

**MINUTES OF THE  
HEALTH & HUMAN NEEDS COMMITTEE, HUMAN SERVICES BOARD,  
LONG TERM SUPPORT & AREA AGENCY ON AGING  
Tuesday, February 17, 2009**

**HHN Members Present:** Barbara Vedder, Jeremy Levin, Eileen Bruskewitz, Dorothy Wheeler

**HHN Members Absent:** Shelia Stubbs (excused)

**HSB Members Present:** Barbara Vedder, Nell Mally Paul Rusk

**HSB Members Absent:** Peng Her, Tom Stoebig, Addie Pettaway

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

**LTS Members Absent:** Deborah Garrett-Thomas,

**AAA Members Present:** Dorothy Wheeler, Judith Hunter, Robert Herbst, Judith Wilson, Esther Olson

**AAA Members Absent:** Shelia Stubbs, Elaine DeSmidt, Ashok Bhargava, Joyce Boggess, Duane Gau

**Staff and Others Present:** Jean Kuehn, Theresa Sanders, Fran Genter, Jennifer Fischer, Judith Frye, Dyann Hafner, Janie Riebe, Barb Thoni, Lynn Green, Marni Roeneotis, Kory Tabor

**Call to Order:** Sup Vedder called HHN to order at 5:35 p.m. Herbst called AAA to order at 5:35 p.m. Mally called HSB to order at 5:35 p.m. Nichols called LTS to order at 5:35 p.m.

**Public Comment:** None

**Chair's Report/Announcements:** Upcoming joint Family Care meetings: February 26, March 17 and 24. Green requested that members forward any unanswered questions to Jean Kuehn as soon as possible so they can be addressed at the February 26 meeting. A hired professional will facilitate the March 17 and 24 meetings. Green expressed her appreciation to Judith Frye for coming to present tonight.

**Family Care: Franchise Model – Judith Frye:** Frye provided information on Family Care proposals included in Governor Doyle's budget. Expansion is assumed to occur in additional counties but at a slower pace in the next biennium. There is an assumption in the budget that Dane County planning will come to fruition and enrollment would begin in January 2011. Until this point, expansion areas had to start on their waiting list in the first month and have them fully enrolled within 24 months. This budget changes that to a 36-month timetable. One exception is that in Milwaukee County enrollment of existing waiver clients would be completed in the first 12 months due to their large numbers, and then they will begin addressing their waiting list. In addition to those on the waiting list, enrollment conditions include: 1) As people leave the program, the MCO can enroll someone to replace that person; 2) Emergencies/court orders and 3) People coming out of nursing homes or from ICFMR's can move into Family Care right away.

Dane County would enroll 1/36<sup>th</sup> of the people on the waiting list each month beginning in January 2011, so the waiting list would be eliminated in three years. The ADRC is responsible for managing the enrollment process. They set priorities and decide who is the most urgent. Emergencies (court ordered), relocations from nursing homes or ICFMR's and replacements do not count toward the 1/36<sup>th</sup>. Dane County has about 1800 consumers to transition into Family Care. As soon as the transition begins, the waiver structure will deteriorate. Frye explained that things change and waiting lists aren't always accurate. She recommended that Dane County try to clean up the waiting list and get people who aren't on the waiting list identified, because when the State establishes the Family Care budget, the number is locked in and the budget is set for the number on the list at that time.

The Franchise Model is a proposal that is just now being discussed. The Management Group (TMG) studied ways that DHS might be more proactive in assisting MCO's and ADRC's. DHS realized that reliance on newly created MCO's or small non-profits that expand very rapidly make them vulnerable. The State wants to support these organizations to insure they are successful so Family Care is successful. The report suggested thinking in franchise terms – not "buying a franchise" but a relationship between the State DHS and MCO's to help them be

