

Wisconsin State Budget Briefing for Disability Advocates

March 2017

What You Will Learn

1. Changes at the federal level that impact the state budget
2. Why the state budget is important
3. What is in the state budget
4. How can I have a voice about the state budget

Federal changes: Medicaid

Congress proposing big changes to Medicaid

- American Health Care Act (AHCA) introduced 3/6/17 as a replacement to **the Affordable Care Act replacement** legislation (also known as the ACA or Obamacare).
- Will result in **significant cuts to Medicaid** through **per capita caps, as well as changes to Medicaid expansion.**

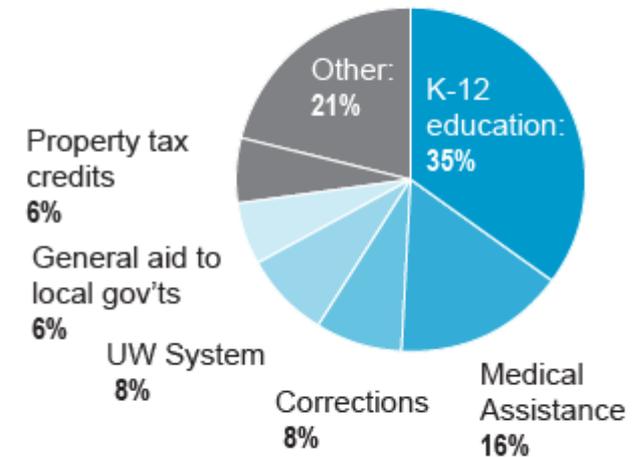
Federal changes: Medicaid

Congress's Actions will impact Wisconsin's State Budget

- Federal changes to Medicaid--such as reductions in federal funding due to block grant or per capita caps--will impact state's budgets
- Depending on what Congress does, Wisconsin may have to make changes to Wisconsin's Medicaid programs and services.

Top Programs in GPR Spending

For fiscal year 2014.



Source: DOA
WISCONSIN BUDGET PROJECT

Federal changes: Medicaid

Who is in Wisconsin Medicaid programs?

- Medicaid offers critical supports that are not available or accessible on the private market to:
 - children and children with disabilities,
 - people with physical disabilities,
 - people with intellectual/developmental disabilities,
 - people with mental health conditions,
 - older adults,
 - low income pregnant women,
 - low income working adults.

Wisconsin's Medicaid Programs

Family Care/Managed Long-Term Care	Children's Long Term Support Program
IRIS – Self-Directed Long-Term Care	Katie Beckett Program
CIP/COP (Long-Term Care Waivers)	Comprehensive Community Services
Family Care Partnership	Community Support Program
PACE	Community Recovery Services
Personal Care services (through Medicaid)	Targeted Case Management
Elderly Blind Disabled (EBD) Medicaid or Social Security(SSI) Medicaid	SeniorCare
Medical Assistance Purchase Plan (MAPP)	Wisconsin Chronic Disease program
Wisconsin Well Woman program	Family Planning Only Services program
BadgerCare	Services provided using a Wisconsin Forward Health card

Federal changes: Medicaid

How does Medicaid funding work now?

- The federal government pays ~60% of Medicaid costs, states pay ~40%.
- If more people need Medicaid or costs increase, more funding is provided by the Feds/State to cover costs
- When fewer people need services, or costs go down the Feds/State reduce funding.
- Currently if a person meets the eligibility requirements (generally poverty, age, and/or disability), they can get the services they need under Medicaid.

Federal changes: Medicaid

What does Medicaid cover?

- States are required to provide certain **mandatory** services under Federal Medicaid law
- States can choose to provide additional **optional** services
- Wisconsin provides almost all optional services
 - Many “optional” services Wisconsin has invested in have resulted in cost savings for Wisconsin
 - **Everything covered in Family Care/IRIS, prescriptions, dental care, etc. are optional under federal law.**

Mandatory Medicaid Services

- Inpatient hospital services
- Outpatient hospital services
- Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) (for kids)
- **Nursing facility services***
- Home health services
- Physician services
- Rural health clinic services
- Federally qualified health center services
- Laboratory and X-ray services
- Family planning services
- Nurse Midwife services
- Certified Pediatric and Family Nurse Practitioner Services
- Freestanding Birth Center services
- Transportation to medical care
- Tobacco cessation counseling for pregnant women
- Tobacco Cessation



