

Northeast Wisconsin Family Care

CEO Report to the Northeast Wisconsin Community

January 17, 2012

District Development and Processes

- **In late December, Governor Walker announced his intention to have the caps on Family Care removed and continue expansion to the 15 remaining counties.** He noted that the Department of Health Services had concluded that Family Care is cost effective. Legislation to remove the caps is being introduced this week and the Department of Health Services hopes that it will move through quickly. The legislation has Republican and Democratic sponsors including two area legislators. My understanding is that the Governor and DHS hope to have the caps lifted by March 1, 2012.
- **On November 1, the Department of Health Services shared information with the Wisconsin Council on Long Term Care and on November 9 with the Family Care Managed Care Organizations showing that Family Care is more cost effective than the Legacy Waiver programs and IRIS.** “Legacy Waiver” refers to long term care programs currently in place in non-Family Care counties. IRIS is an alternative program to Family Care where the individual manages their long term care benefits within a budget. The mission of the Long Term Care Council (see www.wcltc.state.wi.us) is to advise the Department of Health Services on the state-wide implementation of Family Care for the elderly and persons with disabilities. The actuarial analysis included long term care costs and the Medicaid Fee for Service medical costs (Medicaid card costs) for calendar year 2010. Total average costs per member per month (PMPM) for Family Care were \$3,187.62; for IRIS \$4,159.30; and for Legacy Waivers \$3,760.54. If we split these costs out between long term care costs and Medicaid Card Fee for Service costs and make the benefits comparable, the costs are broken out as follows:

	Family Care	Legacy Waiver	IRIS
Long Term Care	\$2,905.55	\$3,315.19	\$3,589.88
Fee for Service Medical Medicaid	<u>282.28</u>	<u>445.35</u>	<u>569.42</u>
	\$3,187.83	\$3,760.54	\$4,159.30

Family Care includes \$233.34 in institutional (nursing home) costs that Legacy Waiver and IRIS do not have

- **Pris Boroniec, DHS Administrator for Long Term Care, has developed a “package” of proposed changes to Family Care and IRIS. These proposed changes are contained in seven LTC Sustainability Documents which were initially presented at the January Wisconsin Long Term Care Council and distributed subsequently to legislators, trade associates, and a number of other organizations.** DHS had solicited input from provider trade associations, advocacy groups, the Wisconsin Family Care Association, other organizations and the general public. DHS indicates these are draft documents and are asking for review and additional input from all interested individuals. DHS is also planning

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on town hall meetings on their proposed changes to IRIS and Family Care.

- **If the caps on Family Care are lifted and expansion continues, my understanding is that DHS will then proceed on developing a Procurement Request for Proposal for Family Care in Northeast Wisconsin.** This is the process that DHS previously used in the expansion of Family Care. I expect we will receive more information from DHS on this process including the RFP timeline over the next several weeks.
- **Once DHS has established a timeline for expansion, we would like 12 months lead time before going operational.** There will be a great deal of intense work required to prepare for operations.
- **In anticipation that the caps will be lifted, NEW FC will be requesting additional planning and development funding from the Department of Health Services.** We will continue work on areas previously suggested by DHS including self determination and MCO cost structure. The work on the “Return on Investment” from the State perspective has been completed.
- **DHS deferred its planned target date from July 1, 2012 to January 1, 2013 for the start of pilots for its Virtual Pace initiative on total cost management (long term care and all medical costs).** DHS has begun receiving Medicare cost data from Centers for Medicare and Medicaid (CMS). The Wisconsin Family Care Association will be meeting with DHS on Virtual Pace later this month. DHS staff have indicated that Family Care has already achieved savings in medical costs.
- **Together with Fred Monique of the Advance Business Center (part of the Green Bay Chamber of Commerce) we invited area legislators for a Legislative Briefing on Family Care on Friday, January 13, 2012.** We met with several legislators and I have distributed materials to some of the legislators who were not able to attend. I presented information on the DHS program cost comparison, Family care sustainability (ROI model), and estimated development cost and timeline.

Current Areas of Focus

1. Self Determination

- We have been following up from the “Big Learning Event” on Self Determination that was held on November 16th which was attended by over 100 people including individuals with long term care needs, their families and or guardians, providers, DHS staff NEW FC Board, County Human Services/Community Programs Directors and Long Term Care Supervisors, legislators, advocates and other individuals. Please see the Self Direct tab on our web site at www.northeastwisconsinfamilycare.com for materials from the Big Learning Event as well as other related materials on self determination. Specific follow actions taken thus far include the following:
 - Electronic survey sent to all invited attendees asking people how they would like to continue to participate in the continued development of NEW FC and provide feedback on our web site.

