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# Family Care: Rebalancing Wisconsin's LTC System

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Missouri Association of County Developmental  
Disabilities Services  
July 25, 2008



# Overview of Managed LTC in Wisconsin



# History of HCBS in Wisconsin

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1981 - state-funded Community Options Program

1983 - Community Integration Program waiver for developmentally disabled

1985 - Community Options Program waiver for elders and physically disabled

1995 - waiver for brain-injured



# Redesigning the system

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1995 - concerns about access, complexity and institutional bias

1996 - 1998 – stakeholder process involving hundreds of consumers, family members, providers, and advocates

1995 - proposed a new Medicaid managed long-term care model

2000 - first contract with 5 county-based MCOs serving about 2,200 former waiver participants



# Why Family Care?

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Goals of redesign of our LTC system:

- **Access** – Improve people's access to services
- **Choice** – Give people better choices about the services and supports available to meet their needs
- **Quality** – Improve overall quality by focusing on achieving people's health and social outcomes
- **Cost-effectiveness** – Create a cost-effective LTC system for the future



# Who benefits from Family Care?

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## Family Care Target Groups:

- Elderly people
- Adults with physical disabilities
- Adults with developmental disabilities

(People with mental health or substance abuse Problems if they are also in these target groups)



# What is Family Care?

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- A managed care approach to the delivery of LTC
- Aging and Disability Resource Centers (ADRCs) provide access to information and assistance
- MCOs contract on a risk-based capitated basis to deliver one of the Family Care benefits:
  - Family Care
  - Family Care Plus
  - Family Care Partnership



# What are ADRCs?

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- “One-stop shop” for LTC info and resources
  - All target groups
  - No charge regardless of income
- Outreach to all (85/15)
- Give people info to make smart decisions:
  - what LTC services best meet their needs
  - how to best use their own money wisely
- Access to publicly-funded LTC
- Connect people at risk to immediate services





# What are MCOs?

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- Public or private organizations that contract to provide a Family Care benefit
- Support elders and people with disabilities to get the services and supports that will:
  - Meet their personal results (outcomes)
  - In a way that's cost-effective



# What MCOs do

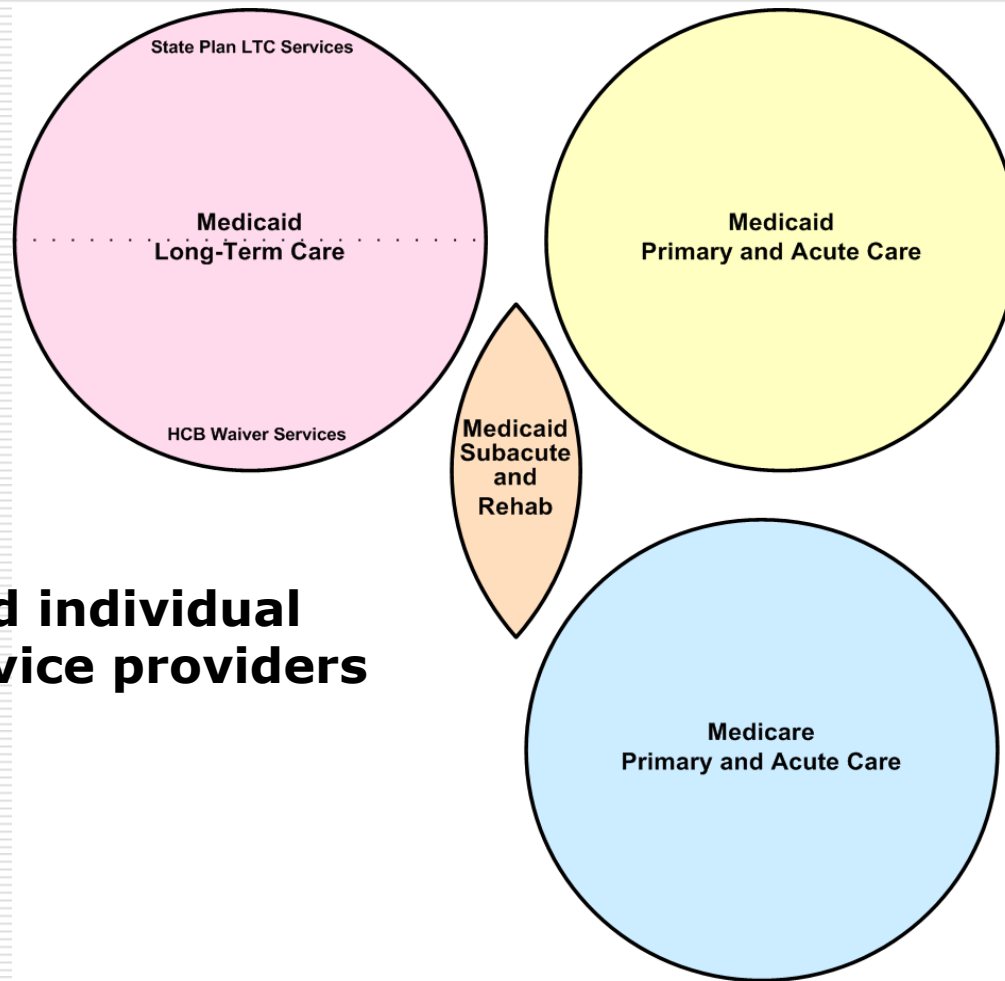
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- Help members identify the results they want
- Involve members in building a plan for services focused around their outcomes
- Provide directly or purchase services and supports in the service plan
- Coordinate LTC services with the member's physician and other medical care
- Make sure services meet expectations for quality and timeliness