Optional Medicaid Services

- Prescription drugs
- Clinic services
- Physical therapy
- Occupational therapy
- Speech, hearing and language disorder services
- Respiratory care services
- Other diagnostic, screening, preventive and rehab services
- Podiatry services
- Optometry services
- Dental services
- Dentures
- Prosthetics
- Eyeglasses
- Chiropractic services
- Private duty nursing services
- Personal care
- Hospice
- Case management
- Services for Individuals Age 65 + in an IMD
- Other services approved by the Secretary
- TB Related Services
- Inpatient psychiatric services for individuals under age 21
- Services in ICF/ID
- Home and Community-Based Waivers – 1915(c)*
- State Plan Home and Community Based Services -1915(i)*
- Self-Directed Personal Assistant Services -1915 (j)*
- Community First Choice Option - 1915 (k)*

This means Family Care, IRIS, CLTS, etc.



Federal changes: Medicaid

What are Medicaid Block Grants?

- Block Grants give Wisconsin a set dollar amount to cover all Medicaid costs for all people who are in one of Wisconsin's 19 Medicaid funded programs or use the ForwardHealth card.
- Block Grants **do not** guarantee states will receive enough funds to cover people currently in Medicaid, or meet changing needs of a population.
- States would have to decide on whether to provide **extra** funding or **cut** Medicaid costs.

Federal changes: Medicaid

What are Medicaid Per Capita Caps?

- Per Capita allocation gives states a set dollar amount per person enrolled in Medicaid to cover all Medicaid costs.
 - Different populations (e.g. older adults, children, kids with disabilities, people with physical or developmental disabilities, mental health, low income adults) may be capped at different dollar amounts.
 - It is uncertain how the per capita allocations will be determined, whether they will differ among populations, what costs they would cover, etc.
- Per Capita caps **do not** guarantee that states will receive enough money to cover costs.
- States would have to decide on whether to provide **extra** funding or **cut** Medicaid costs.

Federal changes: Medicaid

Impact of Medicaid Block Grants or Per Capita Caps

- Analysis of Medicaid Block and Per Capita Cap proposals estimate a 35-40% reduction in Federal Medicaid funding.
- States would have to choose/change who they serve and what services/supports they provide, and could:
 - Limit or eliminate some services or supports
 - Establish wait lists for programs or services
 - Establish “tiered” benefits for certain populations
 - Restrict who is eligible for Medicaid
 - Eliminate coverage for whole populations or subpopulations
 - Add requirements, like cost-sharing, for participants
 - Eliminate entitlement to Medicaid
 - Use prior authorization or other methods to reduce or restrict access to services
 - Cut reimbursement rates for care providers
 - Or other mechanisms to reduce Medicaid costs

Federal changes: Medicaid

AHCA Medicaid proposal

Implements per capita caps based in how much each state was spending in 2016. Per capita caps will be determined for five categories of enrollees:

- Elderly (over 65)
- Blind and Disabled: under age 65, eligible for Medicaid based on being blind or having a disability
- Children: under the age of 19, not blind, no disability
- Expansion Enrollees: newly eligible enrollees in expansion states
- Other Non-elderly, nondisabled, nonexpansion: anyone who is not covered by the previous categories (childless adults, parents/caretakers)

Federal changes: Medicaid

Per Capita Caps (cont)

- Spending targets would increase yearly based on consumer price index
- Any state that exceeds their cap will receive reductions to their federal Medicaid funding in the following year.

Essential Benefits. Repeals requirement that Medicaid plans must provide the same 10 essential health benefits required of ACA exchange plans,

Medicaid Expansion:

- Would let states keep Medicaid expansion and allow states that expanded Medicaid to continue getting federal funding as they would have under the A.C.A., **until 2020.**
- Federal funding for people who became newly eligible starting in 2020 or who left the program and came back, however, would be reduced.

Federal changes: Affordable Care Act

Goals of Affordable Care Act –ACA (ObamaCare)

- Expand access to health insurance
- Keep employers in the game
- Fix the individual market
- Focus on prevention
- Bend the cost curve
- Expand access to Medicaid
- Improve access to Long Term Supports & Services
- Experiment with new payment method
- Ensure affordability

Federal changes: Affordable Care Act

The Way Things Were Before the ACA

- Denial of coverage for disability or other medical condition
- High premiums for people with high medical costs
- Denial of certain medications, benefits and treatments
- Annual and lifetime caps on coverage
- Many with disabilities unable to obtain health insurance
- People with disabilities prevented from working because they would lose Medicaid and be unable to obtain private health insurance
- Alternatives such as High Risk Insurance Pools left many behind.

