

Governor Walker 2015-2017 Executive Budget Proposal Summary Provisions Impacting People with Disabilities – 2/17/2015

MEDICAID

The Medicaid budget includes a significant cost-to-continue increase in Medicaid (totaling \$657 million GPR over the biennium). Medicaid is the main source of health care coverage for many people with significant disabilities and individuals in need of long-term care. The budget proposes many changes to Medicaid programs including Family Care, IRIS, and BadgerCare, as summarized below.

Long-term Care

Significant changes to Family Care:

- There is a \$14.25 M reduction through 2017 of all funds for Family Care.
- Family Care is expanded statewide. All counties are required to be in Family Care by January 1, 2017.
- Once Family Care is expanded statewide, the Wisconsin Department of Health Services [DHS] may discontinue all other long-term care programs/waivers, including IRIS and other legacy waiver programs.
- Family Care will now incorporate acute and primary health care services, in addition to community-based long-term supports.
- Managed Care Organizations (MCOs) will no longer be regulated primarily by DHS. MCOs will instead be regulated as insurance entities by the Office of the Commissioner of Insurance. It is unclear the level of quality programmatic oversight that DHS will retain.
- The Legislature no longer retains any oversight of MCOs.
- Managed Care Organizations would no longer contract directly with DHS and would in most cases be required to offer services statewide.
- These changes will likely reduce the number of managed care organizations operating in the state and open the door to large, for-profit, managed care organizations that have no ties to Wisconsin. Participants will most likely have fewer choices.
- The changes mean that MCOs that currently operate in Wisconsin will not be able to continue operating as they do today (long-term care districts are eliminated) and some or all may go out of business.
- The inclusion of primary and acute medical services in the long term care program will restrict people's choice of physicians and other health professionals, in some cases requiring people to change doctors if they want to receive and long-term care services.
- Current regional Managed Care Organizations and related provider contracts support thousands of jobs in local communities throughout Wisconsin. MCO changes will have an impact on these employees.

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Significant changes to IRIS:

- The budget eliminates the IRIS (Include, Respect, I Self-Direct) program, requiring the 11,000+ participants to enroll in Family Care if they wish to continue receiving long-term care. These participants have chosen IRIS because of the ability to self-direct, including hiring their own caregivers, which is not currently available to the same degree in Family Care. IRIS is built upon values of self-determination for the individual and allows participants to purchase items within their assessed budget. This includes purchase of customized goods and services that address a need and enhance a person's ability to achieve outcomes which improve their health and help them to be part of their communities. DHS and Wisconsin businesses have recently made considerable investments and other reforms to improve IRIS oversight, IT infrastructure and staffing. The flexibility of the use of individual budgets in IRIS to hire skilled people has created jobs in many rural communities where traditional providers do not exist.

Significant changes to Aging and Disability Resource Centers (ADRCs):

- DHS may privatize some or all ADRC functions.
- Contracting changes may eliminate or change functions now required to be provided by ADRCs, including benefits counseling.
- Currently ADRCs operate like efficient, locally based one-stop shops for people with disabilities. Under the proposal, functions of ADRCs could be operated by different for-profit entities that may no longer be local, creating barriers to access.
- The budget proposal eliminates the requirement that an ADRC has a governing board and the requirement to create long-term care advisory committees. It is unclear how people with disabilities will participate in local decision-making about needs in their region.
- Budget includes funding to support dementia care specialists in select aging and disability resource centers across the state.

Significant changes to personal care:

- \$19 million projected cut in the Personal Care program.
- Under current Medicaid hourly rate, this would mean a reduction of more than 1 million hours of personal care services for Wisconsinites with disabilities.
- Program will now require an independent assessment for all prescribed fee-for-service personal care to ensure that the right amount of care is being provided.
- Change defined as an attempt to eliminate suspected waste/fraud.
- People with disabilities rely on personal care for basic daily supports including help with bathing, dressing, and other cares. Without such supports many people would not be able to live in the community and would end up using costly institutional care. This change also impacts IRIS participants who use personal care through the Medicaid card.

Significant changes to BadgerCare:

- BadgerCare is changed by directing DHS to seek federal approval to require drug testing for childless adults, to impose premiums on all childless adults, and to limit their eligibility for BadgerCare to 4 years. Many people with less significant disabilities and chronic conditions rely on BadgerCare to manage their health. Limiting access to this

care can make health deteriorate and be more costly. Note: If BadgerCare members who are enrolled in county mental or substance services such as CCS lose their BadgerCare eligibility, they will no longer be eligible for CCS or other Medicaid programs.

- DHS will seek a federal waiver to impose premiums for risky behaviors for childless adults enrolled in Medicaid. (It is unclear what will be defined as “risky behavior”.)
- New drug testing and job training requirements in various programs, including FoodShare. People who qualify for FoodShare as people with significant disabilities (EBD Medicaid eligible) will not be required to participate in job training and drug testing. Many people with less significant disabilities and chronic conditions will still be impacted by this change. New funding for treatment and assistance for those who test positive for illegal drugs.

Dental Services:

- Creation of a new pilot program that increases dental reimbursement under Medicaid for pediatric and adult emergency dental services - in Brown, Polk and Racine counties – could benefit people with disabilities who lack access to dental care.

Non-Emergency Medical Transportation (NEMT):

- The budget makes changes to NEMT. If you are in an HMO (e.g. iCare) the HMO will now handle your non-emergency medical transportation. If you have Medicaid but are not in an HMO, it is unclear how your non-emergency medical transportation will be handled.

