

**MINUTES OF THE
HEALTH & HUMAN NEEDS COMMITTEE, HUMAN SERVICES BOARD,
LONG TERM SUPPORT & AREA AGENCY ON AGING
Thursday, July 24, 2008**

HHN Members Present: Shelia Stubbs, Barbara Vedder

HHN Members Absent: Eileen Bruskwitz (excused), Dorothy Wheeler (excused)

HSB Members Present: Addie Pettaway, Nell Mally, Tom Stoebig, Barbara Vedder

HSB Members Absent: Peng Her, Kurt Schlicht

LTS Members Present: Dale Bruhn, Derick Pearson, Judith Hunter, Kathleen Nichols, Laurine Lusk, Barbara Vedder

LTS Members Absent: Deborah Garrett-Thomas, Sue Petkovsek

AAA Members Present: Duane Gau, Robert Herbst, Judith Hunter, Shelia Stubbs, Esther Olson

AAA Members Absent: Dorothy Wheeler, Ashok Bhargava, Joyce Boggess, Elaine DeSmidt, Judith Wilson

Staff and Others Present: Lynn Green, GP Foster, Fran Genter, Barb Thoni, Jean Kuehn, Theresa Sanders, Adam Strom, Jason Glozier, Steve Verriden, Kathleen Luedtke, Jan Bohn, Mary Pike, Janie Riebe, Jennifer Fischer

Call to Order: Sup Stubbs called HHN to order as a subcommittee at 5:45 p.m. AAA was called to order as a subcommittee at 5:45 p.m. Mally Called HSB to order as a subcommittee at 5:45. Nichols called LTS to order at 5:45 p.m.

Public Comment:

Steve Verriden and Jason Glozier from WI ADAPT registered in opposition to Family Care.

Adam Strom from SOAR Case Management Services and Adult Mental Health Coalition registered as available for information only.

Chair's Report/Announcements: Sup Stubbs informed committee members that there is a vacancy on Health and Human Needs due to Sup Worzala becoming County Treasurer.

Family Care District Model Presentation by Jim Canales, Director, Community Care of Central Wisconsin:

Handouts were distributed. Canales presented a history of Portage County's experience in Family Care. They were one of five pilot counties that began Family Care in 2000. A Transition Planning Committee including County Board Supervisors was formed. He gave the following statistics for Portage County Family Care:

- 1) Enrollment has increased from 220 to 970 over eight years.
- 2) The population being served currently is 44% elderly, 33% adults with developmental disabilities, 23% adults with physical disabilities.
- 3) 64% are women, 43% are age 18-59, and 31% are 80+ which is the fastest growing population in women.
- 4) 40% have a secondary diagnosis of mental illness.
- 5) 67% live in their own home or apartment; 9% live in adult family homes; 17% live in assisted living, mostly CBRF's; 6% live in institutional settings (nursing homes). State centers are used on occasion for short-term placements.
- 6) The provider network has grown from approximately 65 to 300 since 2000.
- 7) The budget has grown from about \$5½ million to \$30 million.
- 8) The CMO was Community Care of Portage County.

Canales discussed the timeline for transitioning Family Care from one county (Portage) to regional (3 counties – Portage, Marathon & Wood):

- 1) In 2005 planning began for expansion into Marathon and Wood Counties. The State issued an RFP in late 2005 for a Family Care planning grant. The three Counties responded and received a \$250,000 planning grant in January 2006. Portage County separated Family Care into it's own Department. Canales explained the planning grant process and the differences between planning for one county versus planning for three counties. The three counties had five departments involved. Wood and Marathon had separate disability boards and social services whereas Portage County operated both from the Human Services Department. Transition Planning Committee membership included two County Board Supervisors from each County and the Directors of each of the five departments. They focused on governance whereas other consortiums spent more time on the nuts and bolts of Family Care.
- 2) The Family Care District Model created in 2000 was designed for a singular county, not a regional entity, so an Intergovernmental Agreement (IGA), s. 66.03.01, between the three counties was signed allowing municipalities to

merge services together. Throughout 2006 the Board worked with Atty Dietrich in crafting the IGA to deliver Family Care benefits.

