



## Fiscal Estimate Narratives

DHS 9/24/2013

LRB Number	13-2550/1	Introduction Number	AB-0299	Estimate Type	Original
<b>Description</b> Requiring the Family Care benefit and self-directed services option to be provided in certain northeastern Wisconsin counties					

### Assumptions Used in Arriving at Fiscal Estimate

Currently, the Family Care and IRIS programs are available in 57 of Wisconsin's 72 counties. The Department of Health Services contracts with aging and disability resource centers to provide information and determine eligibility for Family Care, and with care management organizations (CMOs) to administer the Family Care benefit. Under current law, DHS must obtain approval from the Joint Committee on Finance before entering into a proposed contract with a CMO.

This bill would require DHS to begin providing the Family Care and IRIS programs effective July 1, 2014, in any of the following counties in Northeastern Wisconsin that have complied with statutory requirements: Brown, Door, Kewaunee, Marinette, Menominee, Oconto and Shawano Counties. Under the bill, DHS would not be required to obtain approval from the Joint Committee on Finance to enter into contracts with CMOs or provide IRIS services in these counties.

Counties that provide legacy home- and community-based waiver services instead of Family Care and IRIS are permitted to maintain waiting lists for these services. In contrast, the Family Care and IRIS programs become an entitlement for each eligible individual 36 months after those services become available in the region.

Initially, Family Care expansion generates savings as existing legacy waiver participants transition to Family Care. As counties reach entitlement, however, costs increase. To illustrate post-entitlement costs for the 7 counties in the Northeast Wisconsin region, this estimate projects costs through SFY 2018. It uses trend analysis to project capitation rates and target group specific trends for CY 2014-2018. In addition, the estimate includes the following enrollment assumptions:

- The start date for all 7 counties in the Northeast Region is 7/1/2014.
- Enrollment is based on enrollment in the legacy waivers and the wait list count as of November 2012.
- The wait list in counties with less than 36 people on a wait list is increased to 36 people to allow each county to grow at a minimum of one member per month.
- All members on the wait list are assumed to be enrolled evenly over 36 months.
- Pilot county growth trends are used once a county reaches entitlement.

Projected costs for SFY 2015-2018 are illustrated in the attachment. It should be noted that in year 4, costs would be expected to increase by approximately \$8.2 million GPR. Approximately \$3.4 million of this GPR increase is due to the fact that current state law reduces each county's required contribution to Family Care over the first five years of implementation, which shifts costs to the state.

### Long-Range Fiscal Implications

See Assumptions. Projected costs for SFY 2015-2018 are illustrated in the attachment.

**Cost (Savings) of Family Care Expansion to Northeast Wisconsin Counties  
SFY 2015-2018**

	SFY 15	SFY 16	SFY 17	FY 18	Total Estimated Costs SFY 15-18
<b>GPR</b>	(\$3,974,721)	\$912,791	\$3,389,210	\$8,230,401	\$8,557,680
<b>FED</b>	(\$5,116,865)	\$2,299,984	\$6,005,340	\$13,248,998	\$16,437,458
<b>AF</b>	(\$9,091,586)	\$3,212,775	\$9,394,551	\$21,479,399	\$24,995,138

**Average Enrollment in Family Care in Northeast Wisconsin Counties  
SFY 2015-2018**

SFY 15	SFY 16	SFY 17	FY 18
2,337	2,958	3,298	3,813