

2021-23 STATE BIENNIAL BUDGET

Joint Committee on Finance Action on Youth Justice

On Thursday, June 10, 2021, the Joint Committee on Finance (JCF) took action on the portions of the Department of Children and Families' and Department of Corrections' budgets related to youth justice.

Shortly after the 2021-23 state biennial budget was introduced, the co-chairs of the Joint Committee on Finance indicated that Governor Evers' proposed modifications to the state's youth justice system would be removed from the budget, and consideration of significant changes to the youth justice system would be addressed in the fall session. Proposed changes to the youth justice system that were removed from the budget include the elimination of the serious juvenile offender program, transfer of 17-year-old youth to the youth justice system, allowing the state Department of Corrections to operate secured residential care centers for children and youth (SRCCCYs), and eliminating the July 1, 2021 closure date for Lincoln Hills.

The JCF took the following action last Thursday:

- Reestimated the average daily population at the state's juvenile correctional facilities to 86.
- Increased rates charged to counties for placement at Lincoln Hills by 88% - \$1,154 in FY22 and \$1,178 in FY23.
- Increased the youth aids base allocation by \$4,714,300 GPR annually.
- Maintained the current youth aids formula and component programs.

Items that the JCF failed to address for counties include:

- Removing the limit on the number of youth that can be served by current county 365/180 programs.
- Modifying the Lincoln Hills closure date.

WCA will work on separate legislation to address these issues, as well as other legislative issues identified by counties that have been awarded SRCCCY contracts.

Joint Committee on Finance Action on Department of Health Services and Department of Children and Families

On Tuesday, June 15, 2021, the JCF took the following action on the budgets of the Department of Health Services (DHS) and Department of Children and Families (DCF).

Department of Children and Families

Wisconsin Shares Child Care Subsidies: Increased funding for direct child care subsidies by \$11,000,000 FED in FY22 and by \$18,200,000 in FY23 so that the reimbursement rates would fully pay the price of at least 65 percent of the slots for children within the licensed capacity of all child care providers (the 65th percentile).

Kinship Care: Provided \$567,900 in FY22 and \$3,282,600 in FY23 for the estimated cost of kinship care payments under current law and to increase monthly kinship care payments from \$254 to \$300 per child, beginning January 1, 2022.

In-Home Prevention Services: Increased the annual TANF allocation for safety services, including targeted safety support funds and in-home safety services, by \$1,000,000 annually, beginning in FY22. Note: This appears to have been done in lieu of the Governor's request for \$12.3 million to create and implement a statewide in-home prevention services program.

Foster Care Rate Increase: Increased the Level 1 foster care monthly rate from \$254 to \$300 per child beginning January 1, 2022, by providing \$13,000 GPR/FED in FY22 and \$26,000 GPR/FED in FY23. Note: The Governor recommended a 2.5% rate increase in each year of the biennium).

Qualified Residential Treatment Programs – Nursing Services and Certification: Provided \$377,800 GPR in FY23 to support the ongoing costs of centralizing nursing services for congregate care facilities.

Congregate Care Provider Training: Provided \$200,000 GPR/FED in FY23 to provide training for congregate care providers to help them meet accreditation standards for qualified residential treatment programs under the Family First Prevention Services Act. Specified that the funding is intended as a one-time increase in the 2021-23 biennium. Authorized DCF to provide training for staff, including contractors, of a child welfare agency or congregate care facility.

Subsidized Guardianship: Provided \$2,400,000 GPR in FY22 and \$5,200,000 GPR in FY23 in the JCF program supplements appropriation to fund subsidized guardianship payments. Note: While funding was appropriated, separate legislation needs to be introduced and adopted to require DCF to take over payment responsibility from counties for subsidized guardianships.

Child Support: Provided \$1,750,000 GPR and \$3,395,000 FED annually to increase state support for local administration of the child support enforcement program.

Department of Health Services

Nursing Home Reimbursement: Provided \$82,034,300 GPR/FED in FY22 and \$170,375,400 GPR/FED in FY23 to increase reimbursement rates paid to skilled nursing facilities and intermediate care facilities for individuals with intellectual disabilities. Of this amount, required DHS to increase MA rates paid to nursing facilities and ICFs-IID by a budgeted sum of \$20,000,000, as the state share of payments, and the matching federal share of payments, in FY22, and by a budgeted sum of \$20,000,000, as the state share of payments, and the matching federal share of payments, in FY23, to support staff in those facilities who perform direct care.

Direct Care Workforce Funding: Provided \$53,835,800 GPR/FED in FY22 and \$50,403,200 GPR/FED in FY23 to increase funding for the direct care workforce funding supplement.

Personal Care Reimbursement: Provided \$18,904,300 GPR/FED in FY22 and \$59,369,300 in FY23 to increase hourly rates paid for personal care services to \$20.69 on January 1, 2022, and to \$22.35 on January 1, 2023. Directed DHS to increase the Medical Assistance rates paid for direct care to agencies that provide personal care services by the previous amounts to support staff in those agencies that perform direct care.

