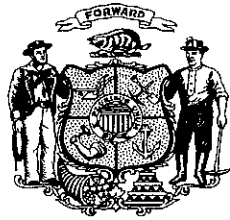


STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: July 5, 2017

Re: DHS Report to JFC

Attached is a report on the overall condition of the Medicaid benefits budget and any changes made to the program in the past quarter from the Department of Health Services, pursuant to s. 49.45(2n), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:JN:jm



State of Wisconsin
Department of Health Services

Scott Walker, Governor
 Linda Seemeyer, Secretary

June 30, 2017

JUL 05 2017
 St. Finance

The Honorable Alberta Darling, Senate Co-Chair
 Joint Committee on Finance
 Room 317 East
 State Capitol
 P.O. Box 7882
 Madison, WI 53707-7882

The Honorable John Nygren, Assembly Co-Chair
 Joint Committee on Finance
 Room 309 East
 State Capitol
 P.O. Box 8953
 Madison, WI 53708

Dear Senator Darling and Representative Nygren:

I am happy to report that, consistent with our previous projections, the Medicaid program will close the 2015-17 biennium with a budget balance. For the third biennium in a row, the Legislature has not needed to pass a budget repair bill to cover Medicaid costs.

The Department projects that the Medicaid benefits budget will have a balance of \$325.0 million GPR at the end of FY 17. The projected balance decreased by \$5 million GPR compared to the March report, but is still consistent with the lapse assumptions in the Governor's 2017-19 biennial budget.

Projected Medicaid Expenditures for the 2015-17 Biennium (in millions)				
	March 2017 Projection		June 2017 Projection	
	GPR	All Funds	GPR	All Funds
Act 55 Budgeted Level	\$5,683.4	\$18,679.3	\$5,683.4	\$18,679.3
Projected Expenditures	\$5,353.4	\$17,893.6	\$5,358.4	\$17,905.5
<i>Balance</i>	<i>\$330.0</i>	<i>\$785.7</i>	<i>\$325.0</i>	<i>\$773.8</i>

The balance is still a projected figure at this time. The actual Medicaid expenditure amount will be determined after the Department completes final reconciliation of payments and revenues from collections, premiums, rebates, and federal claims for FY 17 in July.

Senator Alberta Darling
Representative John Nygren
June 30, 2017
Page 2

As I have indicated previously, it is rare to have such a significant balance in the Medicaid program, and it is driven largely by one-time factors. Enrollment growth has been slower than assumed in the 2015-17 biennial budget, the state's federal matching rate improved slightly, and managed care capitation rates grew more slowly than expected due to improved data and rate setting methodologies. We project that Medicaid expenditures will continue to grow in the coming biennium.

State Plan and Waiver Amendments

Appendix A lists state plan and waiver amendments submitted to the federal government this quarter.

Comprehensive Community Services Implementation

Appendix B contains updated enrollment data for the regional Comprehensive Community Services (CCS) benefit for Medicaid enrollees in need of mental health services. The 2013-15 biennial budget converted CCS from a county-matched to a state-matched Medicaid benefit for counties that adopted a regional service delivery model, effective July 1, 2014. As of March 2017, the Department has certified 23 county and tribe regions to implement the state-matched benefit. On a date of payment basis, the Department reimbursed approved CCS regional providers \$10.8 million All Funds (\$4.5 million GPR) in FY 15, \$48.1 million All Funds (\$19.5 million GPR) in FY 16, and \$83.3 million All Funds (\$33.7 million GPR) for the first eleven months of FY 17.

Finally, the latest information on the DHS Office of Inspector General's efforts to reduce and prevent fraud in the Medicaid program can be found at <https://www.dhs.wisconsin.gov/oig/data.htm>.

Please contact me if you have any questions about this report.

Sincerely,



Linda Seemeyer
Secretary

Appendix A

Proposed Medicaid State Plan Amendments and Waivers Submitted to the Federal Government for Approval

Amendment 17-0005. Inpatient Hospital Rates. Update pay for performance methodologies.

Amendment 17-0006. Outpatient Hospital Rates. Update pay for performance methodologies.

Children's Long Term Support Waiver. Five year waiver renewal.

IRIS Waiver. Update enrollment and expenditure figures.