# Traditional fee-for-service benefit

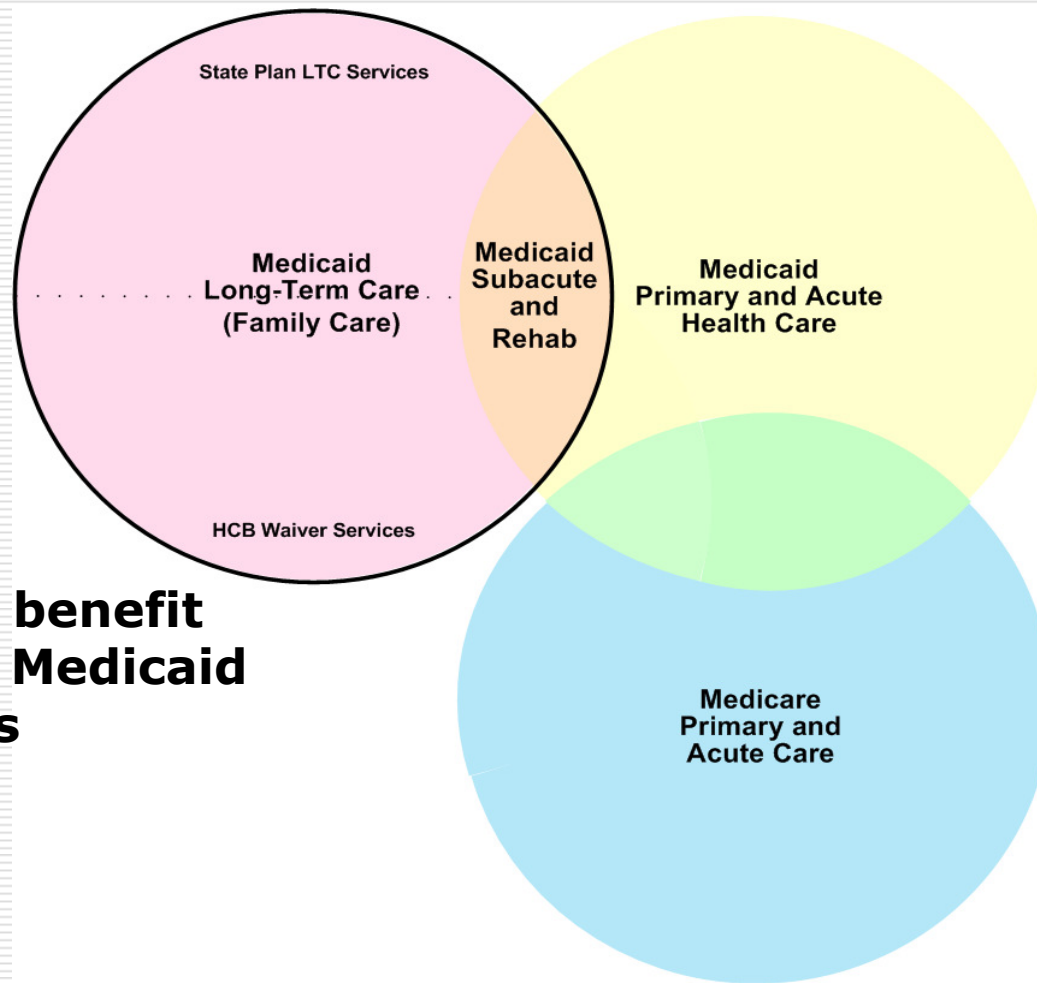
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**Fragmented individual  
fee-for-service providers**



