Managed Care Benefit Options - DHFS Expectations

Excellent efforts are under way in consortia around the State to plan for long-term care reform to bring more long term care under management, to eliminate waiting lists and to provide consumers more choices about their care and living arrangements. DHFS will issue a Request for Proposals to begin the contracting process in the various regions as the planning groups in those regions indicate their readiness to respond to an RFP. The first such RFP is planned for later this summer. Several planning groups have asked which kind of managed care program the managed care organization (MCO) should be prepared to offer in order to be well positioned to receive a contract when the State issues an RFP. Also, some individuals and organizations have expressed a need for DHFS to be very clear with the planning groups what the State expects from them as the outcome of the planning efforts that are currently underway. In several areas, there is concurrent expansion of the SSI managed care, and many questions have been raised about how to integrate or coordinate these two efforts.

In accordance with the Governor's direction, we are committed to the goal of having Family Care available statewide in five years and accordingly have asked planning consortia to consider how to bring Family Care to your region. As our planning documents indicate, where it is feasible and desired by the local planning consortium, we are also open to proposals that go beyond Family Care by incorporating acute and primary care into a benefit package along with long-term care.

As an overall guidance to the planning consortia, we want to clarify that all regional plans should anticipate offering the Family Care benefit through one or more MCOs. Any new MCO that plans to offer Family Care can expect to receive a contract if it proposes to serve an area that includes sufficient persons to assure its long run financial viability and meets all the other contracting and certification requirements. We will soon issue guidance on planning to meet certification requirements.

There are planning groups that are considering the possibility of offering a fully-integrated Medicaid benefit package by adding all other Medicaid State Plan services to the Family Care benefit package. While there is no expectation that every regional plan will include one or more MCOs interested in or able to integrate acute and primary care into its benefit package, the State does welcome such options. Such an option could be especially beneficial in areas that also operate SSI managed care so that a person with a disability who becomes eligible for long-term care could have his/her acute/primary care managed through one entity. However, planning consortia interested in offering a fuller integration of benefits should keep in mind several issues:

- The Department is willing to assist your planning to include acute and primary care services into the benefit package. However, no preference for such proposal will be included in scoring for the initial Requests for Proposals that will solicit MCOs who want to expand Family Care to additional parts of the state.

- The Department does not currently have federal authority to operate a fully-integrated Medicaid program that incorporates long-term care and acute/primary care into one benefit package. We believe such authority could be secured from CMS. However,

obtaining CMS approval may require additional time. We ask that any MCO or planning group that wants to offer a fully-integrated Medicaid benefit make its interest known to us formally in a letter as soon as it has been decided by the planning group for our planning purposes and possible discussions with CMS. However, because of the issues that need CMS decision, it may be most feasible for interested planning groups to plan for offering the Family Care benefit initially and plan for later enhancement if it proves feasible.

- In most regions, it appears viable to offer Family Care as a stand alone benefit and a fully integrated option. This may not be the case in every region, however. We would like to have dialogue early with any region that is interested in offering only a fully integrated benefit in light of our goal for state Family Care as an option.

- The Department believes it has the administrative infrastructure to support a fully integrated Medicaid benefit because such a benefit package would be very similar to the Medicaid portion of the Wisconsin Partnership Program.

Several planning groups have indicated an interest in offering both the Family Care benefit and the Partnership program that fully integrates Medicaid and Medicare services into a single benefit plan. The State also welcomes such plans. The State's initial Request for Proposal will include the opportunity to offer both programs if a Medicare Special Needs Plan (SNP) is a partner in the proposal submitted. A SNP will be required beginning January 1, 2007 for MCOs offering Partnership under provisions of the Medicare Modernization Act.

We trust that this guidance is helpful. If you have any additional questions, please contact Judith Frye at fryeje@dhfs.state.wi.us.