



State of Wisconsin
 Department of Health Services

Scott Walker, Governor
 Dennis G. Smith, Secretary

March 24, 2011

Ms. Geri Lyday
 Interim Director
 Milwaukee County Department of Health and Human Services
 1220 W. Vliet Street
 Milwaukee, WI 53205

Dear Ms. Lyday:

Thank you for your letter dated February 4, 2011, in which you requested assurances and a commitment from the Department related to three key concerns on the part of Milwaukee County as it contemplates providing 1915(i) Community Recovery Services (CRS). The adoption of CRS by Wisconsin's counties and tribes is, as you say, a "win-win" proposition, and the Department is committed to assisting willing providers as they implement these services in their respective systems in order to provide community services for people with serious mental illnesses. To that end, I have asked the staff of the Department to pursue research on other avenues that may be able to allow Milwaukee County and other interested counties to provide these services in a way that was originally intended.

Below, please find my reply to each of the three issues for which Milwaukee County seeks assurances and commitments for the current 1915(i) benefit.

Request for Assurance #1

"Could you allow Milwaukee County to establish a Milwaukee County Risk Reserve fund to allow DHHS to use these funds to provide services for individuals not already being served and to develop or enhance new services, such as supported employment and peer supports?"

The Department is not aware of any state or federal law that would prohibit a county from depositing into a reserve account federal Medicaid funds earned as a result of a county reimbursing providers for CRS services, or that would restrict a county's ability to carry such funds from year to year. Because a county earns these federal funds as a result of initially paying 100% of the Medicaid reimbursement rate for CRS services, federal Medicaid law does not dictate how the county expends these federal funds. There may be legal provisions applicable to county appropriation accounts restricting the deposit or carry over of these funds, but you should consult with your Corporation Counsel regarding such provisions.

Request for Assurance #2

“Could you commit to agreeing that DHS would submit a public notice to tighten the eligibility criteria once the statewide target of individuals identified in the Medicaid State Plan Amendment was met?”

The Department has already tightened the functional eligibility criteria significantly, largely at the request of Milwaukee County. As a result of that change the percentage of individuals eligible for CRS was reduced by 31%. Further restrictions to eligibility may run counter to the wishes of the other counties participating in program and to the purpose of 1915(i), which is to provide home and community based services to persons at less than an institutional level of care. However, if the state reaches the statewide projection of individuals to be served, we would commit to a discussion with all counties regarding how to proceed in the best interest of the entire state.

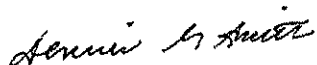
Request for Assurance #3

“Could you allow Milwaukee County to operate 1915(i) within the limits of its available funding so that should the County reach a point where we demonstrate that more enrollments would results (sic) in deficit spending, we would close enrollments until there is funding available, likely through attrition?”

The recent change in federal law specifically prohibits states from establishing wait lists for 1915(i) services. The Department cannot provide an assurance that could be interpreted as allowing a wait list or otherwise limiting enrollment.

Please contact me if I can be of further assistance.

Sincerely,



Dennis G. Smith
Secretary