

## Planning Director Report

January 10, 2011

### District Formation, Development and Processes

- The Northeast Wisconsin Family Care Board has been meeting on a monthly basis since October. Meetings are subject to the Wisconsin Open Government Requirements. Board meeting agendas are posted on the NEW FC website at least 48 hours prior to the Board meeting. Counties are requested to post notices of the Board meetings with agendas where they normally post notices. Minutes of the Board meetings are posted on the NEW FC website following the meetings.
- The NEW FC has established a Governance Committee and assigned it the task to develop a draft set of bylaws for the full Board to discuss and adopt at some future meeting.
- The NEW FC has established a Chief Executive Officer Search Committee and assigned it the task to develop a list of potential candidates for the CEO position. The Board has contracted with Wipfli to assist it in the search process.
- A second and final resolution will be required in 2011 to approve the District entering into a contract with the State. This would be dependent on NEW FC successfully responding to a State RFP for Family Care and the State issuing a letter of intention to contract with NEW FC. The timing of the RFP is projected for the second quarter of 2011.

### Department of Health Services Budget Request and the 2011-2013 State Biennium Budget

- Funding for expansion of Family Care to all of remaining counties by the end of the 2011-2013 was included in the Department of Health Services 2011-13 biennial budget requests submitted to the Department of Administration on September 15, 2010. This would include NEW FC and also include Florence and Forest Counties which are contiguous to NEW FC.
- Governor Walker has appointed Dennis Smith as the Secretary of the Department of Health Services. He will be responsible for the 2011-2013 Department of Health Care Services Budget.
- Governor Walker is expected to introduce his 2011-2013 Budget Proposals in late February or early March. Area legislators have indicated their interest in meeting with NEW FC once the Governor's Budget Proposal becomes available.

### Pre-operating Budget

- The Department of Health Services (DHS) has approved funding for the January 1, 2011 thru June 30, 2011 period. DHS requires NEW FC to complete certain deliverables during this timeframe. These deliverables had been anticipated in our planning and work has been underway on several of these. Brief descriptions of the deliverables are as follows:
  - Develop work plan to guide and define the relationship and communications with the Counties and support the drafting of the County Memorandums of Understanding.
  - Develop work plan to provide for analytical resources dedicated to the analysis and support of the Managed Care Organization (MCO) operations.
  - Develop provider network plan including:
    - Development of the service definition and scope of services including the purchasing unit
    - Complete gap analysis of current service providers
    - How MCO will develop its pricing strategy for services that do not currently have a state wide rate structure

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- How MCO will inform current waiver providers and other potential providers of the service definitions, purchasing units and planned rates
- The development of draft provider contract language and other provider network requirements such as evidencing of credentialing, HIPAA and care giver background checks
- Develop data use training plan to ensure integrated data systems are in use to position the MCO for full operations.
- A description of how all elements will come together to support the delivery of effective care management services (how care managers will have information about service definitions and unite rates, how provider network staff will support monitoring of provider effectiveness, and how care management will get information about overall utilization and costs.)
- Periodic meetings with the DHS designated Expansion Team on a scheduled to be determined by DHS with the expectation that NEW FC will incorporate the advice/input on that Team on an ongoing basis.

## Next Major Milestone

- The next major milestone will be deciding that we are ready to respond to an RFP from DHS for Family Care. We have been reviewing past RFPs and MCO responses to the RFPS and have begun pulling together information and data. We are requesting that all counties and tribes document all meetings with consumers, providers and other stakeholders as well as any materials or information provided to consumers, providers and other stakeholders in other mediums. In responding to the expected RFP, we will want to document all the activities that the agencies, counties and NEW FC have done with stakeholders.
- We are expecting that we will be ready to respond to an RFP sometime during the first quarter of 2011 and would request of DHS that an RFP be issued.
- Significant work is underway to be ready to respond to an RFP. The RFP will require a minimum of a three year business plan be submitted. We are currently analyzing waiver and Medicaid Card Service Cost data and functional screen data for our region with assistance from an actuarial firm. We are also analyzing current provider capacity and work continues on with care management/ service coordination planning. We are also working on developing administrative costs for the business plan.