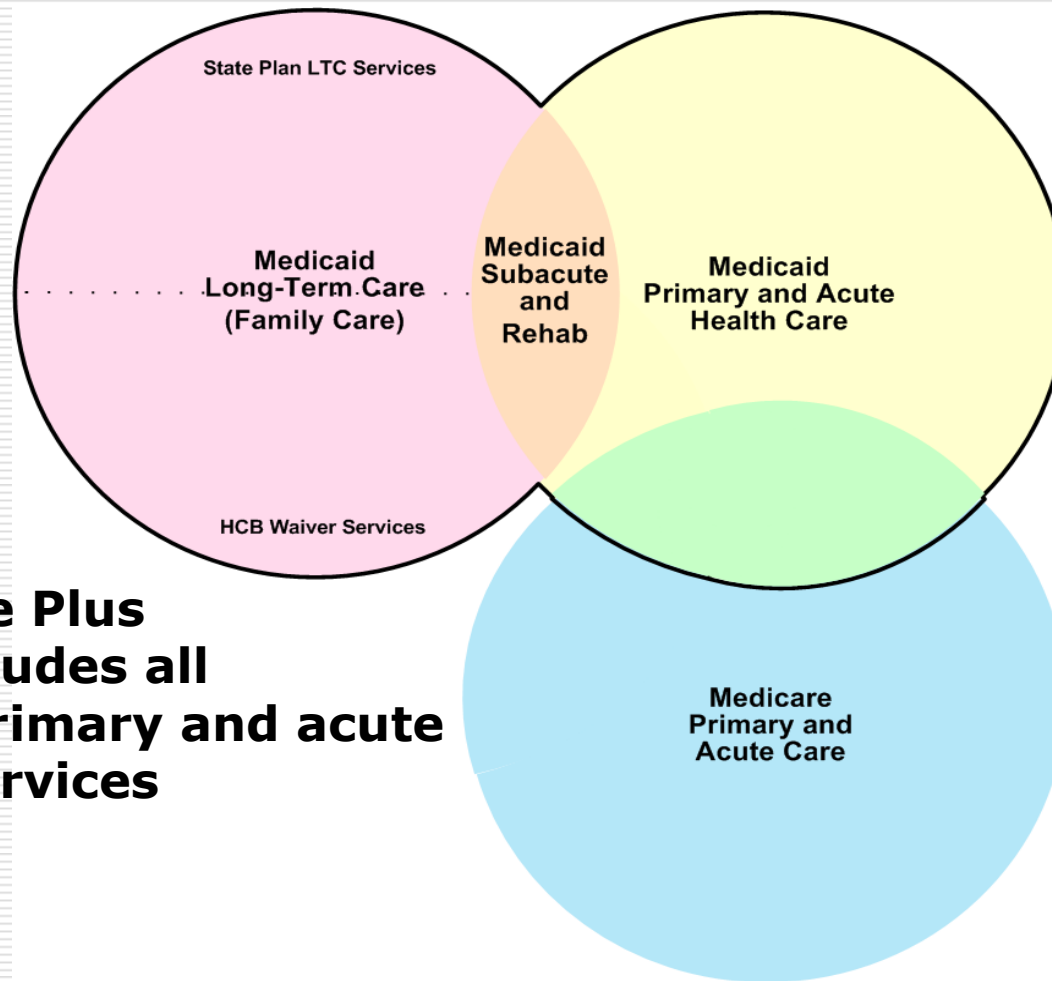
# Family Care benefit



**Family Care benefit  
Includes all Medicaid  
LTC Services**



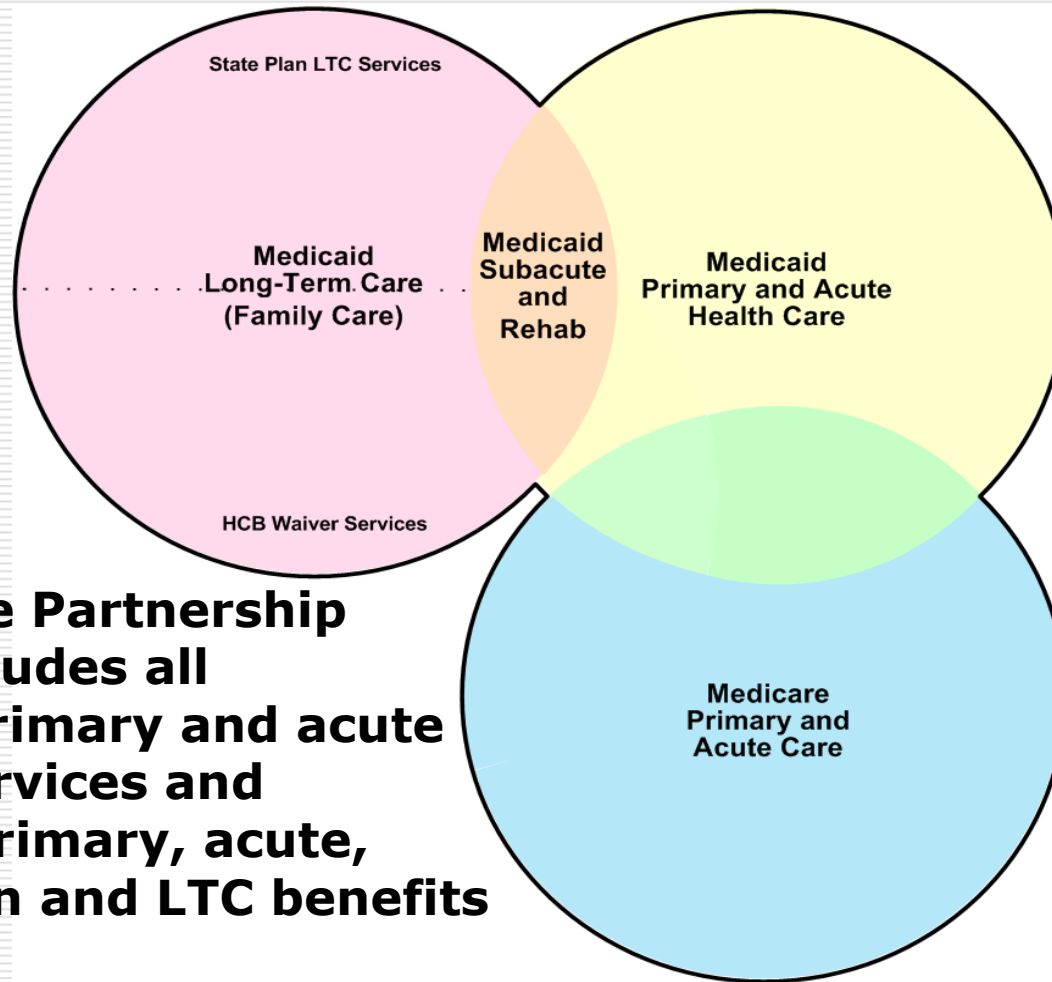
# Family Care Plus benefit



**Family Care Plus benefit includes all Medicaid primary and acute And LTC Services**



# Family Care Partnership benefit



**Family Care Partnership benefit includes all Medicaid primary and acute and LTC services and Medicare primary, acute, prescription and LTC benefits**



# Federal authority

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- Two s. 1915 (c) HCBS waivers for all MLTC
  - Nursing home diversion - elders and PD
  - ICF-MR diversion – DD
- Family Care adds a s. 1915 (b) freedom of choice waiver and PIHP contract for Medicaid LTC “card” services
- Family Care Plus adds a s. 1932 (a) Medicaid State Plan amendment for all Medicaid
- Family Care Partnership adds Medicaid SPA and Medicare SNP and PDP
- Fee-for service alternative – SDS waiver



# Program design

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- Person-centered: identify and support consumer-defined outcomes
- Use of interdisciplinary teams to address health, LTC and social needs
  - Family Care – social worker, nurse and other professionals as needed
  - Partnership – adds nurse practitioner and member's doctor
  - PACE – adds nurse practitioner and program doctor
- Managed care approach - RAD





