



## **WAITING IN WISCONSIN**

A bulletin about the disability waiting list in Wisconsin written by Gerry Born  
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### **Governor's Budget Edition**

#### **GOVERNOR'S BUDGET PROPOSES INCREASES FOR COMMUNITY SERVICES**

In the most difficult budget times, the Governor's budget proposes significant increases in funding for community disability services. Accomplishing these improvements, however, depends on Wisconsin's being successful in obtaining additional federal Medicaid funds (more about this later). The program improvements and expansions include the following:

**Additional Community Care Waiver slots:** There is the potential for a significant number of COP-Waiver slots for elderly and physically disabled and CIP1B slots for people with developmental disabilities as well as substantially increased daily rates (especially for CIP 1B) in the budget. The substantial rate increases would provide additional funds to assist people currently receiving services and their providers to maintain quality services. Increased slots would help address waiting list problems. Again, these enhancements are contingent on Wisconsin obtaining the additional federal Medicaid funds. Discussions are still occurring regarding how funding should be split between providing additional slots and increasing rates based on the needs of both areas. Secretary Nelson and her staff are being very responsive to input from the advocacy and provider communities concerning these types of issues.

**CIP 1A rate increase:** The budget proposes the CIP 1A rate increase for new placements from \$225 to \$325 per day. At this rate the Department of Health and Family Services (DHFS) projects 35 placements in FY 04 and 38 in FY 05 from Central and Southern Centers. This is part of a series of proposals to further move Wisconsin's disability service system from reliance on institutions to more community services and funding. This is in addition to the downsizing of Northern Center.

**Downsizing of Northern Center (NWC):** Except for 20 beds for the intensive (behavioral) treatment program and the dental clinic, the budget proposes to phase-out long term placements at NWC. This is something disability advocates have been seeking for many years. Not only is it felt inappropriate for people to live in large congregate settings, the cost is draining funding from other programs. By the second year of the next budget, the cost at NWC would be well over \$500 per day. Advocates, counties, and providers are committed

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to making this happen and providing high quality and integrated community services with the \$325 per day CIP rate. DHFS will begin this process by filing a downsizing plan per chapter 50 of the state statutes.

**ICF/MR downsizing:** Consistent with the other efforts to expand community services, the budget proposes to transfer funding now being used for people in ICFs/MR (DD Nursing Homes) and for people with developmental disabilities in regular nursing homes to their respective counties as of January 2005. Counties could then use this funding to relocate the individuals in these institutions to the community or would have to pay for their care in the institutions. This proposal brings together more developmental disabilities funding under county management, and provides more flexibility in the use of these funds.

**Children's Long Term Care Redesign:** Family members, advocates, counties and others have been working on Children's Long Term Care Redesign for a number of years. This proposal provides funding to implement the pilot demonstration programs in Milwaukee and four other counties.

Several other positive budget proposals include additional funds for wrap around services for children with severe emotional disturbances (SED) and funds for the Mental Health/AODA Redesign pilots. There is also a 10% increase for Home Health Agencies, Speech and Language Pathologists, and an over 20% increase for outpatient mental health services including psychiatric evaluation and outpatient psychotherapy. Unfortunately all other community providers receive no increase in their Medicaid rates. Nursing homes receive a 3.3% increase each year.

## **BUDGET PROPOSALS DEPEND ON OBTAINING IGT FEDERAL FUNDS**

Currently Wisconsin is receiving additional federal Medicaid funds mostly used for nursing homes through a complicated process called Intergovernmental Transfer (IGT). DHFS is now seeking funding for community care using a similar methodology. Through this process CIP 1 waivers would develop up front (prospective) rates that would generate \$434 million. Several of the improvements in community care listed above depend on this funding to become a reality. National Medicaid consultants have provided information to DHFS about the method and legality of obtaining these additional Medicaid funds. As DHFS formally requests these funds, it will be essential that the advocacy community support this request with federal legislators and other federal officials. Future "Bulletins" or DAWN Alerts will provide information on this effort. Without these funds many of the new initiatives will not have funding, and there will also be a very large deficit in the basic Medicaid program that would have to be made up with other funds that really do not exist. Since this is very unlikely to happen, the only other solution is making up this deficit through major cuts in Medicaid eligibility, range of services, and/or provider rates.

## **SOME BUDGET CONCERNS**

The lack of growth in the core funding for community services, **Community Aids**, is a concern since it remains flat for the two years of the next biennium. Community Aids has become less and less the major source of funding for county community services, and possibly it should be replaced and restructured in the future. To the Department's credit, it is proposing in this budget to improve certain Medicaid administrative reimbursements to help offset any further reductions in federal Social Service Block Grant and federal Child Welfare funding that otherwise get passed on to the counties.

This budget proposes to eliminate funding for intensive **in-home autism therapy**. This is a reduction of about \$16.5 million in state funds over the two years and a loss in all funds of nearly \$40 million or about \$23.5 million in federal funds. This will eliminate very critical in-home services for individuals with autism and their families. One of the major reasons for this being included in the budget is that the federal Department of

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Health and Human Services (DHHS) notified Wisconsin in June of 2000 that this program was not eligible for Medicaid federal funding. Certainly individuals and family members along with the advocacy and provider communities will seek to have this funding restored in the state legislature. However, the federal funding will be lost unless DHHS can be convinced to change its decision about funding for this program. DHHS indicates in its June 23, 2000 letter, "Therefore HCFA (federal Medicaid) considers individuals diagnosed with autism to fall within the category of persons with a developmental disability and not eligible for services provided under the rehabilitation benefit." Advocacy efforts will certainly be needed with federal officials if this funding is to be restored.

**Managed care for SSI related persons** is a budget initiative that proposes to save over \$16 million in state funds over the two years of the budget by requiring many people with disabilities receiving Medicaid through SSI to be enrolled in Managed Care Organizations. This will be necessary in order to receive both primary and long term care benefits. Mandatory enrollment will not apply to SSI recipients receiving waiver services, enrolled in Partnership programs, community support programs, Family Care, or any other managed care capitated program. However, if individuals receiving such Medicaid services as home health, personal care, and durable medical equipment and supplies not in a capitated program will be included, this may have major ramifications for receiving these services. Primary care services will be managed for these individuals. Children can only be included through a federal waiver, and anyone also receiving Medicare cannot be required to enroll. More information is needed regarding how this will work before any real judgements can be made about this proposal.

More complete information about these and other DHFS budget proposals is available at the DHFS web site, [www.dhfs.state.wi.us](http://www.dhfs.state.wi.us) or the governor's web site, [www.wisgov.state.wi.us/budget.asp](http://www.wisgov.state.wi.us/budget.asp). More budget information will be provided as it moves through the legislative process.

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