## Planning and Development

### Care Management

- The counties and tribes are in the process of flowcharting the current care management processes. The conceptual framework for this work is based on the premise that “all work is a process”. Family Care will have different work processes than current waiver processes. Additionally, there will be a set of transition processes that county staff (care management, economic support, administrative), ADRC staff and NEW FC will have to complete. Understanding current work processes is important in understanding how things will change. There is likely variation across the ten agencies in current waiver processes. Brown County has begun to flowchart expected transition work processes.
- The Care Management Workgroup has received presentations from vendors whose care management software is currently being used by other MCOs. The Department of Health Services (DHS) is currently in the process of developing a Request for Proposal (RFP) for a care

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management system for MCOs like they did for developing a preferred list for claims payment vendors. It is expected that DHS will complete their selection of preferred vendors by June 2011. Both vendors that have presented to NEW FC are expected to respond to the DHS RFP. One of the care management software packages (MIDAS) is owned by Milwaukee County. DHS has initially indicated that they will not accept proposals from any MCO or ADRC owned software vendors. Milwaukee County would have to divest of MIDAS in order for MIDAS to be considered by DHS. However, Milwaukee County believes this prohibition will be in the final RFP when it is released shortly.

### **Provider Network Workgroup**

- The workgroup has developed an initial file of current waiver providers. The data continues to be further developed including Medicaid Card providers. The workgroup has been meeting on a regular basis.

### **Stakeholder, Association and Legislative Meetings and Activities**

- Rolf provided an update on NEW FC to the Wisconsin Long Term Care Council on January 4, 2011. The Council is comprised of representatives from the various advocacy groups, provider associations, governmental associations and DHS. The Council indicated that they were drafting a letter to the new Secretary of Health supporting the continued expansion of Family Care.
- Rolf presented at the 15<sup>th</sup> Annual Legislative Breakfast on January 7, 2011. This event was sponsored by Aspiro, Cerebral Palsy, East Shore Industries, N.E.W. Curative Rehabilitation and Sunshine House. The following Legislators attended: Senators Cowles, Hansen and Lasee; and Representatives Jacque, Klenke, Nygren, Ott, Van Roy and Weininger. Other attendees included Marlene Mielke from U.S. Senator Kohl's office, Brown County Executive Tom Hinz, Board members from the five sponsoring organizations, members of the NEW FC Steering Committee and other local officials.

### **Human Resources**

- A Planning Manager is being recruited and applications are being accepted through January 21, 2011. The selection of the Planning Manager is expected to occur after the Board has selected Chief Executive Officer which is targeted to be by March 1.
- NEW FC expects to hire a Human Resources Manager during the second quarter of 2011.
- By the end of 2011, NEW FC is expecting to have around 30 employees; by the end of 2012, NEW FC is expecting to have about 125 employees and by the end of 2015 about 200 employees. There will be an increase in employment in the region due to the Family Care expansion.

### **Wisconsin Family Care Association and DHS**

- Family Care expanding to Langlade County January 1, 2011 and will expand to Lincoln County April 1, 2011. At that point, Family Care will be in 57 of Wisconsin's 72 Counties. Prior to this expansion, the Legislative Finance Bureau completed a review and concluded that there will be overall savings to the State in these two counties moving to Family Care.

### **Audit of Family Care**

- On July 14, 2010, the Joint Legislative Audit Committee approved moving ahead with an audit of Family Care. The scope of the audit by the Legislative Audit Bureau (LAB) will include meeting with a number of organizations, reviewing financial and other information provided by the State,

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doing site visits at some of the existing MCOs as well as other activities. LAB has made site visits to five of the existing MCOs. The LAB is expected to complete its report in March or early April.

### **MCO's Third Quarter 2010 Financial Performance**

- The nine MCOs reported an aggregate \$3.5 million surplus for Family Care for the first nine months of 2010. MCOs use surplus to meet required Solvency Fund and Restricted Reserve requirements as well as to fund working capital.
- Family Care is projected to be a \$1 billion program in 2010.

If you have any questions and or need additional information, please feel free to give me a call at 920-857-9854 and/or email me [rolf.hanson@new.rr.com](mailto:rolf.hanson@new.rr.com).