

Planning for Change in Long Term Care

1202 Northport Drive, Madison Wisconsin 53704 608-242-6200, FAX 242-6531

LONG TERM CARE PLANNING

STEERING COMMITTEE

October 5, 2006

Present: Todd Costello, Craig Dupont, Ken Eimers, Theresa Fishler, GP Foster, Fran Genter, Ginny Graves, Lynn Green, Ken Hobbs, Charmian Klyve, Owen McCusker, Karen Musser, Tom Perry, Dan Rossiter, Theresa Sanders, David Sievert, Jennifer Thompson, Alexa Butzbaugh, Steve Hare, Kathleen Luedtke, Judith Frye

Call to Order: Genter called the meeting to order at 9:00 a.m.

Genter introduced Judith Frye.

Local investment was discussed. The new WCA/WCHSA proposal requests the County contribution would be reduced to 22% of each County's Basic County Allocation, instead of the full County contribution for 2005 waiver programs being required. The proposal requests to move into that level of contribution over a 5-year period. In the 1st year, the County contribution would follow the person as they move into Family Care. The 2nd, 3rd and 4th full years of operation, the County contribution would be brought down by 25% each year. By the end of the 5th year, funding would be only from BCA State aid to the County. At the end of 5 years, County property tax would not be in play any more. Frye stated that Secretary Nelson is very interested in the proposal and intends to present it to Governor Doyle for forming his budget proposal to the Legislature. The results will be known some time in June when the State budget is adopted. The original County contribution is \$95 million. If the WCA/WCHSA proposal is fully implemented, we will get \$41 million out of BCA leaving the Counties with \$53 million in property tax relief. The 5-year sequence begins the year the County begins with either current contribution or 22%, whichever is lower. The proposal should leave Dane County with \$16 million and Rock County with \$1.6 million.

Genter fears that Dane County DD clients won't be served up to the level they are currently served. Frye responded that Family Care begins with one individual, focuses on outcomes of individual wants and needs, and puts a care plan together that addresses those outcomes. She noted that outcomes are not to be defined as services, rather they are "meaningful days" for individuals like not being isolated, participation in the community, employment experience, etc. In pilot Counties, Family Care has expanded the provider network and choice options. She stressed that services will be tailored to each individual and the outcomes they want for themselves. Waiver programs have been limited in the amount of funds available, so managers and supervisors have made decisions about services provided rather than consumers and guardians making their own decisions. Family Care statutes require consumer participation.

Green commented that people should understand that the system is going to be different but it will still be good quality and have good outcomes. The DD community in Dane County has been partnering with us and accepting the idea of change. Congregate living and different employment options will be studied. Frye pointed out that one of the big differences is there will be no waiting lists, services will be more individualized, more cost effective, there will be more flexibility in applying funds, and services will get to the right person at the right time in the right place.

A Joint Project of Community Living Alliance, Inc., Dane County Department of Human Services, Elder Care of Wisconsin, Inc. and Rock County Human Services

McCusker expressed concern about the three systems (elderly, physically disabled, developmentally disabled) being at very different levels of readiness. He feels that the issues in DD are slowing the pace for redesign. CLA has already created a system for physical disabilities and ElderCare for the elderly population. They have considerable managed care experience and he worries that the planning process is losing ground in these areas. He wondered if the State would abide a process where there is a separate track for DD or do all areas have to be transitioned at once. Frye responded that the State was assuming that there would be two different tracks in Dane and Rock Counties, then they heard concerns from the DD community about getting left behind. The State is not requiring the planning process to address all target groups on the same time schedule. The planning group has to decide what will work best.

Green feels that tremendous progress has been made in the last few months. Since DD will be behind by a year or less, we have been working toward a model that includes DD. Hobbs added that including DD in the planning process has lessened the fear initially felt in the DD community.

