

**MINUTES OF THE
HEALTH & HUMAN NEEDS COMMITTEE, HUMAN SERVICES BOARD,
LONG TERM SUPPORT & AREA AGENCY ON AGING
Tuesday, September 23, 2008**

HHN Members Present: Shelia Stubbs, Barbara Vedder, Eileen Bruskevitz, Dorothy Wheeler, Elaine DeSmidt
HHN Members Absent:

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

LTS Members Present: Dale Bruhn, Deborah Garrett-Thomas, Judith Hunter, Laurine Lusk, Barbara Vedder
LTS Members Absent: Derick Pearson, Kathleen Nichols, Sue Petkovsek

AAA Members Present: Elaine DeSmidt, Judith Hunter, Shelia Stubbs, Dorothy Wheeler, Duane Gau, Esther Olson
AAA Members Absent: Ashok Bhargava, Joyce Boggess, Judith Wilson, Robert Herbst,

Staff and Others Present: Lynn Green, GP Foster, Barb Thoni, Jean Kuehn, Theresa Sanders, Janie Riebe, Kathleen Luedtke, Dyann Hafner, Dave Ogden, Al Schmitz, Richard Berling, Heidi Poysa, Dee Truhn, Mary Pike, Marni Roeniotos, Mark Lederer, Ken Donnelly, Rita Giovannoni

Call to Order: Sup Stubbs called HHN to order at 5:45 p.m. Gau called AAA to order at 5:45 p.m. Mally called HSB to order as a subcommittee at 5:45 p.m.; quorum reached at 6:30 p.m. Bruhn called LTS to order at 5:45 p.m.

Public Comment: Mally gave a definition of cascading algorithms and distributed a handout.

Chair's Report/Announcements: None

Family Care: Capitation Rate Presentation – Milliman Inc.: A handout regarding Statutes was distributed in preparation for the next joint Family Care meeting. A copy of the Milliman Power Point presentation was distributed. Jean Kuehn introduced David Ogden and Al Schmitz from Milliman, Inc. Their presentation included information on how capitation rates developed and provided an overview of the study they conducted for Dane County. Ogden began with a history of rate development. He explained that Milliman was the actuary for the State when Family Care began in 2000 but are no longer serving in that capacity. The 2000 rates were based on prior fee-for-service experience with adjustments. In 2002 they moved to an experience-based model. Schmitz explained rate development for 2008. Actual data from the original five counties is used and adjusted for variables. He gave examples of statistical models used to develop capitation rates. Sup Wheeler asked how many variables are considered. There are approximately 25 variables in the formula. Sup DeSmidt asked how variables are decided. Information comes from functional screens and the State's actuary decides key variables. Kuehn explained that each individual goes through a team assessment process. Luedtke added that the ADRC does functional screens on new consumers. Schmitz explained R^2 and noted that the State's is 0.4% with 1.0% being perfect.

Family care expansion was explained, and an analysis of Dane and Rock Counties was presented. Schmitz explained that developmentally disabled individuals in Dane County drive a lot of the cost. It amounts to 40% in Dane where it is only 20% in most other counties. He gave examples of other Family Care counties' capitation rates. He stressed communication with the State so they understand the situation in Dane County, what the data means and why it's different, and so the County can have an understanding of the State's approach as well.

Questions:

1. Bruhn asked what the percentages represent under the Dane and Rock analysis examples. It's an estimate for 2008 using 2006 data.
2. Sup DeSmidt asked whom Milliman represents. Milliman is a private consulting firm that works for a lot of different entities. They were hired by Dane County to analyze State data to project costs under Family Care. They don't get paid based on decisions. Luedtke added that the State has to hire an actuary for the Medicaid program and Family Care falls under that, so Family Care has to use the one the State procured. It used to be Milliman until the Medicaid program awarded the contract to Price, Waterhouse, Coopers. She also explained that the capitation rate isn't a County rate; it's an MCO rate. If there is more than one MCO in a County, each would have a rate based on the people they serve.
3. Sup Stoebig questioned why examples were based on 2006 data. Green explained that there is no Family Care expansion in Secretary Timberlake's budget. Her budget only includes cost to continue Family Care in sites implemented by July 2009, but her cover letter contains hope that the Governor's budget will fund expansion. Luedtke

added that DHS was instructed to project and request cost to continue funding and leave new expansion starting next July or later for the Governor's budget. The budget includes 32 Family Care counties and ADRC's, which is 100% state money. The State fully intends to expand Family Care statewide by 2011.

