



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>

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Joint Committee on Finance

Paper #421

Home and Community-Based Services (Health Services -- Medical Assistance -- Long-Term Care)

[LFB 2023-25 Budget Summary: Page 261, #4c through h]

CURRENT LAW

The American Rescue Plan Act (ARPA) included federal incentives for states to improve their home and community based services (HCBS) programs. Under ARPA, states received a 10.0 percentage point increase in their federal medical assistance percentages (FMAPs) for base Medicaid funded HCBS expenditures during a 12- month period from April 1, 2021, to March 31, 2022. Initially, states were required to spend the state funds savings resulting from the enhanced federal matching funds to improve HCBS programs over a two-year period, from April 1, 2022, through March 31, 2024. However, the deadline was subsequently extended to March 31, 2025.

States were required to submit expenditure plans to the Centers for Medicare and Medicaid Services (CMS) for HCBS enhancements. In Wisconsin's submission, the Department of Health Services (DHS) anticipated claiming an additional \$353 million in enhanced federal matching funds for Medicaid funded HCBS expenditures during the period from April 1, 2021, to March 31, 2022. Overall, the Department estimated that its reinvestment plan could total approximately \$701 million, since the state could claim an additional \$348 million in federal funds on any of the \$353 million spent on Medicaid eligible activities, including both benefit and administrative activities.

As approved by CMS, DHS allocated funds for various one-time and ongoing projects to improve HCBS programs. The Department's plan anticipated six main areas of spending: (a) Medicaid HCBS workforce, provider capacity, and fiscal stability; (b) promoting quality and innovation resources; (c) tribal long-term care systems; (d) independent living and family/informal caregiver resources; (e) access to HCBS information and services; and (f) assisted living information, analysis, and quality oversight.

DISCUSSION POINTS

1. The table below shows: (a) the amount of funding DHS indicates will be needed in 2024-25 to continue various projects through the end of the 2023-25 biennium (the 2024-25 funding increase that would be provided in AB 43/SB 70); (b) estimates of the annualized cost of continuing each project in the 2025-27 biennium; and (c) the Administration's estimates of when the one-time funds will be fully expended. By providing state funding for these programs in 2024-25, the Administration's intent is that each of these projects would be supported with state funds on an ongoing basis in the 2025-27 biennium. As shown in the table, annualized ongoing costs in the 2025-27 biennium for some items is greater than the funding that would be provided under AB 43/SB 70 in 2024-25.

<u>Alternative</u>	<u>Description</u>	<u>2024-25 Cost</u>	<u>Annualized Ongoing Cost in 2025-27</u>	<u>ARPA Funded Through</u>
2a	Ongoing funding for the WisCaregiver Career IT platform to remain up-to-date with available resources for caregivers and maintain the technical quality of the website	\$101,500	\$203,000	December, 2024
2b	Grants to the 11 federally-recognized Native American Tribes to make improvements to tribal community facilities and tribal member housing	\$5,500,000	\$5,500,000	June, 2024
2c	Support the ongoing costs of the tribal aging and disability resources specialists to serve as liaisons between the tribes and the aging and disability resource centers	\$1,702,800	\$1,362,200	March, 2024
2d	Build a centralized aging and disability resource center website and database that is accessible to Wisconsinites statewide, providing access to information about long-term care supports and services from an individual's home while also providing aging and disability resource centers with a database that centers on the individual rather than the facility	\$1,060,000	\$1,060,000	June, 2024
2e	Fund continued licensure and maintenance of a system to coordinate certification status work between the department and managed care organizations	\$100,000	\$200,000	December, 2024
2f	Fund licensure and maintenance of a system to allow for streamlined data entry, review, and report generation to comply with a federal rule requiring states to define the qualities of settings eligible for Medicaid home- and community-based services	\$100,000	\$200,000	December, 2024
Total		\$8,564,300	\$8,525,200	

2. As shown in the table, the two largest items would be funding to: (1) provide grants to the 11 federally-recognized Native American Tribes to make improvements to tribal community facilities and tribal member housing; and (2) support the ongoing costs of the tribal aging and disability resources specialists to serve as liaisons between the tribes and the Aging and Disability Resource Centers (ADRCs).