# Family Care Outcomes

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- I decide with whom and where I live
- I make decisions about my supports and services
- I decide how I spend my day, including work if I want
- I have relationships with family & friends I care about
- I do things that are important to me
- I am involved in my community
- My life is stable
- I am respected and treated fairly
- I have privacy
- I have the best possible health
- I feel safe
- I am free from abuse and neglect



# Individual Outcome Examples

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- I want to take a bath every day
- I want to feel safe in my home
- I want to visit my daughter every week
- I want to get in and out of my home by myself
- I want to be able to drive myself to the store
- I want to remember to take my medications
- I want to get a part-time job so I can meet people and have more spending money
- My house is too big and I need help to find a place that I can manage on my own



# RAD

<http://dhs.wisconsin.gov/ltcare/ProgramOps/RAD.HTM>

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- Resource Allocation Decision-making
- Used by the care management team
- A common sense approach to answering:

What's the most

3 cost-effective 2

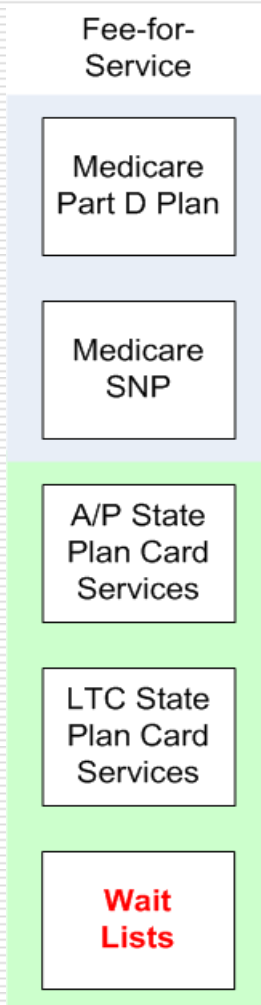
way to meet

1 this individual's outcomes?



# LTC Options – Before Family Care

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# LTC Options – After Family Care



# Self-Directed Supports

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## **In Family Care, Plus or Partnership**

- You direct some or all of your services and supports
- Budget for the services you direct is based on what the team would otherwise authorize
- Your team approves your plan
- Fiscal agent pays for services you authorize
- Your team will support you to self-direct
- You can hire a support broker



# Self-Directed Supports (continued)

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**Self-Directed Services Waiver** – Available when Family Care is available after July 1, 2008

- Direct all of your waiver services
- Long-term residential services not currently available
- Budget based on similar people's costs in Family Care
- Independent consultant approves your plan
- Fiscal agent pays for services you authorize
- You can hire a support broker



# Rate setting

<http://dhs.wisconsin.gov/ltcare/StateFedReqs/CapitationRates.htm>

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- Actuarially sound projection of costs of benefit
- Based on past expenditures trended forward
- Costs are associated with functioning
  - LTC functional screen
- Individual MCO rates are built from these projected costs of actual enrollees (actual case mix)
- Adjusted at year end for:
  - Cost share (PETI)
  - Case mix at year end
  - High cost ICF-MR relocations
  - High cost ventilator-dependent enrollees





# LTC functional screen

<http://dhs.wisconsin.gov/ltcare/FunctionalScreen/INDEX.HTM>

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- Automated tool for assessing level of care
- Screeners, certified by DHS, verify and input:
  - Diagnoses / health conditions
  - ADL/IADL deficits
  - Behavioral challenges
  - Other risk factors
  - Current level of informal supports
- The screen determines:
  - Nursing home/ICF-MR level of care
  - Family Care eligibility
  - SDS waiver eligibility



# Program Websites

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ADRCs

<http://dhs.wisconsin.gov/ltcare/generalinfo/rcs.htm>

Family Care

<http://dhs.wisconsin.gov/ltcare/>

Family Care Partnership

<http://dhs.wisconsin.gov/wipartnership/>



# Wisconsin's Managed LTC Expansion Update July, 2008



# What's ahead?

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- Governor's goal
  - Statewide implementation in 5 years
  - 2.5 years remain
- Implementation within current budgets
- Focus now:
  - 2008-11 planning and implementation, and
  - Planning for the next biennial budget (09-11)



