



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #459

Variable Nonfood Costs (DHS -- Care Facilities)

[LFB 2009-11 Budget Summary: Page 380, #3]

CURRENT LAW

The Department of Health Services operates seven residential institutions, including the three state centers for the developmentally disabled (Central, Northern, and Southern), the state's two mental health institutes (Mendota and Winnebago), the Wisconsin Resource Center (WRC), which houses Department of Corrections inmates as well as sexually violent persons (SVPs) civilly committed under Chapter 980 of the statutes, and the Sand Ridge Secure Treatment Center (SRSTC), which also houses SVPs committed under Chapter 980. Funding to support variable non-food costs at these residential institutions, such as medical care, drugs, clothing, and other supplies, are budgeted separately from the other supplies and services costs associated with operating these institutions.

Variable non-food costs at the two state mental health institutes are assigned to payment sources based on the estimated percentage of their respective populations whose care will be supported by GPR (nearly all forensic patients and other non-billable patients) and by program revenues contributed by counties, medical assistance, and other third-party payers (civil commitments, MA recipients, and certain other patients). For the 2009-11 biennium, it is estimated that the population splits will be 69% GPR/31% PR at Mendota, and 54% GPR/46% PR at Winnebago. Variable non-food costs at the three state centers for the developmentally disabled are funded entirely by PR (primarily medical assistance reimbursement), while variable non-food costs at WRC and SRSTC are funded entirely by GPR.

GOVERNOR

Provide \$2,707,700 (\$2,086,500 GPR and \$521,200 PR) in 2009-10 and \$4,631,400 (\$669,300 GPR and \$975,300 PR) in 2010-11 to fund projected increases in variable nonfood costs at DHS care facilities.

MODIFICATION

Modify the Governor's recommendations by decreasing funding by \$1,751,900 (-\$1,110,400 GPR and -\$641,500 PR) in 2009-10 and by \$1,982,700 (-\$1,339,100 GPR and -\$643,600 PR) in 2010-11.

Explanation: The variable non-food cost recommendations contained in the Governor's bill were calculated by applying estimated inflation factors to each category of variable costs at issue to arrive at a projected variable non-food cost per capita for each residential institution, and then multiplying those per capita costs by the institution's estimated population for 2009-10 and 2010-11. Based on a review of current and historical resident populations at these facilities, the population projections at most facilities are revised downward for 2009-10 and 2010-11, compared to the AB 75 estimates. This modification adjusts funding for variable non-food costs to incorporate these lower population estimates. The following table compares the estimates used in developing the food budget in AB 75 with the current estimates.

Comparison of Population Estimates at DHS Facilities

Facility	AB 75		Current Estimate		Difference	
	<u>2009-10</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2010-11</u>
Mendota Mental Health Institute	291	285	281	281	-10	-4
Winnebago Mental Health Institute	237	241	227	227	-10	-14
Wisconsin Resource Center	460	460	430	439	-30	-21
Sand Ridge Secure Treatment Center	344	369	285	297	-59	-72
Central Wisconsin Center	278	275	260	252	-18	-23
Northern Wisconsin Center	20	20	18	18	-2	-2
Southern Wisconsin Center	<u>194</u>	<u>186</u>	<u>194</u>	<u>194</u>	<u>0</u>	<u>8</u>
Total	1,824	1,836	1,695	1,708	-129	-128

Change to Bill Funding	
GPR	- \$2,449,500
PR	<u>- 1,285,100</u>
Total	- \$3,734,600

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