in order to remain eligible for SNAP after exhausting three months of time-limited benefits in a 36-month period. An ABAWD is any individual who is: (a) age 18 to 49; (b) able to work; (c) not residing in a household with a child under age 18, regardless of the relationship to the child; and (d) not pregnant.

3. ABAWDs are exempt from meeting the work requirements if they are: (a) determined unfit for employment due to receipt of temporary or permanent disability benefits, mental or physical inability to work, or verified as unable to work by a statement from a health care professional or social worker; (b) the primary caregiver for a child under age six or an incapacitated person; (c) receiving unemployment compensation, or have applied for unemployment compensation and are complying with unemployment compensation work requirements; (d) participating in an alcohol or other drug abuse treatment or rehabilitation program; (e) enrolled as a student of higher education and meeting the student eligibility requirements; or (f) receiving transitional FoodShare benefits.

4. Under the work requirement, ABAWDs must work, participate in qualifying education and training activities, comply with a workfare program, or a combination of these activities, for a

total of at least 80 hours per month. Additionally, under federal law, the state is required to offer a SNAP employment and training program to SNAP enrollees who are subject to work requirements. In Wisconsin, this program is called FSET.

5. When an income maintenance (IM) worker conducts an eligibility determination or renewal for FoodShare benefits, he or she must explain the FSET program, including the services that may be available to the FoodShare recipient, regardless of whether the applicant or recipient needs to meet the work requirement. ABAWDs not meeting the work requirement are referred to FSET. FoodShare recipients who are not ABAWDs, or ABAWDs meeting the work requirement, may request that the IM agency refer him or her to FSET for voluntary participation. Once an individual is referred to FSET, the FSET agency will contact the individual to schedule an initial appointment.

6. Services provided by the FSET vendors include: (a) job search services to equip participants with the tools and skills needed for effective job search; (b) work experience to expose participants to different kinds of employment to clarify job interests and career goals; (c) education, which could include obtaining a General Educational Development (GED) certificate, English as a second language, adult basic education, vocational literacy, and short-term technical training, which may include enrollment in a technical or trades program if there is a direct link to employment that is in demand; (d) workfare to provide participants with the opportunity to learn new job skills and establish work references at a nonprofit work site; (e) self-employment support, such as technical assistance to develop realistic business plans and sound financial and marketing plans, as well as assistance in obtaining financial support from grants, financial institutions, or other service providers; and (f) job retention, which may be provided for up to 90 days for employment that is obtained resulting from FSET participation, and includes participant reimbursement for initial expenses like transportation, uniforms, and childcare.

7. Table 1 shows the cumulative unduplicated enrollment and average monthly enrollment in FSET between 2015-16 and 2017-18, as well as a break down by ABAWDs who need to meet the work requirement and other FSET participants.

TABLE 1

FSET Enrollment 2015-16 to 2017-18

	<u>2015-16</u>		<u>2016-17</u>		<u>2017-18</u>	
	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>
Cumulative Unduplicated Enrollment						
ABAWDs	18,638	62.8%	8,618	39.3%	5,932	31.4%
Non-ABAWDs	<u>11,056</u>	<u>37.2</u>	<u>13,333</u>	<u>60.7</u>	<u>12,961</u>	<u>68.6</u>
Total	29,694	100.0%	21,951	100.0%	18,893	100.0%
Average Monthly Enrollment						
ABAWDs	4,454	37.7%	2,048	21.4%	1,310	13.3%
Non-ABAWDs	<u>7,349</u>	<u>62.3</u>	<u>7,512</u>	<u>78.6</u>	<u>8,512</u>	<u>86.7</u>
Total	11,803	100.0%	9,560	100.0%	9,822	100.0%

8. The administration assumes that average monthly enrollment in FSET will remain steady in each year of the 2019-21 biennium, with an average monthly enrollment of 9,822 individuals. This number is based on the actual average monthly enrollment of 9,822, in 2017-18. As of March, 2019, the total number of FSET enrollees was 7,875, including 1,484 ABAWDs and 6,391 non-ABAWDs. Compared with 2017-18 average monthly enrollment, the March, 2019 enrollment is approximately 19.8% lower.

