Committee on Comprehensive System Change

Council on Long Term Care Reform

Meeting of June 9, 2006

Minutes – Corrected and Adopted

Members present: Pat Anderson, Lynn Breedlove, Paul Cook, Carol Eschner, Rich Kammerud, George Potaracke, John Sauer, Tim Sheehan (via telephone)

Members absent: Gerry Born, Tom Frazier, Craig Thompson

Others present: Judith Frye, Lorraine Barniskis, Chuck Wilhelm, Kathleen Luedtke, Sue Schroeder, Donna McDowell, Mark Stein, Bill Jensen, Nachman Sharon, Nancy Anderson, Dan Hayes, Monica Deignan, and Steve Milioto

Chair George Potaracke called the meeting to order at 9:05 a.m.

Nursing home access issues

Kathleen Luedtke distributed and walked through the DHFS preliminary report on estimated future need for Medicaid-funded nursing home beds in a managed care environment. She said that credit for the research should go to Sandra Mahkorn, Cindy Ofstead and Nachman Sharon, and cautioned that the analysis is still in progress. She introduced Nachman, who assisted with the explanation and responded to questions. Several additional handouts further explained the report. Based only on current nursing home use and population projections by age group, the statewide need for MA-funded beds would be about the same in 2020 as the number of beds used in 2004, with a significant dip in the interim. Further analysis is underway to refine these numbers based on the experience with managed care programs and other factors. There was considerable discussion about the methodology, especially research on possible ways to predict nursing home use based on consumer characteristics.

Report on nursing home reimbursement changes

Dave Lund described the changes underway in the Medicaid reimbursement system for nursing home care, walking through a handout he distributed. The change to a RUGS-type acuity-based system will be implemented over several years, beginning July 1, 2006. The system is intended to be more sensitive to actual care needs than the current system that uses broad levels of care. The new rates will apply only to direct care costs (nursing staff and supplies). Homes will receive blended rates, weighted by patient days and level of care/RUGS category. The nursing home trade associations have been providing feedback. Nursing homes have some concerns, but overall the reaction has been favorable. The biggest concern has been that the system is based on the Medicare system and therefore is most relevant to short-term rehabilitation. Adjustments may be recommended, but they would require changes to the Medicaid Data System (MDS) and therefore take time to implement. Some adjustments have been made to reflect difficult behavior issues; further changes in this area are likely over time. It was noted that these fee-for-service changes will have implications for managed care contract rates.

Updates on and from LTC reform planning consortia

Judith Frye distributed a map showing the final distribution of LTC reform planning grants. Grants have been approved for the northeastern consortium, and in Milwaukee and Rock counties. Rock will join with Dane County. Walworth County is now interested in getting involved, and the northern counties which have not yet applied are now holding discussions.

Racine and Kenosha counties will be partnering with Community Care (the likely contract holder) to begin offering both Family Care and Partnership in early 2007. The Family Partnership Care Management group across the south-central tier of the state want to work with private partners on a county created and operated system. The southwestern consortium is continuing the process to put Family Care in place within the next 18 months in five additional counties (already in place in Richland). The six counties in the La Crosse area group believe they can begin Family Care early in the next biennium. They are especially concerned with making multiple managed care systems seamless for consumers. The Dane-Rock consortium is not moving very quickly yet, since Rock only recently joined.

Chuck Wilhelm reported that the northeastern consortium held its first planning meeting about two weeks ago, providing education and sorting out what major questions need to be resolved. There are twelve counties in this group; about five of them want to implement faster than the others.

Paul Cook reported that the northwestern consortium held an educational retreat recently that was useful and well received. Planners are meeting once a month. Interviews are scheduled next week for the position of project manager. They will have a plan for implementation by September. All nine counties in this group are still interested in exploring a public-private partnership, and there is a fair amount of interest in providing an integrated benefit. There is lots of discussion on how best to structure consumer and other stakeholder participation in planning. Jeff Fox will be included in the governing council as a non-voting member. They are also adding a public hearing segment to every meeting.

