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Joint Committee on Finance

Paper #371

Children's Long-Term Care Services (Health Services -- Medical Assistance)

[LFB 2019-21 Budget Summary: Page 180, #26 and Page 192, #3]

CURRENT LAW

Statewide Application, Intake, and Screening for Children's Long-Term Care Services.

There are three state programs that provide long-term care services for children of any age: the children's long-term support (CLTS) waiver program, Katie Beckett Medicaid, and the children's community options program (CCOP).

Children's Long-Term Support. The CLTS program provides Medicaid-funded home and community-based supports and services to children with significant physical and developmental disabilities and severe emotional disturbance. All children who receive CLTS waiver services are eligible for Medicaid state plan services (generally, primary and acute care services). CLTS funds supplemental services that are not covered under the state's Medicaid (or MA) plan. As of February 28, 2019, there were 8,963 children enrolled in the program. The average monthly cost per child of these MA-funded supplemental support services is currently approximately \$1,140.

Supports and services covered by CLTS include: communication aids; adaptive aids; support and service coordination; foster care and treatment foster care; counseling and therapeutic services; daily living skills training; day services; financial management; consumer education and training; home modifications; intensive in-home treatment; housing start-up and counseling; care, support, and supervision in an adult family home; consumer and family directed supports; nursing services; respite care; personal emergency response system; specialized medical and therapeutic supplies; specialized transportation; supported employment; and supportive home care.

Katie Beckett. Katie Beckett is a special fee-for-service Medicaid eligibility category that enables certain children, under the age of 19, with long-term developmental and physical disabilities, mental illness, and complex medical needs, to live at home with their families and receive Medicaid state plan services. In order to qualify for services under the Katie Beckett program, a child must require the level of care typically provided in a hospital or nursing facility,

and must not incur a cost at home to the Medicaid program that exceeds the cost Medicaid would pay if the child was in an institution.

Children enrolled in Medicaid under the Katie Beckett eligibility criteria would not otherwise qualify for BadgerCare Plus or other elderly, blind or disabled (EBD) eligibility standards, since they may reside in households that exceed Medicaid's general income limit. As with the CLTS program, only the child's income, not the family's income, is counted in determining whether the child meets the program's financial eligibility criteria. Children can be enrolled in Katie Beckett even if they have health care coverage under their parents' private insurance plan. However, MA is always the payer of last resort.

The program is intended to enable disabled children to continue to remain with their families while they receive MA-supported services that would otherwise be available to them in nursing homes and hospitals. As of January, 2019, there were 6,616 children enrolled in Medicaid through Katie Beckett at an estimated average monthly cost of \$1,053 per member per month.

Children's Community Option Program. CCOP is a GPR-funded, county-administered program serving children with disabilities under age 22 who live in an eligible community setting and who are functionally eligible for the CLTS program, as determined by the children's long-term care functional screen. Although children served by CCOP must be functionally eligible for CLTS, they do not have to be enrolled in Medicaid to receive service coordination and assistance under the program.

CCOP has a base budget of \$11.2 million and provides a flexible source of funding for counties to assist local families in caring for their children with disabilities at home. Counties can use CCOP funding: (a) as local match for services under the CLTS waiver program; (b) to purchase goods and services for children who are ineligible for Medicaid, but who are functionally eligible for services under CCOP; (c) to purchase goods and services for Medicaid-eligible children who are not enrolled in CLTS because their long-term care needs can be met with one-time or intermittent services under CCOP; (d) for interim services for children on the CLTS waiting list; and (e) to purchase non-waiver allowable goods and services needed by CLTS enrollees.

In 2018, counties used CCOP funding to provide allowable goods and services to 2,735 children. This unduplicated count is limited to children with CCOP claims; it does not include CLTS encounters for which the non-federal share of costs are reimbursed by funds from county CCOP allocations. Considering only CCOP claims, the average monthly cost per enrollee in 2018 was approximately \$322 per month. However, since CCOP funds can cover one-time, intermittent, or ongoing service needs the actual costs used to calculate a monthly average vary significantly, based on each individual's identified service needs. As such, average CCOP monthly costs per enrollee should not be compared to average monthly enrollee costs for other long-term care programs.