# Governor's expansion goals

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- Give people choices about where they live and the care they receive
- Simplify access to services and funding structure
- Prepare for the aging of "baby boomers"
- Promote wellness – prevent need for expensive care
- Promote planning and responsibility for LTC needs
- Control and better manage public costs
- Increase options for self-direction of services and supports



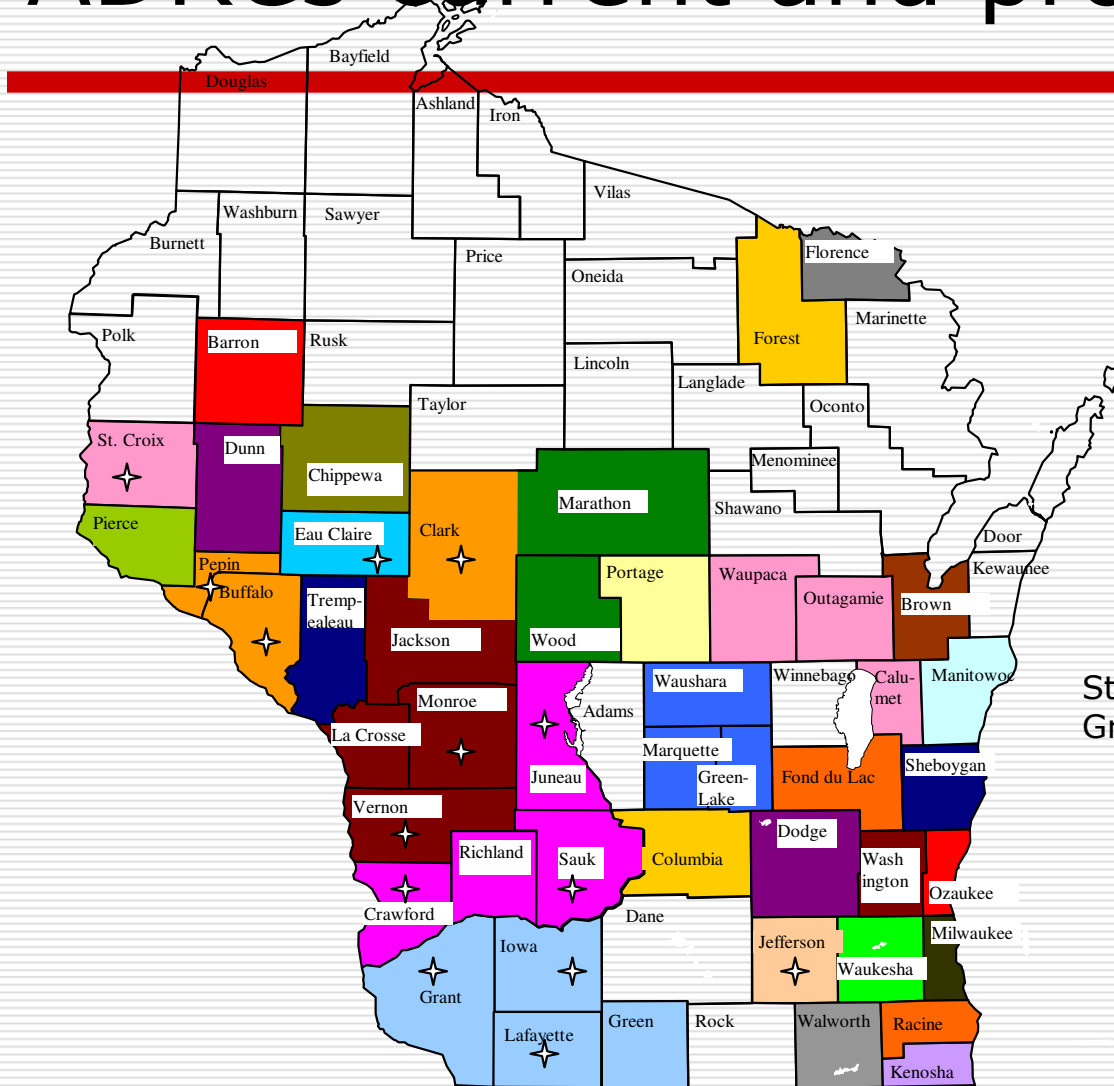
# Governor's expansion goals

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- Family Care is the statewide LTC service delivery system
- Elimination of waiting lists for community services
- Family Care is basic benefit available everywhere
- Family Care Plus and Family Care Partnership available where MCOs apply
- Entitlement to Family Care and any other managed LTC benefit two years after Family Care starts in a service area



