JULY 31, 1996

UPDATE 96-28

WISCONSIN MEDICAID UPDATE

TO:
County/Tribal Aging Units
County Departments of:
- Community Programs
- Human Services
- Public Health
- Social Services

County-Owned:
- AODA Day Treatment
- Case Management Agencies
- Child/Adolescent Day Treatment
- Community Support Programs
- Home Health Agencies
- Personal Care Agencies
- Prenatal Care Coordination

Local Health Departments
Tribal Human Service Facilitators

Community Services Deficit Reduction Benefit Expansion - Effective January 1, 1996

Wisconsin budget provision

Provisions of 1995 Wisconsin Act 216 expand Wisconsin Medicaid's Community Services Deficit Reduction Benefit for counties, tribes, and local health departments. Wisconsin Act 27, the 1995-1997 biennial budget, created this benefit. The goal of this program is to provide additional reimbursement to public agencies (counties, tribes, and local health departments) for certain outpatient services. This program is similar to the operating deficit reduction program currently in place for county/tribal hospitals and nursing homes.

Under this program, counties, tribes, and local health departments (city, county, village) are able to claim the federal matching dollars to cover approximately 60% of their deficits for certain Medicaid-covered services. These public agencies will be responsible for providing the 40% matching dollars out of local funds currently spent on those services.

For the purposes of this program, the public agency's operating deficit for a particular program is the difference between the public agency's cost to provide the service and the public agency's Medicaid reimbursement for the service. Wisconsin Medicaid will provide public agencies with instructions for calculating their allowable Medicaid costs at a later date.

Covered services and the conditions that must be met

Act 216 added the following services:

- ✓ alcohol and other drug abuse (AODA) day treatment services
- ✓ case management services
- ✓ child/adolescent day treatment services
- ✓ community support programs
- ✓ personal care services
- ✓ prenatal care coordination services
- ✓ crisis intervention (this will be implemented as a Medicaid benefit later this year)

The original legislation made this program available for the following covered services:

- ✓ home health services (does not include personal care services)
- ✓ outpatient mental health and alcohol and other drug abuse (AODA) clinic services, including psychiatry services
- ✓ medical (mental health) adult day treatment services

The new legislation also allows local health departments, which are not part of a county/tribal human service or social service department, to be reimbursed under this benefit.

For services covered under this program, the following conditions must be met:

- ➥ The funds are available to public agencies (including counties and tribes) only after being reimbursed by Wisconsin Medicaid.
- ➥ The public agency must be directly reimbursed by Wisconsin Medicaid for services provided by the public agency or a subcontractor. This does not apply if the subcontractor is directly reimbursed by Wisconsin Medicaid.
- ➥ The public agency uses non-federal, public funds to pay for the difference between its costs and its current Medicaid reimbursement.

Wisconsin Medicaid will claim the federal share of the deficit with the local public funds serving as the matching funds for the federal financial participation (FFP).

See Attachment 1 for an example of how this will work.

If interested, inform Wisconsin Medicaid of a contact person by October 1, 1996

By October 1, 1996, submit the name and address of a person we may contact further if you are interested in receiving FFP for the certain public agency-funded noninstitutional services. You need to provide this information even if you are already participating in the Community Services Deficit Reduction Benefit.

Submit the name by sending the completed form on the next page. If there are different contacts for each program, indicate that. Or contact our contractor:

Community Services Deficit Reduction
Benefit Coordinator
Meridian Resources Corporation
Suite 403, 2 East Mifflin Street
Madison, WI 53703
(608) 258-3350

Participating public agencies need to complete cost reports

We are developing cost reports that public agencies must complete if they wish to participate in this program. Public agencies *must* continue to bill Wisconsin Medicaid as they usually do. After the end of Calendar Year 1996, we will conduct a settlement by comparing provider costs (as determined through the cost report) to payments made for allowable services as identified through the Medicaid claims processing system.

What's new...

Wisconsin Medicaid is in the Department of Health and Family Services (DHFS) formerly known as the Department of Health and Social Services.

If you happen to be out "surfing" the Internet and feel like visiting the DHFS Web site, you can find it at this address: http://www.dhfs.state.wi.us/

Submit by October 1, 1996

Contact Person

Community Services Deficit Reduction Benefit

1. Name of Public Agency_____

2. Name of Contact Person:_____

3. Address:_____

4. Phone Number:_____

5. Services - Provide the billing number for each service that you want included in this benefit. If you have more than one Medicaid *billing* number for a service, list all numbers that you want included in this benefit.

   a. Alcohol and other drug abuse (AODA) day treatment — Medicaid Billing Number:_____

   b. Case management — Medicaid Billing Number:_____

   c. Child/adolescent day treatment — Medicaid Billing Number:_____

   d. Community support program — Medicaid Billing Number:_____

   e. Crisis intervention — Medicaid Billing Number:_____

   f. Home health — Medicaid Billing Number:_____

   g. Outpatient mental health and AODA — Medicaid Billing Number: _____

   h. Medical (mental health) adult day treatment — Medicaid Billing Number: _____

   i. Personal care — Medicaid Billing Number:_____

   j. Prenatal care coordination — Medicaid Billing Number:_____

Mail to: Community Services Deficit Reduction
Benefit Coordinator
Meridian Resources Corporation
2 East Mifflin Street
Suite 403
Madison, WI 53703

How Federal Financial Participation Reimbursement Works for Certain Public Agency-Funded Noninstitutional Providers

An example

❶ Wisconsin Medicaid pays a public agency $9.84 per hour for medical day-treatment services.

❷ The public agency's actual cost per hour is $18.35 (based on the cost methodology developed by Wisconsin Medicaid).

❸ The public agency's deficit is $8.51 per hour of service.

$18.35	(actual cost per hour)
- 9.84	(Medicaid payment per hour)
$ 8.51	(the public agency's deficit)

❹ In a calendar year, Wisconsin Medicaid paid the public agency for 3,000 hours of day-treatment service.

❺ So, for the calendar year, the public agency's operating deficit for providing day-treatment services is $25,530.

3,000	(hours of service)
X $8.51	(deficit per hour)
$25,530	(total deficit)

❻ Wisconsin Medicaid can provide the federal portion (FFP reimbursement is currently at 59.67percent), which is $15,233.75.

$25,530.00	(total deficit)
X 59.67%	(the federal portion)
$15,233.75	(additional Medicaid $)

❼ The county must have expended local matching funds for 40.33 percent of the $25,530 deficit, which is $10,296.25.

$25,530.00	(total deficit)
X 40.33%	(local portion)
$10,296.25	(local match)

❽ The public agency must maintain documentation indicating the source and amount of local matching funds.

POH 1519