9. DHS reports that in comparing annual new employments (13,771) to average monthly enrollment (9,822), an average of approximately 12% of FSET participants statewide found employment each month in 2017-18. However, not all of these participants necessarily left the FSET program since they may have found jobs with insufficient hours or wages to fulfill the ABAWD requirement or achieve self-sufficiency. Additionally, the number of annual new employments could be skewed by a small number of people who work several part-time or short-term jobs each of which is counted in the total.

10. Between April 1, 2015, and September 30, 2018, 30,791 FSET program participants have gained employment. This metric only counts the first time an individual obtained employment while participating in FSET.

11. In September, 2018, FSET participants worked an average of 36.3 hours per week at an average wage of \$13.64 per hour. However, these amounts were based on all FSET participants who are working. As such, these measures do not include FSET participants who are unemployed but do include FSET participants who were employed prior to their enrollment in FSET, for example voluntary participants who are already employed but who are looking to improve their employment opportunities.

12. In its federal fiscal year 2018 report to the federal Food and Nutrition Services (FNS), DHS indicated that most common barriers to employment for FSET participants were work history gaps and not having a driver's license. These barriers can all be addressed within the permissible activities and expenses of the FSET program. However, 2018 is the first year for which these outcomes have been reported, so it is too soon to determine what effect FSET has had on helping participants overcome these barriers.

13. The current contracts between DHS and the FSET vendors, for federal fiscal year 2018-19 (October 1, 2018 through September 30, 2019), specify the terms and conditions of service provision, and provide funding up to a specified total dollar amount. FSET vendors receive reimbursement from DHS for invoiced costs that are eligible under the FSET program.

14. However, current law requires DHS to create and implement a payment system based on performance for FSET program vendors. Specifically, DHS must establish performance outcomes for the payment system based on: (a) the placement of participants into unsubsidized employment; (b) whether the placement is full or part-time; (c) the job retention rate; (d) wages and benefits earned; (e) appropriate implementation of FSET; and (f) customer satisfaction. Implementation of the payment system is contingent on federal approval and must not affect the funding available for supportive services for participants in FSET. The Governor's budget bill would repeal the FSET pay-for-performance structure for FSET vendor contracts.

15. FSET is funded from three sources: (a) state general purpose revenue (GPR); (b) local county contributions; and (c) federal funds (FED), including contributions that do not require a state or local match, matching funds for local expenditures, and matching funds for state expenditures. In the 2017-19 budget act, funding for FSET was based on an average monthly enrollee cost of \$283.

16. DHS reports that in federal fiscal year 2016-17, the average monthly cost of providing services to FSET enrollees was \$332.79. The administration applied inflationary increases to this base amount (2.5% for 2018-19, 2.3% in 2019-20, and 2.1% in 2020-21) and proposes to budget the program based on average monthly costs of \$348.86 per enrollee in 2019-20 and \$356.12 per enrollee in 2020-21.

17. The administration's estimates reflect only FSET vendor payments. However, the FSET program also includes a number of third party contracts. DHS did not include these amounts because while these local funds are matched by the federal government and support the FSET program, they do not affect the Department's budget.

18. Third party contracts for the FSET program are funded from 50% local funds and 50% from federal matching funds. Third party funds allow FSET vendors the opportunity to provide new or enhanced services and to expand service delivery. Third party funds cannot be used to replace funding used for existing services. Local funds typically consist of city or county tax levy, or charitable donations. To provide a more complete representation of total FSET costs, and available offsets, funding for third party partnerships are included in Table 2.