- 3) Both Portage and Marathon Counties had operating ADRC's. In 2005-06 the Marathon ADRC merged with the Wood County Aging Unit to form the ADRC of Central Wisconsin through an IGA.
- 4) A part-time project coordinator was hired in October 2006.
- 5) March 2007 - The Transition Planning Committee recommended the IGA to all three County Boards, which passed and created Community Care of Central Wisconsin (CCCW) Board of Directors which replaced Community Care of Portage as CMO. At that time, consumer representatives were invited to help with planning and Department Heads backed away. Canales was appointed project mgr for this new board to look at operational issues.
- 6) The three County Boards chose a public model over a Partnership site or public/private partnership. Accountability remains in the public sector and County Boards appoint members to the Long Term Care Board of Directors. In Partnership and private entities there would be no public oversight.
- 7) In 2007, CCCW responded to the State RFP to operate a Family Care District. The success of Family Care in Portage County and the strengths of Marathon and Wood County were highlighted. A three-year business plan was created. Implementation was scheduled for early 2007.
- 8) Kathleen Luedtke, State Department of Health Services Family Care Representative, explained that in the fall of 2007 Family Care District language changed to Long Term Care District. Improvements were made in benefits for county employees who chose to work for the MCO. She also noted that the State waits to issue a Family Care RFP until groups that received planning grants indicate they are ready to bid. State procurement requires that bids be open to the public, so planning groups do not automatically get the contract.
- 9) At the end of 2007, the RFP was completed to operate CCCW as the MCO. It was approved by the State of Wisconsin but then was held up by the State budget. The State budget passed in October approving Family Care expansion dollars. At this time, Long Term Care District language came into play and Family Care language was eliminated. LTC is more specific to how organizations operate including the role of the board, chief executive officer, and also spoke specifically to county employees in LTC and how they would be treated if they decided to work for the new managed care entity.
- 10) November 2007 – Since the planned implementation date passed, the start date was changed to April 2008. The three counties did some planning on their own. The Long Term Care Board decided to recommend to the three County Boards to change from an IGA to a Long Term Care District which releases Counties from fiscal liability but also limits their authority. A new resolution was drafted which passed all three County Boards. Canales explained some of the benefits for employees who choose to work for the MCO under a Long Term Care District model. It requires the MCO to offer the Wisconsin Retirement System as a benefit, to recognize years of service and also requires the MCO to offer a similar health care package.
- 11) March 2008 – The IGA was dissolved and the Long Term Care District model began. A new Board of Directors was appointed, bylaws were developed, and Canales was hired as the CEO as of May 1. He was responsible for getting the MCO running by July 1.
- 12) June 30, 2008 - Community Care of Central Wisconsin (CCCW) replaced Community Care of Portage County as CMO for the Long Term Care District.
- 13) The LTC District will be operational in Marathon County on November 1, 2008, and Wood County on January 1, 2009. By the middle of 2009 all participants in home and community based waiver and COP programs will have transitioned to Family Care or have chosen to stay with their card services.
- 14) Start-up costs include increased Management Team, new office sites in Stevens Point, Marshfield, Wausau and Wisconsin Rapids and information technology set up at all sites. They expect to use \$750,000 out of the risk reserve for start-up costs, so they need to bring members in as quickly as possible.

Questions:

- 1) Sup Gau questioned who would be fiscally liable if the County is not. It is the responsibility of the Board of Directors of the MCO to manage their dollars wisely. If they could no longer operate as the MCO, the State of Wisconsin would have to find someone to replace them and serve all members they are currently serving.
- 2) Sup Gau asked where the MCO budget comes from and what bonding authority. Revenue sources are from a per member per month capitation payment received from the State for each member that joins the organization. There is also some revenue from cost sharing room and board and through investments. When Portage County ended their program on June 30 and CCCW started July 1, the risk reserve requirement was \$2.5 million. Over \$6.9 million was rolled over to CCCW. Risk Reserves are needed to cover bad years and to pay providers if the MCO runs into significant financial problems until the State finds a replacement.
- 3) Sup Vedder asked for an explanation of capitation rate. Every time someone joins, CCCW receives a per month per member payment from State/Federal (40/60 split) money. There is no county funding involved. Risk reserves can be built with that money as well. When questioned about capitation rate being enough to cover expenses, Canales pointed out that Portage County has operated for eight years with very few appeals. They were able to resolve most grievances before a formal process.

