

HEALTH AND FAMILY SERVICES - DEPARTMENTWIDE

Income Augmentation
[LFB Paper #365]

Motion:

Move to adopt Alternatives A1, B2, C3, D1, E2, F2, G2, G3, and Hf in Paper # 365. Modify Alternative B2 to direct DHFS to lapse \$228,100 in income augmentation revenues to the general fund by or as of June 30, 2004. In addition, lapse all income augmentation revenues received before June 30, 2004, to the general fund. Specify that these income augmentation revenues do not include Title IV-E incentive funds, MA administrative incentive funds, and funds to support costs exclusively related to augmenting federal income.

Note:

This motion would adopt the following alternatives:

A. Technical Items

1. Reduce funding in the bill by \$5,518,800 FED in 2003-04 and by \$ 10,239,400 FED in 2004-05 to: (a) delete \$40,000 FED in 2003-04 for the CEU position; (b) delete \$399,100 FED annually in base funding to account for the partial vetoes in Act 16; (c) provide \$907,200 in 2003-04 and \$947,200 in 2004-05 for ongoing and recurring costs to augment federal income; and (d) delete \$5,986,900 FED in 2003-04 and \$10,787,500 FED in 2004-05 in MA matching funds. In addition, authorize DHFS to use the funding budgeted under 20.435 (8)(mb) for ongoing and recurring costs.

Alternative A1	FED
2003-05 FUNDING (Change to Bill)	- \$15,758,200

B. Positions (This alternative is modified from Paper #365)

2. Approve the Governor's recommendation to reduce funding by \$62,200 GPR in 2003-04 and \$165,900 GPR in 2004-05, but delete the corresponding increase in income augmentation funding and position authority. In addition, lapse \$62,200 in 2003-04 and \$165,900 in 2004-05 in income augmentation funds to the general fund.

Alternative B2	GPR	FED
2003-05 REVENUE (Change to Bill)	\$228,100	\$0
2003-05 FUNDING (Change to Bill)	\$0	-\$228,100
2004-05 POSITIONS (Change to Bill)	0	-3.00

C. HIPAA Compliance

3. Reduce funding in the bill by \$372,100 FED (income augmentation) in 2003-04 to delete funding for HIPAA compliance activities for the WisconCare program. In addition, lapse this amount to the general fund in 2003-04.

Alternative C3	GPR	FED
2003-05 REVENUE (Change to Bill)	\$372,100	\$0
2003-05 FUNDING (Change to Bill)	\$0	-\$372,100

D. Incentive Payment to Counties for MA Administrative Costs

1. Approve the Governor's recommendation to require DHFS to distribute not less than 50 of the federal MA matching funds the state would receive to participating counties that claim MA-eligible administrative costs for services they provide to elderly individuals and other adults that receive mental health, developmental disabilities, and substance abuse treatment services from these counties. Specify that any remaining funds would be considered income augmentation funds and would be included in the Department's annual plan for the proposed use of income augmentation funds that is currently subject to the approval of DOA and the Joint Committee on Finance.

E. Income Augmentation Funding to Support MA Benefits - 2001-02 Revenue

2. Require DHFS to lapse \$4,208,100 in income augmentation funds to the general fund in 2003-04. In addition, provide \$1,987,000 GPR in 2003-04 and \$2,221,100 GPR in 2004-05 for MA benefits.

Alternative E2	GPR	FED	TOTAL
2003-05 REVENUE (Change to Bill)		\$4,208,100	\$0 \$4,208,100
2003-05 FUNDING (Change to Bill)		\$4,208,100	-\$4,208,100 \$0

F. Income Augmentation Funding to Support MA Benefits - State Share of MA
Administrative Costs Payments

2. In addition to Alternative D1, require DHFS to lapse \$2,275,000 in 2003-04 and \$5,460,000 in 2004-05 in income augmentation funds to the general fund. In addition, reduce funding in the bill by \$2,275,000 FED in 2003-04 and by \$5,460,000 FED in 2004-05 in income augmentation funds and increase GPR funding by a corresponding amount in the MA benefits appropriation.

Alternative F2	GPR	FED	TOTAL
2003-05 REVENUE (Change to Bill)		\$7,735,000	\$0 \$7,735,000
2003-05 FUNDING (Change to Bill)		\$7,735,000	-\$7,735,000 \$0

^^ G. Lapse Income Augmentation Funds

3. Delete the current provision authorizing DHFS to propose the use of income augmentation revenues for purposes other than operational costs exclusively related to augmenting federal income, effective July 1, 2005.

H. Use of Future Income Augmentation Revenue

1. Permit DHFS to use income augmentation revenues received after June 30, 2002, to support costs related to the items in Table 5 (page 12 in Paper #365). Require DHFS to first use 2001-02 income augmentation revenues before using revenues collected after June 30, 2002, to meet the costs associated with the items in Table 5 (page 12). Clarify that the income augmentation revenues that are included in the annual income augmentation plan, that is subject to DOA and the Committee's approval, does not include income augmentation funds budgeted by the Legislature.

In addition, this motion would lapse future income augmentation revenues received during the 2003-05 biennium. This amount is estimated to be \$8,032,500 in 2003-04 and \$4,032,200 in 2004-05.

[Change to Bill: \$11,943,100 GPR, -\$28,301,500 FED, and \$24,608,000 GPR-REV, and -3.0 FED positions]