TABLE 2

**Funding for FSET Vendors and Third Party Partnerships
Governor's Recommendation**

	<u>2019-20</u>	<u>2020-21</u>
Avg. Monthly Cost Per Enrollee	\$348.86	\$356.12
Avg. Monthly Enrollment	<u>9,822</u>	<u>9,822</u>
Annualized Vendor Costs	\$41,118,000	\$41,973,700
 Funding for Third Party Partnerships		
Local	2,000,000	2,000,000
FED Match on Local	<u>2,000,000</u>	<u>2,000,000</u>
Total Program Cost	\$45,118,000	\$45,973,700
 Offsets		
Local	2,000,000	2,000,000
FED Match on Local	2,000,000	2,000,000
100% FED Funds	<u>1,200,000</u>	<u>1,000,000</u>
Total Program Cost After Offsets	\$39,918,000	\$40,973,700
 Total GPR (50% of Program Costs After Offsets)	 \$19,959,000	 \$20,487,000
Total FED (50% of Program Costs Plus FED Offsets)	\$23,159,000	\$23,486,700
Total Local (Local Offset)	\$2,000,000	\$2,000,000

19. The administration's estimate should be modified to reestimate available federal funding. Reestimating the federal funding does not change the amount of federal funding that would be available to the program, as DHS has the authority to spend all federal funds it receives from FNS to fund eligible FSET program costs. However, the reestimate does allow for a more accurate representation of program budgeting and funding available to support FSET services. This change is shown in Table 3.

TABLE 3

Funding Necessary to Adopt Governor's Recommendation

	2019-20			2020-21		
	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>
Total Cost	\$19,959,000	\$23,159,000	\$43,118,000	\$20,487,000	\$23,486,700	\$43,973,700
Base Funding	\$17,625,000	\$23,446,400	\$41,071,400	\$17,625,000	\$23,446,400	\$41,071,400
Change to Base	\$2,334,000	-\$287,400	\$2,046,600	\$2,862,000	\$40,300	\$2,902,300
Change to Bill	\$0	-\$2,621,400	-\$2,621,400	\$0	-\$2,821,700	-\$2,821,700

20. Since the Department's assumptions appear reasonable, the Committee could approve the Governor's recommendation, with the reestimate of federal funding as shown in Table 3 [Alternative A1]. Under this alternative, funding in the bill should be reduced by \$2,621,400 FED in 2019-20 and \$2,821,700 FED in 2020-21.

21. Alternatively, the Committee could fund the program in the 2019-21 biennium based on average 2017-18 monthly FSET enrollee costs, which were \$292.53 per enrollee, as this is the most recent complete state fiscal year available.

22. By retaining the Department's assumptions regarding enrollment (9,822) and inflation (2.5% for 2018-19, 2.3% in 2019-20, and 2.1% in 2020-21), but applying those assumptions to the 2017-18 average costs, average monthly costs per enrollee would be budgeted at \$306.74 in 2019-20 and \$313.18 in 2020-21.

23. If the Committee adopted this alternative, funding in the bill could be reduced by \$7,585,800 (-\$2,482,200 GPR and -\$5,103,600 FED) in 2019-20 and by \$7,882,600 (-\$2,530,400 GPR and -\$5,352,200 FED) in 2020-21, as shown in Table 4 [Alternative A2a].

TABLE 4**FSET Cost-to-Continue
Based on 2017-18 Average Monthly Enrollee Costs**

	2019-20			2020-21		
	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>
Total Cost	\$17,476,800	\$20,676,800	\$38,153,600	\$17,956,400	\$20,956,400	\$38,912,800
Base Funding	\$17,625,000	\$23,446,400	\$41,071,400	\$17,625,000	\$23,446,400	\$41,071,400
Change to Base Under Alt. A2a	-\$148,200	-\$2,769,600	-\$2,917,800	\$331,400	-\$2,490,000	-\$2,158,600
Funding In Bill	\$2,334,000	\$2,334,000	\$4,668,000	\$2,862,000	\$2,862,000	\$5,724,000
Change to Bill Under Alt. A2a	-\$2,482,200	-\$5,103,600	-\$7,585,800	-\$2,530,600	-\$5,352,000	-\$7,882,600

24. However, DHS notes that the 2017-18 per member per month amount may have been suppressed due to the funding restraints imposed on the FSET vendors under the 2017-19 biennial budget act, and therefore may not be an accurate starting point for estimating future FSET vendor costs.