Beyond completion of the children's long-term care functional screen tool, the application, intake, and eligibility process for the three programs varies by program and by the applicant's county of residence.

CLTS Program Waiting List. Under the CLTS program, counties must currently serve eligible children on a first-come, first-serve basis with the funding allocations they receive from DHS. Since children who qualify for the program are not currently entitled to receive waiver services, the state has established a waiting list for children who are not yet enrolled in the program. Children who are waiting to receive CLTS waiver services qualify for MA state plan services, which include physician, hospital, home health, and personal care services.

Currently, funding for the program is budgeted as sum certain amounts from appropriations that support other MA benefits costs. The Department of Health Services (DHS) provides counties with annual funding allocations to support CLTS waiver services.

The 2017-19 biennial budget act increased funding for the CLTS program by \$14,162,200 (\$5,847,600 GPR and \$8,314,600 FED) in 2017-18 and \$25,389,700 (\$10,420,000 GPR and \$14,969,700 FED) in 2018-19. This additional funding, in combination with program funding adjustments provided under the MA cost-to-continue item, was intended to enable the state to eliminate waiting lists for the CLTS program by the end of 2017-18. However, since the program continued to be budgeted as a sum certain allocation within the MA budget, and counties continued to receive new applications for children who qualified for services, the waiting list continued to grow in the 2017-19 biennium. As of February 28, 2019, 1,047 children were on the waiting list for CLTS services.

GOVERNOR

Statewide Application, Intake, and Screening for Children's Long-Term Care Services. Provide \$2,090,300 (\$687,800 GPR and \$1,402,500 FED) in 2019-20 and \$2,439,100 (\$874,600 GPR and \$1,564,500 FED) in 2020-21 to implement a statewide contract for children's long-term care intake, application, and screening functions. The contract would include administration of all Katie Beckett MA screens and all initial screens for the CLTS waiver program and the children's community options program.

As part of the contract, funding would be provided for: (a) five children's services navigators to help direct families to available community resources, programs, and services; (b) two children's disability resource specialists to assist families with complex or multisystem concerns experienced when seeking support for their children with disabilities; and (c) two children's disability ombudsmen to provide advocacy services for children with long-term support needs.

CLTS Program Waiting List. Create a statutory provision that would require DHS to ensure that any child who is eligible, and applies, for the CLTS waiver program receives services under the CLTS waiver program.

DISCUSSION POINTS

Statewide Application, Intake, and Screening for Children's Long-Term Care Services

1. The bill would fund several changes to the administration of children's long-term care

services. The programs impacted by these changes include CLTS, Katie Beckett, and CCOP.

2. Although financial and other program eligibility requirements differ between the three programs, under current policy every child must complete an initial screen using the children's long-term care functional screen tool to determine the child's functional eligibility for services. Beyond completion of the children's long-term care functional screen tool, which may be administered by one of 52 separate entities (51 county waiver agencies and CompassWisconsin: Threshold), the application, intake, and eligibility process for the three programs varies by program and by the applicant's county of residence.

3. In an effort to simplify the intake process, CompassWisconsin: Threshold was started as a pilot program to provide a unified point for intake, application, and eligibility determination for Katie Beckett, CLTS, and CCOP. However, the pilot was never expanded statewide and currently serves only families in Adams, Columbia, Dane, Green, Jackson, Jefferson, Kenosha, La Crosse, Lafayette, Marquette, Monroe, Ozaukee, Racine, Rock, Walworth, Washington and Waukesha counties.

4. Table 1 summarizes the current eligibility process for CLTS, CCOP, and Katie Beckett.

TABLE 1

Overview of Intake, Application, and Eligibility for Children's Long-Term Care Programs