Sanders asked if there has to be one governance model for all three populations or could there be different governance models, CMO's, etc. Frye noted that the proposal from Dane County was for two different planning processes and two grants. Since the State didn't have money for two grants, Dane County was to address all groups as they are able. The planning group needs to look at all the options and weigh pros and cons. She added that the State is prepared to see CLA and ElderCare roles expand.

There was discussion about acute and primary care. Frye stated that when acute and primary care are added, the Insurance Commissioner's office will become involved. A publicly operated HMO needs to fall under non-stock corporation provisions of the statutes. Reserve requirements, which can be very substantial, would be controlled by the Commissioner under their rules and regulations.

ADRC funding was discussed. Frye explained that the State had to make an estimate for the 2007-09 budget, so some models were developed and assumptions made about who was likely to begin in the next biennium. Funding depends on readiness. The budget assumes that the ADRC will start operating at least two months before managed care enrollment begins. There is no start-up money for ADRC's; however, a request has been forwarded to DOA and the Finance Committee to allocate income augmentation funds not yet committed to any purpose. Some of this may be used to fund ADRC and new CMO start-up costs. The State will work on funding with planning groups if it is needed to move forward.

Klyve suggested that the system developed cross populations. We should look at the individual and not what their disability is or how old they are. Frye responded that it doesn't matter which CMO a person is enrolled in for the Family Care benefit. Part of the problem with waiver programs is that benefits are different in each program. Family Care expands services for consumers giving them more choices. Musser added that appropriate members for an individual's team should be selected based on consumer needs and desired outcomes.

Foster asked about administrative costs and what happens if they end up higher than 6.25%. Frye responded that the rate is based on experience of existing CMO's, and serving a larger population usually results in a lower percentage of administrative costs overall.

Foster asked how the capitated rate for Dane and Rock will be developed. The State looks at who is enrolled through functional screen information, the cost of Family Care across the five Counties it has been implemented in, and then using regression techniques, a rate is developed using the number of ADL's. The rate is built one person at a time and averaged. It is adjusted with a regional factor driven off of wage data from BLS. The State expects to do Dane's the same way, but there will be more factors

due to the high cost of the current service delivery system. One capitated rate is developed for each CMO.

ADRC firewalls were discussed. The fundamental issue is that the ADRC performs options counseling without bias. There must be quality oversight of ADRC's to make sure they are not steering people to any one CMO without taking individual needs into consideration. An ADRC can be operated by the County with a County Committee or Board as the governing board. Frye recommended looking at the separation that exists on the organizational charts of counties that currently have ADRC's.

Summary:

- Dane County and Rock County must remain a region. Rock County cannot be left out on it's own; there's not enough people and too much risk.
- Within a region, there can be multiple CMO's.
- CMO's can be public or private or a combination of public/private. There cannot be two public CMO's.
- It is possible to have a CMO for each population.
- It is possible to have a private and County CMO to serve different populations.
- Any CMO needs to be multi-County.
- There needs to be a compressed time when all populations come under managed care.
- The planning process needs to result in a plan for all populations; however, implementation can be at different times. If WCA/WCHSA proposal prevails, the longer we wait on the DD population, the longer property tax relief is on the table.
- ADRC dollars can be applied for in the biennial time period. Readiness is the factor. The application and start-up process must be tied to the timing of starting enrollment in managed care.
- The planning process will highlight need for statutory changes.
- The State is open to discussing perceived problems with Family Care.

Approval of Minutes: Postponed

Subcommittee Reports: Postponed

Timeline Discussion: Postponed

Other Business: Green reported that a leadership team has formed and are proposing that the Steering Committee meet once a month rather than bi-monthly. Also, representatives from Dane and Rock are meeting separately to figure out County roles and challenges. Sanders asked if they would report to the full Steering Committee. They will.

Next Meetings: November 2, November 30, December 28 - 10:00-12:00 – Job Center Ballroom

Meeting Adjourned: 11:07 a.m.

Recorded by Dawn MacFarlane

Note: These minutes are the notes of the recorder and are subject to change at a subsequent meeting of the committee.