Federal changes: Affordable Care Act

Benefits of ACA for People with Disabilities

- Can't be denied coverage or lose coverage because you have a disability
- Can't be charged high premiums because of your health status
- No annual or lifetime caps on coverage
- Dependents stay on parents' insurance until 26
- “Essential Health Benefits” required in all plans
- A cap on a family's out-of-pocket annual medical expenses

Federal changes: Affordable Care Act

“Essential Health Benefits” in the ACA

- Ambulatory (outpatient) services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance abuse disorder services
- Autism therapy
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services including oral and vision care

Federal changes: Affordable Care Act

How Many People with Disabilities Benefit?

Exact Numbers Not Available by Type of Disability.

What We Know:

- People in the Medicare waiting period (about 1.5 million in any given year)
- People who do not qualify for SSI either due to disability or income, including many who are employed
- Low wage workers and/or people without access to employer sponsored health insurance or inadequate employer coverage
- Dependents under age 26 without access to insurance

Federal changes: Affordable Care Act

Where Do Things Stand?



- Budget Resolution passed House and Senate – first step
- Budget resolution directed committees to write legislation
- In order to use the fast track, reconciliation process has to have revenue impact – find \$1 billion in savings
- In Senate only need majority (51 votes): Senate may move slower
- House introduced AHCA on March 6 and has proposed Per capita caps to pay for repeal. It will come to a vote in the full house soon.

