

Tony Evers  
Governor



**DIVISION OF MEDICAID SERVICES**

1 WEST WILSON STREET  
PO BOX 309  
MADISON WI 53701-0309

Andrea Palm  
Secretary

**State of Wisconsin**  
Department of Health Services

Telephone: 608-266-8922  
Fax: 608-266-1096  
TTY: 711

Date: August 8, 2019

DMS Numbered Memo 2019-04  
Replaces 2017-CLTS-2

To: County Department of Human Services Directors  
County Department of Social Services Directors  
County Department of Community Service Program Directors  
Children's Long-Term Support Financial Supervisors and Leads

From: James Jones, Medicaid Director  
Division of Medicaid Services

A handwritten signature in black ink, appearing to read "James Jones".

**CLTS Program County Waiver Agency Maintenance of Effort Requirement**

**This memo updates and replaces DMS Numbered Memo 2017-CLTS-2**

**Background**

[2017 Wis. Act 59 created Wis. Stat. § 46.995 \(2g\)](#), which requires counties to cooperate with the Wisconsin Department of Health Services (DHS) to determine an equitable, locally controlled funding contribution mechanism to the Children's Long-Term Support (CLTS) Waiver Program. These required contributions are often referred to as maintenance of effort (MOE) requirements.

**CLTS MOE Definitions**

Each contract year, beginning with calendar year (CY) 2018, county waiver agencies (CWAs) will be required to expend, at minimum, a specified amount of locally controlled funding on CLTS Waiver Program services. Locally controlled funding is defined as the nonfederal portion of CLTS expenses used as match for federal Medicaid funding from the following sources:

- Legacy Community Options Program (COP)
- Children's COP (CCOP)
- Basic County Allocation (BCA)
- County tax levy

CWAs may use **any** combination of these funding sources to meet the MOE requirement each contract year. Locally controlled funding may be applied two ways:

- Via CLTS service authorizations that the CWA submits to the third-party administrator claims processing system
- During the prior year reconciliation process as a means to pay for CLTS nonfederal service costs above the CWA's General Purpose Revenue CLTS waiver service allocation (also known as CLTS overmatch)

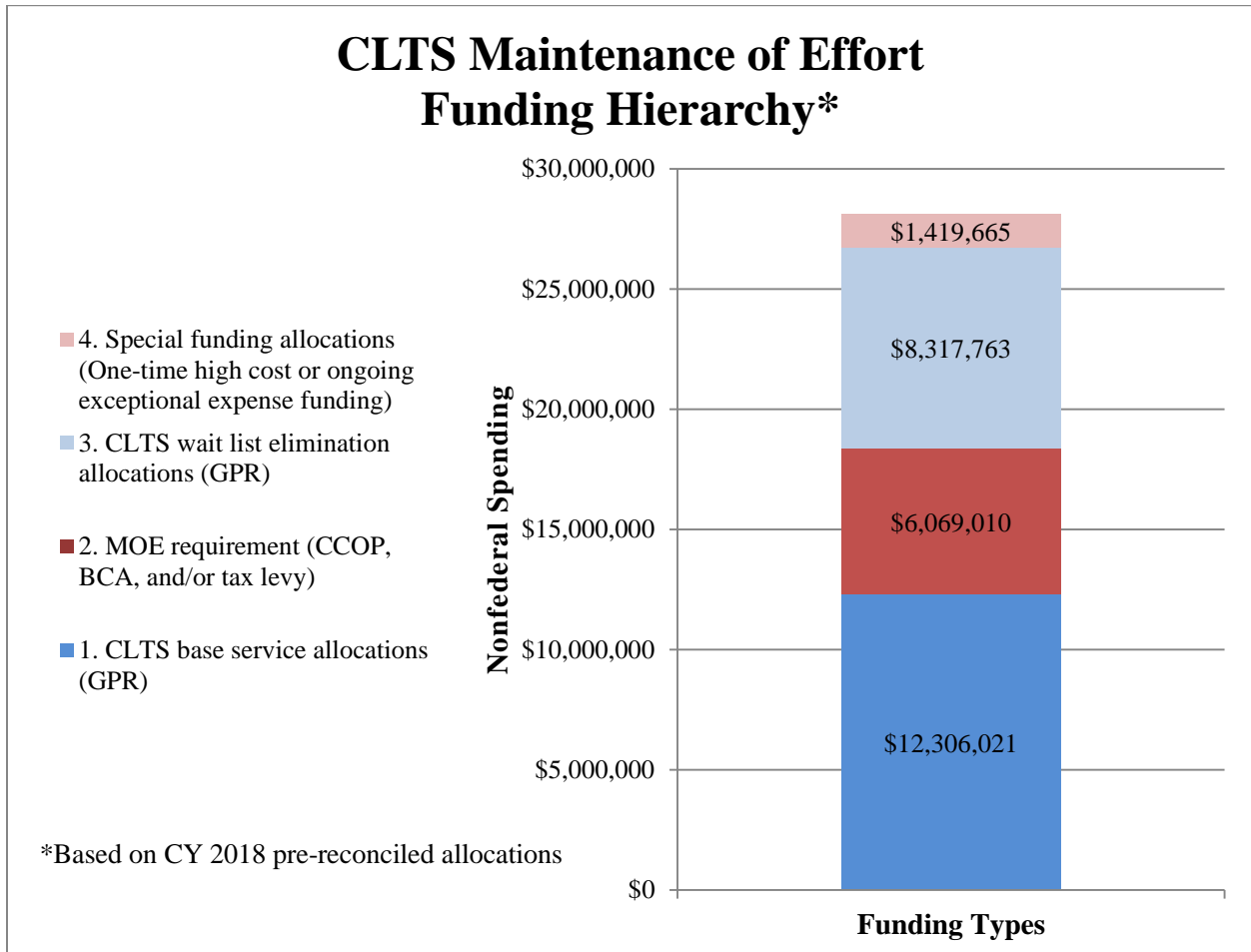
Funding that is not locally controlled:

- CLTS service and administrative allocations
- Exceptional expense funding, such as CCOP funding allocated by DHS specifically to pay for the CLTS service costs of participants with exceptional needs

To apply this policy, CLTS waiver funding is divided into the following general categories:

1. Base service allocation. This is the annual allocation provided to each CWA before the CLTS waitlist elimination initiative began in October 2017, and is linked to the CWA's base enrollment at that time. The base enrollment is the minimum total enrollment that CWAs must maintain on an ongoing basis to retain the base service allocation, before the MOE requirement is applied.
2. MOE requirement. This is the amount of locally controlled funding each CWA is required to contribute to CLTS services before funding above the base service allocation may be accessed ([Appendix A](#)).
3. CLTS waitlist elimination initiative allocation. CWAs received funding according to the number of waitlist children they committed to serve. This allocation may include multiple awards of waitlist elimination funding during 2017-2019. This funding is accessed once the MOE requirement is met.
4. CLTS special funding allocation. CWAs may request this funding, which is subject to DHS review and approval, to support one-time expenses (home modifications, vehicle modifications, etc.) or participants with ongoing exceptional expense needs. Special funding may be provided through the CLTS waiver allocation or the CCOP allocation (used as non-federal match for CLTS services). This funding is accessed once the MOE requirement is met.

In the event a CWA is able to serve all eligible children for an amount less than its CLTS base service allocation combined with the CWA's MOE, the CWA may request an exemption from the remaining MOE for that contract year. MOE exemptions only apply to the contract year for which they are granted; an MOE exemption does not change a CWA's minimum MOE requirement in future years. DHS will review CLTS service expenditures and waiver enrollment for potential MOE exemptions as part of the annual CLTS reconciliation process.



The MOE requirement does not apply to the CLTS-grandfathered service allocations (CARS 874/875), which may only be used to pay for the CLTS services of children on the CLTS-grandfathered list. Children on the CLTS-grandfathered list do not count towards the CWA’s base enrollment amount. For more information about the CLTS-grandfathered service allocations, please refer to [DLTC Numbered Memo 2016-04](#).

**Calculation Method**

DHS applied the results of the CY 2016 CLTS reconciliation process to determine the MOE amount for each CWA ([Appendix A](#)). Each CWA’s MOE amount will not fluctuate annually. However, DHS reserves the right, in consultation with CWAs, to adjust the MOE methodology in the future to meet changing program needs.