- 4) Sup Vedder asked for clarification on counties giving up their oversight. The Board of Directors of CCCW has oversight and the full authority to make decisions about the operation of CCCW. The County Board's only authority is to appoint members from their respective counties. The County Board Chair, the County Executive or County Administrator appoints three voting members from each county. Appointed members are entrusted to make the best decision on behalf of their county. They are the policy making body and are not involved in operations.
- 5) Sup Vedder questioned whether a County Board Supervisor could do anything to help a constituent under a LTC District. The Supervisor could bring the issue to the Board of Directors which would direct the Member Services Representative to address the issue.
- 6) Genter asked Canales to describe required membership on a Long Term Care District Board. There is a requirement for 25% consumer representation and there is no requirement to appoint County Board Supervisors.
- 7) Hunter expressed concern about responsibility for debt if funding gets cut. It is ultimately the State of Wisconsin's responsibility to serve members. If the CMO would foresee going out of business, the risk reserves would be used to serve consumers until the State takes over. Canales pointed out that the information technology system allows daily reports on the financial situation.
- 8) Hunter asked if the capitation rate gets cut, would services be reduced. Canales responded that it is CCCW's responsibility to figure out different ways to deliver services and keep within the capitation rate. If the rate would be cut, possibilities for reduction could be less money for vendors or less staff salary and benefits. As a LTC District, there is more flexibility in these areas. Luedtke added that federal law requires the capitation rate to be actuarially sound. It is set by a non-governmental organization based on historical costs for providing care, geographic areas, an individual's functional needs, acuity of members, etc. If Federal or State didn't have the funds to cover the set capitation rate, they would still have to do things in actuarially sound ways. For example, the Federal Government could change eligibility for Medicaid or not cover certain services. The State won't pay a rate that doesn't meet service costs. Green noted that CLA is an example in Dane County of an organization where the risk reserve went below the State requirement, so the program was closed and risk reserves used to cover services in the interim while the State found another agency to provide services.
- 9) Mally asked if all three counties were required to give local contributions to the State. Portage County gave 22% of their local contributions eight years ago, but now there is a different formula. Green explained that the first five pilot counties started where we end up after a 5-year spend down. Legislation was changed so we start with actual local contribution in 2006 and spend down over 5 years until we get to 22% and that's where it stays. Marathon County's local contributions of \$3.6 million and Wood County's of \$1.1 million will be given to the State but the tradeoff is that there will be no waiting lists. Currently Marathon has over 500 and Wood has 150 on waiting lists. In two years, they will all be served.
- 10) Mally asked about getting certified to be a MCO and whether it is like an insurance company. To become certified, you must complete a 125-page contract; draft a 3-year business plan; have a provider network with the capacity and adequacy to serve all members as well as offer choice; have a trained staff of interdisciplinary team members who will be evaluated by the State regularly; and have a business and information technology system that will work on a regional basis. You have to prove to the State that you're ready for the responsibility. Family Care is about quality. MetaStar is the external quality review organization. Luedtke noted that the contract can be viewed on the Family Care website under program operations.
- 11) Nichols asked for a comparable user profile for Dane County. Canales responded that different populations have experienced a very distinct difference in cost per member per month over 8 years. On average, elderly are costing 1850/mo; PD \$1450/mo; and DD \$3400/mo.
- 12) Sup Stoebig pointed out an article in the Isthmus where Canales was quoted as saying there are no sheltered workshops in Portage County and those clients that choose that option are transported to a neighboring county's sheltered workshop. Sup Stoebig questioned how that would be cheaper considering Para transit costs. Canales explained that in the late 80's DVR had systems change grants to help counties begin changing from sheltered employment to community-based employment. Portage County received this grant and closed their sheltered workshop. Therefore, the old system didn't offer the required choices for Family Care, because it didn't offer sheltered employment. 20 members who live in the western part of Portage County chose to go to the Occupational Development Center in Wood County. A specialized transportation coordinator was contracted.
- 13) Sup Stoebig asked if there was financial concern about the large exponential growth when Marathon and Wood Counties join in. Canales responded that by the end of 2009, there will be 3200-3500 members served per day by CCCW. Currently there are 970. The budget will go from \$30 million to \$100 million, staffing will go from 75 to 200 employees, and from one office site to four office sites. He feels strongly that the capitation rate will cover costs.
- 14) Pettaway asked if LTC District employees are unionized. They are right now – the business staff by AFSCME and the professional staff have representation as well although some staff are not represented. The LTC Board will discuss this issue in closed session and negotiations will be forthcoming.
- 15) Herbst asked about the legal status of CCCW. It is not non-profit or an LLC – it's a municipal government Long Term Care District recognized by the State as a governmental entity. It is a public authority required to be audited.