Federal changes: Affordable Care Act

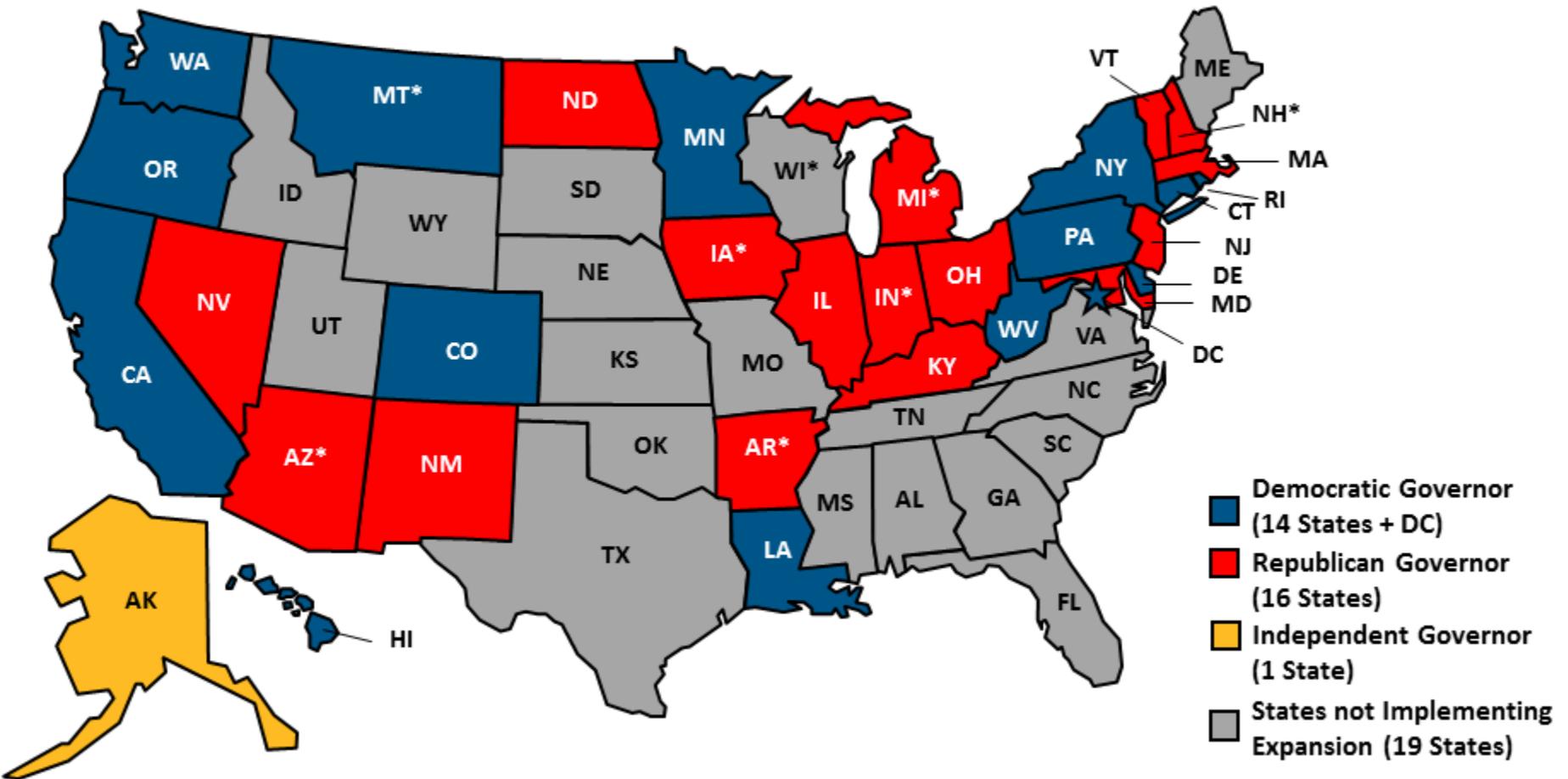
Biggest Dangers of ACA Repeal



- Loss of pre-existing condition protection (over 50 million people impacted)
- Return to high premiums for people with high costs
- Denial of certain medications, benefits and treatments
- Return to annual/lifetime coverage caps
- Elimination or erosion of "Essential Health Benefits"
- Minimal coverage is not adequate

Figure 1

Expansion states are split between Republican and Democratic governors as of January 2017.



NOTES: Coverage under the Medicaid expansion became effective January 1, 2014 in all but seven expansion states: Michigan (4/1/2014), New Hampshire (8/15/2014), Pennsylvania (1/1/2015), Indiana (2/1/2015), Alaska (9/1/2015), Montana (1/1/2016), and Louisiana (7/1/2016). Seven states that will have Republican governors as of January 2017 originally implemented expansion under Democratic governors (AR, IL, KY, MA, MD, NH, VT), and one state has a Democratic governor but originally implemented expansion under a Republican governor (PA). *AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 expansion waivers.

Federal changes: Affordable Care Act

House Republican Plan

- Repeals the Individual Mandate. Means that people would not have to pay a penalty if they went without insurance.
- Change subsidies by using age, instead of income, as a way to calculate how much people receive.
- Tax credits would be available in full to individuals earning less than \$75,000 and households earning less than \$150,000, but capped for higher earners. The subsidy would be \$2,000 for a person under 30, and double that for people over 60. The bill would also expand the health plans that qualify for subsidies.
- Would allow insurers to charge older customers 5 times as much as younger ones, Currently limited to 3 times as much.

Federal changes: Affordable Care Act

House Republican Plan

- Zeroes out financial penalties for employers who don't provide insurance as required by law. ie no penalty for not complying w/ requirement to provide health insurance to full-time employees
- Eliminates Essential Health Benefits for Medicaid, up to states
- Creates Per Capita Caps for various sub-populations
- Health Savings Accounts
- Repeals Actuarial value standards specified by the ACA (4 tiers of insurance based on values of expected costs plan will cover)
- New High Risk Pools - - most pre ACA high risks pools:
 - Were expensive to the state and to the individual
 - Provided limited coverage
 - Had annual limits on coverage

Federal changes: Affordable Care Act

What Can You Do?

