

Planning Director Report

December 14, 2010

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.
- 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.
- The NEW FC Board Resolution of Inclusion under the Wisconsin Retirement System was received by the Department of Employee Trust Funds (ETF), Division of Retirement Services in November. NEW FC is following up with the DTF to begin making contributions in January for NEW FC current employees.

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
 - 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.)

Northeast Wisconsin Family Care

- 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.

Department of Health Services Budget Request

- Funding for expansion of Family Care to all of remaining counties by the end of the 2011-2103 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. This also would include Florence and Forest Counties which are contiguous to NEW FC.
- It is expected that the Governor-Elect Walker will name a new Secretary of the Department of Health Services who will be responsible for the 2011-2013 budget for Family Care Expansion.

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 needs to be completed before we will be ready to respond to an RFP. The RFP will require a minimum of a three year business plan be submitted. We have received cost and functional screen data for our area and are in the process of analyzing the data. We have selected an actuarial firm to assist in analyzing current cost data and in developing financial projections. Additionally, we have begun work on assessing current providers and the provider capacity that will be required for Family Care. These are just two of the areas that required significant work.

Planning and Development

Care Management

- The counties 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 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. NEW FC

Northeast Wisconsin Family Care

staff will be involved with DHS in reviewing responses to the DHS RFP.

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 Meetings and Activities

- Brown County had three consumer meetings in November and December.
- Rolf presented to the Brown County Adult Family Home providers on December 7 and the Brown County ADRC on December 9.
- Disability Rights Wisconsin has an office in the same building as NEW FC. Contact has been made with the staff member, Jeannine Livermore, at this office.

Human Resources

- A tri-fold brochure providing initial information was developed for Care Managers and RNs currently employed by the counties and tribes. The brochure has been distributed to staff.
- The number of Care Managers and RNs that the District will need is greater than the number currently employed by the counties and tribes.
- The District will need to hire a number of people in a number of other areas.
- The NEW FC Board has initiated a process for selecting a Chief Executive Officer and is targeting to have that person selected by March 1, 2011. The NEW FC Planning Director will be applying for the position.
- 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

- On Wednesday December 15, 2010, Rolf will be participating by phone in the meeting of the Wisconsin Family Care Association in the morning and the WFCA/DHS meeting scheduled for the afternoon.
- The approval of the Lincoln and Langlade Family Care Expansion will be voted on at the Joint Legislative Finance Committee on December 14, 2011. The expansion has been planned to start January 1, 2011. Representative Vos had raised an objection to the expansion requiring the Joint Legislative Finance Committee to vote on the expansion. The Legislative Finance Bureau has completed a review and concluded that there will be overall savings for those two counties in moving to Family Care.

DHS Residential Rate Setting Process

- The Department of Health Services Residential Rate Setting Process continues to evolve. Providers and others are encouraged to check the DHS web site for updates on the process. Operating MCOs have been spending significant effort in analyzing the potential impacts of the potential model as it develops. Residential rates (Adult Family Homes, CBRFs and Residential Care Apartment Complexes-RCACs) comprise about 50% of the service cost for a MCO. DHS has an interest in reducing the wide variation in residential rates that they have observed across the State. During the past couple of years as Family Care has expanded, the operating MCOs have

Northeast Wisconsin Family Care

each developed residential rate methodologies and began implementing strategies to reduce the residential rate variations that they were experiencing. Additionally, MCOs have also focused on standardizing what is included in the scope of services in their residential pricing. As the MCOs began negotiating changes in residential pricing in 2009, several residential providers expressed their concerns to DHS which likely led to DHS to begin work on developing a standard residential rate throughout Wisconsin.

- The DHS approach is intended to be budget neutral and the initial results indicated there would be a reallocation of payments across providers. The model is based on facility cost and enrollee acuity. Residential costs are grouped by Adult Family Homes-Owner Occupied, Adult Family Homes-Corporate, CBRF 1-20 Beds, CBRF 21+beds and RCACs. The initial results shared would indicate a reallocation of payments across providers and across the MCOs. It appears that the large provider organizations and trade organizations have been participating in the various forums and providing data but not the owner occupied adult family homes.
- DHS has indicated that they will be taking direction from the new administration on residential rate setting.

Audit of Family Care

- On July 14th, 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, 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 2011.

MCO's Second Quarter 2010 Financial Performance

- The nine MCOs reported an aggregate \$4.8 million surplus for Family Care for the first six 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 \$950 million 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.