Wisconsin Council on Long Term Care
Meeting of May 3, 2011

Approved Minutes

Members present: Beth Anderson, Karen Avery, Judy Braun, Lynn Breedlove, Heather Bruemmer, Teri Buros, Devon Christianson, Dana Cyra, Carol Eschner, Caroline Feller, Robert Kellerman, Chris Sarbacker, John Sauer, Stephanie Sue Stein

Members absent: Mike Linton, Todd Romenesko

Others present: Nino Amato, Michael Blumenfeld, Pris Boroniec, Monica Deignan, Wendy Fearnside, Carolyn Feldt, Andy Forsaith, Tom Frazier, Darla Gehl, Bill Jensen, Shanna Jensen, Tom Lawless, Kim Marheine, Donna McDowell, Mary Mezera, Katie Mnuk, Christian Moran, Jim Murphy, Linda Murphy, John O'Keefe, Ann Marie Ott, Mary Panzer, Anne Rabin, Kim Ray, Kitty Rhoades, Maureen Ryan, Theresa Sanders, Dennis Smith, Janice Smith, Beth Swedeen Beth Wroblewski

Chair Heather Bruemmer called the meeting to order at 9:30 a.m. She introduced Dennis Smith, Secretary of the Department of Health Services, and Pris Boroniec, newly appointed administrator of the Division of Long Term Care. Council members introduced themselves.

Conversation with Secretary Dennis Smith

Secretary Smith and Deputy Secretary Kitty Rhoades have held four listening sessions around the state to hear what ideas people who use the Department's programs and deliver services have for improving programs and save money. Approximately 400 people attended. Family Care was the most talked about topic, with many different views expressed. Secretary Smith spoke of the need to speak candidly with one another and get to mutual goals, to acknowledge the uncertainties and financial difficulties that exist in the Family Care program, to address those things that can be done better, and to get us on a sustainable path. He then explained his philosophy and views on some of the key issues in long term care and answered questions from the Council.

Family Care Audit. How one interprets the audit depends on which "pair of glasses" one is wearing. A lot of work remains to be done. There are many things the audit did not cover, including how Family Care compares to non-Family Care programs and waiting lists.

***Enrollment Caps*.** The Department is looking for ways to be flexible, accommodate the greatest need, and respond to emergency situations.

***Self-Direction*.** Secretary Smith reiterated his goal of tripling the number of people who self-direct and said he wants to make sure there is capacity to support people who self-direct in handling their budget and employer responsibilities. Self-direction can work in different ways. Some may want to use an agency and others may want to make all decisions themselves. People should have a choice. If people are in control, this in itself is a measure of quality. Other advantages to self-direction are that it helps expand access to services and increases competition. Self-direction also brings a measure of risk.

Integrated Care / Virtual PACE. The Department has applied for and received a CMS planning grant to build an integrated care model for people with dual Medicaid and Medicare eligibility. Many dual eligibles have complex needs and are among the small percentage of enrollees who account for the majority of Medicaid expenditures. Tasks for the project include identifying needs and resources, developing an organized system of care, building a service network, and creating the right incentives to change behavior.

Secretary Smith wants to move quickly to fix the problems we face. With three MCOs in financial difficulty and a state budget deficit, we need to find ways to make the system do what we want it to do and be sustainable in the long run. The Secretary wants to ensure that all parts of the system, from ADRCs to the auditors, are working from the same set of instructions and understanding and are giving the same message. One of those messages is that people use natural supports and community resources before asking their neighbor to pay for their services.

He then answered questions from the Council.

In response to questions from Lynn Breedlove and Karen Avery regarding Family Care administrative costs, Secretary Smith stated that, while he doesn't have a specific percentage or dollar figure in mind, he wants to be "lean" on the administrative side. We need to understand what the money is spent for and why. Case management costs should be included in this examination.

In response to questions from Nino Amato and Beth Swedeen regarding self-directed supports, Secretary Smith indicated that we need measures of success in order to know what to do. He wants to look at every part of DHS, including IRIS. He is looking for ways to be flexible within the enrollment caps and to find ways to encourage self-directed supports for both current and new enrollees over time.