4. Sup Bruskevitz expressed her feeling that the State's R^2 of 0.4% is risky. Schmitz explained that the population of Dane County to be served under Family Care would overstate and others would understate in hopes that it will equal out. Luedtke added that you have to look at how the base amount is calculated. If it's solid, the risk is on variation.
5. Sup Bruskevitz wondered how it would affect the Self Directed Services (SDS) model used by 100% of the DD population in Dane County. Schmitz responded that the DD costs for Dane County are much higher than other counties driven by how Dane County approaches DD services. Green explained that SDS gives consumers the opportunity to choose options, which are more costly than congregate living and sheltered employment. Lusk commented that consumers in outlying counties with significant needs might come to Dane County for better services and asked how often assessments are done. She noted that health and behavioral needs might increase within the DD population. Ogden responded that assessments are done annually for each individual so information is updated and used in capitation rates developed each year.
6. Sup Vedder asked whether the R^2 percentage would go up or down. Schmitz explained that 2007 claim data was used to develop a statistical model and figures from that will be presented next week for 2009. Luedtke added that rates will be presented for all contracted MCO's. The R^2 hasn't varied much, and Luedtke explained that it isn't an indication of how much rates are going to go up but how well the model is working.
7. Sup Vedder wondered why information was presented on Dane and Rock County combined and how it would differ if it were only Dane County. Schmitz pointed out that all of the information is broken out in the appendices. Green reminded members that the full report has been shared with the committees, and analyses were done separately for Dane and Rock counties and combined together.
8. Sup Wheeler asked for clarification of waiver eligibles, wait list eligibles and revenue estimates. Ogden explained that waiver is an individual receiving services, what it's costing now and projected to 2008. Wait list is individuals who would be eligible for waiver but no slots are available. They don't have access to the same services so costs are lower; it's not an interpretation of their need. The revenue estimate is arrived at by using individual assessment information and putting it into the State's capitation model to figure out what they would pay which turns out to be less than Dane County costs. People on the wait list that are not eligible for waiver services would be eligible for services under Family Care so costs are higher.
9. Sup Wheeler asked if Dane County had an MCO contract, would we be getting \$2994 PMPM for everyone being served and wait list individuals? Green explained that functional screens are not done on all waiting list individuals; therefore, people with higher needs might not have had a functional screen. Kuehn explained that the wait list reported to the State are people not receiving any services so the underserved are not represented in this data.
10. Mally questioned whether all three populations are being considered in the figures presented. Yes, all three target groups are included. Mally asked how the figures would change if DD doesn't come into the picture for a year or two. The risk and per capita cost would be different. She questioned whether not including DD would be a higher risk. Ogden responded that the State figures the rate based on population being served, so it shouldn't have a big impact. Schmitz added that it would be a higher risk if the State's model would under predict the costs for DD.
11. Mally asked whether administration costs increase each year. Luedtke explained that administration rates are calculated differently in Family Care vs. waiver programs and it changes year to year. Family Care administration was 5.75% for most counties last year.
12. Pettaway asked how long a person might be on a waiting list before receiving services. Kuehn explained that Family Care requires that everyone be served within two years of starting, so there would be no waiting lists after two years. There were some explanations of how waiting lists are prioritized and reasons that people would move up on the waiting list, i.e., if something would happen to a primary caregiver, the consumer would move up on the waiting list.
13. Pettaway asked how an 18-year-old with special needs would get services. Schools serve individuals with developmental disabilities until they are 21. Green cautioned that there is a difference between DD and learning disabilities, which don't meet the criteria of the DD system. After age 21, DD system providers and staff work to continue employment services that DVR and the schools have put in place, so some plans are high cost. Luedtke added that learning disabled or emotionally disturbed might not be eligible for Family Care either because they have to qualify through the functional screen. Green added that we are seeing a generation of youth who have delays created by the environment/conditions they were raised in and that doesn't meet the definition of DD.
14. Sup Stoebig wondered if a DD client was living with the parents, moved out on their own and then moved back with the parents, how would Family Care capitated rates be adjusted? Green explained that managed care is not case sensitive – people living in parental homes offset people living in more expensive arrangements. The capitation rates are averaged and wouldn't change in this scenario. Luedtke added that the capitation rate is calculated annually effective the 1st of the year. The goal is to have low cost clients offset high cost clients. I
15. Sup Stubbs asked for an explanation of fee for service trends and other factors. Ogden explained that trend is a projection of how costs change over time, i.e., inflation or COLA adjustments. Other factors have to do with the way the population is changing. Luedtke added that trend might include expected wages, cost of healthcare, etc.