Appendix B

DHS Quarterly Report on Consumers in CCS (Q1 2017) Reporting Period: from January 1, 2017 to March 31, 2017

DMHSAS Region (with DQA-Certified Counties)	Number Served (end of last quarter)	Number Admitted (during this quarter)	Number Discharged (during this quarter)	Number Served (end of this quarter)
CCS of Clark & Trempealeau Counties	34	5	2	37
Clark County	20	2	2	20
Trempealeau County	14	3	0	17
Central Wisconsin Health Partnership (CWHP)	147	40	15	172
Adams County	37	6	5	38
Green Lake County	22	9	3	28
Juneau County	39	7	5	41
Waushara County	34	5	1	38
Marquette County	12	7	0	19
Waupaca County	3	6	1	8
Dane County Human Services CCS*	434	109	17	526
Green-Lafayette Regional CCS Programs	62	10	3	69
Green County	47	6	1	52
Lafayette County	15	4	2	17
Human Service Center (HSC)	42	8	4	46
Forest County	3	0	0	3
Oneida County	33	6	2	37
Vilas County	6	2	2	6
JRW Tri-County Region CCS	220	35	32	223
Jefferson County*	104	12	16	100
Rock County*	76	12	8	80
Walworth County	40	11	8	43
Kenosha-Racine Regional Consortium (KRRC)	380	71	32	419
Kenosha County*	316	56	26	346
Racine County*	64	15	6	73
Lac du Flambeau Tribe	16	6	6	16
Lakeshore Recovery Collaborative	289	49	21	317
Dodge County	75	13	12	76
Ozaukee County	20	2	3	19
Sheboygan County*	86	6	3	89
Washington County	108	28	3	133
Lakeshore Recovery Consortium	95	22	12	105
Door County	25	10	2	33
Kewaunee County*	33	6	5	34
Shawano County	37	6	5	38
Marinette/Oconto County CCS Consortium	32	7	6	33
Marinette County	31	7	6	32
Oconto County	1	0	0	1
Milwaukee County	519	91	50	560
New Horizons North CCS	92	22	11	103
Ashland County	56	9	4	61
Bayfield County	36	13	7	42
North Central Health Care (NCHC)	527	46	40	533
Langlade County	60	4	3	61
Lincoln County	82	8	10	80
Marathon County	385	34	27	392

DHS Quarterly Report on Consumers in CCS (Q1 2017) Reporting Period: from January 1, 2017 to March 31, 2017

DMHSAS Region	Number Served	Number Admitted	Number Discharged	Number Served
(with DQA-Certified Counties)	(end of last quarter)	(during this quarter)	(during this quarter)	(end of this quarter)
Northeast Wisconsin Behavioral Health Consortium	441	40	49	432
Brown County	119	6	14	111
Calumet County	13	4	4	13
Manitowoc County	22	2	4	20
Outagamie County	175	21	17	179
Winnebago County	112	7	10	109
Portage-Wood Partnership	167	11	12	166
Portage County	63	3	2	64
Wood County	104	8	10	102
Strive CCS	31	1	2	30
Crawford County	18	1	1	18
Vernon County	13	0	1	12
North Central Region (NCR) CCS	26	0	5	21
Iron County	0	0	0	0
Taylor County	26	0	5	21
Waukesha County	109	4	6	107
Saint Croix/Eau Claire Share CCS	89	28	4	113
Eau Claire County	41	16	4	53
Saint Croix County	48	12	0	60
Western Region Integrated Care (WRIC)	331	42	26	347
La Crosse County	261	36	14	283
Jackson County	22	2	4	20
Monroe County	48	4	8	44
Western Region Recovery and Wellness Consortium (WRRWC)	221	35	22	234
Barron County	35	3	1	37
Buffalo County	9	0	0	9
Chippewa County	76	10	9	77
Dunn County	36	8	3	41
Pepin County*	12	1	1	12
Pierce County	24	7	3	28
Polk County	20	3	1	22
Rusk County	9	3	4	8
Washburn	0	0	0	0
Wisconsin River CCS Collaboration	246	37	32	251
Columbia County	79	0	14	65
Richland County	34	7	3	38
Sauk County	133	30	15	148
DQA-Certified Counties Not in Regions				
Fond du Lac County	17	12	4	25
Total Number of Consumers (Across All CCS's)	4,667	731	413	4,685

*There was an over reporting of 27 total CCS enrolled clients served in 2016 Quarter 4, explaining why some counties (and grand totals for the regions in which they may belong) have a discrepancy in the numbers of CCS enrolled clients served at the end of 2016 Q4, and the beginning of 2017 Q1.