John Sauer asked how different client populations with different costs should be addressed in Family Care. Secretary Smith agreed that the choices people make and the cost of their services may differ. People with physical disabilities may need more technology, while older people want more "high touch." We need a sustainable system for everyone, with rates built based on experience and actuarial principles. It is hard to figure the right rates in a new program. He does not believe in pitting groups against one another.

Stephanie Stein spoke in defense of Family Care. She stated that many on the Council have been working on Family Care for 15 years and that the program has always been subject of intense scrutiny. Ms. Stein said there are business plans, quality measures, and encounter reports on every participant every day. She said the enrollment caps were justified because the LAB audit was pending; now the audit is complete and it contains nothing, in her view, to preclude Family Care from going forward. She said there are things that can be improved, as there are in any program. Ms. Stein suggested a focus on fixing the three MCOs that are in financial trouble and not delay implementation to do more analysis. Milwaukee has 400-500 people in the pipeline waiting for Family Care.

At this point, Secretary Smith and Council Chair Heather Bruemmer had to leave for other obligations. Lynn Breedlove chaired the remainder of the meeting.

Pris Boroniec introduced herself. She has just returned to the Department after six years in the private sector and is listening, learning and trying to get to the bottom of issues. She said it is helpful to hear the Council's perspective.

IRIS Update and Discussion

John O'Keefe, Laura Hanson, and Shanna Jensen gave an update on the status of the IRIS program, gave members a packet of handouts including program statistics and the participant handbook, and answered questions.

Since its inception in 2008, IRIS has served 3,537 people, something under 10% of the number of people in the long term care system yet considerably more than originally anticipated. Getting the amounts for individual budgets right is a continuing issue. At first, many budgets were too low; subsequently some appeared to be too high. Helping people understand how to work with their budgets is also difficult. Almost half of IRIS participants (48%) have developmental disabilities. This has led DHS to rethink the kind of support that is provided. The IRIS Consultant Agency has a service center that receives referrals, does the enrollments, processes the initial and revised plans, and operates a 24 hour phone line for IRIS participants. They have also hired 12 orientation consultants to provide up front assistance to help participants with plan development and to trouble shoot, if necessary, should problems arise with the plan. Once a participant's plan is in place, the IRIS consultant assumes the role of the participant's lead contact with the program. The IRIS program is currently working on mechanisms to meet CMS quality assurance expectations, including performance measures, data collection and reporting.

Carol Eschner expressed surprise that the IRIS program sounds so much like Family Care. Council members had a number of questions and concerns. Beth Wroblewski explained that both IRIS and Family Care are Medicaid waivers subject to federal requirements. She also pointed out some of the differences between the two programs. IRIS has individual budgets and a different benefit package, makes greater use of the MA card, allows participants to employ their own workers, and does not average spending over the number of covered lives. Beth Anderson added that, in IRIS, providers aren't subject to MCO rates. Lynn Breedlove observed that people perceive that they have more say in IRIS than they do.

Members identified the following issues as topics for future Council meetings:

- How do IRIS costs compare to those of Family Care? The analysis should address the full costs of both programs and compare likes to likes.
- How do costs compare by client group?
- What portion of IRIS costs are for residential care? Should the residential rate setting method being developed for Family Care also apply to IRIS? Are all residential settings compatible with self-direction?
- How is IRIS perceived by consumers? By ADRCs?
- What should be required regarding IRIS consultant qualifications, caseload size and frequency of IRIS consultant visits with IRIS participants?
- What is included in IRIS budgets?
- What do ADRCs tell people about IRIS as compared to Family Care?
- What do IRIS orientation specialists tell people and how to they assist with the plan development?
- What CMS requirements apply and is there any flexibility to avoid the apparent expense and duplication?

Legislative Audit Bureau Report on Family Care and APS Healthcare Family Care Financial Evaluation

The LAB report found that Family Care has improved access to long term care, ensured thorough care planning and provided choices tailored to participant's individual needs but could not definitively determine its cost effectiveness. Pris Boroniec acknowledged the successes of the Family Care program that were recognized in the LAB audit and suggested that the Council's discussion focus on the financial aspects of the evaluations. Tom Lawless reviewed the findings of the two reports and answered questions.

