



2011-2013 MEDICAID EFFICIENCIES

Long-Term Care Pilot Program – Virtual PACE

Category:	Service Delivery Reform
Focus Area:	People with Medicaid and Medicare eligibility or “dual eligibles”
Projected Savings:	\$3.4 million GPR savings
Proposed Implementation Date:	Launch pilots in four regions of the state on July 1, 2012
Implementation Mechanism:	Demonstration Project
Description:	
<p>In Wisconsin, roughly 120,000 Medicaid enrollees are also enrolled in Medicare and are known as “dual eligible” members. Currently, the members must navigate a fragmented health care system that limits coordination among health providers and increases costs. The Department is developing a new program, Virtual PACE, a coordinated care system, for Wisconsin’s dual eligibles who wish to receive their services in community settings. This is accomplished by fully integrating Medicare and Medicaid services and funds.</p> <ul style="list-style-type: none"> • Under the current PACE structure, care must be provided in an adult day care setting, and only those over the age of 55 are eligible. The new Virtual PACE program will serve adults of all ages in more counties with greater flexibility in the location of where care is provided. • The Virtual PACE program will serve approximately 20,000 frail elders and adults with physical or developmental disabilities who require a nursing home level of care, and are eligible for both Medicaid and Medicare. The existing Family Care Program coordinates members’ primary and acute care providers, physician-provided services and inpatient mental health services. This new structure brings all health, including hospitalization, behavioral health, palliative care, and long-term care services together in a coordinated manner. This will remove barriers, reduce fragmentation, and produce better health and social outcomes for these members while reducing costs. • Under Virtual PACE, the Department will propose to receive a Medicare payment from the federal government for each member. The Department will combine the federal Medicare payment with a Medicaid capitation payment to create a single, fully integrated capitation payment to a care coordinator (contracted entity) for the provision of preventive, primary, acute, behavioral health, and long-term care services. 	
Effect of this change:	
<ul style="list-style-type: none"> • A large share of costs in Medicare and Medicaid are attributable to services for dual eligible people because of their complex primary, acute, behavioral health, palliative care and long-term care needs. The integration of these health and long-term care programs provides an opportunity for Wisconsin to address these inefficiencies in order to provide coordinated care that will improve people’s health and long-term care outcomes. This will also achieve significant savings for Medicaid and the Medicare. • The current separation of Medicare and Medicaid payment for services and the lack of access to coordination creates administrative barriers to the promise of full integration, which prevents the best possible member outcomes and limits the most cost-effective use of all funding resources. 	

- Virtual PACE is part of the Department's overall goal of ensuring that long-term care programs in Wisconsin meet the needs of the members they serve and are manageable and fiscally sustainable.
- The Department is seeking input of managed care organizations, HMOs, integrated health care systems, health care providers, Medicare and Medicaid members and their families and caregivers, and other stakeholders as we proceed in designing this program.