



Survival Coalition

of Wisconsin Disability Organizations

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INTRODUCTION

People with disabilities, their families and advocates across Wisconsin have spent the last several months testifying at hearings, making phone calls, and sending messages to legislators, sharing their ideas for improving the lives of people with disabilities by engaging in the state budget process. The Survival Coalition of more than 30 disability organizations in Wisconsin has assembled the following summary of the state budget's impact on the disability community. It includes an assessment of the impact on the lives of people with disabilities, their families, and allies across a series of issues areas.

Medicaid Overview

The 2015-17 state budget is a mixed-bag for the Medicaid program. After making major changes to BadgerCare eligibility in the last state budget, the Governor and Legislature again approved changes to the BadgerCare program that will likely result in individuals losing coverage if they are approved by the Federal government. However, the budget does include some positive provisions such as increased Medicaid funding to meet current program needs, implementation of the ABLE Act in Wisconsin and an attempt to address low Medicaid reimbursement rates for dental services.

- **BadgerCare Restrictions.** The budget requires the Department of Health Services to ask the Federal Government for permission to do the following: Limit BadgerCare enrollment to 48 Months for childless adults; charge monthly premiums to childless adults; require childless adults on BadgerCare to undergo a yearly health risk assessment and require individuals with risky health behaviors to pay higher premiums; require childless adults to undergo drug screening before receiving BadgerCare coverage.
- **Medicaid "Cost-to-Continue" Funding.** The budget provides additional funding to Medicaid to ensure that programs can continue to provide the same types of services and serve the estimated number of Medicaid enrollees during the two-year budget cycle.

- **ABLE Act.** The budget authorizes Wisconsin to create the ABLE Act accounts. Individuals with disabilities and their families will be allowed to save money in tax-free accounts without losing access to Medicaid programs. Money saved in ABLE Acts can be withdrawn to pay for disability-related services such as employment supports, education and health care.
- **Dental Reimbursement Rate Pilot.** The budget temporarily increases Medicaid reimbursement rates for pediatric and adult emergency dental services in Brown, Polk, Marathon and Racine Counties.
- **Medicaid Expansion.** The budget did not accept federal funds for Medicaid expansion. Instead, the budget again provides \$15 million in each year of the biennium for the state to make payments to hospitals that cover a high percentage of low-income patients.
- **Division of Medicaid Services.** The budget merges the Division of Health Care Access and Accountability and the Division of Long-term Care to create the Division of Medicaid Services.
- **Prior Authorization.** The budget moves Medicaid Prior Authorization from the Office of Inspector General and into the new Division of Medicaid Services, in part in response to Survival's concerns about repetitive and burdensome reviews of medically necessary service requests.

EMPLOYMENT OVERVIEW

Survival Coalition's biennial budget requests focused on public policies that would increase integrated employment at competitive wages as the first and preferred outcome of public programs for people with disabilities. None of the following budget requests were addressed:

- Employment performance targets in state programs that support people with disabilities to show continued improvement.
- State agency reports annually to the Legislature on progress toward improving employment outcomes for people with disabilities.
- Increase statewide funding for programs that result in improved integrated employment outcomes.
- Changes to state use contracting laws to ensure Wisconsin is a model employer by requiring all workers on state contracts to earn minimum wage or higher.
- Statewide effort within departments to hire people with disabilities in state government jobs.
- Business-to-business technical assistance system for businesses wanting to hire people with disabilities.

- Expand and improve employment service provider quality and capacity to help people with disabilities achieve integrated employment outcomes.
- Restructure service provider payment systems to assure that integrated employment is rewarded as an outcome and segregated employment is discouraged.
- Direct DHS to use data it collects on expenses for integrated employment services compared with all other services as a basis for shifting funds toward higher investments in integrated employment supports.

WORKFORCE ISSUES

The 2015 – 2017 State Budget failed to address the need for the recruitment and retention of a quality direct care workforce. Thousands of older adults and people with disabilities rely on direct care workers for their daily support needs in the home and community. High turnover, non-competitive wage rates, and growing regulations lead to unpredictability in the sustainability of the long term care system in Wisconsin. The approved State Budget creates concern and uncertainty for the entire long term care industry, and increases threats to the direct care workforce. Most home care providers estimate that their Medicaid Personal Care (MAPC) service costs are at least 15% to 20% above the current reimbursement rate of \$16.08 per hour. The MAPC rate has only increased by \$0.24 over the past 10 years, and no rate increases have been received since July 1, 2008.

- The current stagnant reimbursement rate makes it incredibly difficult for the industry to maintain, let alone grow, the workforce to meet the projected demand increase of 26% by 2020.
- The State Budget includes a provision which requires an independent assessment process be established for medical assistant personal care services. As the department moves forward to implement this provision, Survival requests the following industry threats be considered;
 - Increased administrative costs and subsequent strain on the already challenged Medicaid budget.
 - Uncertain standards for the qualifications of the assessors could jeopardize the necessary services for all disability target groups.
 - Lack of process efficiency could result in risks to health and safety of Wisconsin's vulnerable citizens.
 - Inadequate communication strategies could limit industry's ability to provide services in a safe and effective manner.

