



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #362

Alzheimer's Family and Caregiver Support Program (Health Services -- Elder and Disability Services)

[LFB 2021-23 Budget Summary: Page 291, #5]

CURRENT LAW

Under the Alzheimer's family and caregiver support program (AFCSP), the Department of Health Services (DHS) allocates funding to counties, tribes, and area agencies on aging (AAAs) to assist individuals to purchase services and goods related to the care of someone with Alzheimer's disease. In any calendar year, up to \$4,000 per person may be available, depending on the county's priorities and the person's need for services. In some instances, the funds are used within the county to expand or develop new services related to Alzheimer's disease, such as respite care, adult day care, or support groups.

To be eligible for the program, a person must have a diagnosis of Alzheimer's disease or a related disorder, and be financially eligible. The program is administered by the DHS Bureau of Aging and Disability Resources, and is available in every county and tribe throughout the state. Under current law, DHS may provide up to \$2,558,900, of which at least \$1,000,000 per year must be allocated for respite care under AFCSP.

DISCUSSION POINTS

1. The Alzheimer's family and caregiver support program was created by the Wisconsin Legislature in 1985, in response to the stress and service needs of families caring at home for someone with irreversible dementia.
2. Dementia refers to a set of symptoms of cognitive decline resulting from brain cell death caused by disease and injury to the brain. Symptoms may include declines in memory, judgment, perception, and reasoning, as well as other cognitive abilities. There are several causes of dementia,

the most prominent of which is Alzheimer's disease.

3. According to the Alzheimer's Association, it is estimated that approximately 5.3% of people ages 65 through 74, 13.8% of individuals ages 75 through 84, and 34.6% of individuals 85 and older have Alzheimer's disease. The Alzheimer's Association estimates that in 2020, 120,000 Wisconsin residents age 65 and older have dementia, with that number anticipated to reach 130,000 in 2025. The number of people with Alzheimer's disease and other dementias is expected to increase as the population continues to age.

4. There are two main eligibility criteria for AFCSP. First, the individual must be diagnosed with Alzheimer's disease or any of the other irreversible dementias. Second, an individual or couple must have a joint annual income of \$48,000 or less. However, if the individual or couple's income is more than \$48,000, the costs related to Alzheimer's can be subtracted from the gross income. If, following this subtraction, the net income is then less than \$48,000, the individual or couple would be eligible.

5. Annually, DHS may provide up to \$2,558,900 for AFCSP to counties and tribes to assist individuals to purchase services and goods related to the care of someone with Alzheimer's disease. Up to \$4,000 per person may be available, depending on the county's priorities and the person's need for services.

6. Generally, allowable services under the program are those that are necessary to maintain a person with Alzheimer's disease in the community. Typical services have included in-home help, respite care, adult day care, and transportation. Goods provided have included nutritional supplements, security systems, specialized clothing, home delivered meals, hobby equipment and chair lifts. However, counties may limit the types of services covered by this program. Counties may use money to start support groups, increase public awareness, purchase library books, start adult day care services, or to provide overnight or emergency respite.

7. In calendar year 2019, 1,242 families were served through AFCSP. The program does not currently maintain a waiting list for services at the state level, although some families may need to wait until funding becomes available in their county.

8. In calendar year 2019, a total of \$2,526,634 was expended through AFCSP. The following table shows 2019 expenditures under the program by service category.

2019 AFCSP Expenditures, by Service Category

<u>Respite Services</u>	
Adult day services	\$365,498
Caregiver self-care	14,016
Homemaker/chores	213,841
In-home general respite	666,839
In-home personal care	142,215
Overnight facility respite	176,713
Other respite	<u>95,286</u>
Subtotal respite services	\$1,674,408
 <u>Other</u>	
Other goods and services	\$259,981
Development of new or expanded services	27,200
Outreach activities and public awareness	181,388
Support group development or assistance	88,450
Case management	166,671
Program administration	<u>128,536</u>
 Total	 \$2,526,634

9. In calendar year 2021, DHS distributed the full \$2,558,900 allowed by statute through this program. Of that total, DHS allocated \$1,522,206 to 37 counties as an allocation under community aids, and \$1,036,694 to tribes and area agencies on aging as non-community aids allocations. By law, area agencies on aging are generally not allowed to provide direct services. As such, when funding is provided to area agencies on aging the area agency on aging provides contract oversight and technical assistance but the program is still administered by the counties and tribes.

10. The amount each county or area agency on aging receives under this allocation is determined based on the state funding formula the Office on Aging uses for distributing federal Older Americans Act funds. Counties are not required to contribute additional funding to the program, however, may choose to do so if they determine that additional funding is needed on occasion.

11. 2015 Act 273 provided an additional \$1,000,000 GPR and increased the funding DHS is authorized to distribute under AFCSP to the current maximum of \$2,558,900, beginning in 2016-17. Further, 2015 Act 273 also established the current income eligibility limit of \$48,000.

12. The Governor's budget would modify AFCSP in two ways. First, financial eligibility would be expanded to allow an individual or couple to have a joint income of up to \$55,000, after any eligible deductions for Alzheimer's related care expenses, up from the current limit of \$48,000. Second, to ensure that benefits are not reduced or limited as a result of expanding eligibility, an additional \$500,000 would be provided annually for DHS to distribute to counties, tribes, and area agencies on aging under the program.

13. Based on ongoing demand for services, and the anticipated growth in the number of Wisconsinites aged 65 and older anticipated to live with Alzheimer's who could therefore benefit from

AFCSP services, the Committee may choose to provide an additional \$500,000 GPR annually to expand eligibility for AFCSP, as recommended by the Governor [Alternative 1].

14. Alternatively, rather than expand the financial eligibility for the program, the Committee could instead provide \$250,000 GPR annually and increase the funding DHS is authorized to distribute under AFCSP to \$2,808,900.

15. While the Department does not collect data on individual benefit payments, 33 counties and tribes have set maximum benefit limits below the statutory maximum of \$4,000 in order to serve more eligible individuals. By increasing the funding available, counties would be able to provide more aid to currently eligible individuals [Alternative 2].

16. Alternatively, the Committee could provide \$250,000 GPR in 2022-23 and increase the funding DHS is authorized to distribute under AFCSP to \$2,808,900 beginning in 2022-23 [Alternative 3].

17. Finally, the Committee may choose to take no action on this item [Alternative 4].

18. In addition to selecting one of the previous alternatives, the Committee may wish to repeal an obsolete statutory provision regarding cost-sharing requirements for the program, which the Department indicates does not reflect current practice [Alternative 5].

ALTERNATIVES

1. Provide \$500,000 annually and increase the maximum amount of funding the Department may provide under the Alzheimer's family and caregiver support program from \$2,558,900 to \$3,058,900 annually. Increase the maximum income eligibility limit for the program to \$55,000 per year.

ALT 1	Change to Base
GPR	\$1,000,000

2. Provide \$250,000 annually and increase the maximum amount of funding the Department may provide under the Alzheimer's family and caregiver support program from \$2,558,900 to \$2,808,900 annually.

ALT 2	Change to Base
GPR	\$500,000

3. Provide \$250,000 in 2022-23 and increase the maximum amount of funding the Department may provide under the Alzheimer's family and caregiver support program from \$2,558,900 to \$2,808,900 beginning in 2022-23.

ALT 3	Change to Base
GPR	\$250,000

4. Take no action.

5. Delete obsolete statutory provision regarding cost-sharing requirements for the Alzheimer's family and caregiver support program.

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