<u>Program</u>	<u>Intake</u>	<u>Initial Assessment and Screen</u>	<u>Disability Determination</u>	<u>Renewal and Change of Condition Screen</u>	<u>Eligibility Determination</u>
CLTS	County Waiver Agency or CompassWisconsin: Threshold Consultant	County Waiver Agency or CompassWisconsin: Threshold Consultant or Katie Beckett Consultant if the family first applied for Katie Beckett, in a non-CompassWisconsin: Threshold County	N/A	County Waiver Agency	County Waiver Agency
CCOP	County Waiver Agency or CompassWisconsin: Threshold Consultant	County Waiver Agency or CompassWisconsin: Threshold Consultant or Katie Beckett Consultant if the family first applied for Katie Beckett, in a non-CompassWisconsin: Threshold County	N/A	N/A	County Waiver Agency
Katie Beckett	Katie Beckett Consultant or CompassWisconsin: Threshold Consultant	Katie Beckett Consultant or CompassWisconsin: Threshold Consultant	DHS Disability Determination Bureau	Katie Beckett Consultant or CompassWisconsin: Threshold Consultant or County Waiver Agency if child has Katie Beckett and CLTS	DHS Bureau of Children's Services Katie Beckett Eligibility Team

5. Medicaid enrollment and cost data from September, 2017, suggest that approximately 50% of children receiving CLTS services are also enrolled in Katie Beckett. For these families the multiple entry points and contacts become especially burdensome.

6. Currently, the state has a contract with Luxvida for Katie Beckett and CompassWisconsin: Threshold. However, Luxvida does not intend to continue providing these services at the end of its contract on June 30, 2019. As such, the DHS intends to establish a single point-of-entry system for children's long-term care programs, operated by a consolidated, children's long-term care intake and screening team administered by the state through a vendor contract.

7. In addition to creating a simpler intake and eligibility experience for applicants, a 2016 DHS analysis of long-term care functional screens performed for adult long-term care services found that managed care organizations with specialized units for administering the adult long-term care functional screen were the most accurate and efficient type of administering entity, when compared to screeners located at county agencies.

8. For these reasons the Committee could approve the Governor's recommendation to fund a contract for consolidated intake, application, and screening for children's long-term care services in Wisconsin [Alternative A1]. Consistent with the administration's errata, if the Committee approves any of the alternatives A1, B1, C1, or D1, funding would be provided in the appropriation that funds MA contracts, rather than MA benefits.

9. DHS estimates that a statewide consolidated intake, application, and screening team would administer approximately 7,700 children's long-term care functional screens per year in the 2019-21 biennium, including approximately 5,400 initial screens for CLTS and CCOP and 2,300 screens for the Katie Beckett program (including 700 initial screens, 1,500 recertification screens, and 100 screens due to a child's change in condition). Currently, about half of all monthly Katie Beckett renewals require updated functional screens, as determined by the child's diagnosis and other factors.

10. DHS currently estimates that a statewide intake, application, and screening team would require 23 regional certified screeners. However, the actual number of screeners a contractor would employ may depend on the responses DHS receives through the procurement process. In addition, the Department's cost estimate indicates a need for a team supervisor, a program and policy analyst, and a program coordinator.

11. Costs associated with the contract would generally be eligible for federal MA administration matching funds, equal to 50% of eligible project costs. However, DHS recently received approval to claim 75% enhanced federal reimbursement for eligibility activities directly related to completion of the children's long-term care functional screen. Table 2 below shows DHS estimates of the costs associated with the statewide intake, application, and screening contract.

TABLE 2**Estimated Intake, Application, and Screening Contract Costs**

	2019-20			2020-21		
	GPR	FED	All Funds	GPR	FED	All Funds
New Contract Cost						
Human Services Supervisor	\$66,900	\$66,900	\$133,800	\$65,600	\$65,700	\$131,300
23 Screeners	755,500	1,551,400	2,306,900	736,700	1,512,700	2,249,400
Program Coordinator	42,800	42,800	85,600	41,500	41,600	83,200
Program and Policy Analyst	56,600	56,600	113,200	55,300	55,300	110,600
Screeners Travel Costs	75,000	154,100	229,100	75,000	154,100	229,100
25% Administrative Add On	<u>249,100</u>	<u>467,900</u>	<u>717,000</u>	<u>243,500</u>	<u>457,300</u>	<u>700,800</u>
Subtotal	\$1,245,900	\$2,339,700	\$3,585,600	\$1,217,700	\$2,286,700	\$3,504,400
Offsets						
Luxvida Contract	-\$359,800	-\$738,700	-\$1,098,500	-\$359,800	-\$738,700	-\$1,098,500
CLTS Administrative Savings	<u>-441,400</u>	<u>-441,500</u>	<u>-882,900</u>	<u>-441,400</u>	<u>-441,500</u>	<u>-882,900</u>
Total Cost	\$444,700	\$1,159,500	\$1,604,200	\$416,500	\$1,106,500	\$1,523,000

12. Since procurement for a new statewide intake, application, and screening contractor cannot begin until the passage of the biennial budget act, DHS would need to seek an interim sole-source contract or in some other manner ensure services between the end date of the Luxvida contract and the new statewide contractor team being operational. For this reason, funding in Table 2 provides funding for a full 12 months in 2019-20.