3. According to the DHS State of Wisconsin Aging Plan for Older People 2019-2021 report, "large shares of the state's Native American population reside in a number of northern counties. Wisconsin is home to 11 tribes, with a total of more than 6,000 tribal members age 60 or older." Between 2000 and 2016, Wisconsin's Native American population ages 65 and older grew by 107%, while the statewide number of individuals over the age of 65 (all races and ethnicities) increased by 32%.

4. Tribal populations may require additional support due to the population's higher rates of chronic illness and poverty. For example, according to the U.S. Department of Health and Human Services, in 2018, Native Americans were 50 percent more likely to have heart disease and be current cigarette smokers, 10 percent more likely to have high blood pressure, and were more likely to be obese, compared to their white counterparts nationwide. Further, according to federal Centers for Disease Control and Prevention, Native Americans were twice as likely to have diabetes compared to their white counterparts nationwide. According to 2020 data from the United States Census Bureau, it is estimated that 24.6% of Wisconsinites who identify as solely American Indian or Alaska Native live below the federal poverty level, compared to 11% of all Wisconsinites.

5. Starting in January, 2023, each of the 11 federally-recognized Native American tribes received one-time, \$1 million ARPA grants for improvements to tribal facilities that provide community services, and to tribal members' homes. These funds are intended to supplement benefits available under Medicaid, since Medicaid HCBS funds may only be used for items and services to provide direct assistance to individuals with disabilities and the elderly, and cannot be used to improve tribal community facilities or housing.

6. Current approved grant expenditures include one-time or short-term capital projects to support individuals receiving, or at-risk of receiving, Medicaid HCBS services to remain in their homes, including: expanding existing loan programs for durable medical equipment, purchasing generators, air conditioners, and refrigeration appliances; and other capital investments in facility and home improvements to address tribal members' access to long-term care services and supports and improve the ability of qualifying individuals' ability to remain in their homes. Additionally, funds have been approved for support staff to improve service delivery and outreach including for: community outreach events to increase awareness of available Medicaid programs and services; long-term care needs assessment and feasibility studies to determine potential funding streams, staffing levels, and training needs, that will further long-term care priorities; and conducting home safety assessments to ensure individuals can safely remain in their homes.

7. In order to facilitate the provision of tribal grants for these purposes, AB 43/SB 70 would modify the existing community aids and Medical Assistance payments appropriation to allow for grant payments for tribal long-term care system development activities as previously described. Additionally, the Department would be required to allocate not more than \$5,500,000 annually to federally-recognized American Indian tribes and bands located in Wisconsin for capital improvements to tribal facilities serving tribal members with long-term care needs and for improvements and repairs to homes of tribal members with long-term care needs to enable tribal members to receive long-term care services at home.

8. Aging and disability services for the tribes are provide through an ADRC, which the

tribe may join as a full partner, or by a tribal aging and disability resource specialist (ADRS) employed by the tribe. The Bad River Band of Lake Superior Tribe of Chippewa Indians, Ho Chunk Nation, Lac Courte Oreilles, Red Cliff, Oneida, and Menominee Tribes are administering a tribal ADRS program with GPR and ARPA funds; St. Croix and Forest County Potawatomi are designating their GPR funds to the local ADRC and using ARPA funds to support their own tribal ADRS position; Lac du Flambeau and Mole-Lake Sokaogon are designating their GPR funds to the Great Lakes Inter-Tribal Council; and Stockbridge-Munsee designates its GPR funds to the local ADRC and has not yet begun its ADRS expansion.

9. Currently, each tribe receives \$40,000 to \$67,984 GPR, plus any associated federal Medicaid administrative matching funds, to fund a tribal ADRS. The amount of GPR funding differs based upon the size of the tribe and when services were first expanded to the tribe. These allocations were established as part of the 2009-11 biennial budget and represent funding ranging from a 0.57 FTE to a 0.97 FTE. The 2009-11 budget increase for tribal ADRS funding assumed a cost of \$92,000 all funds per 1.0 FTE tribal ADRS. Allocations have not been adjusted to account for wage inflation over time.