successful. For example, each MCO needs an information system for processing MA claims made by service providers. If each MCO negotiated its own deal for a claims processing system or for working with a third party administrator, it would likely be less effective and efficient than if the State were to take the lead and find a third party administrator that has a claims processing system that every MCO can use. There are 55,000 consumers with potentially multiple claims every month. If the State negotiated a favorable price with a third party administrator, all MCO's could contract with them. Nichols questioned whether it would be mandatory. That hasn't been decided, but each MCO would only be allowed enough to cover the cost of the preferred contract. WPS contracts for \$19/member/month and by surveying MCO's, it was found that some are paying up to \$30/member/month. As DHS explores ideas like going with a single claims processor, they will collaborate with counties and take concerns into consideration. DHS believes they need to collaborate with MCO's to provide infrastructure such as training programs that consistently produce skilled care managers, nurses and social workers that understand the Family Care model and can help members develop a plan and access services. The MCO's would need to do the training but the State would provide materials and insure that training is completed. One of the critical considerations is making sure Family Care is a high quality program in every part of the state – no matter where you go, you get the same quality services from any of the MCO's. We need to be more proactive to maintain quality and consistency over the long haul.

### **Questions/Comments:**

- Thoni asked whether it would be possible to receive funding for the ADRC more than two months prior to beginning Family Care. Some bigger counties are given a little more time; however, the Governor's budget assumes the same cost model spending as in this biennium, so there's no increased funding for ADRC's. DHS works with every county individually through its issues. Dane County would need to negotiate with the State if it wanted more than two months of ADRC start-up time.
- Sup Vedder asked whether the economic stimulus package would provide any money for Family Care and whether it would affect the timeline. The Governor's budget as presented takes into account everything they believe the stimulus package includes for the State. There are significant reductions in programs that will affect county funding.
- Mally asked about IT issues other than claims processing. DHS plans to research the marketplace to find the IT supports that MCO's need – supports for care managers, records assessment screens, feeds into authorizing services, identifying authorized services and making sure payments are made promptly. Vendors interested in developing a system that every MCO could use to do care management support and interface with business activities (accounting, provider contracts, etc.) will be consulted. DHS would like to find a business that wants to contract with us to use their system or several businesses with different pieces to address all areas of need. The contract would be for service rather than purchase, so the responsibility for future development is with the contracted company. Plans are to issue an RFP by the 1<sup>st</sup> of the year to work on securing system that all MCO's can take advantage of. Nichols asked whether there's a company out there who knows the elements we need. Frye responded that there's been a lot of investment in IT systems during the development of Family Care, and a lot has been learned. IT professionals say it's feasible.
- Sup Bruskewitz spoke about the SDS Outcomes Subcommittee and the PEONIES program. She asked whether Dane County could provide representatives to participate in the development of this program even if Family Care hasn't begun in Dane County. Frye responded that the process has always been to work with MCO's. Workgroups that involve state staff and representatives from all MCO's for collaboration are created for every topic. Sup Bruskewitz noted that PEONIES still has to go through the validation process for reliability, and members of the DD area could be a valuable part of this process. Frye explained that the validation process involves doing a large number of interviews, and then research partners have a validation plan put together. Funding was added to the budget to do interviews and support the analysis. Sup Bruskewitz knows of POS agency staff that would like to be trained in the PEONIES questionnaire and wondered whether staff from agencies could be included. Frye feels the most important part of PEONIES for Family Care is to train care managers, identify outcomes, and figure out what that person cares about. DHS wants to put systems in place that focus on outcomes. There is a lot of value in PEONIES that will appeal beyond Family Care. Sup Bruskewitz noted that the SDS Outcomes group has been meeting for 18 months and don't want to wait until 2011 to participate. Frye indicated that she would have someone call Sup Bruskewitz to pursue this further.
- Genter expressed concern that in a franchise frequently so much of what you get as a consumer is the same. He feels like it would be very prescribed, and there wouldn't be room for innovation. Frye responded that isn't the intention. DHS does want to insure the basic Family Care model is the same everywhere so that

people get high quality, person-centered, outcome-based care uniformly. On the other hand, everyone must be treated as an individual with their own individual outcomes, so they are able to live their lives the way they want to. The State wants to guard against any MCO trying to reduce budgets for high-cost members. Everybody gets a choice of services and service providers, and there will always be more than one available. MCO's are expected to be able to provide every service in the benefit package and be prepared to do the most effective job possible to support every individual. Nichols expressed concern that services would be limited. Frye disagreed – DHS wants creativity to support health and life outcomes. The list of services in the benefit package is a list that has to be available, but if alternative therapy is needed, the program is designed to allow it. Frye admitted that “franchise” might not be the best word for this model. It is meant to apply mainly to the business aspects of the program, not the service components.