**Implementation**

DHS will reconcile each CWA’s CLTS waiver allocation and locally controlled funding expenditures compared to MOE requirements during the annual CLTS reconciliation process. If a CWA’s initial reconciled locally controlled funding contributions do not meet their established MOE requirement, DHS will:

1. Increase the CWA's CLTS overmatch until the MOE requirement is met; CLTS waiver allocations will be reduced correspondingly. When applying the MOE requirement, DHS will not reduce CLTS waiver allocations any lower than the base service allocation if the CWA has maintained the pre-waitlist elimination initiative base enrollment and is serving all eligible children.
2. Apply the CLTS overmatch as an expense against the CWA's BCA.
3. Provide CWAs with an opportunity to apply unspent CCOP and legacy COP funding against their CLTS overmatch expenses as part of the annual CCOP and legacy COP reconciliation processes. Applying unspent CCOP funds this way will reduce, and potentially offset, CLTS overmatch expenses against the CWA's BCA.
4. Apply the balance to the CWA's tax levy if, after the application of unspent CCOP and legacy COP funding, sufficient BCA funding does not exist to pay for the CLTS overmatch.

## Appendix A: CY 2016 CLTS Reconciliation Results and MOE Requirements by CWA

The reconciliation results below reflect locally controlled funding expenditures **after** the application of unspent CCOP and legacy COP funding against CLTS overmatch. CWAs may use any combination of these funding sources to meet the MOE requirement each contract year.

County Waiver Agency	CY 2016 Reconciled BCA/Tax Levy Expenditures (nonfederal)	CY 2016 Reconciled CCOP Expenditures (nonfederal)	CY 2016 Reconciled Legacy COP Expenditures (nonfederal)	Annual MOE Requirement (nonfederal)
Agency: 1 - ADAMS CO DHHS	-	-	31,176	<b>31,176</b>
Agency: 2 - ASHLAND CO HSD	-	4,669	-	<b>4,669</b>
Agency: 3 - BARRON CO DSS	-	50,625	-	<b>50,625</b>
Agency: 4 - BAYFIELD CO DSS	-	-	-	-
Agency: 5 - BROWN CO HSD	-	160,203	-	<b>160,203</b>
Agency: 6 - BUFFALO CO HSD	-	4,750	-	<b>4,750</b>
Agency: 7 - BURNETT CO DSS	-	3,311	-	<b>3,311</b>
Agency: 8 - CALUMET CO HSD	102,119	134,487	-	<b>236,606</b>
Agency: 9 - CHIPPEWA CO HSD	28,728	38,845	-	<b>67,573</b>
Agency: 10 - CLARK CO CCS 51 BD	-	42,372	-	<b>42,372</b>
Agency: 11 - COLUMBIA CO HLTH & HUMAN	66,557	26,370	-	<b>92,927</b>
Agency: 12 - CRAWFORD CO HSD	-	6,459	-	<b>6,459</b>
Agency: 13 - DANE CO HSD	-	-	1,051,606	<b>1,051,606</b>
Agency: 14 - DODGE CO HSHD	-	3,430	-	<b>3,430</b>
Agency: 15 - DOOR CO DSS	-	-	-	-
Agency: 16 - DOUGLAS CO DHS	-	109,668	-	<b>109,668</b>
Agency: 17 - DUNN CO HSD	37,226	17,755	-	<b>54,981</b>
Agency: 18 - EAU CLAIRE CO HSD	222,275	137,695	-	<b>359,970</b>
Agency: 19 - FLORENCE CO HSD	-	-	-	-
Agency: 20 - FOND DU LAC CO 51 BD	-	202,966	-	<b>202,966</b>
Agency: 21 - FOREST ONEIDA VILAS 51 BD	-	32,146	21,645	<b>53,791</b>
Agency: 22 - GRANT CO DSS	-	-	-	-
Agency: 22 - UNIFIED COMMUNITY SERVICE	-	-	-	-
Agency: 23 - GREEN CO HSD	-	4,599	-	<b>4,599</b>

