

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: March 10, 2015

TO: Sup. Peggy Romo West, Chairwoman, Health and Human Needs Committee

FROM: Héctor Colón, Director, Department of Health and Human Services

SUBJECT: Informational Report Regarding Impact of the 2015-2017 Governor's Budget

Issue

In early February, Gov. Scott Walker released his 2015-2017 State of Wisconsin Budget (submitted to the Wisconsin Legislature as Assembly Bill 21 & Senate Bill 21). Fiscal and program staff for the Department of Health and Human Services (DHHS) have reviewed the budget and identified potential risks and initiatives that could conceivably impact programs and services.

At this time, this initial assessment is based on staff interpretation of AB21, the Legislative Fiscal Bureau (LFB) Budget Summary, the "Budget and Brief" document and State Department of Health Services' summary of the budget. For many of these initiatives, additional information is needed in order to ascertain the full impact to DHHS.

Discussion

Proposed Budget Impact on DHHS Programs and Services

Disabilities Services Division

DSD has identified several concerns so far that may have considerable impact on programs that serve individuals with disabilities in Milwaukee County. It should be noted that these proposed changes were completely unanticipated. The department is requesting that the County take a strong position in opposition to these changes to be consistent with the agency's mission in advocating for persons with disabilities.

Aging & Disability Resource Centers (ADRCs) - The budget allows for DHS to contract with a private entity to provide some or all of the services provided by the resource centers. This change provides DHS the option to privatize resource centers statewide. Currently, all resource centers are operated by counties and provide the front door to the state's publicly-funded, long-term care programs as well as other important advocacy and benefits specialist services. DSD receives about \$4.5 million annually to operate this program. The budget also eliminates the requirement of establishing ADRC Governing Boards and long-term care advisory committees. These changes diminish the opportunity for consumer input and transparency of long-term care.

Family Care – Although the Family Care Program is operated by the Milwaukee County Department of Family Care, people with disabilities served by DSD are greatly impacted by the changes being proposed in this area. The budget includes the abolishment of Family Care Districts statewide and contracts to be issued by DHS to statewide managed care providers only subject to a waiver from CMS. This measure appears to be necessary to consolidate all managed care operations into large statewide insurance companies. The budget would also remove the competitive bid process for managed care providers subject to federal waiver.

In addition, there is a provision to integrate Medicaid primary healthcare and long-term care (Family Care) for all those enrolled. While a waiver is needed from CMS to accomplish this change, it would require all individuals to have an integrated services model where choice is limited. There is also a provision to merge the Division of Long-Term Care with the Division of Healthcare Access and Accountability (Medicaid) to better support the shift from the current model of home and community based services to a larger, corporate insurance oversight model. (Kevin Moore, now Director of this division.)

The IRIS program, a very popular self-directed support model, is eliminated and is folded into the managed care model. IRIS provides more than 11,435 (as of November 2014) people with disabilities control over their own budgets to make cost-effective purchases for essential supports. This represents approximately 21 percent of the total state enrollment in all long-term care programs (total Family Care enrollment as of 8/1/14 was 41,510 statewide). This change will have a significant impact in Milwaukee County given that 50 percent of all individuals under age 60 select this option for long-term supports. (Milwaukee County has 5,007 IRIS participants as of 11/2014 or 44 percent of the State's total population.)

Requiring individuals with disabilities to participate in a managed care model will disrupt vital services, choice of doctor and other critical medical services that once established allowed people to live independently in the community.

New Children's COP Program – A Children's Community Options Program (CCOP) is created in lieu of the Family Support Program which is eliminated. While the fiscal analysis of this initiative needs to be completed, there is concern that families with children who have significant disabilities will not have funding available to provide critical supports. DSD currently receives about \$850,000 annually to operate the Family Support Program.

MAPC Program - The Medical Assistance Personal Care (MAPC) program is reduced by \$19 million which affects the intimate, daily supports that people with disabilities rely upon for things like bathing, dressing, getting meals and going to work. The MAPC program is essential to Wisconsin's commitment to providing opportunities for people with disabilities to live independently in the community. Although DSD no longer receives revenue from this program, it does pose a significant impact to the people it serves.

Delinquency & Court Services Division (DCSD)

Elimination of Corrective Sanctions Program (page 1724-1726 of AB21) – The budget eliminates the Corrective Sanctions Program by July 1, 2017 and a Community Supervision Services Program is established in its place. Under the current Corrective Sanctions Program, youth are initially placed on electronic monitoring or GPS monitoring and must follow a strict schedule seven days a week. The State contracts with several community service providers to deliver services to meet the identified treatment

needs of the youth and family. Instead of on-site programming after school and in the evening, the budget only provides for "report center programming" and there no longer appears to be any specific requirements on the number of juveniles and contacts a community supervision agent should handle.

In terms of the fiscal impact, the majority of the cost is currently covered by the State, and is in addition to the award of Youth Aids outlined in the annual State Notice. For 2013, DCSD received \$1,030,800 in Corrective Sanctions revenue which fully offset the invoiced charges. In 2014, Milwaukee County's Corrective Sanctions charges were \$885,203 (the final revenue amount won't be available for a few more weeks). Although the budget doesn't appear to eliminate the funding source for the modified program, it's not entirely clear at this point if there would be a fiscal impact to Milwaukee County.

Presumably, there would be funding appropriated for the higher level services that would be needed when the corrective sanctions program goes away, but the budget doesn't address that because it wouldn't actually occur until the 2017-2019 biennium.

Juvenile Correctional Institutions - The Governor's Budget projects an average daily population (ADP) of 315. The budget sets the daily rates at \$279 in FY2016 and \$287 in FY2017 which reflects a reduction from the current rate of \$301 for FY2015. The 2015 DCSD Adopted Budget assumed an increase of the current rate to \$308 (a 2.3 percent increase based on historical experience). Therefore, relative to the 2015 Adopted Budget, the Governor's rate of \$279 is a decrease of (\$29.00). The fiscal impact of the State's rate changes compared to the assumptions made in DCSD's 2015 Budget reflects about \$700,000 in savings for 2015.

The Governor recommends amending statutory language to enable the DOC, through competitive bidding, to select vendors for community reintegration services, improve research and measure program effectiveness. However, it's unclear what the impact would be to DCSD.

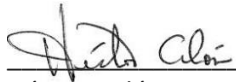
Elimination of After Care Supervision - The Budget eliminates aftercare supervision provided by the Department of Corrections (DOC) in lieu of contracting this service out with a private provider. The DCSD Administrator views this change as a potential opportunity for Milwaukee County. Currently, the county pays \$48 per child/per day for aftercare supervision through the State. If the county is able to contract directly with a provider, DCSD has more control over the program and costs and may be able to transition youth out of corrections earlier than if the contract was managed by the State.

Administration of Youth Aids - The administration for Youth Aids is shifted from the DOC to the Department of Children and Families (DCF) as of January 1, 2016. Fiscally, there would appear to be no impact. The amount of Youth Aids available State-wide continues to be set by State statute so on this point there shouldn't be any change by transitioning the administration from DOC to DCF.

Recommendation

This report is informational and no action is required.

Respectfully Submitted:



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