13. Funding in Table 2 includes a 25% administrative "add on." DHS indicates that the additional administrative funding for payroll costs would help ensure that DHS can procure a fiscally sound contract that includes sufficient funding for a smaller-scale contractor to operate the contract.

14. However, as shown in Table 2, funding for this contract would be partially offset by the savings from not renewing the existing Luxvida contract. Additionally, county waiver agencies would also see their workload decrease as the new contract would administer all initial functional screens for CLTS and CCOP, including the approximately 4,145 screens per year currently conducted by the county agencies. To capture this reduction, DHS would reduce its current limit on total CLTS administrative expenditures from 7% to 6.2% effective July 1, 2019.

15. Counties would continue to conduct change of condition and annual renewal screens for CCOP and CLTS. Local administration of the renewal screen makes sense for these children because the CLTS support and service coordinator has monthly contact with the family. Children enrolled in CCOP also have an assigned county support and service coordinator.

16. Beyond providing a single entry-point for children's long-term care, the bill would fund a number of services currently available only to adults in the state's long-term care programs. Specifically, the bill includes funding for DHS to contract for two children's disability ombudsmen and a children's services navigator program, which would consist of five children's service navigators and two children's services resource specialists.

17. Currently, the state provides ombudsman services to adult Family Care, Partnership, and IRIS enrollees ages 18 to 59 through a contract with Disability Rights Wisconsin. Long-term care recipients ages 60 and older receive ombudsman services from the Board on Aging and Long-Term Care. However, there is currently no dedicated ombudsman program for children under the age of 18. For this reason the Committee may wish to approve the Governor's recommendation to include funding for this purpose in the contract [Alternative D1].

18. Finally, the bill includes funding to contract for a children's services navigator program, which would consist of five children's service navigators and two children's services resource specialists. The five children's services navigators would help direct the families towards the various available resources for their children with long-term support needs. The two children's services resource specialists would assist with more complex, or multi-system concerns families may experience when seeking support for their children with disabilities, including navigation and coordination of services through children's mental health programs, special education programs, vocational rehabilitation, or child welfare programs.

19. The children's services navigator program is modeled on the disability benefit specialist (DBS) program located in the state's aging and disability resource centers. The DBS program assists adults with disabilities between the ages of 18 and 59 with accessing Social Security, Medicaid, Medicare, health insurance, and other public and private benefits. For adults ages 60 and older, elder benefit specialists provide similar services. To ensure parity between the children and adult services available in the state the Committee may wish to approve the Governor's recommendation to contract for a children's services navigator program [Alternatives B1 and C1].

20. For both the children's services navigator program and the children's disability ombudsman services, the administrations estimates of number of positions needed is based on comparing children's caseload to adult caseloads and the number of positions available to provide services to the adult population. Funding for the children's disability ombudsman services and the children's services navigator program is shown in Table 3.

TABLE 3

Children's Ombudsman and Navigator Program Contract Costs

Position Type	2019-20			2020-21		
	GPR	FED	All Funds	GPR	FED	All Funds
5 Children's Services Navigators	\$132,200	\$132,200	\$264,400	\$249,000	\$248,800	\$497,800
2 Children's Resource Specialists	58,000	57,900	115,900	115,900	109,700	219,300
2 Children's Ombudsmen	<u>52,900</u>	<u>52,900</u>	<u>105,800</u>	<u>99,500</u>	<u>99,500</u>	<u>199,000</u>
Total	\$243,100	\$243,000	\$486,100	\$458,100	\$458,000	\$916,100

21. The funding amounts shown in Table 3 are based on the assumption that the children's ombudsman positions and the children's services navigator program would start providing services on January 1, 2020.