25. Alternatively, the Committee could adjust caseload, in addition to the average monthly enrollee costs. Average monthly enrollment between July, 2018, and March, 2019, (the first nine months of 2018-19), was 8,048.

26. Table 5 shows the funding necessary if the Committee assumes that average monthly enrollment in 2019-20 and 2020-21 will be 8,048, and that monthly costs will be \$306.74 per enrollee in 2019-20 and \$313.18 per enrollee in 2020-21 [Alternative A2b].

TABLE 5**FSET Cost-to-Continue Based on 2017-18 Average Monthly Enrollee Costs and Average
Monthly Enrollment of 8,048**

	2019-20			2020-21		
	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>
Total Cost	\$14,212,700	\$17,412,600	\$31,625,300	\$14,623,800	\$17,623,700	\$32,247,500
Base Funding	\$17,625,000	\$23,446,400	\$41,071,400	\$17,625,000	\$23,446,400	\$41,071,400
Change to Base Under Alt. A2b	-\$3,412,300	-\$6,033,800	-\$9,446,100	-\$3,001,200	-\$5,822,700	-\$8,823,900
Funding In Bill	\$2,334,000	\$2,334,000	\$4,668,000	\$2,862,000	\$2,862,000	\$5,724,000
Change to Bill Under Alt. A2b	-\$5,746,300	-\$8,367,800	-\$14,114,100	-\$5,863,200	-\$8,684,700	-\$14,547,900

27. On the other hand, enrollment in FSET may be low, and continuing to decrease, due to the state's current low unemployment rate. However, if the country and state were to experience an economic downturn, enrollment in FSET may increase above current levels.

28. In considering the FSET vendor contracts, the Committee could more closely align the structure of the FSET vendor contracts with those for W-2 and Medicaid. Generally, under W-2, vendors are paid a monthly contract amount, with additional payments available based on performance outcomes (such as total case count and the percentage of the prior year's budget the agency earned) and incentives (such as completion of a GED or obtaining employment).

29. The state's Medicaid services are largely paid on a capitated basis. Most medical services under Medicaid are provided on a managed care basis, through health maintenance organizations (HMOs) or managed care organizations (MCOs) for long-term care services. HMOs and MCOs receive a monthly capitation payment for each of their enrollees. Subsequently, the HMO or MCO contracts with providers to render medical services to individuals and to provide overall management of their care.

30. In addition to providing more consistency across contracts for social assistance programs, capitated payments would ensure that vendor reimbursements are based on program enrollment. This would eliminate the ability of the FSET vendors to increase their average enrollee costs when enrollment is low in order to receive payments closer to the maximum contracted amounts, which is possible under the current contract structure.

31. FNS requires states to pay SNAP employment and training agencies on a reimbursement basis for necessary, reasonable, and actual costs. DHS indicates that it is not known whether FNS would waive this requirement and allow for FSET vendors to be reimbursed on a capitated basis. However, the Committee could require DHS to seek a waiver from FNS to develop and implement a regional capitated funding mechanism for FSET. If FNS grants the waiver, the Committee could require that the approved payment mechanism form the basis of the FSET vendor contracts for federal fiscal year 2021 (beginning October 1, 2020). Further, under this alternative the Committee could prohibit DHS from implementing this provision absent federal approval of a payment mechanism based on capitated payments [Alternative A3].

32. On the other hand, one advantage of the current open ended contract structure is that it easily allows DHS to adjust the funding for cost variations, as well as enrollee needs. The open ended contracts are also very attractive for vendors and may encourage competitive bidding and adequate vendor interest to provide statewide FSET services. For these reasons the Committee may not wish to approve Alternative A3.