APS Healthcare "Family Care Financial Evaluation." Financial stresses in MCOs following the rapid expansion of Family Care led the Department to contract with APS Healthcare for an evaluation of the program's capitation rates and methods. Its report was issued in December 2010. The evaluation found that it takes longer than anticipated (4-5 years, rather than the 3 years built into the program design) for MCOs to mature, fully implement the Family Care design and realize efficiencies. A second major finding is that the Family Care program is sufficiently funded and that the issue is one of how the dollars are allocated to the MCOs, depending on their experience and the target groups they serve. It was recommended that the payment formula be adjusted to accommodate high cost, high acuity outliers and regional differences, and that new MCOs and those serving more acute, high cost clients have an extended period of transition financing.

John Sauer stated that the model doesn't accurately predict the cost of serving people with challenging behaviors or complex and changing medical conditions. Mr. Lawless stated that the Department is looking at the functional screen to see if there are cost drivers that are not captured or aren't included in the payment formula. Lynn Breedlove asked whether it is possible to have rates that are sensitive to individual needs or the differences between target populations. Mr. Lawless indicated that it would be possible to do so, but would entail administrative difficulties.

Legislative Audit Bureau Report on Family Care. Results of the LAB report issued in April 2011 align with the findings in the APS Healthcare report. Newer MCOs spent more per participant than did the more established MCOs. The sufficiency of capitation payments for developmentally disabled participants with high cost needs continues to be an issue. And three MCOs – Care Wisconsin, Community Health Partnership, and Northern Bridges - are at risk of insolvency.

Lynn Breedlove asked whether the short (3 year) transition contributed to the financial stress on the three MCOs that are in financial distress. Mr. Lawless said yes, but there are other factors such as how quickly an MCO can establish relationships with providers and develop core competencies. Dana Cyra pointed out that both Care Wisconsin and Community Health Partnership operated Partnership programs before implementing Family Care and didn't have prior experience serving people with developmental disabilities. It takes time to build expertise and relationships with providers. Carol Eschner said that the two programs operate in different funding environments and this complicates the transition. Ms. Cyra said that Community Care of Central Wisconsin is doing an in depth analysis of high cost clients and will provide input to the Department and indicated that we face a philosophical decision about what the program will support. Teri Buros asked if we will ever say we can't sustain the level of support we want for what it costs. This is the "elephant in the room" that no one wants to talk about. We can't expect providers to provide services for less than they cost to provide. John Sauer said that it is unclear whether MCOs could do a better job of managing high cost clients and that different client groups present different challenges.

Resolution on Family Care Enrollment Caps.

Bob Kellerman presented a draft resolution in opposition to the proposed Family Care enrollment caps. Mr. Kellerman made a motion for approval, seconded by Ms. Stein. In the discussion that followed, Nino Amato suggested amending language to resolve to lift caps and Dana Cyra suggested adding language saying that the Council is committed to ongoing improvement in the program. Beth Anderson asked how a resolution differs from a letter to the Secretary and Carol Eschner said that this is the first time the Council has done more than send advice to the Secretary. Stephanie Stein pointed out that the Council wrote to Senator Kohl regarding Older Americans Act authorization. Chris Sarbacker asked why not “can” the resolution and write a letter instead, to which Mr. Kellerman responded that legislators are used to resolutions and this is an important legislative issue now. Beth Swedeen suggested expanding the scope of the resolution to include IRIS and PACE/Partnership as well as Family Care and say to support implementation of these programs on their original schedule. Lynn Breedlove called for a vote and the resolution, as amended, was adopted unanimously with two abstentions (John Sauer and Chris Sarbacker). A copy of the approved resolution is attached.

DHS Updates

Beth Wroblewski provided several updates:

- ***Dual Eligibles/Virtual PACE Grant***. This is a one year planning grant. It is too early to say whether the result will be a new program or something that builds on the Partnership model. Stephanie Stein said that, since most dual eligibles are over the age of 65, advocates for the elderly will need to have input. Ms. Wroblewski said that many people with physical disabilities are also dual eligibles, so ILCs will be involved, too. Karen Avery asked whether people with mental illness will be included and Ms. Wroblewski said yes, so long as they are dual eligible. A person’s primary diagnosis is not relevant to their Medicaid/Medicare status.

- ***Comparison of Family Care and IRIS Costs***. DHS is analyzing and comparing the cost of Family Care and IRIS. This is complicated by a change in the way budgets were computed for Cohorts 1 and 2 in IRIS.