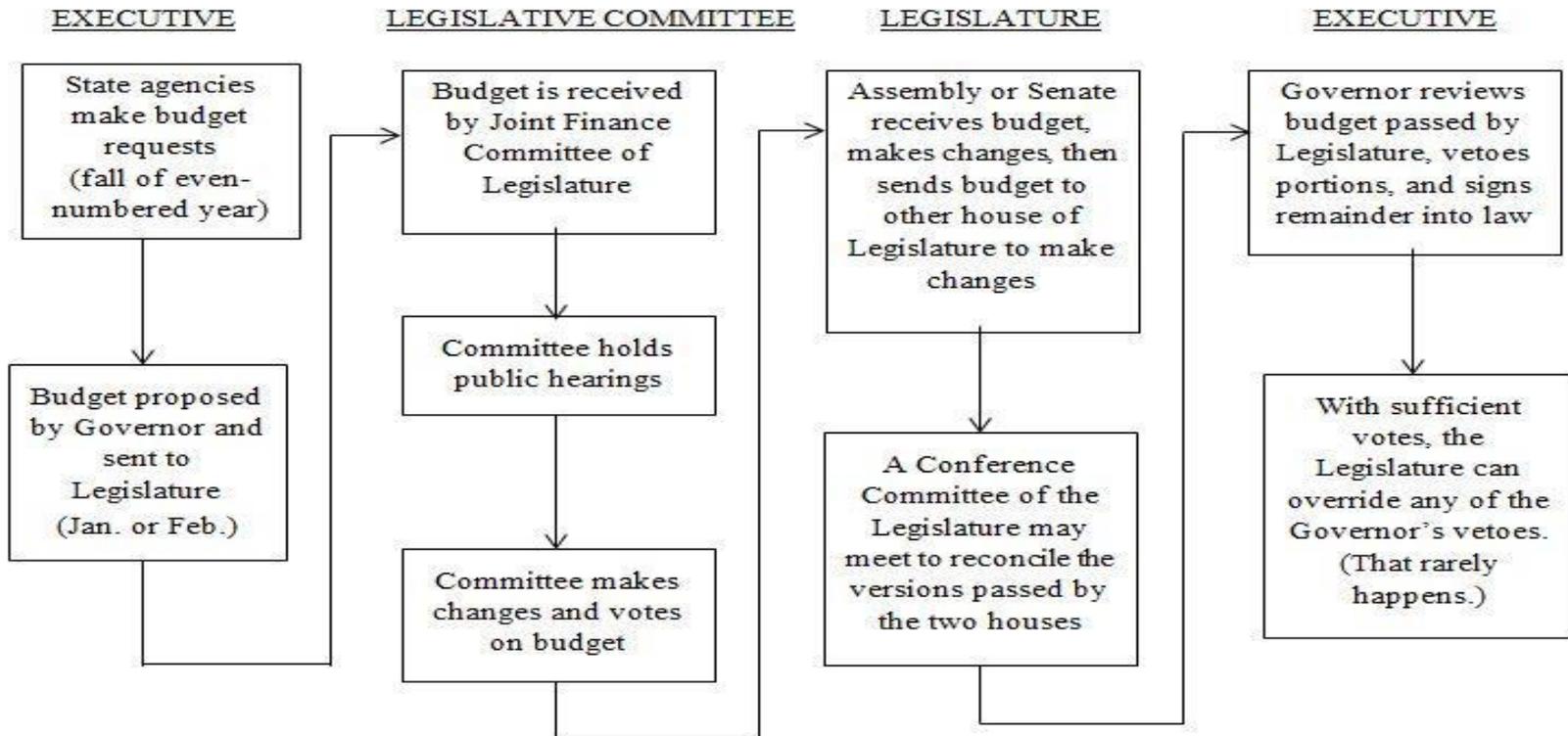
- Contact Congressional reps and US senators with your concerns. See action alert.
- Bring awareness that the ACA benefits people with disabilities, and repeal is being funded by cuts to Medicaid
- Raise concerns:
 - What will be the impact of per capita cuts on Wisconsin Medicaid programs
 - How will the bill control health care costs?
 - How many people in Wisconsin will not be able to afford insurance with the new structure for tax credits
 - Will people lose access to services if essential benefits are not included in Medicaid?

Why is the State Budget Important?

- It is passed every two years and includes important funding for State Programs.
- It determines how much money will be spent on different things that our government provides.
- There are often changes to policy put into the budget, that change the program but do not seem related to a “budget” because they don’t impact cost.

How the State Budget Becomes a Law

The Budget Process in Wisconsin



Begins in fall of even-numbered year

Feb to May

May/June

Summer of odd-numbered year

Where are we at now?

- Governor Walker gave his budget speech (Feb. 8).
- The Legislative Fiscal Bureau determines the costs or cost savings of different proposals.
- Joint Finance Committee (JFC) will announce hearings around the State of Wisconsin.
- Senate and Assembly vote on budget.
- Budget needs to be passed before July 1, 2017.

What is in the State Budget?