- Sup Wheeler likes the fact that the State is taking more of a role in making sure MCO's are successful. She feels it will lower risk. Managed care shifts the risk to the MCO, but fundamentally Family Care MCO's are only serving Medicaid eligible people with managed care needs; it's not like an HMO serving the entire general population. They will only be successful if Medicaid pays them enough to be successful. There is a dependency on MCO's for the program to succeed. The risk they face is the risk the State faces. Currently, in most parts of the State, there's only one MCO, but DHS is interested in having more than one. Family Care must succeed, because there won't be a county structure to fall back on. DHS has been very systematic in looking at issues with MCO's.
- Sup Vedder asked about the likelihood that the Governor or Legislature might revise the statutory payback formula, since Dane County has overmatched and provided such high quality services for a long time. Frye responded that the Governor's budget assumes the five-year county buyout plan as originally proposed beginning with the base of funds spent in 2006. It's good news for most counties, and the State could have required counties to keep their money in longer. There is no plan to change this arrangement. Acknowledging that Dane County is unique, Secretary Timberlake will have discussions with the County Executive about these issues.
- Genter explained that an actuarial study indicated the current cost per person in Dane County is 30% higher than the projected capitation rate. He questioned how this would affect the transition in 2011. Frye answered that there is no assumption in budgets developed for expansion that care management would begin on the first day of enrollment. Family Care begins with developing an individualized care plan for each consumer. The MCO is required to present a 3-year plan to bring costs into alignment. The actuarial study assumed that the cost of care in Dane County would look much like the cost of care statewide. We need to work with individuals to get the right set of services in place and care plans adjusted as needed – it is a process of one person at a time. Frye suggested that Dane County representatives sit in with a care team developing a plan to get a feel for what goes on in the process.
- Sup Vedder asked whether Dane County might get more assistance for start-up costs since we have to put in so much more than any other county. If Dane County wants to develop their own MCO, the State would work through the process of development and implementation with them. Frye talked about Northern Bridges MCO where the State has financed the entire development process. There were no other MCO options in that part of the state, so we had to help them if we wanted Family Care in the area. However, the funding has to be cut off on the date enrollment begins. By law, the only money the MCO can receive is the capitated payment. Some MCO's choose to enroll everyone on the first day to maximize payment. Frye assured members that the State would work with Dane County on whatever they decide to do. There is a huge amount of work in creating an MCO from scratch, so she suggested that Dane County get to work on those concepts if they are leaning toward that.
- Sup Wheeler asked about LaCrosse County. It was a pilot county, and they now have 10 years experience in Family Care. They have accumulated reserves above the requirement. Pilot organizations have financed their regional expansions with these reserves. She noted that Fond du Lac County is looking to expand into surrounding counties, since they have a \$6 million surplus to fund expansion.
- Olson asked if the pilot start-up costs were a grant or loan. It was a grant. The expectation is that the MCO operates on the revenue that we give them. If we would loan money, there would be an allowance in the capitated rate.
- Sup Vedder asked if Family Care is more expensive than originally anticipated and how it will impact the budget for Dane County. Frye stated that the only increases requested in the budget were related to two factors: buying out county contribution and inflation. Family Care continues to save money.

- Lusk has a developmentally disabled daughter living and working in the community with support services. They have seen cuts in her services for the last five years. She feels that the rest of the state will enjoy higher quality services while Dane County consumers will get reduced services. Frye responded that Family Care deals with individual outcomes for her life; there is an expectation that a plan is put in place to support her outcomes. There are quality assurance systems, but it's hard to expect a human enterprise to achieve the expectations of every person. Lusk fears that quality of life will go down for current consumers, so people on the waiting list can be served. Frye reiterated that we need to work on one person at a time; if the plan that comes out of this process is the plan that will support the outcome she wants cost effectively, that is all that can be guaranteed. Lusk feels that Dane County has suffered too many cuts already, and the State should look at Dane County as the unique entity we are.

**Adjournment:** Meeting adjourned at 7:30 p.m.

**Next Meeting:** February 24, 5:00 p.m., CCB 309  
February 26, 5:30 p.m., Job Center, Joint HHN/HSB/LTS/AAA

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.*