22. Like the funding for the intake, application, and screening contract, the funding shown in Table 3 includes a 25% increase over staffing costs for other administrative costs, including startup costs, that the contractor may incur in executing the contract and providing children's ombudsman and navigator services.

23. The Wisconsin Children's Long-Term Support Council notes that by connecting more children and families to existing "standard" resources, the need for more specialized and expensive services may be reduced in the future. As such, the Committee could approve the Governor's recommendation as it pertains to the intake, application, and screening procedure, as well as the children's ombudsman and children's navigator program [Alternatives A1, B1, C1, and D1].

24. However, the Committee may be concerned that the more complex the contract becomes, the harder it will be to find a vendor who can fulfill all the necessary requirements. For example, in both 2011 and 2014, Luxvida was the only vendor to submit a proposal for the Katie Beckett and CompassWisconsin: Threshold contract. For this reason the Committee could include some, of the elements in the Governor's budget recommendations [Alternatives A2, B2, C2, and D2].

CLTS Program Waiting List

25. In order to receive CLTS services, children must meet both financial and functional eligibility criteria. The functional criteria require a child to have a physical disability, developmental disability, or severe emotional disturbance, which is diagnosed medically, behaviorally, or psychologically. The impairment must be characterized by the need for individually planned and coordinated supports, treatment, or other services that permit the child to remain living in a home or community-based setting. CLTS services are available to children from birth through age 21 statewide. However, children generally transition to Family Care or IRIS upon turning 18.

26. In order to qualify for CLTS services, a child's monthly income may not exceed \$2,199 per month. When determining financial eligibility for CLTS services the child's family's income is disregarded. However, families with income greater than or equal to 330% of the federal poverty level (\$70,389 for a family of three in 2019) are required to pay a percentage of program costs on a sliding scale based on income.

27. As previously mentioned, funding for the program is currently budgeted as sum certain amounts from appropriations that support other MA benefits costs. As such, when demand for program services exceeds funding, children will be placed on a waiting list until funding becomes available. This occurs, for example, when a child receiving CLTS services "ages out" of the program and receives Family Care or IRIS services instead.

28. As shown in Table 4, in 2019-21, base funding for the program is approximately \$81.4 million (\$33.2 million GPR and \$48.2 million FED). In addition to the amounts in Table 4, counties will contribute approximately \$6.1 million annually to fund program services from state and local sources, which, like the GPR funding, is eligible for federal MA matching funds (approximately \$8.8 million). The county contribution is a maintenance of effort requirement enacted as part of the 2017-19 biennial budget.

29. The bill would require DHS to ensure that any child who is eligible, and applies, for CLTS waiver program receives services under the CLTS waiver program. The administration estimates that, including administrative costs, average monthly costs per child enrolled in CLTS is approximately \$1,140. Table 4 shows the amount the administration estimates would be necessary to provide services to 9,910 children on a monthly basis by June, 2021.

TABLE 4

CLTS Costs and Enrollment in Governor's Bill

	2019-20			2020-21		
	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>	<u>GPR</u>	<u>FED</u>	<u>All Funds</u>
Base	\$33,192,500	\$48,195,400	\$81,387,900	\$33,192,500	\$48,195,400	\$81,387,900
Cost-to-Continue	<u>14,547,500</u>	<u>21,245,100</u>	<u>35,792,600</u>	<u>15,601,400</u>	<u>22,781,000</u>	<u>38,382,400</u>
Total	\$47,740,000	\$69,440,500	\$117,180,500	\$48,793,900	\$70,976,400	\$119,770,300
Estimated Enrollment as of June 30			9,780			9,910

30. However, as of February 28, 2019, there were 8,963 children enrolled in the program and 1,047 were on the statewide waiting list for services. The administration contends that the statutory change requiring DHS to ensure that eligible children who apply for CLTS services receive services would create a guarantee whereby funding for the CLTS program is no longer based on an available number of "slots," but rather is funded within the larger MA budget in the same manner that adult long-term care services and other MA card services are funded.

31. As such, DHS would no longer be permitted to create waiting lists for CLTS services. However, eligible children could still wait for certain eligible services for example based on provider availability, which is outside the county or Department's control.