Children's Long Term Supports

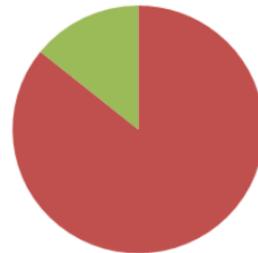
- Funds to eliminate the waiting list for children with developmental disabilities, physical disabilities or severe emotional disturbances who are waiting for long term supports provided by CLTS Medicaid waiver.
- 2,200 families would gain access to critical supports that keep children with significant disabilities out of institutional care and connected to their communities.

What is in the State Budget?

Medicaid: Personal Care

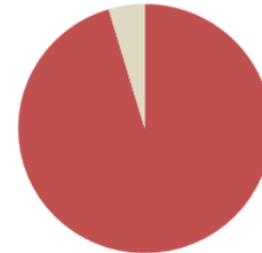
- Increases Medicaid personal care rates by 2% each year. Amount does not go far enough to address the direct care crisis Wisconsin is facing statewide, particularly in rural areas.
- MA Personal Care Rate increased by only \$.24 over 14 years. No increases since July '08.
- Increases nursing homes provider rates by 2% each year.

People Can't Find Workers....It's Putting Them at Risk



85%

don't have enough workers to work all of their shifts



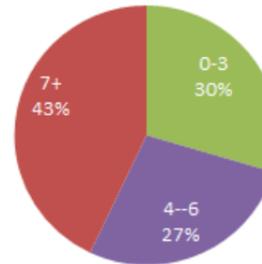
95%

said it's "Very Hard" or "Somewhat Hard" to find workers



60%

get sick more often when they don't have enough workers



43%

can't find a worker 7 or more times per month

Source: Survival Coalition Consumer Survey, November 2016.

Contact: survivalcoalitionwi@gmail.com

<http://www.survivalcoalitionwi.org/wp-content/uploads/2016/11/SurvivalSurveyFactSheet.pdf>

What is in the State Budget?

Medicaid: Medical Assistance Purchase Plan (MAPP)

- Establishes a fairer premium structure so premiums increase gradually as people earn more.
- Participants will have a \$25 per month minimum premium.
- Counts earned and unearned income more favorably
- Allows exclusion of medical and remedial expenses, long-term care costs, and impairment-related work expenses to determine premium and eligibility for MAPP
- Allows participants to retire without losing Independence Account savings or Retirement contributions and still remain eligible for Medicaid long term care programs
- Changes how people verify how they met the program's work requirements, and increases support for people needing re-employment assistance
- Expands medically needy Medicaid eligibility.

What is in the State Budget?

Medicaid: BadgerCare

- Budget directs DHS to ask federal government for permission to expand work training requirements to all childless adults
- No explicit exemption for childless people who have mental health, physical, developmental, or intermittent disabilities from work training requirements.
 - Not clear if barriers to accessing training or employment would result in BadgerCare ineligibility
 - Not clear if participation in other work training programs (FoodShare, etc.) would count as fulfilling the forthcoming BadgerCare requirements.

What is in the State Budget?

FoodShare

- Budget directs DHS to ask the federal government for permission to implement mandatory work training requirements for some able-bodied childless adults in order to keep FoodShare eligibility

What is in the State Budget?

Education: Funding

- No increase in special education funding: nearly a decade of no increases.
- Increase in overall funding, however all schools get the same regardless of level of need.
 - Under the current funding formula, poorest and neediest school districts receive more funds.
- Budget would grant lifetime licenses for teachers

What is in the State Budget?

Education: Transition

Special education transition grants

- Increases funding of the Transition Incentive fund that rewards schools that prove they have moved more students into community employment at a competitive wage and into postsecondary education and training.

Youth Transition Readiness Investment Grants

- Establishes a new grant program to support school districts to get jobs in the community for students with disabilities.

What is in the State Budget?

Education: Mental Health

- School age mental health, provides funding to improve access to mental health services for school-age youth by
 - supporting the availability of social work services in schools
 - funding grants for school-linked mental health services
 - training school personnel in mental health first aid and trauma-informed care

What is in the State Budget?

Mental Health

- Expands Child Psychiatry Consultation Program to improve access for children and adolescents.
- Funds a peer run respite for veterans in Milwaukee
- Expands mental health services for girls at Copper Lakes School
- Expands Opening Avenues to Reentry Success (OARS) program which provides reentry support for prison inmates with a mental illness
- Creates mental illness treatment & diversion unit at Oshkosh Correctional facility; adds mental health treatment staff for restrictive housing units at 3 DOC facilities.

What is in the State Budget?