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- Developing a Face Book page to provide an additional social media means for interested individuals to receive and share information with NEW FC.
- Exploring with two provider organizations on building community connections for persons with long term care needs. One of the means we are exploring is the use of “Star Raft”--we will notify you when their website is available.
- Discussions with parents of children who will be transitioning from Children’s long term care programs to adult long term care programs.
- Continued work on having a central focus on self determination.
- **Following are some general themes based on the notes from the small group discussions and further discussions following the Big Learning Event:**
 - Stakeholder attendees appreciated the opportunity to attend, to receive information, to participate in discussions, and offer observations and recommendations on the development of NEW FC.
 - Attendees would like to see additional forums for receiving more information and for providing input on the development of NEW FC.
 - Attendees would like to see sharing of information to other stakeholders and have opportunities to provide input. There needs to be more grassroots connections.
 - Parents would like to have opportunities to network with other parents to learn from each other, share information on resources and provide support to each other. Parents need assistance in connecting to resources and building community resources.
 - Parents will need support and information on self determination and in moving to greater use of self directed supports.

2. Financial Planning

- I completed the development of a financial model (Return on Investment or ROI) focusing on the sustainability of Family Care for Northeast Wisconsin. The model incorporates a number of variables that determine the level of long term care and Medicaid medical costs and is intended to be a look from a state perspective. The key variables include the following; county contributions (reductions in State allocations to counties) when a county goes to Family Care, attrition rates, efficiencies achieved by moving to a regional model, cost of new members coming off the waiting lists, number of people on waiting lists and savings in Medicaid medical costs. Two variables that are excluded are cost of relocations from nursing homes and state institutions since I do not have that data and projected Medicare medical cost savings. At the December 2011 NEW FC Board meeting, I introduced the financial model and at the March 2012 Board meeting, I plan to go through it in more detail. Over a five year time period based on the assumptions that I have in the model, there is a net reduction in state spending for long term care and Medicaid medical costs and the waiting lists are eliminated.
- I continue to work on a detailed cost projection for NEW FC which will be needed for responding to the anticipated Request for Proposal to be issued by the Department of Health Services for Family Care for Northeast Wisconsin.

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- I will be developing a proposal for the next round of grant funding for the continued development on the assumption that the enrollment caps will be lifted by March 1, 2012 and expansion will be continuing with a potential start date for NEW FC of March 1, 2013. In May of 2010, I had submitted a Pre-Operational Budget to DHS which I am modifying for the later start date and additional knowledge gained since that time.

3. Development Planning

- In anticipation of the DHS Procurement Request for Proposal (RFP) for Family Care for Northeast Wisconsin, we have continued to update our working draft. Historically, the RFP has focused on stakeholder involvement in planning and a three year financial plan.
- We continue to request and receive information from current operating Family Care organizations on network development, human resources, space planning, care management, cost management, program development, and organization structure.
- We will be increasing our meetings with various stakeholders as we get further guidance from DHS on our development timeline.

Key Messages

Following are key messages you are welcome to share:

1. In late December, Governor Walker indicated his intent to lift the cap on Family Care expansion as soon as legislation can be passed to do so.
2. The passed State Budget allows the Wisconsin Secretary of Health Services to move on expansion with Family Care if he determines it would be cost effective. Cost effectiveness was determined by the Legislative Joint Finance Committee—which means that Family Care costs would be less than current waiver costs.
3. DHS leadership has determined that Family Care is cost effective compared to IRIS and the Legacy Waiver Programs.
4. We expect that the State Legislature will complete its legislative work by March 1 to lift the Family Care caps and continue with expansion during the current biennium.
5. If the legislation passes, NEW FC expects that it will be planning on going operational sometime during the first half of 2013.
6. We ask you to contact area legislators and ask them to support the legislation to lift the caps on Family Care and continue with expansion to Northeast Wisconsin.

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7. Northeast Wisconsin Family Care District is a government organization. The next regularly scheduled Board meeting is Monday March 19, 2012 at 1:00 p.m. The meeting is an open meeting and the public is invited to attend.

This report is being distributed to County Directors, Long Term Care Supervisors and other organizations. We will also post the Report to the Community on our web site. We ask that County Directors and Long Term Care Supervisors to share this document with their County Boards and County Board Committees.

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.

Please visit our website at www.northeastwisconsinfamilycare.org.