Paul also reported on the West Central group. They have been meeting for almost a year, currently twice a month. There are several active committees, including ADRC, consumer participation, DD, and implementation. A part-time project manager has been contracted with. They are looking at models for care management staff that will allow county employees to remain in place and be used under contract with the new CMO. Some counties may not want to take on financial risk, while others are comfortable with this idea. Because of this split, two governance/implementation work efforts may be needed. The three counties in which Community Health Partnership operates are working with GHP to implement by early 2007. There is still some interest in providing an integrated benefit, but also some fear – especially in the counties that want to take on risk and an active governance role. There is concern about keeping a local feel and good focus on each enrollee when the infrastructure has to grow so much. Sorting out funding (state, federal, and county) is still bogging down progress.

Kathleen Luedtke reported that the three-county central group is working hard on implementation and business issues. They continue to work with an attorney on the implications of multi-county ownership agreements under Chapter 66 of the statutes.

County funding issues

Chuck Wilhelm discussed efforts to sort out how to equitably fund the new LTC system, while leaving sufficient county funding for adult protective services and other activities that will remain a county responsibility, as well as for county infrastructure. He referred to the letter sent by Helene Nelson to WCHSA outlining the DHFS proposal on these issues. The WCHSA Executive Committee has not yet met to discuss the proposal. A major issue among counties is the wide disparity in the level of LTC funding that comes from local sources. DHFS is doing an analysis on a county by county basis. It is hoped that a methodology can be agreed on by mid-summer, since counties will be working on their 2007 budgets in the fall.

Comments from the public

Bill Jensen thanked the committee for their work on reform and said that iCare was pleased to see the announcement of the planning grant for Milwaukee County. Nancy Anderson expressed appreciation for the nursing home bed projection analysis, but said that providers will also need to know projections for Medicare-funded beds.

Committee business

- Consideration of the minutes of the April 13th meeting was laid over to the next meeting, due to lack of a quorum.
- The date of the August meeting will be changed from Friday the 11th to Thursday the 10th.

Updates from DHFS

Judith Frye noted that a large amount of data on populations and expenditures will be distributed to planning consortia, setting the stage for discussions regarding rates. A technical assistance piece will be distributed within the next week outlining requirements for organizational separation between Resource Centers and MCOs. It will essentially require that:

1. If a county or group of counties operates both an ADRC and an MCO, lines of reporting and authority must be separate all the way to the County Executive and/or County Board. It is hoped, but not yet ascertained, that CMS will accept this model.
2. If there is more than one MCO serving a county and the county is both the ADRC and an MCO, then the ADRC and the county-affiliated MCO must be separate agencies and there must be an independent enrollment consultant.

Paul Cook noted that potential conflicts of interest are not related only to financial risk, and further thought on these issues is needed. For example, the county could be responsible for eligibility determination (ADRC) and also hold a subcontract from an independent MCO to provide care management or other services. Also, if SSI Managed Care program(s) and LTC MCO(s) operate in the same county, similar potential conflicts of interest could arise.

Judith reported on Chuck Wilhelm's behalf regarding the ICF-MR Initiative. Nearly 380 people have relocated to date. Five ICFs-MR are closing and another four are downsizing. It is estimated that fewer than 500 people will reside in ICFs-MR by the end of the biennium. Over 500 people have relocated from nursing homes to date under the Community Relocation Initiative, not including some relocated under Family Care and Partnership, where data is not yet available. The program is on target, but will need to step up efforts to meet increased targets.

Judith also reported on the new Nursing Home Diversion Program and distributed a handout summarizing information on it. Since the last week of April, 113 diversions in 36 counties have occurred, out of a total number of 150 authorized by the Legislature. Contrary to expectations, only 25 of these people lived in CBRFs. The average age was 73.7. DHFS will analyze and evaluate the program. Based on those findings, it is possible that more slots will be requested.