Housing

- Amends transitional housing statute to create flexibility for grant funds to support homelessness prevention and rapid rehousing, which are evidence-based programs.
- Authorizes WHEDA to pilot a prioritization of Housing Choice (Section 8) Vouchers to chronically homeless individuals on voucher wait-list, and provide case mgmt.
- Creates a homeless services coordinator position at the DHS to work with homeless agencies and municipalities to develop a Medicaid waiver for intensive case mgmt.
- Directs WHEDA to ask federal government for permission to implement a pilot requiring work requirements to be eligible for housing voucher from Housing Choice Program.

What is in the State Budget?

Older Adults

- Funding for Board on Aging and Long Term Care (BOALTC) to provide ombudsman services for participants who are aged 60 or older who self-direct their services in the IRIS program.
- Alzheimer's research funding for the University of Wisconsin to support much needed research into Alzheimer's disease and other dementias at the Alzheimer's Disease Research Center.
- Nursing homes will receive higher reimbursement for people who have higher behavioral and cognitive issues, which includes people with dementia.

What is in the State Budget?

Transportation

- Small increase in paratransit and Tribal Elderly Transportation Program
- No new investment in public transit
- No investments in new approaches, like shared ride options, mobility management and coordination, etc.

What is in the State Budget?

Other Items

- Eliminates Labor and Industry Review Commission (LIRC) which handles appeals of Equal Rights Division, Worker's comp, and unemployment comp cases. LIRC provides a relatively direct appeal process; has expertise that would not be matched in appeal to circuit court, a more complex and lengthy process.
- Creates a Young Adult Employment Assistance Tax Credit for people between the ages of 18-20 who have aged out of foster care or SSI.
- Requires that individuals under 18 be placed at a juvenile correctional facility or a secured residential care center for children and youth, rather than an adult prison, when appropriate.

What can you do to affect the budget?



You Can Speak Up



- Talk to your legislator at the Capitol or in your district:
<http://legis.wisconsin.gov/>
- Attend Disability Advocacy Day in Madison on March 21st
- Write a letter to the editor of your local newspaper

You Can Speak Up



Joint Finance Committee Hearings

- Monday, April 3 – Platteville
- Wednesday, April 5 – Milwaukee
- Friday, April 7 – Marinette
- Tuesday, April 18 – Spooner
- Wednesday, April 19 – Ellsworth
- Friday, April 21 – TBD

BudgetComments@legis.wisconsin.gov, or send a handwritten letter to: Joe Malkasian, Room 305 East, State Capitol, Madison, WI 53702.

How do I Talk to My Legislator?

1. Give a clear message and practice saying it. Write it out.
2. Know basic information about the issue or program you are advocating about and how it affects you-- Tell your story.
3. Remember every time you meet with a legislator or staffer you are building a relationship. Relationships need lots of regular contacts over time.
4. Ask for what you really want from your legislator and be clear. For instance, “I want more funding for . . .,” or “I want the current changes to . . . to be taken out of the budget.”
5. Remember to listen as well as talk to your legislator or staffer.
6. When a legislator or staffer raises an objection or question about your issue, stay calm and polite. Don’t feel you have to answer right away. Say, “I’m not sure about that. I will get back to you.”

How do I Talk to My Legislator con't?

8. Handouts have to be clear and to the point – read them first.
9. Don't give up. Keep up the contacts until you get a real answer. If they do not commit to help at the meeting, it gives you an excuse to call them back and visit again.
10. Broaden your “base” – get other people involved. Get 2-3 people you know to come with you to a visit in your hometown or the legislator's home town close to you.
11. Remember to say thank you for their time or support.
12. Don't get discouraged-- change takes time.

Building your Message

2017 State Budget Training

Building Your Personal Message

What is the issue?

Choose one of the top issues identified by Survival Coalition:

- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Long-Term Care | <input type="checkbox"/> Employment |
| <input type="checkbox"/> Transportation | <input type="checkbox"/> Education |
| <input type="checkbox"/> Mental Health | <input type="checkbox"/> Health Care |
| <input type="checkbox"/> Supporting Families | <input type="checkbox"/> Workforce |

How does this impact you?

How does this issue relate to your daily life? How could it improve your life? How could it make your life harder?

What is your ask?

What result would you like? How will you know when your problem is solved?

What information could help convince others?

What facts, figures or research could help make your case? Use the Survival Handout to help.

Questions?