10. Between January, 2022, and March, 2024, DHS anticipates spending \$3.3 million in ARPA funds to provide additional support for tribal ADRS. Under this initiative, each tribe receives \$120,000 per year to fund their programs, including one-time costs to build out program elements for tribes that previously relied solely on county ADRCs. Technical support and guidance is provided through a contracted program and policy analyst.

11. Funding in the bill would bring GPR allocations to \$100,000 for each tribe with the intent to cover not only salary and fringe costs of the tribal ADRS staff, but also auxiliary costs for support and supervision of the program. Additionally, the Department notes that in order to provide tribal ADRS programs with infrastructure that would mirror the network support of ADRCs, including the potential hosting of other support services aimed at tribal members, an additional \$60,100 for each tribe would fund 1.0 FTE support staff, training, and marketing. Finally, funding in the bill would maintain the contracted state tribal ADRS program and policy analyst as these programs mature, at an annual cost of \$124,800.

12. In an effort to maintain and continue existing projects, the Committee could provide \$8,564,300 GPR in 2024-25 to fund, through the end of the 2023-25 biennium, each of the projects noted in the previous table that were started with one-time GPR savings and federal funds the state realized under provisions of ARPA. [Alternative 1]

13. Under Alternatives 2a through 2f the Committee could choose the items it wishes to continue to support once the ARPA funds are expended. [Alternative 2]

14. Finally, the Committee could choose to take no action, thereby not using state funding to continue the previously described initiatives that DHS began with ARPA funds. [Alternative 3]

ALTERNATIVES

1. Provide \$8,564,300 GPR in 2024-25 to continue, through the end of the 2023-25 biennium, a number of projects started with one-time GPR savings and federal funds the state realized under ARPA. Modify the existing community aids and Medical Assistance payments appropriation to allow for grant payments for tribal long-term care system development activities as previously described. Require the Department to allocate not more than \$5,500,000 annually to federally recognized American Indian tribes and bands located in Wisconsin for capital improvements to tribal facilities serving tribal members with long-term care needs and for improvements and repairs to homes of tribal members with long-term care needs to enable tribal members to receive long-term care services at home.

ALT 1	Change to Base
GPR	\$8,564,300

2. Select any combination of items under Alternative 2, each box provides only the fiscal effect of that item and should be added to any others selected by the Committee.

a. Provide \$101,500 in 2024-25 to fund costs associated with the WisCaregiver Career IT platform.

ALT 2a	Change to Base
GPR	\$101,500

b. Provide \$5,500,000 in 2024-25 to provide grants to the 11 federally recognized Native American Tribes to make improvements to tribal community facilities and tribal member housing. Modify the existing community aids and Medical Assistance payments appropriation to allow for grant payments for tribal long-term care system development activities as previously described. Require the Department to allocate not more than \$5,500,000 annually to federally recognized American Indian tribes and bands located in Wisconsin for capital improvements to tribal facilities serving tribal members with long-term care needs and for improvements and repairs to homes of tribal members with long-term care needs to enable tribal members to receive long-term care services at home.

ALT 2b	Change to Base
GPR	\$5,500,000

c. Provide \$1,702,800 in 2024-25 to support the ongoing costs of the tribal aging and disability resources specialists.

ALT 2c	Change to Base
GPR	\$1,702,800

d. Provide \$1,060,000 in 2024-25 to build a centralized aging and disability resource center website and database.

ALT 2d	Change to Base
GPR	\$1,060,000

e. Provide \$100,000 in 2024-25 to fund continued licensure and maintenance of a system to coordinate certification status work between the department and managed care organizations.

ALT 2e	Change to Base
GPR	\$100,000

f. Provide \$100,000 in 2024-25 to fund licensure and maintenance of a system allowing streamlined data entry, review, and report generation to comply with a federal rule requiring states to define the qualities of settings eligible for Medicaid home- and community-based services.

ALT 2f	Change to Base
GPR	\$100,000

3. Take no action.

Prepared by: Alexandra Bentzen