CHILDREN NEEDING LONG-TERM SUPPORTS

Children with significant disabilities and their families struggle with access to an overly complex system of supports and services, waiting lists for services, and a lack of needed information. The 2015-2017 state budget addressed in part several of the recommendations of Survival and took no action on others. Specifically:

- New funding to address those waiting for supports and services will be available through: a 3% annual increase in the Children’s Long-Term Supports (CLTS) program; excess federal funds from school-based services (amount unknown); and \$1.8M (state and federal) expected to serve 50 children. An estimated 2800 children and youth with significant disabilities are waiting for essential supports.
- The legislature eliminated the Family Support Program and created in its place a new Children’s Community Options Program (COP). Language changes proposed by Survival to protect flexibility and county involvement were not included. Family involvement in the local advisory committees for Children’s COP will be essential as policies are developed.
- One change to improve Medicaid prior authorization, an inconsistent and repetitive process, was passed. This would move operation and resources for prior authorization from the Office of the Inspector General responsible for monitoring fraud and abuse to the Division of Medicaid Services effective March 2016.
- Survival recommendations for short-term assistance, expansion of a single point of entry (Threshold), Medicaid efficiencies and measuring family outcomes to inform improvements to CLTS were not addressed in the budget.

EDUCATION OVERVIEW

Students with disabilities received limited funding increases and a requested change to open enrollment policy in the 2015-17 budget. Various other changes made by the Legislature and Governor are expected to impact students negatively.

What Happened in the Budget that Impacts Students with Disabilities?

- *Survival Coalition had requested that the state increase special education funding to meet 44% of costs and fully fund high costs students (those who have costs above \$30,000/year) to address decades of eroded funding.*

- The Legislature continued flat special education funding (reimbursement at 26% of costs) but increased reimbursement for high costs students by providing an additional \$5,000,000 GPR in Fiscal Year 2017. The fund will reimburse district costs at 70% of costs for these students (estimated 1,000 students).
- *Survival Coalition had opposed voucher expansion, including the creation of a Special Needs Voucher program, which had been defeated twice by parents and advocates. Students with disabilities do not retain essential IDEA rights in voucher schools.*
 - The Legislature created a statewide Special Needs Voucher Program that will begin accepting students in 2017. Students must first be denied open enrollment and have an IEP in place. There is no income limit and no statewide cap.
 - The Legislature expanded the state's parental choice program; beginning in the 2015-17 school year the total number of students who can use a voucher to attend a private school outside of Milwaukee and Racine will start at 1% of a district's enrollment and increase annually until the cap is lifted in a decade. Voucher funding will reduce public school funding by \$48 million over the next two years.
- *Survival Coalition had supported DPI's proposal to add \$5.8M to create a youth transition incentive payment (\$1,000/student) to reward schools that demonstrated that students with disabilities had secured jobs or were enrolled in postsecondary education or training one year out of school.*
 - The Legislature provided \$100,000 for transition incentive payments in Fiscal Year 2017.
- *Survival Coalition had requested that the Legislature eliminate discriminatory open enrollment provisions.*
 - DPI requested, with input from stakeholders, and the Legislature approved, a change to the public school open enrollment program beginning in FY17 to eliminate undue financial burden (resident district can no longer deny an application for open enrollment for this reason; denials based upon lack of space remain) and establish a \$12,000 open enrollment transfer amount for students with disabilities.
- *Survival Coalition had requested that the state implement a Special Education Quality Improvement Plan, including developing a fund to target resources and technical assistance to districts/schools that are not making adequate progress in addressing the achievement gap. Survival ultimately opposed and requested a veto of the Opportunity Schools Partnership Program.*
 - The Legislature passed the *Opportunity Schools Partnership Program* that will turn selected Milwaukee public schools over to types of schools that currently do not serve students with disabilities in the same proportion, or are not required

by law to educate students with disabilities. The proposal removes local control from Milwaukee Public Schools, transferring it to the County Executive. This proposal is significantly different from Survival's Quality Improvement request and will potentially impact 7,564 students with disabilities.

The following Survival requests were not addressed in the budget:

- Investment in the Wisconsin Special Education Mediation System (WSEMS);
- Recognition of a uniform definition of disability across all school settings;
 - Development of alternatives to classroom removal and out of school suspensions;
 - Support for a clear transition policy directing competitive integrated employment as the preferred outcome;
 - Establishment of a school based mental health study committee;
 - Development of a stakeholder committee on Act 125 –seclusion and restraint law;
 - Inclusion of County Children with Disabilities Education Boards (CCDEBs) in the statewide accountability system

TRANSPORTATION OVERVIEW

People with disabilities asked for a number of improvements in access to transportation. For the most part, Gov. Walker did not include our requests or those of the Dept. of Transportation related to people with disabilities in his budget bill. The Legislature had a difficult time agreeing to transportation provisions in the budget bill, primarily because of a shortfall in the Transportation fund and the extensive reliance on bonding for highway projects.