Postpartum Eligibility Extension: Provided \$1,000,000 GPR and \$1,500,000 FED in FY23 to reflect the estimated cost of extending benefits for women enrolled in MA as pregnant women until the last day of the month in which the 90th day after the last day of the month that the end of the pregnancy falls, instead of the 60th day under current law. Required DHS to request federal approval of a state Medicaid plan amendment or federal waiver to provide the postpartum coverage extension and specified that the postpartum eligibility extension applies only if federal approval is granted.

Outpatient Mental Health and Substance Abuse Services and Child-Adolescent Day Treatment Reimbursement: Provided \$6,628,100 GPR/FED in FY22 and \$13,256,200 GPR/FED in FY23 for a 15 percent increase to reimbursement rates for outpatient mental health and substance abuse services, effective January 1, 2022. Provided \$1,335,600 GPR/FED in FY22 and \$2,671,200 GPR/FED in FY23 for a 20 percent increase to reimbursement rates for child and adolescent day treatment services, effective January 1, 2022.

Coverage of Room and Board Costs During Residential Substance Use Disorder Treatment: No action was taken by the JCF; therefore, the Governor's proposal to fund room and board costs was not adopted.

Medication-Assisted Treatment: Provided \$1,224,400 GPR/FED in FY22 and \$2,448,700 in FY23 to increase MA reimbursement rates for opioid treatment providers by 5 percent and increase rates for opioid-related patient evaluation and management (office visits) provided by primary care providers by \$5 per visit.

MA Dental Reimbursement: Provided \$15,432,800 GPR/FED in FY22 and \$30,865,800 GPR/FED in FY23 to increase MA dental reimbursement rates by 40 percent effective January 1, 2022. The rate increases do not apply to the reimbursement rates paid under the enhanced dental reimbursement pilot program created by 2015 Wisconsin Act 55.

Autism Services: Provided \$4,863,600 GPR/FED in FY22 and \$9,727,100 in FY23 to increase the reimbursement rate for adaptive behavioral treatment without a protocol modification by 15 percent effective January 1, 2022.

Children's Long-Term Support Program: No action was taken by the JCF; therefore, the Governor's proposed language to ensure that any child who is eligible and applies for the CLTS waiver program receives services under the program was not adopted. Note: No action was taken to create a Disability Resource Center for Children and Families.

Income Maintenance Workload (IMAA): No action was taken by the JCF; therefore, the Governor's proposed IMAA increase was not adopted.

FoodShare Healthy Eating Incentive: Lapsed program funding of \$425,000 GPR to the general fund in FY22. **The Governor vetoed this provision.**

FoodShare Employment and Training Funding Reestimate: Increased funding for FSET by \$1,409,900 FED in FY22 and \$5,616,000 GPR/FED in FY23 to reflect the current estimates of FoodShare enrollment and FSET program participation in the 2021-23 biennium. Placed the \$4,027,400 GPR in FY23 in the JCF's program supplements appropriation.

Public Health: No action was taken by the JCF; therefore, the Governor's proposed \$5 million increase for communicable disease prevention and control by local health departments was not adopted.

Birth to 3: Provided \$1,125,000 GPR annually in order for DHS to meet its federal Individuals with Disabilities Education Act (IDEA) maintenance of effort requirement for the Birth to 3 program in the 2021-23 biennium. Note: The Governor's proposed funding increase and program expansion was not adopted.

ADRC Funding: The Governor's proposal to increase funding available under the ADRC base contract to expand caregiver services was not adopted.

Dementia Care Specialists: Provided \$1,175,000 GPR/FED in FY22 and \$2,350,000 in FY23 to expand the dementia care specialist program to all tribes and ADRCs in the state. Funding is intended to fund 18 dementia care specialist positions at ADRCs and seven tribal dementia care specialist positions.

Alzheimer's Family and Caregiver Support Program: Provided \$250,000 GPR annually and increased the maximum amount of funding DHS may provide under the program from \$2,558,900 to \$2,808,900 annually.

Regional Crisis Response System Grants: Provided \$10,000,000 GPR in FY22 in the JCF program supplements appropriation for regional crisis services or facilities. Note: No language was included in the motion; therefore, it is not clear what will be funded with these dollars.

Crisis Intervention Training Grants: Provided \$375,000 GPR annually for mental health crisis intervention training for law enforcement and correctional officers. Modified a statutory provision that requires DHS to award grants totaling \$250,000 per biennium to specify, instead, that DHS is required to award grants totaling \$1,000,000 per biennium under the program.

Child Psychiatry Consultation Program: Provided \$500,000 GPR in FY23 to increase from \$1,500,000 to \$2,000,000 the funding for the child psychiatry consultation program in that year.

Medication-Assisted Treatment Expansion: Provided \$500,000 GPR in FY22 and \$1,000,000 GPR in FY23 in the JCF supplemental appropriation for medication-assisted treatment.

Methamphetamine Addiction Treatment Grants: Provided \$150,000 GPR in FY22 and \$300,000 GPR in FY23 in the JCF supplemental appropriation for training for substance use disorder treatment providers on treatment models for methamphetamine addiction.

