MEMORANDUM

TO: Honorable Members of the Joint Committee on Finance
FROM: Sarah Diedrick-Kasdorf, Deputy Director of Government Affairs
DATE: May 14, 2019
SUBJECT: 2019-2021 State Biennial Budget –Department of Health Services – Public Health

In regard to items scheduled for consideration by the Joint Committee on Finance on May 16, 2019, please consider the following recommendations of the Wisconsin Counties Association:

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Attached please find rationale for the items listed above. Additional information can be obtained by contacting the WCA office at 608.663.7188.
LFB PAPER #391 BIRTH TO 3 PROGRAM EXPANSION

RECOMMENDATION: Support Alternative 2.

Rationale:

- As pointed out by the Legislative Fiscal Bureau, the Governor’s proposal could have a fiscal impact on counties since there is no limit on the amount of annual funding counties may be required to invest in the program beyond the funds provided by other payor sources.
- Please see attached “Birth to Three Funding” paper outlining county concerns with the current funding level for the Birth to Three program.

LFB PAPER #393 DEMENTIA INITIATIVES

RECOMMENDATION: Support Alternative A.1.

Rationale:

- The number of older adults in Wisconsin with Alzheimer’s disease or a related dementia is expected to increase significantly (double by 2040).
- Early identification of memory issues by dementia care specialists (DCS) leads to earlier intervention and long-term planning, which may help avoid potentially costly, crisis situations.
- Dementia care specialists provide programs that ease symptoms, such as the Language Enriched Exercise Plus Socialization (LEEPS) program, that improves physical fitness and mood, and maintained functional ability.
- DCS provide support to family caregivers, allowing individuals with dementia to remain at home longer than individuals whose family members did not receive support services.
- The DCS program has improved the sustainability of Wisconsin’s long-term care system by reducing the need for public funding.
RECOMMENDATION: Support Alternative 1 or 2.

Rationale:

- The Wisconsin Institute on Healthy Aging (WIHA) provides valuable services to county Aging and Disability Resources Centers (ADRCs) and county aging units.
- WIHA maintains the licensure for several programs provided by counties. Absent WIHA’s licensure, ADRCs and county aging units would be unable to provide valuable programming related to falls prevention and diabetes management.
- WIHA provides valuable services to counties, including data collection and analysis, as well as developing and training leaders and recruiting participants.
BIRTH TO THREE FUNDING

The Birth to 3 Program is a statewide early intervention program authorized under the federal Individuals with Disabilities Education Act (IDEA), Part C for Infants and Toddlers, and Wis. Admin. Code DHS 90. The U.S. Department of Education, Office of Special Education Programs (OSEP) is the federal administering agency.

The Birth to 3 Program serves children under the age of 3 with developmental delays and disabilities as well as their families. The program works to enhance the child's development while supporting the family's knowledge, skills, and abilities as they interact with and raise their child. The goals of the Birth to 3 Program are to enhance the capacity of families to meet the special needs of their child, maximize the potential for independent living, and reduce long-term costs through remediating delays with early targeted intervention.

In Wisconsin, the Birth to 3 Program is administered by the Department of Health Services (DHS) and operationalized at the local level by counties. The Birth to 3 Program is frequently the first and largest system that children with disabilities encounter in Wisconsin. Part C of IDEA requires that all infants and toddlers with disabilities eligible for early intervention services be identified, located, and evaluated (34 C.F.R. § 303.302).

Funding for the Birth to 3 Program includes a combination of federal, state, and local revenue. By rule, Birth to 3 service providers must access funding sources in the following order: private insurance, Medicaid, parental cost share, local, state, and federal tax dollars.

State and federal funding for the program has decreased from 2007 to 2016 - from $13,010,222 to $11,712,328 - yet the cost to operate the program has continued to increase year after year. In addition, private insurance companies are increasingly denying coverage for Birth to 3 services. Counties fund the highest percentage of Birth to 3 program costs. Currently, state and federal funding allocated to counties covers only 30 percent of program costs.

CURRENT STATUS: Counties are currently bearing the brunt of the increased costs associated with operating the Birth to Three program. While private insurance was once a primary funding source for this program, it has since been reduced to being an insignificant source of revenue.
REQUESTED ACTION:

- Provide a $4 million dollar increase in the Birth to 3 state GPR allocation in the first year of the budget. Provide a three percent increase to the allocation in the second year of the biennium.
- Update state policy to prevent families from opting out of private insurance.
- Enhance Medicaid benefits to increase opportunity for funds to cover Birth to 3 program services and improve Medicaid draw down opportunities for counties.
  - Change Speech therapy rates to time-based reimbursement similar to OT and PT
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- Provide funding for mandated Special Education Services provided in B-3
- Provide for full billing of all services when joint visits occur as mandated by the practice model
- Modify MA service rates to more closely reflect the actual cost of service, including targeted case management

- Update DHS 90 to allow Birth to 3 Programs to bill families directly while they are drawing down their deductible.
- Mandate that all insurance providers operating in Wisconsin include early intervention services as a covered benefit.

TALKING POINTS:

- In 2010, the state introduced an evidence-based model of practice that drastically and significantly changed the way Birth to 3 services are provided. This change in practice model has had a dramatic impact on the cost to run this program.
- Commercial insurance carriers are increasingly denying coverage of Birth to 3 services, indicating services in the “natural environment” are not covered.
- Parents can deny access to private insurance; however, federal law prohibits a delay or denial of services due to “inability to pay.”
- The additional revenue requested would bring state and federal funding to approximately 50 percent of program costs.

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