

**County of Milwaukee**  
Interoffice Communication

DATE: March 6, 2017

TO: Sup. Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors  
Sup. Eddie Cullen, Chairman, Committee on Intergovernmental Relations

FROM: Holly Davis, Director, Department on Aging

RE: From Director, Department on Aging, submitting an informational report regarding the programmatic and fiscal impacts of the 2017-2019 State budget proposal on the Department on Aging

I respectfully request that the attached informational report be scheduled for consideration by the Committee on Intergovernmental Relations.

The proposed 2017-19 Biennial State Budget submitted by Governor Scott Walker, includes certain positive changes, but overlooks other key needs. Included below is a summary of the proposed changes to aging programs.

**Proposed Statewide Changes**

**Alzheimer's research**

- Provides an additional \$100,000 for Alzheimer's research at UW-Madison's Alzheimer's Disease Research Center. The proposal allocates \$50,000 during each fiscal year and is consistent with a proposal from the Speaker's Task Force on Alzheimer's and Dementia that failed to pass last session.

**Board on Aging and Long-Term Care (BOALTC) and the Ombudsman Program**

- The bill specifies that the seven members of the BOALTC must be members of the public and must not be persons who currently own, or owned or had a certain interest within the previous five years in, a long-term care provider or health care insurance company.
- BOALTC's ability to monitor and make recommendations, as it currently does for the Community Options Program (COP), extends to the Family Care Program, the Family Care Partnership Program, and the Program of All-Inclusive Care for the Elderly (PACE) and specifies that it has the ability to provide advocacy services as it does currently for potential or actual enrollees of the Family Care Partnership Program and the PACE program and to potential or actual recipients of IRIS.
- Strengthens support for Wisconsin seniors by fully funding the Medigap Helpline.

### **Dementia Care Specialist Program (DCS)**

- The 2017-19 budget does not contain funding for the Dementia Care Specialist Program that is currently operating through the ADRCs. The 2015-17 budget provided one-time fund of \$1,128,000 for 16 DSC positions throughout the state.

### **Direct care workforce**

- Provides an increase of \$18,354,900 in FY2017-18 and \$33,118,900 in FY2018-19 to increase nursing home provider rates by 2% in each fiscal year support direct care workforce and increased resident acuity in nursing homes; increase provider rates by 1% in each fiscal year to intermediate care facilities for individuals with intellectual disabilities; and increase funding for enhanced behavioral and cognitive impairment incentives.
- Provides a 2% increase per year for the Personal Care program direct workforce to increase program participant activity.

### **Homestead Tax Credit**

- Restores and strengthens the Homestead Tax Credit to its original intent by providing support to seniors and disabled Wisconsinites. For those age 62 or older who are disabled (others may no longer be eligible), the Homestead Credit's parameters would be indexed to inflation in tax year 2018.

### **Medicaid**

- Proposes increasing the income limit for the Medicaid deductible (medically needy Medicaid) from \$591.67 to \$1,005
- Proposes slight changes to the Medical Assistance Purchase Plan (MAPP), which is Medicaid for higher income earners. The bill proposes that everyone would pay at least a \$25 monthly premium, whereas some people get it for free now. This provision would eliminate the current premium cliff. The premiums would go up modestly, rather than the current premium schedule which goes from \$0 to \$800 in one step. There are additional changes to the work requirement. As it stands people are required to do at least one work hour per month and it may be in-kind, meaning not paid, but the person receives something in return for the work. The new work requirement calls for a person to do 4.5 hours of work per month, with tax-filing requirements. Additionally, the person would have to earn at least \$400 per year of net income. This more strenuous work

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requirement is an area of concern and would likely cause a significant percentage of MAPP participants to lose eligibility.

### **Transportation**

- Provides a 2% increase in each fiscal year in elderly and disabled transportation aids 85.21.

### **Implications for the Department on Aging**

The **Dementia Care Specialist (DCS)** funding which was included in the 2015-17 budget is not contained in the 2017-19 budget. MCDA currently has two Dementia Care Specialists housed in the Aging Resource Center. One of the positions is federally funded, but the other is a recipient of the state funding. Should this funding not be restored, MCDA will lose the state funded DCS position at the end of 2017. The second DCS position which is federally funded, will be lost at the end of 2017 as well. This would have a significant and negative impact on the progress which has been made towards making Milwaukee County a dementia capable community. Losing the DCS program means bringing to a halt our Memory Café's, Memory Care Connection Centers, DCS support for people with dementia and their caregivers and our extensive partnerships with other local service providers who are working to support people with dementia in our community.

While there are no drastic changes to **Medicaid** in the state biennial budget, major changes to Medicaid are anticipated at the federal level. These changes have the potential to drastically impact MCDA and those we serve. Should the federal government decide to change Medicaid to a block grant program or a per capita cap program, it would mean that federal Medicaid funding would shift from the state's actual health care costs to a capped payment based on a preset formula. Historically when these types of changes have been implemented they have resulted in a large cost-shift onto states. The concern is that states will have to cut services for older people and other vulnerable populations should the federal government move in this direction. This leaves many questions as to how it would impact the publicly funded long-term care programs such as Family Care and IRIS. It also brings up questions as to the impact on Aging and Disability Resource Centers (ADRCs) who are currently able to receive Medicaid reimbursement for select services they provide.

The **Specialized Transportation Assistance Program for Counties (S85.21)** helps support the Department's Specialized Elderly Transportation Services (SETS) program. SETS assists more than 1,800 seniors not ineligible for Transit Plus. The program includes rides for medical and dental appointments, grocery shopping, and senior dining (nutrition meal sites). The modest increase would be used to enhance or expand services.

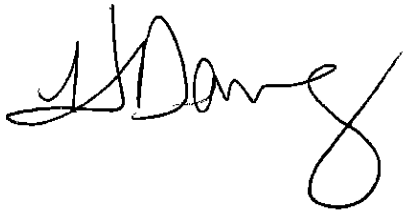
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**Advocacy**

There are groups working throughout the state to provide advocacy around the preservation and expansion of the DCS programs within ADRCs. Currently the Alzheimer's Association of Southeastern Wisconsin has identified this issue as a priority for the year, as has the Wisconsin Aging Advocacy Network and the Milwaukee County Aging and Disability Resource Center Governing Board.

Similarly, there are groups working on advocacy for seniors and persons with disabilities who may be negatively impacted by changes to Medicaid. The Wisconsin Long-Term Care Coalition as well as the Wisconsin Aging Advocacy Network have identified this as a priority issue.

If you have any questions about the report, please call me at 2-6876.

A handwritten signature in black ink, appearing to read "Holly Davis". The signature is fluid and cursive, with a large loop at the end of the last name.

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Holly Davis, Director  
Milwaukee County Department on Aging

cc: County Executive Chris Abele  
Raisa Koltun (email only)  
Kelly Bablitch  
Lisa Wozny  
Jessica Janz-Mcknight  
Janelle Jensen  
Mary Proctor Brown  
Carmen Pangilinan  
Gary Portenier  
Pat Rogers