32. In order to fulfill the commitment to ending the waiting list for CLTS services, and to ensure that children in the state have the same access to long-term support services as adults currently have under the Family Care and IRIS programs for whom waiting lists for waiver services have been eliminated, the Committee could approve the Governor's recommendation [Alternative E1].

33. Following the introduction of the budget bill, several groups sought clarification regarding the statutory provision in the bill. The Committee could modify the provision to more clearly indicate the administration's intent by adding a provision that specifically prohibits DHS and counties from establishing waiting lists for enrollment in the CLTS program [Alternative E2].

34. On the other hand, continuing to provide sum certain funding for CLTS services within the MA benefits appropriations maintains a measure of fiscal control on MA spending for waiver services. However, as it is difficult to accurately predict the number of children that would qualify for CLTS services, it is possible that, by maintaining current law, there may be future waiting lists for the program, notwithstanding the funding increases that would be provided in the bill [Alternative E3].

ALTERNATIVES

A. Intake, Application, and Screening

1. Approve the Governor's recommendation to provide \$1,604,200 (\$444,700 GPR and \$1,159,500 FED) in 2019-20 and \$1,523,000 (\$416,500 GPR and \$1,106,500 FED) in 2020-21 to fund intake, application and screening costs. Reduce funding in the bill for MA benefits by these amounts and increase funding for MA contracts cost by corresponding amounts.

ALT A1	Change to	
	Base	Bill
GPR	\$861,200	\$0
FED	<u>2,266,000</u>	<u>0</u>
Total	\$3,127,200	\$0

2. Take no action.

ALT A2	Change to	
	Base	Bill
GPR	\$0	- \$861,200
FED	<u>0</u>	<u>- 2,266,000</u>
Total	\$0	- \$3,127,200

B. Children's Services Navigators

1. Approve the Governor's recommendation to provide \$264,400 (\$132,200 GPR and \$132,200 FED) in 2019-20 and \$497,800 (\$249,000 GPR and \$248,800 FED) in 2020-21. Reduce funding in the bill for MA benefits by these amounts and increase funding for MA contracts cost by corresponding amounts.

ALT B1	Change to	
	Base	Bill
GPR	\$381,200	\$0
FED	<u>381,000</u>	<u>0</u>
Total	\$762,200	\$0

2. Take no action.

ALT B2	Change to	
	Base	Bill
GPR	\$0	- \$381,200
FED	<u>0</u>	<u>- 381,200</u>
Total	\$0	- \$762,200

C. Children's Resource Specialists

1. Approve the Governor's recommendation to provide \$115,900 (\$58,000 GPR and \$57,900 FED) in 2019-20 and \$219,300 (\$109,600 GPR and \$109,700 FED) in 2020-21. Reduce funding in the bill for MA benefits by these amounts and increase funding for MA contracts cost by corresponding amounts.

ALT C1	Change to	
	Base	Bill
GPR	\$167,600	\$0
FED	<u>167,600</u>	<u>0</u>
Total	\$335,200	\$0

2. Take no action.

ALT C2	Change to	
	Base	Bill
GPR	\$0	- \$167,600
FED	<u>0</u>	<u>- 167,600</u>
Total	\$0	- \$335,200

D. Children's Ombudsman Positions

1. Approve the Governor's recommendation to provide \$105,800 (\$52,900 GPR and \$52,900 FED) in 2019-20 and \$199,000 (\$99,500 GPR and \$99,500 FED). Reduce funding in the bill for MA benefits by these amounts and increase funding for MA contracts cost by corresponding amounts.

ALT D1	Change to	
	Base	Bill
GPR	\$152,400	\$0
FED	<u>152,400</u>	<u>0</u>
Total	\$304,800	\$0

2. Take no action.

ALT D2	Change to	
	Base	Bill
GPR	\$0	- \$152,400
FED	<u>0</u>	<u>- 152,400</u>
Total	\$0	- \$304,800

E. CLTS Program Waiting List

1. Approve the Governor's recommendation to include a statutory requirement that requires DHS to ensure that any child who is eligible, and applies for the CLTS waiver program receives services under the CLTS waiver program.
2. Approve the Governor's recommended statutory provision. In addition, prohibit DHS and the counties from establishing waiting lists for enrollment in the CLTS program.
3. Take no action.

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