- ***Nursing Home Relocations***. The nursing home relocation program will remain in place in all counties and relocations will occur within the context of the enrollment caps.

- ***Residential Rate Setting***. Providers, MCOs and advocates want to know whether DHS is proceeding with the rate setting methodology. Secretary Smith is looking at the issue and has asked for additional data. John Sauer said he would like to see more communication on the subject and asked if DHS could share rate setting projections by client group.

Budget Update and Q&A

Andy Forsaith gave an update on the budget and answered questions, with input from Beth Wroblewski and Pris Boroniec. Topics covered included:

- ***Efficiencies in the DHS budget***. Lynn Breedlove asked about the Department's timeline for coming up with a plan for and getting public input on to comply with the Governor's directive that DHS find $500 million in savings.

- ***MA transportation broker***. The transportation broker will be implemented on July 1, 2011. People will have a central number to call. People will have an ability to set up recurring trips in advance. There will be an ability to use volunteer drivers. Transportation provided will be portal to portal; drivers will not escort people inside. It will not affect the Family Care enrollees, but will affect IRIS and legacy waiver participants. Ms. Boroniec said that DHS has been asked to look at the issue of using the broker for Family Care and to develop an RFP. Mr. Breedlove asked whether the issue will come to the Council first and Ms. Boroniec said "yes."

- ***Changes in Family Care***. Teri Buros said there are rumors about significant changes in Family Care and asked when people will hear about what efficiencies are required. Ms. Boroniec said she is seeking clarity on the process and will share what she can. Mr. Breedlove said that the Secretary has said there will be an opportunity for public comment when the omnibus waiver amendment request is put together.

Comments from the Public

- **Anne Rabin,** parent of a young adult with developmental disabilities who is an IRIS participant. Ms. Rabin compared IRIS to Family Care and said they are not the same. Her son didn't get what he needed in Family Care and has been able to manage well in IRIS. He has intensive needs, including communication and behaviors. They have to pay more than the going rate in order to get trained and committed staff and ensure continuity of care. They have to use services and supports outside of the standard Family Care service package. She also addressed the assumption that the IRIS consultant equates to Family Care care management. In her son's case, Family Care care management was a burden to the family and another layer of bureaucracy. Family Care nursing was duplicative, since the home health agency provides a nurse. In IRIS, she is the care manager for her son. They see the IRIS consultant only when necessary. She said that IRIS is not for everybody. IRIS participants need to have a support network, be motivated, and be knowledgeable about how the system works in order to be successful.

- **Bill Jensen,** I-Care. Mr. Jensen said he is enthusiastic about and applauds the Department for receiving the dual eligibles grant. I-Care serves 5,000 people who are dually eligible for Medicaid and Medicare, some of whom are also in Family Care. I-Care is willing to serve as an "incubator" and provide information for the program.

- **Tom Frazier,** former Director of the Coalition of Wisconsin Aging Groups speaking for himself. Mr. Frazier said he is pleased that the LAB audit results are positive. He believes that the way Family Care was phased in is largely responsible for the financial difficulties in the three troubled MCOs. Rollovers from the legacy waivers and the waiting lists meant that the initial enrollment in Family Care was heavily weighted with people with developmental disabilities, whose costs are higher. He is concerned that Family Care is not serving enough elderly people. He suggested that the Council ask DHS for data on savings as use of the legacy waivers decrease. Finally, he said that many people will be harmed if the caps go through, including elderly who spend down in assisted living and younger disabled people on waiting lists who have planned their lives around the expectation of having Family Care available to them when they need it.

- **Susan Torum,** sister-in-law of a 56 year old Family Care participant with dementia. A letter from Ms. Torum describing how well the self-directed supports option in Family Care has worked for her brother-in-law was distributed to Council members. Her brother-in-law is happy living in the home he grew up in with a cousin providing care at a cost to the taxpayer of $50 a day. The family considered IRIS but would not have been able to support him on the $29 per day budget it provided. Ms. Torum expressed concern that, once enrollment caps are in place, counties could be liable for costs that exceed IRIS budget amounts for people who are protectively placed in the least restrictive setting and do not have family to "share the care."

Council Business

Approval of 3/1/11meeting minutes. The minutes were unanimously approved, on a motion by Beth Anderson and seconded by Carol Eschner.

Meeting adjourned at 3:15 p.m.