# ADRCs current and proposed



**June 2008**

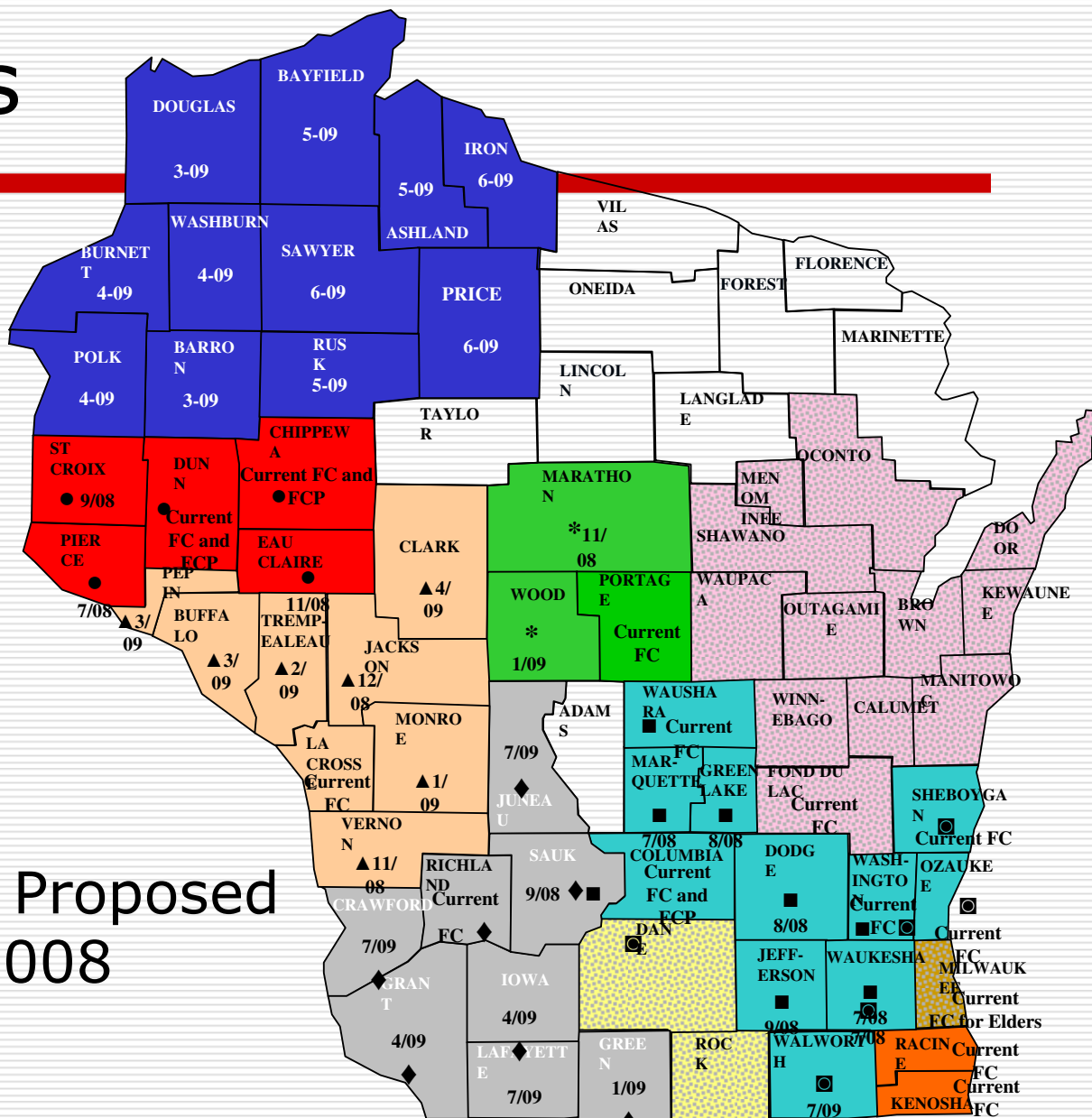
In operation  
= 26 in 31 counties

In planning stages  
= 9 in 13 counties

Star = application submitted  
Grey = letter of intent to apply received



# MCOs



Current and Proposed  
June 2008





# MCO Enrollment – June 2008

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Frail Elders	11,504
Persons w/ Developmental Disabilities	2,920
Persons w/ Physical Disabilities	2,658
Total	<u>17,082</u>
Family Care	13,386
Partnership	2,848
PACE	848
Total	<u>17,082</u>



