

Establishing Public-Private Partnerships Policy Guidance for ADRCs, Aging Units, and Area Agencies on Aging

This policy applies to aging and disability resource centers (ADRCs), area agencies on aging (AAA), aging units (AU), and Tribal aging and disability resource specialists (Tribal ADRS), herein referred to as “agency” or “staff.”

I. Introduction

Wisconsin’s aging and disability resource centers (ADRCs), area agencies on aging (AAA), and aging units (AUs) have valuable experience working with Wisconsin’s older adults and adults with disabilities. These agencies may be approached by or pursue external entities interested in purchasing agency services or agency expertise.

Wisconsin’s aging and disability network is faced with increasing demands to serve a rapidly growing population of older adults and adults with disabilities. Partnerships between health care organizations and social service organizations can help to ensure that the social determinants of health for older adults and adults with disabilities are being addressed. These partnerships allow health care organizations to have streamlined access to needed programs and services while generating program revenue for social service organizations.

Recognizing the potential for public-private partnerships to improve and strengthen aging and disability services, the Administration for Community Living (ACL) established a [Business Acumen Initiative](#) in 2012 to help community-based organizations build their skills in forming relationships with health care providers and payers, pricing and billing for services, describing how services will generate return on investment and cost savings for payers, and negotiating contracts. ACL’s [Strategic Framework for Action: State Opportunities to Integrate Services and Improve Outcomes for Older Adults and People with Disabilities](#) provides a detailed description of the vision for these partnerships.

II. Purpose

The purpose of this policy guidance is to ensure that agencies that choose to establish public-private partnerships, to tap into new revenue streams outside of government grants, do so in a manner that mitigates the risks for the agency. The structure of these agencies in Wisconsin is robust and complex and requires that the approach to external contracting be done with intentionality.

Regardless of integration status between the ADRC and AU or the AAA, each entity has policy areas that need to be addressed prior to executing a contract with an external provider. Section III details the areas that must be analyzed by each agency for every external contracting opportunity. Contracts that were put in place prior to June 1, 2022 should be analyzed prior to renewal.

III. Guidelines for Implementation

Agencies that are considering contract work through a public-private partnership must address each of the following areas prior to entering into a contract.

A. Conflict of Interest

Financial relationships between ADRCs, AAAs, and AUs with any organization that provides health or long-term care services could create a conflict of interest. Even if the agency can ensure its own neutrality, these relationships could compromise the public's perception of the agency's neutrality.

ADRCs must comply with the [Conflict of Interest Policy \(P-02923-03\)](#). Special attention should be paid to the conflict of interest requirements for staff who provide eligibility determination and enrollment, and disenrollment counseling. AAAs and AUs must comply with the conflict of interest requirements described in the [aging policy manual \(P-23203\)](#).

Agency staff who provide benefits counseling under the State Health Insurance Assistance Program (SHIP), Senior Medicare Patrol (SMP), or Medicare Improvements for Patients and Providers Act (MIPPA) programs are required to follow the conflict of interest standards described by the Administration for Community Living in the [Conflicts of Interest: Identification, Remedy, and Removal](#) guidance document.

The agency must review conflict of interest policies and guidance to ensure compliance before entering into a contract. Mitigation plans must be put in place prior to beginning contract work if there is a perceived conflict of interest.

B. Agency Capacity

Agency programs are often operating at capacity. Before entering into a contract, the agency must complete a thorough analysis of its program capacity. Ideally, an external contract will augment the agency's services and quality. A proposed contract should not decrease services or quality. Consideration must be given to whether the contract could reduce the agency's ability to meet their contract requirements or reduce its capacity to provide the quality of services that customers expect.

C. Older Americans Act

Section 212 of the [Older Americans Act of 1965](#), enacted March 25, 2020, outlines requirements and expectations for State Units on Aging (SUA) related to contracting and grant authority, private pay relationships, and appropriate use of funds. Wisconsin's SUA is the Office on Aging (OoA) within the Bureau of Aging and Disability Resources (BADR).

The following eight assurances must be made:

1. If Older Americans Act (OAA) funds are used initially for development or carrying out the contract, all funds must be reimbursed.
2. Funds used from OAA programs must be tracked using acceptable accounting principles and are subject to audit by DHS fiscal staff.
3. Services must be purchased at their fair market rate.

4. All costs incurred in providing the service(s) must be reimbursed.
5. Contract rates for the services must be reported to BADR, upon request.
6. Reimbursements to OAA funded programs must be timely.
7. The contract will not result in the displacement of services otherwise available to an older individual with greatest social need, an older individual with greatest economic need, or an older individual who is at risk for institutional placement.
8. All revenue generated as a result of the contract is reinvested into the agency and documentation of this must be provided, upon request.

For AAAs only: The Older Americans Act requires that any AAA that wishes to provide direct service to older adults receive a waiver to do so from BADR.

D. Medicaid Managed Care Rule

ADRCs are required to provide eligibility determination and enrollment and disenrollment counseling for Wisconsin's publicly funded long-term care programs. These programs are authorized under federal waivers from the Centers for Medicare and Medicaid Services (CMS). ADRCs are the designated beneficiary support system (BSS) as described in the [Medicaid Managed Care Rule in 42 CFR § 438.71](#). Adherence to the Medicaid Managed Care Rule is critical to Wisconsin's long-term care system and ADRCs ability to draw down Medicaid administrative match funding.

A required function of the BSS is to provide choice counseling. The Medicaid Managed Care Rule requires that entities that provide choice counseling meet the independence and freedom from conflict of interest standards in [42 CFR § 438.810\(b\) \(1\) and \(2\)](#). Specifically, the ADRC is not considered free from conflict of interest if any person who is the owner, employee, or consultant of the agency or subcontractor has any direct or indirect financial interest in any entity or health care provider that furnishes services in Wisconsin.

The Medicaid Managed Care Rule does not apply to AUs that are not integrated with an ADRC, and it does not apply to AAAs.

For ADRCs only: Medicaid Administrative claiming cannot be done for activities performed under a contract with a private entity. This means that if 100% time reporting is conducted for these activities, they must be reported in the "other" column, and state and federal funding cannot be claimed.

IV. Additional Assistance

Agencies may need additional assistance reviewing these policies. For assistance, please contact the following:

ADRCs

Contact your assigned regional quality specialist.

Integrated ADRCs and aging units

Contact your assigned regional quality specialist and the appropriate program consultant at the area agency on aging.

Aging units not integrated with the ADRC

Contact the appropriate program consultant at the area agency on aging.

Area agency on aging

Contact the appropriate program manager at the Office on Aging.

If you are still unsure who to contact or in need of additional assistance, you should email [BADR](#) with the subject line “Business Acumen.”