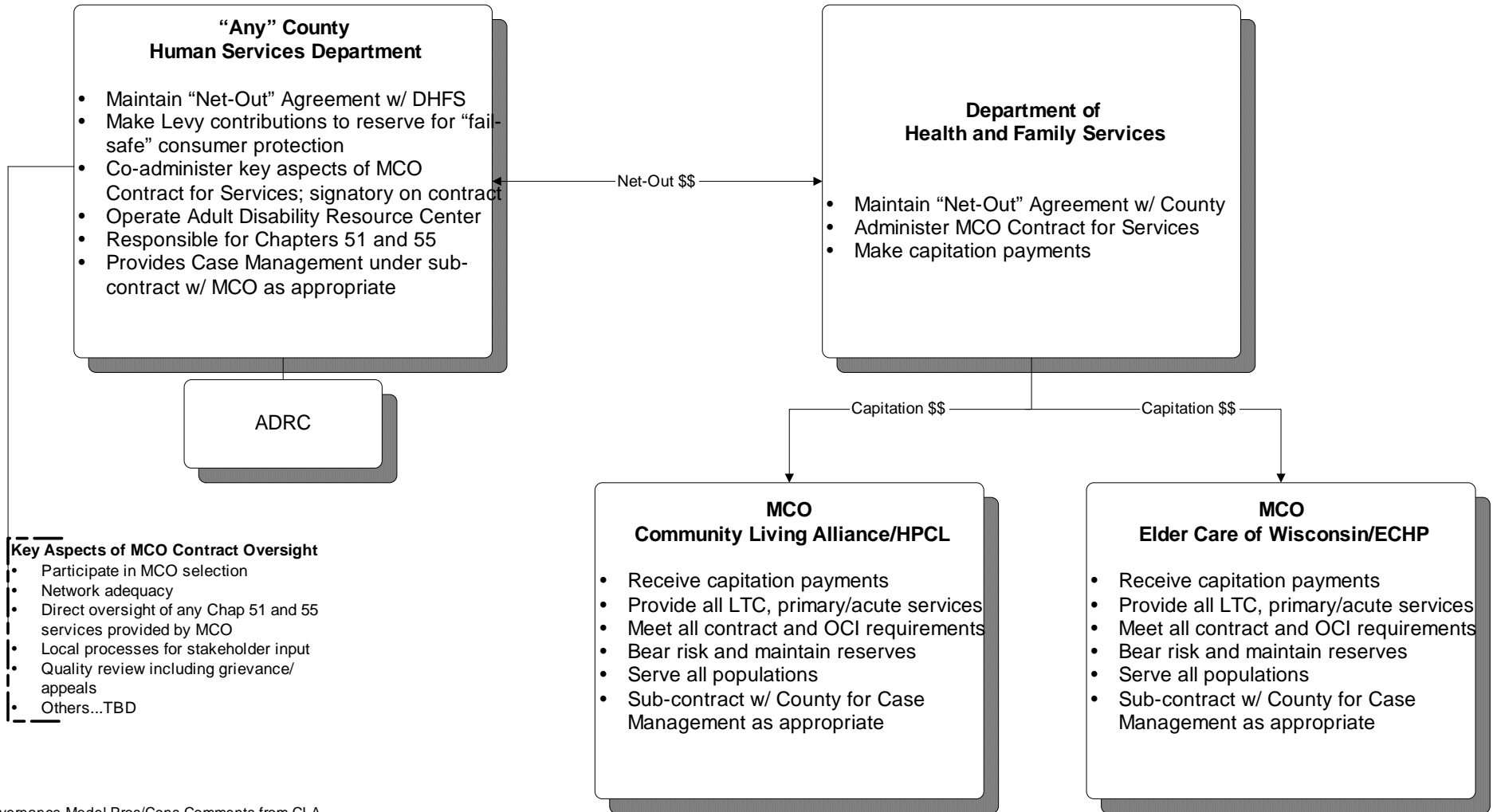


# DHFS - County Co Purchasing Model



DHFS-COUNTY Co-Purchasing Model

PRO

1. Provides county with greater direct “purchasing” control over the design, operation, evaluation and evolution of a coordinated county HS system
2. Assigns county the role of operating public processes for local stakeholder input
3. Provides county with control over local levy, community aids and net outs – county does not automatically cede these funds to a private MCO
4. Gives the county a “gatekeeper” role in determining which MCOs participate in the local system - county can withhold signature if it has concerns about a particular MCO
5. Eliminates county responsibility to establish risk-adjusted sub-capitation rates for sub-contractors – complex and costly process (e.g. actuarial studies)
6. Eliminates requirement that county would have to become an HMO to integrate LTC and primary-acute health care services; or Medicare Advantage Plan / SNP to serve dually eligible recipients
7. Builds on the managed care infrastructures / expertise already present in the operation of the Wisconsin Partnership models at CLA and ECW
8. Would most easily reach goal of facilitating the integration of primary / acute health in a new system – as CLA and ECW have authority to insure these services as licensed HMOs
9. Provides mechanism for better integration of other mandated services in the overall system – e.g. court ordered placements, income maintenance
10. Facilitates continuum and integration of other managed LTC programs offered by ECW and CLA – including SSI managed care, managed care for dual eligibles and Medicare SNP products
11. May provide better public financial support for “growing the system” and provide a “fail safe” system if individual providers “fail”
12. Provides a structure that may be more acceptable to some advocates and constituencies
13. Provides option for county and DD system to develop a separate MCO to meet unique challenges of bringing that system under managed care
14. Potential to spread the risk between county and private providers (CLA and ECW)
15. Achieves maximum degree of separation between the ADRC and the MCOs
16. Potential for application in a wider region on a county-by-county basis which may be attractive to DHFS

CON

1. DHFS may have a quarrel with some features of model (e.g., Pro #3; and role of county as co-signatory), or legal / regulatory barriers may prohibit other parties from entering a DHFS contract as a co-purchaser.
2. Design of MOUs / contracts between county and MCOs is potentially complex (e.g. defining any collaborative risk sharing or responsibility for risk reserves between the parties; defining conditions under which county might withhold signing master contract with DHFS or withhold / reduce local contribution; establishing equitable remuneration for new county administrative / infrastructure costs
3. May create some redundancy in administrative functions between the county and the MCOs
4. Assumes county is willing participant in net-out of community aids funding and/or levy contributions, which may not be the case