The State has CPA's specifically for Family Care audits. CCCW hired a controller specifically for handling audits as well.

- 16) Stubbs asked for clarification of what "the Department" refers to in the handouts. It refers to the State Department of Health Services.

Canales concluded by saying that members are surveyed frequently and are satisfied, they have had quality results from MetaStar reviews, they have stayed in the black for eight years, and the County Board is happy with Family Care. He offered his phone number for people to contact him with questions and gave the CCCW website: communitycareofcentralwisconsin.org.

Green suggested members send further questions to Jean Kuehn who will take them to Canales and publish them with answers and distribute to all committees.

Further Questions were addressed to Lynn Green and Kathleen Luedtke:

- 1) Sup Gau expressed concern that if Dane County became a Long Term Care District, we would become a donor to other areas of the State. He is concerned about Federal and State funding levels decreasing and feels Dane County will be a loser in dollars over time. Green explained that if Dane County goes with the District Model, an entity is created that is not part of Dane County government, so Dane County would not have any responsibility to target populations except for things not covered under Family Care, i.e., Mendota inpatient stays and adult protective services. If a person is MA eligible and eligible for Family Care, they become the responsibility of that entity and the county can refuse to serve them. Counties are not allowed to enhance capitation rates. Based on an outside study, the money coming into the entity to serve the three populations may be lower per person per capita on average than currently in Dane County. Luedtke said that Dane County would not be donating to the whole. No money is diffused out to other counties.
- 2) Stubbs requested that members bring questions to their respective Committees and the Chairs will meet to consolidate questions with Jean and Lynn, so all questions could be sent to Jim for answers at one time.
- 3) Sup Vedder asked how the LTC District model differs from having services be privatized. If Family Care were privatized, the money would go from the State to the private entity and they operate it. One major difference is the County Board appoints the Board of Directors in a LTC District.
- 4) Herbst asked if the State has any reserve that would cover the capitation rate or another source of revenue in case the Feds would cut. Luedtke responded that the State is part of the MA program, which has reserves. Family Care will be statewide by 2011. It will be a \$2.6 billion operation serving 52,000 people.
- 5) Sup Stoebig asked Green about human resource challenges in Portage County. They relied on County employees as providers of service. In contrast, Dane County relies on POS agencies, some of which are represented by SEIU. Green added that staffing needs for the ADRC are about the same number of staff currently working in the Department in the long-term care area.
- 6) Sup Stoebig asked again if the \$19.5 million in Dane County overmatch would be used to fund Family Care in other parts of the State. The buy-down was explained – Dane County would give the State \$19.5 million the first year, then 25% less each year for the next four years until it reaches 22% of Community Aids which would be paid yearly. Luedtke pointed out that actual costs in Dane County Family Care capitation payments could cost the State. The State won't necessarily be coming out ahead

Adjournment: Meeting adjourned at 7:40 p.m.

Next Meeting: July 29, 2008, 5:00 p.m., CCB 309, Joint with HSB

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.