Employment and Training for Childless Adult Medical Assistance Enrollees

33. Once the waiver provisions are implemented, MA eligibility for childless adults will be limited to a total of 48 months, for months that they do not meet a work or community engagement requirement. Any months that childless adults meet the work or community engagement requirements will not count against the 48-month limit. Once an individual accumulates 48 months of not meeting the work or community engagement criteria, he or she will not be eligible to enroll in MA for a six-

month period, but will have an additional 48-month eligibility period after the six month lock-out period expires.

34. The work and community engagement provisions under the waiver are similar to the FoodShare work requirements for ABAWDs. Qualifying activities include paid employment, unpaid work, such as volunteer work or community service, self-employment, or participation in a work, job training, or job search program, including FSET. Similar to FoodShare, the waiver specifies an 80-hour per month standard, is applicable to adults age 19 to 49, and provides for various exemptions, such as being determined physically or mentally unable to work.

35. In its 2019-21 budget request, the Department proposed expanding FSET to provide childless adults enrolled in MA with a means of satisfying the Medicaid waiver work or community engagement standards. For the budget request, the Department estimated average monthly childless adults FSET enrollment at 1,105 in 2019-20 and 7,839 in 2020-21, at a vendor contracts cost of \$4,600,000 (\$2,562,000 GPR and \$2,038,000 FED) in 2019-20 and \$33,322,000 (\$18,559,000 GPR and \$14,763,000 FED) in 2020-21. This estimate is based on an assumption that FSET enrollment will increase gradually once the new requirements take effect, eventually reaching 17% of new monthly childless adult enrollees who are not also participating in FoodShare.

36. The Governor's bill does not provide FSET funding to expand the program for childless adult MA enrollees. Instead, the Governor proposed authorizing the Department to withdraw from the federal waiver agreement and repealing the provisions in state law relating to the childless adult waiver. The bill would provide coverage for childless adults through a standard state Medicaid plan amendment as part of the Governor's proposal to adopt full Medicaid expansion.

37. On May 9, 2019, the Committee adopted Motion #5, which removed from consideration the proposed full Medicaid expansion and repeal of the childless adult waiver provisions. Consequently, current law requirements related to the implementation of the childless adult waiver would be retained. As such, DHS will be required to begin implementation of the 48-month time limit on November 1, 2019. With the retention of the employment and training waiver provisions, the Committee may want to consider whether to provide funding for FSET services for childless adult MA enrollees.

38. The Department's budget request for FSET funding was based on the assumption that CMS would approve the use of federal Medicaid matching funds, at a 50% match rate, for most FSET vendor services. However, in April, CMS notified DHS that federal matching funds are not available for employment and training costs, which is consistent with guidance to states issued by the agency on January 11, 2018. As a result, any FSET services provided to MA childless adults (who are not enrolled in FoodShare) must be funded with state funds only. To fully fund the FSET costs at the requested level, the Committee would need to provide increases of \$4,600,000 GPR in 2019-20 and \$33,322,000 GPR in 2020-21 [Alternative B1].

39. If the Committee selects Alternative A2, the Committee should base the funding level for the childless adults FSET expansion on the same cost methodology, with an adjustment to account for a subtraction of the childcare component. Using this updated per person monthly cost, the estimated FSET cost would be \$4,041,000 GPR in 2019-20 and \$29,272,000 GPR in 2020-21

[Alternative B2].

40. As originally proposed in the 2017-19 budget, the Department would have been required to submit a Medicaid waiver request seeking approval of a Medicaid-funded work and training program for childless adults enrolled in MA. The Department would have only been required to administer such a program if CMS approved Medicaid matching funds for the program. In considering this proposal, the Legislature modified this provision to instead require the Joint Committee on Finance to review and approve the final approved waiver prior to implementation. As modified, the conditional implementation provision was removed and instead the Committee would have determined if and how the Department would implement the provision. However, in signing the budget, the Governor vetoed these Committee review provisions, leaving no contingency in the event that federal matching funds for a work and training program were not approved.

