



State of Wisconsin
Department of Health Services

Jim Doyle, Governor
Karen E. Timberlake, Secretary

February 18, 2009

The Honorable Mark Miller, Senate Chair
Joint Committee on Finance
317 East State Capitol
Madison, WI 53702

The Honorable Mark Pocan, Assembly Chair
Joint Committee on Finance
309 East State Capitol
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

Expanding the Family Care program statewide has been, and will continue to be, a top priority for Governor Doyle and the Department of Health Services (DHS). Our ability to keep moving forward with Family Care expansion in the 2009-11 biennium has been challenged significantly by the extreme fiscal difficulties facing our nation and our state. Nevertheless, we know that thousands of senior citizens and people with disabilities across Wisconsin are waiting for the enhanced community supports that Family Care provides. For this reason, Governor Doyle has worked to craft a proposal for Family Care expansion that meets the needs of as many people across the state as possible, while living within the constrained fiscal environment that confronts us. I want to provide you with the plan for continuing this expansion in the 2009-2011 biennium that has been included in Governor Doyle's Biennial Budget.

The Family Care program includes Aging and Disability Resource Centers (ADRCs) and Family Care, Family Care Partnership, and PACE (Program of All-Inclusive Care for the Elderly). ADRCs are being created across the state to help all Wisconsin citizens remain financially independent and physically healthy by providing high-quality information regarding available long-term care services, providing healthy aging and prevention programs, and providing information regarding publicly-funded programs to those who need assistance. Family Care and Family Care Partnership are Wisconsin's innovative, cost-effective managed long-term care programs. Medicaid-eligible people with long-term care needs receive effective and cost-effective care management, supports and services they need. Family Care provides needed long-term care services, while Family Care Partnership, where available, manages acute, primary and long-term care services, including those funded by Medicare. On February 1st, 2009, 25,900 people were enrolled in Family Care, Family Care Partnership, and PACE. Some 16,600 people continue to be served in the home and community-based waiver programs and the Community Option Program that Family Care will replace, and 10,500 people remain on waiting lists. More information about Family Care is available at: <http://dhs.wisconsin.gov/lcicare/>

Managed Care Organizations (MCOs)

Under the terms of our Medicaid waiver from the federal government, a competitive procurement process is used to identify those organizations that will offer Family Care or Partnership in a given area of the

1 West Wilson Street • Post Office Box 7850 • Madison, WI 53707-7850 • Telephone 608-266-9622 •
dhs.wisconsin.gov

Protecting and promoting the health and safety of the people of Wisconsin

state. Governor Doyle's plan will allow all MCOs that have already been procured and successfully met certification requirements to proceed with their plans with modest delays. There are, however, a number of counties that will be significantly delayed.

- The eleven counties in northwestern Wisconsin that constitute the Northern Bridges long-term care district will be delayed two months beyond their original schedule, assuming that the MCO meets certification requirements by that time. As a result, six of those counties will begin enrollment in the 2009-11 biennium rather than in FY 2009.
- Enrollment of adults with disabilities under the age of 60 will begin in Milwaukee County in November 2009 if MCOs meet certification requirements by that time.
- Enrollment in Walworth County will begin in October 2009, three months later than originally planned, if MCOs meet certification requirements by that time.
- In addition, we project that 14 additional counties will begin Family Care enrollment before the end of the 2009-2011 biennium, resulting in MCOs operating in counties that include 90% of the state population by June 2011. These counties include Calumet, Crawford, Dane, Grant, Iowa, Juneau, Lafayette, Langlade, Lincoln, Manitowoc, Outagamie, Rock, Waupaca, and Winnebago.
- Family Care implementation will be delayed until the 2011-13 biennium in the following thirteen counties: Brown, Door, Kewaunee, Oconto, Shawano, Marinette, Menominee, Vilas, Oneida, Forest, Florence, Taylor, and Adams. We are hopeful that we will be able to implement Family Care in these counties early in the first six months of the 2011-13 biennium, making it possible to achieve the Governor's goal of establishing Family Care statewide within the five-year timeframe ending December 2011.

To manage the cost associated with this expansion effort, we plan to slow the effort to enroll individuals on current waiting lists by lengthening the enrollment period from 24 months to 36 months. Based on the experience of several early expansion counties, which eliminated their waiting lists in fewer than 24 months, we expect that most individuals currently waiting will be enrolled well before the full 36 months is completed.

In Milwaukee County, our plan will allow the enrollment of current home and community-based waiver program participants and persons on waiting lists within the 36 month timeframe by staggering the workload associated with these efforts.

- DHS will allow the new Disability Resource Center 12 months to provide comprehensive options counseling to the 2,800 waiver program participants and their families/guardians and to enroll these current long-term care participants in one of three new programs: Family Care, Family Care Partnership, or IRIS, which allows participants to self-direct their services.
- To provide sufficient time to transition current participants, the plan will postpone the enrollment of persons from the waiting list until the 13th month of operations in Milwaukee County. Nevertheless, all 2,400 persons from the waiting list will be enrolled within 36 months of initial implementation, consistent with other counties.
- All relocations from nursing homes and ICFs-MR can proceed with Family Care enrollment and the move to the community as soon as plans are ready.

Slowing the pace of enrollment from the waiting list will save \$109.2 million AF (\$43.1 million GPR) in the 2009-11 biennium over the amount that would have been spent if the 24-month schedule had been maintained.

Aging and Disability Resource Centers (ADRCs)

The Governor's Biennial Budget includes modest changes to the establishment and funding of ADRCs:

- Consistent with current DHS policy, the budget coordinates funding for new ADRCs with the rollout plan for Family Care managed care. New ADRCs will be established in areas as they implement Family Care managed care.
- Due to the fiscal constraints in the 2009-2011 biennial budget, it was not possible to enhance the current funding formula for ADRCs.
- As a result of DHS and ADRC staff's efforts to identify ADRC activities eligible for Medicaid support and to maximize Medicaid support, DHS has successfully increased the federal claiming rate. The Governor's budget incorporates the higher federal claiming rate, generating GPR savings as federal funding replaces state GPR funding.
- To enable DHS staff to focus on transition activities during initial expansion into a county, the Department will delay implementation of disability benefits specialist functions for the first six months of operation in a county.

County Contribution

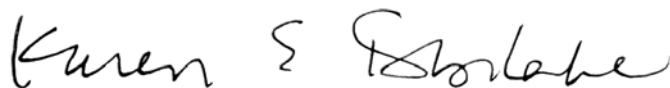
The Governor's budget preserves current policy regarding counties' contributions to Family Care. Act 20 provided that, as counties transitioned to Family Care, each county would contribute the equivalent of what the county spent in CY 2006 on long-term care services to Family Care eligible individuals. Act 20 also reduced each county's contribution to no more than 22% of its Community Aids Basic County Allocation. This reduction is phased-in gradually over 5 years once a county implements Family Care.

Adult Protective Services

DHS allocates funding to the original five Family Care pilot counties for adult protective services to replace funding previously used to support waiver services that were reallocated to Family Care. In 2007, DHS committed to a similar policy for other counties, providing each Family Care expansion county with an annual APS allocation equal to 2% of its Basic County Allocation. The Governor's Biennial Budget will include on-going funding for this purpose.

Thank you for your attention to this matter. I would be pleased to meet with any member of the committee to discuss Family Care implementation. If you have any questions or wish to schedule a meeting, please do not hesitate to contact me or my staff.

Sincerely,



Karen E. Timberlake
Secretary

Cc: Members, Joint Committee on Finance