- Preserve the state investment in local transit by increasing Transit Operating Aids.
 - *The approved budget for 2015-17 does not restore Transit Operating Aids.*
 - *The approved budget does not create a Supplemental Transit Expansion program to provide for new routes for ridership, jobs and economic development as proposed by Wis-DOT.*
- Increase funding for the specialized transportation assistance program (Sec. 85.21).
 - ***The approved budget includes a 1% increase as Wis-DOT proposed but does not appropriate additional funds as requested to address long-term issues identified by the Governor's Transportation Finance and Policy Commission.***
- Actively pursue coordination of funding streams as counties have demonstrated to increase rides within existing funding.
 - *The approved budget does not require DHS to participate in coordination despite the fact that its programs, including Non-Emergency Medical Transportation are the biggest providers of human services transportation.*

- *The approved budget does not enhance the ability of local governments to coordinate transportation programs in their region in support of nor provide new funds for mobility management programs.*
- *The budget eliminated state Transportation Alternatives Program funding for projects that help people with disabilities get around easier and safer in their communities.*
- Ensure that the Medical Transportation program provides safe, efficient transportation for medical needs.
 - *The approved budget does not consider NEMT recommendations of the Audit Committee as the report came out late in the budget process, nor does it require DHS to consult with consumers and other stakeholders in development of the system.*
 - *DHS still does not provide independent advocacy for people experiencing difficulty with medical rides.*

MENTAL HEALTH OVERVIEW

The Legislature provided significant new funding for mental health services in the 2013-2015 biennial budget. Survival Coalition sought additional funding for 2015-2017 to support these investments and address some areas of “unfinished business” from last session. However, the Legislature did not address any of the following Survival Coalition priorities.

- Allocate targeted funding to support the significant investments made in the last budget.

The targeted programs include:

- Development of the Mental Health Certified Peer Specialist (CPS) and parent peer specialist (PPS) workforce.
 - Needed activities for the new Office of Children’s Mental Health.
 - Improve the criminal justice system’s response to individuals with mental illnesses.

The identified programs include those to expand reentry services, afford prompt access to health services upon release from prison, allow special courts to divert individuals with mental illness in the absence of a co-occurring substance use disorder from the criminal justice system and work with families of incarcerated youth, to support reintegrating children upon release.
 - Reduce the stigma and discrimination experienced by people diagnosed with mental illness and their families
 - Increase access to paid respite care for families of children with serious emotional disorders.
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LONG-TERM CARE OVERVIEW

Fifteen out of sixteen Survival's long term care budget requests were not addressed. Unbeknownst to the disability community, the budget includes language that will replace the existing long term care system (Family Care/IRIS) with an unknown and untested model. The budget does require the eight remaining legacy counties to come into Family Care, however Survival Coalition's budget request was to expand the existing Family Care system (not expand and simultaneously change the system).

The 2015-17 budget:

- Eliminates IRIS as a separate Medicaid Waiver program and folds self-direction under the umbrella of managed care when the new long term care system is authorized.
- Requires Family Care and the new self-direction option within Family Care to provide medical care in addition to long-term care services
- Creates new entities called Integrated Health Agencies (IHAs) that will operate Family Care and the self-directed services option within Family Care, and medical services such as primary care and more serious medical care like hospitalization. An IHA could include Wisconsin's current Managed Care Organizations or national, for-profit insurance companies.
- Gives DHS the authority to determine the geography of managed care regions with no minimum number of regions required
- Retains the current "any willing provider" provision, which makes it difficult for MCOs to restrict their provider networks, to continue for at least three years.
- Establishes an annual open enrollment period for people to enroll or change their IHA. Currently people can change their MCO at any time.
- Directs DHS to submit a waiver to federal Centers for Medicare and Medicaid Services (CMS) which will contain details on the kinds and levels of services offered and how the new long term care system (Family Care) will operate. The shift to the new long term care system will happen after CMS approves a waiver.
- Directs the Department of Health Services (DHS) to develop a "Concept Plan" on the Department's proposed changes to long term care system between now and April 1, 2016.

- Requires the legislature’s Joint Finance Committee (JFC) to have a “yes” or “no” vote on whether to approve DHS’s plan for the new long term care system. A JFC “yes” vote give DHS authority to submit a waiver application to CMS.
- Requires DHS to have two public hearings on the new waiver that will change the long term care system.
- Requires DHS to involve stakeholders, however it is unknown what the stakeholder process will be, how much feedback will be solicited and reflected in the DHS’s final plan, and who will be invited to participate in the stakeholder process.
- Requires DHS to evaluate the functional screen and options counseling for reliability and consistency among ADRCs and report back to the legislature; requires DHS to assess ADRC governing board responsibilities and propose statutory changes to remove duplications; and requires DHS to study the integration of income maintenance consortia and ADRCs and report back to JFC. These actions could result in future changes to ADRCs.

To learn more about these changes visit the Survival Coalition website:

www.survivalcoalitionwi.org or link to the FAQ: Long-Term Care State Budget Outcomes:

[http://www.survivalcoalitionwi.org/wp-](http://www.survivalcoalitionwi.org/wp-content/uploads/2015/07/SurvivalCoalition_FAQ_LTCStateBudgetOutcomes_071315.pdf)

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Wisconsin Investing in People with Disabilities***