Substance Use Disorder Treatment Platform: Provided \$300,000 GPR in FY23 in the JCF supplemental appropriation for development of a substance use disorder treatment platform that allows for the comparison of treatment programs in the state.

Behavioral Health Bed Tracker: Provided \$50,000 GPR in FY22 and \$20,000 GPR in FY23 to expand the purposes of the current psychiatric bed tracking system to include information on the availability of space for peer run respite beds and crisis stabilization beds. Modified a statutory provision relating to the users of the system to reflect the expanded purpose of the bed tracking system and to include any person who approves emergency detention under Chapter 51. Required DHS to provide to the Wisconsin Hospital Association all of the following: (a) a list of operators with peer-run respite beds and contact information; (b) a list of operators with crisis stabilization beds; and (c) a list of emergency mental health services programs that are certified by DHS and that perform crisis assessments. **The Governor vetoed the section that requires**

DHS to provide the entity awarded the grant funding for the expanded behavioral bed tracker a list of operators with peer run respite and crisis stabilization beds, as well as a list of emergency mental health services programs that are certified by the department and that perform crisis assessments.

Building Commission

North Central Health Care: Provided \$5,000,000 of general fund supported borrowing to make a grant to renovate an existing mental health facility in Marathon County to provide 26 beds for expanded capacity for psychiatric and other behavioral health treatment. Included a finding of public purpose. Prior to awarding a grant, specified that the Department of Administration must review and approve plans for the construction project but may not supervise any services or work, or let any contract for the project. Specified that the facility must: (a) agree to renovate an existing mental health facility in Marathon County to provide 16 adult inpatient psychiatric beds, five beds for emergency stabilization, and five beds for detoxification and substance use treatment; (b) serve individuals, including those eligible for emergency detention, from Forest, Langlade, Lincoln, Marathon, Oneida, and Vilas Counties; (c) identify measures to serve the needs of residents with behavioral health needs, especially in reducing the burden on state-operated facilities; (d) report annually to the legislature on the services provided with grant funds; and (e) recognize that it is liable to repay the grant if it fails to maintain continued expanded services and the expanded numbers of beds for a minimum of 10 years. Provided that if the space that is renovated with the grant is not used for the specified purposes, the state would retain an ownership interest in the renovated space equal to the amount of the grant. Specified that notwithstanding current law governing bed capacity, the hospital could increase its approved bed capacity.

Psychiatric Bed Grant: Transferred \$15,000,000 from the general fund in 2021-22 to the building trust fund and authorized the Building Commission to award a grant of \$15,000,000 in 2021-22 from the building trust fund to a health system that applies for the grant and meets all of the following criteria: (a) the system has a hospital that is located in Eau Claire County, south of the Chippewa River, and northeast of the intersection of STH 37 and USH 12 and has a hospital in Chippewa County; (b) the health system agrees to expand psychiatric bed capacity by 22 beds between Eau Claire County hospital and the Chippewa County hospital, and to give preference in admissions to fill beds added with the grant to individuals who meet the criteria for emergency detention under Chapter 51 of the statutes and who are from Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Douglas, Dunn, Eau Claire, Iron, Jackson, La Crosse, Lincoln, Marathon, Monroe, Oneida, Pepin, Pierce, Polk, Price, Rusk, Sawyer, St. Croix, Taylor, Trempealeau, Vilas, Washburn, or Wood Counties; (c) the health system identifies measures that it believes will serve the needs of area residents with mental health needs, especially, as a critical component of the measures, in reducing the burden on the Winnebago Mental Health Institute; (d) the health system agrees to annually report to the Legislature the services provided with the

resources funded by the grant, including the number of individuals diverted from the Winnebago Mental Health Institute; and (e) the health system recognizes that it is liable to repay the grant funds to the state if it fails to continue to maintain the expanded services and number of expanded psychiatric beds available, with the amount the health system is liable for repayment reduced proportionately each year for ten years of continuing expanded services. Included a finding of public purpose.

Specified that a determination of continued services must be based on finding that the health system does all of the following: (a) maintains an agreed upon number of beds for acceptance of admissions for emergency detention, with at least half of the expanded psychiatric beds available for individuals who are initially admitted under an emergency detention; (b) enters into a contract with, at minimum, two-thirds of the counties specified above in which at least one of the hospitals agrees to do all of the following: (i) be the primary receiver for individuals under an emergency detention; (ii) accept for admission under an emergency detention individuals regardless of payment source; (iii) accept any individual subject to an emergency detention from the county unless all psychiatric beds added with the grant are filled; and (iv) ensure the county department is the secondary payer after any other coverage the individual has is exhausted. Specified that the hospital may set its payment rate based on the acuity of the individual being detained. Provided that notwithstanding current law governing bed capacity, the hospital could increase its approved bed capacity. **The Governor partially vetoed the provision requiring the grant recipient health system be the primary receiver for emergency detentions.**

State Type 1 Juvenile Facility: The JCF authorized \$4 million for a study.