County Waiver Agency	CY 2016 Reconciled BCA/Tax Levy Expenditures (nonfederal)	CY 2016 Reconciled CCOP Expenditures (nonfederal)	CY 2016 Reconciled Legacy COP Expenditures (nonfederal)	Annual MOE Requirement (nonfederal)
Agency: 24 - GREEN LAKE CO HSD	-	-	-	-
Agency: 25 - IOWA CO DSS	-	-	-	-
Agency: 26 - IRON CO HSD	-	-	-	-
Agency: 27 - JACKSON CO HSD	-	18,775	-	<b>18,775</b>
Agency: 28 - JEFFERSON CO HSD	912	190,307	-	<b>191,219</b>
Agency: 29 - JUNEAU CO HSD	-	49,800	-	<b>49,800</b>
Agency: 30 - KENOSHA CO HSD	125,077	22,053	-	<b>147,130</b>
Agency: 31 - KEWAUNEE CO DSS	10,296	43,756	-	<b>54,052</b>
Agency: 32 - LA CROSSE CO HSD	54,063	449,308	-	<b>503,371</b>
Agency: 33 - LAFAYETTE CO HSD	-	-	-	-
Agency: 34 - NORTH CENTRAL HLTH CARE	-	15,174	-	<b>15,174</b>
Agency: 35 - LINCOLN CO DSS	-	-	-	-
Agency: 36 - MANITOWOC CO HSD	137,575	60,091	-	<b>197,666</b>
Agency: 37 - MARATHON CO DSS	-	149,493	-	<b>149,493</b>
Agency: 38 - MARINETTE CO HSD	-	1,710	-	<b>1,710</b>
Agency: 39 - MARQUETTE CO CONS AID	-	6,446	-	<b>6,446</b>
Agency: 40 - MILWAUKEE CO CONS AID	-	-	-	-
Agency: 41 - MONROE CO HSD	-	41,106	-	<b>41,106</b>
Agency: 42 - OCONTO CO DHS	-	33,990	-	<b>33,990</b>
Agency: 44 - OUTAGAMIE CO HSD	109,415	143,546	-	<b>252,961</b>
Agency: 45 - OZAUKEE CO DSS	40,979	35,777	-	<b>76,756</b>
Agency: 46 - PEPIN CO HSD	-	16,197	-	<b>16,197</b>
Agency: 47 - PIERCE CO HSD	-	10,293	-	<b>10,293</b>
Agency: 48 - POLK CO DSS	-	63,686	-	<b>63,686</b>
Agency: 49 - PORTAGE CO HSD	-	-	-	-
Agency: 50 - PRICE CO HSD	-	3,115	-	<b>3,115</b>
Agency: 51 - RACINE CO HSD	-	-	-	-
Agency: 52 - RICHLAND CO CONS AID	-	-	-	-

County Waiver Agency	CY 2016 Reconciled BCA/Tax Levy Expenditures (nonfederal)	CY 2016 Reconciled CCOP Expenditures (nonfederal)	CY 2016 Reconciled Legacy COP Expenditures (nonfederal)	Annual MOE Requirement (nonfederal)
Agency: 53 - ROCK CO HSD	19,657	119,050	305,534	<b>444,241</b>
Agency: 54 - RUSK CO DSS	-	4,004	-	<b>4,004</b>
Agency: 55 - ST CROIX CO HSD	-	62,323	-	<b>62,323</b>
Agency: 56 - SAUK CO HSD	14,583	40,845	-	<b>55,428</b>
Agency: 57 - SAWYER CTY HSD	18,362	17,358	-	<b>35,720</b>
Agency: 58 - SHAWANO CO DSS	-	3,206	-	<b>3,206</b>
Agency: 59 - SHEBOYGAN CO HSD	-	1,347	-	<b>1,347</b>
Agency: 60 - TAYLOR CO HSD	-	-	-	<b>-</b>
Agency: 61 - TREMPEALEAU CO DSS	-	44,197	-	<b>44,197</b>
Agency: 62 - VERNON CO HSD	-	-	-	<b>-</b>
Agency: 64 - WALWORTH CO HSD	-	1,747	-	<b>1,747</b>
Agency: 65 - WASHBURN CO DSS	7,955	96	-	<b>8,051</b>
Agency: 66 - WASHINGTON CO DSS	53,556	21,957	-	<b>75,513</b>
Agency: 67 - WAUKESHA CO HSD	-	55,952	-	<b>55,952</b>
Agency: 68 - WAUPACA CO HSD	-	99,087	-	<b>99,087</b>
Agency: 69 - WAUSHARA CO DSS	-	8,695	-	<b>8,695</b>
Agency: 70 - WINNEBAGO CO DHS	214,114	579,611	-	<b>793,725</b>
Agency: 71 - WOOD CO DSS	-	1,154	-	<b>1,154</b>
Agency: 72 - MENOMINEE CO HSD	-	-	-	<b>-</b>
<b>Total:</b>	<b>1,263,449</b>	<b>3,395,600</b>	<b>1,409,961</b>	<b>6,069,010</b>