41. Under current state law, DHS is required to implement the 48-month conditional time limit as specified in the waiver, but is not required to administer a work and training program for childless adults. If no funding is provided for an FSET expansion, DHS may decide not to open the program for participation by MA childless adults.

42. Although the work or community engagement standards and exemptions under the federal waiver are similar to the FoodShare ABAWD requirements, the sanction associated with failure to meet the standards are substantially different from the FoodShare provisions. Although commonly thought of as a Medicaid work requirement, the fact that any effect on childless adult eligibility would not occur until after four years of not meeting the work or community engagement standards means that the provision will have relatively little or no immediate impact on eligibility. Furthermore, since the waiver's expiration date is December 31, 2023, which is four years and two months following implementation, the waiver's lock out provision would only have an effect for two months prior to expiration and would have no ongoing effect if the waiver is not renewed. Given the relatively weak ties between MA eligibility and community engagement requirements, the Committee may determine that providing funding for a work or community engagement program specifically for childless adults MA enrollees is not warranted [Alternative B3]. In this event, MA childless adults who are not enrolled in FoodShare would have to rely on other programs if they require work and employment training assistance.

ALTERNATIVES

A. FoodShare Employment and Training Estimate

1. Approve the Governor's recommendation, with the reestimate of federal funding to allow for a more accurate representation of program budgeting and funding available to support FSET services. Reduce funding in the bill by \$2,621,400 FED in 2019-20 and by \$2,821,700 FED in 2020-21.

ALT A1	Change to	
	Base	Bill
GPR	\$5,196,000	\$0
FED	<u>- 247,100</u>	<u>- 5,443,100</u>
Total	\$4,948,900	- \$5,443,100

2. a. Modify the Governor's recommendation, to use actual 2017-18 average FSET vendor enrollee costs as the base rate but retain the Governor's assumption of average monthly enrollment (9,822). Reduce funding in the bill by \$7,585,800 (-\$2,482,200 GPR and -\$5,103,600 FED) in 2019-20 and by \$7,882,600 (-\$2,530,600 GPR and -\$5,352,000 FED) in 2020-21.

ALT A2a	Change to	
	Base	Bill
GPR	\$183,200	- \$5,012,800
FED	<u>- 5,259,600</u>	<u>- 10,455,600</u>
Total	- \$5,076,400	- \$15,468,400

b. Modify the Governor's recommendation, to use actual 2017-18 average FSET vendor enrollee costs as the base rate and average monthly enrollment of 8,048. Reduce funding in the bill by \$14,114,100 (-\$5,746,300 GPR and -\$8,367,800 FED) in 2019-20 and by \$14,547,900 (-\$5,863,200 GPR and -\$8,684,700 FED) in 2020-21.

ALT A2b	Change to	
	Base	Bill
GPR	- \$6,413,500	- \$11,609,500
FED	<u>- 11,856,500</u>	<u>- 17,052,500</u>
Total	- \$18,270,000	- \$28,662,000

3. Require DHS to seek a waiver from FNS to develop and implement a funding mechanism for FSET vendors based on a capitated basis. If FNS grants the waiver, require that the approved payment mechanism form the basis of the FSET vendor contracts for federal fiscal year 2021. Further, prohibit DHS from implementing this provision absent federal approval of a payment mechanism based on capitated payments.

B. Employment and Training Program for Childless Adults in Medical Assistance

1. Provide \$4,600,000 GPR in 2019-20 and \$33,322,000 GPR in 2020-21 to fully fund an expansion of FSET to serve childless adults enrolled in MA.

ALT B1	Change to	
	Base	Bill
GPR	\$37,922,000	\$37,922,000

2. Provide \$4,041,000 GPR in 2019-20 and \$29,272,000 GPR in 2020-21 to fund FSET expansion for childless adults based on an updated estimate of per person costs for FoodShare adults enrolled in FSET.

ALT B2	Change to	
	Base	Bill
GPR	\$33,313,000	\$33,313,000

3. Take no action.

Prepared by: Alexandra Bentzen and Jon Dyck