

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 5/24/13

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Report from the Director, Department of Health and Human Services, requesting authorization to add the Community Recovery Services (CRS) 1915(i) State Plan Home and Community Based Services Medicaid Benefit in Milwaukee County and to expand case management as part of CRS start-up

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input checked="" type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	819,225	1,869,019
	Revenue	819,225	1,869,019
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Director of the Department of Health and Human Services (DHHS) is requesting authorization to implement the Community Recovery Services (CRS) 1915(i) State Plan Home and Community Based Services Medicaid Benefit in Milwaukee County. This is an entitlement program for persons at or below 150% of the federal poverty level (FPL) who suffer from a severe and persistent mental illness. In addition, BHD is seeking to expand case management as part of the CRS start-up.

B. BHD estimates that total costs and revenues will be about \$819,225 (including \$275,000 in case management) in 2013. This reflects the enrollment of 96 clients starting July 1, 2013. In 2014, total costs and revenues are anticipated to be \$1,869,019 (including \$275,000 in case management) for 288 clients.


CRS requires a 60% federal/40% local (tax levy or basic county allocation (BCA)) cost sharing. Once the program is successfully billing Medicaid for CRS services, the federal Medicaid revenue is expected to partially offset the county's existing BCA and/or tax levy. BHD is proposing to use this savings to fund a reserve or contingency fund (pending County Board approval) to mitigate any potential financial exposure.

C. The expenditure authority necessary to fund CRS implementation is not included in BHD's 2013 Budget. If CRS revenue is realized in 2013, BHD will submit a fund transfer to adjust its 2013 Budget. The funding for the \$275,000 in case management start up is included in \$1,114,290 under contract with the Planning Council which is serving as fiscal agent. These funds have been allocated to specific programs related to the Mental Health Redesign Initiative and this report seeks to allocate \$275,000 from these funds to the start up.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

D. The fiscal estimate assumes clients enrolled are already participating in BHD's Community Based Residential Facility (CBRF), Targeted Case Management (TCM) and/or Community Support Programs (CSP). Given that CRS is an entitlement, clients from outside BHD's network could enroll and thereby, increase the estimated CRS costs. However, this has not been the experience of other Wisconsin counties and communities that have implemented CRS. BHD will oversee funds and activities to ensure that vendors adhere to the performance measures, administration requirements, and oversight currently included in all fee-for-service agreements with the Department of Health and Human Services. It is also the intent of BHD to replenish the \$275,000 in case management funds as CRS savings are realized.

Department/Prepared By Clare O'Brien, Fiscal & Management Analyst

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No
Did CDPB Staff Review? Yes No Not Required