CHILDREN

Significant Changes to Children’s Long-term Supports:

- The flexible Family Support Program is eliminated. This program, designed by families, has provided families who have children with the most significant disabilities some assistance to help support the child and family. Examples of goods and services that could be covered with FSP funding include home modifications, home training and parent courses, respite care, vehicle modification, and specialized nutrition and clothing.
- Creation of a Children’s Community Options Program (Children’s COP waiver program) that provides long-term community support services to individuals up to age 22 who have a disability. Children are assessed and a county department or private nonprofit agency will create a case plan and arrange for services. Cost-share will apply. It is unclear if this new program will have the flexibility of the current Family Support Program and how it is different than the existing children's waivers.
- There is reference to shifting some portion of DHS’ share of school-based services dollars (Medicaid services or therapies provided in schools) to a fund to reduce the waiting lists for children's long-term care services. It is unclear what the impact of this provision would be or how much funding might be available to reduce the waiting list. More than 3,000 children are waiting for supports.

MENTAL HEALTH

- The budget proposal expands Medicaid coverage to the treatment portion of residential substance abuse treatment.
- There is a recommendation to align the emergency detention process in Milwaukee County with other counties and requiring counties to provide community-based crisis assessment by a mental health professional prior to an emergency detention.
- Includes \$1.5 M to implement but does not specify how the money will be allocated or to which counties. This is a positive first step, but is not nearly enough funding to put adequate community-based crisis assessment resources in place in Milwaukee, let alone statewide. This capacity should be developed before the law is changed. Disability Rights Wisconsin will be reviewing the implications of this proposal and discussing it with other stakeholders before taking a position.
- Transfer of the Office of Children's Mental Health to the Department of Health Services.
- There are several budget provisions that we are still analyzing to determine their impact. This includes the elimination of \$1.8 million in the budget for "community support programs and psychosocial services" and the following provisions: "Under current law, if a skilled nursing facility or an intermediate care facility is found to meet the classification of an institution for mental diseases, DHS must pay for care in the community or in that institution for mental diseases for individuals meeting certain criteria. Current law also requires DHS to pay for relocations of certain individuals who have mental illness to the community. The bill eliminates both of these requirements."
- The budget "streamlines mental health funding in Wisconsin by consolidating the funds into community aids to ensure flexibility and create efficiencies." We continue to analyze the impact of this change.

EDUCATION

- No increase in special education categorical aids (8th straight year) – eroded funding for 20 years.
- No Increase in funding for high cost students (students over \$30,000 annually).
- \$150 cut per pupil (all pupils).
- No fix for open enrollment to stop the discrimination against students related to "undue financial burden" decisions.
- Expansion of vouchers statewide with no limits on students or schools – income capped at 185% poverty level. No accountability or protections for students with disabilities in voucher schools.
- No new career and college ready supports for students with disabilities (no inclusion of youth employment Better Bottom Line Initiatives).
- Schools will be allowed to choose from multiple student achievement tests for accountability purposes (schools will get letter grades) – thus comparisons across schools will not be "apples to apples".
- No funding for school violence prevention programs which take into account bullying and mental health.
- No funding for school based mental health.

- Full funding for Dynamic Learning Maps test (the improved test for students with the most significant cognitive disabilities) and the ACT – which can be a measure of college and workforce readiness.
- The Department of Public Instruction’s (DPI) Career and Technical Education (CTE) grants are moved to the Department of Workforce Development (DWD), but schools will now be eligible for these grants through Wisconsin Fast Forward. This could open up opportunities for students with disabilities.
- New alternative licensure created for teachers – bachelor’s degree required in a subject area; no special education training/experience necessary.
- The special needs voucher proposal was not included.
- Funding is reduced for CESAs. CESAs provide a valuable resource for students with disabilities, particularly in rural districts.

EMPLOYMENT

- Department of Workforce Development will now permit school districts to compete for Wisconsin Fast Forward grants to support programs, curriculum or equipment designed to help pupils graduate with technical certifications. Students with disabilities may benefit.
- Drug testing is proposed for applicants with disabilities for employment services from the Division of Vocational Rehabilitation (DVR). This is expected to be a significant barrier to people already challenged to receive DVR employment training supports.
- The Department of Health Services (DHS) has a program goal to increase the percentage of people with disabilities in Family Care and IRIS long-term care programs who are in integrated employment; however there is no initiative or new funding in the budget to support this goal.

TRANSPORTATION

- 1% inflationary increase in Seniors and Individuals with Disabilities Specialized Transportation Aids to counties - \$437,600 total. Counties use this aid to fund specialized transportation services for seniors and people with disabilities.
- There is NO increase in transit funding over the previous budget.
- People with disabilities may also benefit from creation of new (4) shared ride taxi systems.
- Other positive items include in the Department of Transportation (DOT) budget were not included in the Governor’s budget:
 - No (requested 2%) inflationary increase for operating aids
 - No new transit capital program for bus systems
 - No new employment-focused transit program
- Transit stays in the segregated Transportation fund, as advocates requested. Protects this funding from competition with other programs.

CORRECTIONS

- Youth Aids, and related aids programs for juvenile offenders, will be transferred from the Department of Corrections to the Department of Children and Families. This may provide more coordinated supports for youth to help transition them back to the community.

SENIORCARE

- Requires individuals who apply for SeniorCare benefits to also enroll in Medicare Part D if eligible.
- SeniorCare would cover only drugs that Medicare Part D does not cover. Advocates oppose this as SeniorCare has lower co-pays and fewer coverage gaps.