16. Bruskevitz asked if Dane County were the MCO and if functional screen changes over time, would we be able to refine factors that go into the capitation rate? There is historical data to base capitation rates on; over time it will reflect changes for outcomes and services provided. Ogden noted that if Dane County continues to provide the same type of service, hopefully the State would build some factors into their rate model to recognize that. Luedtke said that the State has had discussions with Dane County about issues and factors. The next step will be to discuss what approaches would help Dane County proceed. Green stated that Dane County's DD system has a belief that most people with developmental disabilities should be in small living arrangements, not in group homes or adult family foster homes or institutional settings, and in supported employment, not sheltered employment. Trying to sustain that model but find cost efficiencies is becoming very difficult to do.
17. Sup Vedder asked for clarification on whether the DD population will be included in the first year when Dane County goes forward with Family Care. Green responded that decision hasn't been made. The planning grant was for PD and elderly but when the State indicated that DD needed to come on within a year, we determined that it didn't make sense to develop a model that didn't accommodate all three populations.
18. Lusk said that some people are not even on current waiting lists, because they are discouraged by how long it is. She wondered whether there would be a huge influx of people wanting services through Family Care and whether that has been considered. Luedtke responded that anticipated costs get factored in and historically the influx has been 2-4%; however, Dane County could see a different percentage.
19. Hunter gave two hypothetical situations and asked how they would be handled: #1. An elderly person with dementia, not a danger to others but not safe to live alone and poor; #2 An elderly person with dementia that gets angry and could be a danger to self and others and still owns home. Luedtke responded that they would be referred to the ADRC. The client or guardian might decide to enroll in Family Care and receive supportive services in home or may live in a CBRF that serves people with dementia. A service plan would be put together as they enroll in Family Care. If they are not in a Family Care county, they would be connected to the home and family based waiver program. If they are a danger, they would go to the top of the waiting list. If there are safety issues for self and others, someone will get the county involved and court documents for protective service will be completed. In conjunction Family Care will get the guardian and MCO involved to do care planning for the most effective outcomes. If the condition is so severe that institutional placement is needed, such as the geriatric psych unit at Mendota. It is more likely that if 24-hour supervision was needed and there were difficult and challenging behaviors, they would be placed in a CBRF or Nursing Home facility that specialized in dementia care. The care team would find an arrangement, but in the meantime a safe place might be a hospital psych unit for limited period of time. Hunter questioned who would pay under each scenario – the Family Care program or Medicaid. Green responded that Family Care doesn't pay for Mendota so the county would be responsible if people (age 18-64) in Family Care end up in Mendota. Sanders explained the waiver program is set up to meet a financial test and be functionally not able to care for self. If they don't meet those two criteria, they are not eligible for Family Care, so they have to pay for services out of their own pocket until they spend down to eligibility criteria for Family Care.
20. Sup Stoebig asked whether the 25 variables that go into the capitated rate vary from county to county and requested a list of the variables. They are the same for every county and are on the State's website. Kuehn will forward information to committee members. Sup Vedder asked whether items can be added or removed from the variables list. The State reviews it every year, and it can change but has to be approved by the Federal government.
21. Pettaway asked if it would be possible to get more information about Federal contribution to Family Care. Luedtke responded that 60 cents of every dollar is Federal.
22. Sup Vedder asked when they would be meeting on IRIS. It is scheduled for December 16.

Sup Stubbs stated the chairs would meet to debrief and update respective committees.

Adjournment: Meeting adjourned at 7:35 p.m.

Next Meeting: October 28, 2008 – 5:30, Job Center – HHN/HSB/LTS/AAA

Prepared by Dawn MacFarlane

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