

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<b>1. Type of Estimate and Analysis</b> <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	<b>2. Date</b> 10/2/24
<b>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)</b> Chapter DHS 105 - Provider certification; Chapter DHS 107 - Covered services.	
<b>4. Subject</b> Create s. DHS 105.525, relating to child care coordination service provider certification, and DHS 107.345, relating to Child care coordination covered services.	
<b>5. Fund Sources Affected</b> <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	<b>6. Chapter 20, Stats. Appropriations Affected</b>
<b>7. Fiscal Effect of Implementing the Rule</b> <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
<b>8. The Rule Will Impact the Following (Check All That Apply)</b> <input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors <input checked="" type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses <b>(if checked, complete Attachment A)</b>	
<b>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).</b> \$	
<b>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>11. Policy Problem Addressed by the Rule</b> Prior to November 10, 2023, certified prenatal care coordination ("PNCC") providers in Milwaukee County and the City of Racine were automatically certified as child care coordination ("CCC") service providers, and rules did not specify which specific services were covered under the CCC benefit.  The Department's Office of the Inspector General and Division of Medicaid Services found evidence of fraud in the CCC benefit and determined that lack of specific procedures and rules for the benefit allowed providers to enter the marketplace who were not offering appropriate services. Due to those findings, the Centers for Medicare and Medicaid Services issued a temporary moratorium restricting new enrollments in prenatal care coordination agencies and CCC services. The purpose of the moratorium was to give the Department time to mitigate the potential for fraud in provider enrollment.  The Department determined that creating rules specific to the CCC benefit were necessary to mitigate the potential for fraud. The proposed rules redesign the existing CCC benefit to: (1) Distinguish providers and services from those who solely provide PNCC; (2) Carve CCC into managed care; (3) augment provider qualifications to be specific to CCC services; (4) Improve the definition of CCC covered services; (5) clarify and streamline policy; and (6) Create requirements to help mitigate benefit fraud, waste, and abuse.	
<b>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments.</b> CCC is a service available in Milwaukee County and the City of Racine. The benefit is available for members in Milwaukee County up to age 7 and in Racine up to age 2 that receive a risk assessment prior to 8 weeks of age.  The HMOs who serve the patients and work with the providers will be affected by carving CCC into managed care. HMOs will be responsible for ensuring that contracts are administered with providers to deliver CCC services and to	

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administer reimbursement to providers for services rendered to HMO members, as well as ensuring quality assurance standards for the benefit.

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13. Identify the Local Governmental Units that Participated in the Development of this EIA.

N/A

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14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

No fiscal impact is estimated as there is no expected additional cost or savings for this project and no anticipated change in utilization or reimbursement.

Minimal cost for providers to apply and receive new certification through the State of Wisconsin.

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15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

An alternative is not to pursue an administrative rule and to resume certifying PNCC providers in Milwaukee County or Racine automatically, which does not address the identified risk for fraud within the program. A temporary ban placed on PNCC provider certification and the imposition of a payment integrity review (PIR) on all CCC claims starting in November 2023 have caused a great reduction in claims, claims paid, and providers billing the claim. Beyond disrupting the provision of needed services, continuing not to certify providers is not a sustainable option as there is no additional time permitted under the federally granted moratorium.

The policy redesign will be more specific to the needs of the target population of CCC services to reflect the differences between PNCC and CCC recipients and their respective needs and serves to mitigate the risk of fraud.

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16. Long Range Implications of Implementing the Rule

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17. Compare With Approaches Being Used by Federal Government

Many care coordination programs are carved into managed care. As of April 2024, 70% of Medicaid and CHIP beneficiaries receive some or all of their care through a managed care plan.

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18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois and Iowa also use location requirements for who is eligible to receive care coordination services. Iowa has a similar program to CCC for children under 3 years old who are not meeting developmental milestones. Iowa also created resources and trainings for the Integrated Health Home (IHH) care coordination service offered in the state similar to those that would be required in the new policy for CCC.

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19. Contact Name

20. Contact Phone Number

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This document can be made available in alternate formats to individuals with disabilities upon request.

**ADMINISTRATIVE RULES**  
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**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes    No
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