# Why Managed LTC?

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## Current System

- FFS not coordinated, no safe-guards against gaps & overlaps
- Immediate entitlement to nursing home care; wait list for community care
- Inflexible services
  - NHs bundle services regardless of need
  - Waivers have limited benefit package

## Family Care

- Managed care, with incentives for quality and cost
- Immediate entitlement to long-term care suitable for individual needs
- Single, expanded, flexible benefit package



# Why Managed LTC? (continued)

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## Current System

- Waiver social worker care management
- Assessment limited to need for waiver services
- Health care rarely coordinated with waiver
- LTC 'card services' not coordinated with waiver services.

## Family Care

- Social work and nursing care management
- Comprehensive assessment and care planning
- Coordination with health care providers required
- Control, responsibility for all LTC services under one local agency



# Planning for Expansion

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- 10 Planning Grants – \$100,000 - \$250,000
- Planning groups include public agencies (counties) and private agencies
- Planning started in February 2006 and will end in late 2007 or early 2008
- Each group is planning for ADRC and start of managed LTC at its own pace



# Planning for Expansion

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Different planning strategies:

- Multi-county ADRC with satellite offices
- Service areas with more than one MCO
- Establishing satellite MCO offices
- Partner with existing Family Care or Partnership MCO
- Multi-county MCO governed by LTC District
- LTC integrated with health care (Partnership)
- Private MCO contracting for county care managers



# Funding for Expansion

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- Capitation to MCOs Medicaid and state match
  - Transfer state waiver money
  - Transfer state Medicaid card money
- Partnership also gets Medicare capitation directly from federal CMS
- Counties contribute
  - Based on their 2006 contribution of local funds toward waiver participants
  - Reduced over the first 5 years each county participates



# Family Care is cost-effective

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Independent assessment found Family Care:

- Maintained health and functioning longer
- Reduced use of institutions
- Average savings \$452 per person per month

See:

<http://dhs.wisconsin.gov/lcicare/ResearchReports/IA.HTM>



# Family Care cost model

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- Number of persons who will enroll
- ×
- Total cost to Medicaid per person
- =
- Total costs
- compared to
- Available revenue
- =
- Net cost/savings





# Projected costs: enrollees

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- Total: 43,600 enrollees
  - 20,000 - current waiver participants:
  - 20,000 - community Medicaid recipients with LTC needs, including waiver waitlist individuals
  - 1,100 - relocations from nursing homes/ICF-MRs
  - 2,500 - new to Medicaid because of FC availability



# Projected costs (in millions)

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	<u>AF</u>	<u>GPR</u>
Waiver participants	\$656 - \$666	\$277 - \$281
Other Medicaid recipients	\$476 - \$486	\$201 - \$205
Nursing home relocations	\$34 - \$35	\$14 - \$15
New to Medicaid	\$56 - \$58	\$23 - \$24
Total Costs	\$1,222 - \$1,245	\$515 - \$525



# Projected revenue (in millions)

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	<u>AF</u>	<u>GPR/ County</u>
MA non-Waiver Revenue:	\$561	\$237
Waiver / COP Funding:	\$381	\$161
Community Aids:	\$112	\$47
County Levy:	\$186	\$78
Total Revenue	\$1,240	\$523



# Projected net cost (in millions)

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## Budget Neutral!

	<u>AF</u>	<u>GPR</u>
Total Costs	\$1,222 - \$1,245	\$515 - \$525
Total Revenue	(\$1,240)	(\$523)
Total Net Costs/(Savings)	\$5 – (\$18)	\$2 – (\$8)



# Information Opportunities

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Managed Care Expansion Website

<http://dhs.wisconsin.gov/ManagedLTC/>

Managed Care Expansion LTC Listserv

<http://dhs.wisconsin.gov/ManagedLTC/grantees/Listserv.htm>

Critical Components of Managed Care Webcasts

<http://dhs.wisconsin.gov/ManagedLTC/grantees/webcasts/index.htm>