Consumer protections in the LTC system

Monica Deignan walked through a handout summarizing various aspects of consumer protections that are woven throughout Family Care and Partnership. She also provided copies of the booklet "Being a Full Partner in Family Care" which is available at http://dhfs.wisconsin.gov/LTCare/BeingAFullPartner.htm. She said that one of the most

important factors is coordinating across all segments of the system, in order to facilitate changes that are indicated by patterns of consumer concerns.

Carol Eschner reported on her experience with consumer protections in Milwaukee County Family Care, and those of others she had interviewed. She observed that the job of the internal CMO advocate is important, and must be held by someone who understands the advocacy role. Most consumer complaints are resolved informally, often with the assistance of the person's care manager. Care managers also help members to file formal grievances when necessary. Having an outside advocate is often useful, but the first level should not be an attorney. Having close oversight by state staff has also been beneficial for consumers.

Paul Cook reported his observations about consumer protections in Partnership. He said that an organization's culture and mindset are crucial for how well the system's consumer protections actually play out. He noted that having Medicare integrated into the benefit adds additional layers of complaint resolution processes, making the overall system very complex and sometimes difficult for consumers to understand. The team care management approach creates opportunities for relationships with consumers, which are useful both for resolving issues and for helping consumers understand their rights. Educational efforts are needed to help consumers be good members of governing structures, especially as programs have gotten more complex. Short time frames required by contracts for issue resolution sometimes conflict with the RAD process, which is effective but often takes longer. Outside advocacy is most useful when it takes a quality improvement, rather than confrontational, approach. Partnership is not currently required to have an internal advocate, but should be. CHP has an internal computer system for analyzing complaints. DHFS is developing a similar web-based system that all Partnership and Family Care programs could tie into.

George Potaracke said that, similar to the Ombudsman Program, the approach for resolving the problems of individual consumers needs to be problem-solving and mediation, not confrontational insistence on regulation or contract compliance. Judith Frye noted that the Family Care contract is quite different from facility regulation; it requires outcomes, not process or output.

Discussion of consumer protections in the new system was deferred to the next meeting.

Future agenda items

- Next meeting scheduled for August 10, 2006 (rescheduled from August 11). Suggested items for future agendas (cumulative list):
  - Further discussion of consumer protections in the new system.
  - Update on planned changes to the MMIS system and its interface with LTC reform and other county functions.
  - Continued updates on efforts of local planning consortia.
  - Continued discussion of nursing home access issues (reports from DHFS).
  - Discussion of what insurance regulations will impact LTC reform efforts
  - Discuss the roles of PACE/Partnership in the new system; will they run side by side with other programs?
  - Invite Family Care representatives and nursing home representatives from Family Care counties to speak

- Review data on nursing home relocations by target group and length of stay
- Review status of nursing home downsizing agreements and payments
- Possibly meet in a nursing home
- County issues raised by the Southeastern planning consortium, including:
  - Retention of sufficient funds to provide administrative infrastructure for serving people not eligible for Family Care
  - Need for funding to have fully functional ADRCs
  - Funding for sufficient county economic support staff to do financial eligibility determination for Family Care
  - Funding for APS, crisis and short-term case management services for people not eligible (or not yet eligible) for Family Care
  - Infrastructure needs for remaining county responsibilities, including mental health, child welfare, juvenile justice and public health, in light of past decades of stagnation in state and federal funding for these county-mandated services.
  - Potential county costs for local oversight, public accountability and consumer grievance processes in the new LTC system
  - Potentially inaccurate assumptions regarding LTC costs.
- Updates on nursing home quality and acuity-based rates (as timing is appropriate)
- Overview of federal requirements and needed waivers to proceed with reform (after it is more clear what regional consortia want to do)
- Discussion on assisted living – impact of managed care, appropriate roles, quality assurance systems (including CMO contracts). Later in the year, after nursing home access issues are concluded.
- Update on efforts to develop affordable assisted living and housing.
- Planning for consumer advocacy in the new system.
- Additional discussion on how Medicaid LTC reform will interface with Medicare managed care, including how to avoid Medicaid investments in reform resulting only in savings to Medicare and cost-shifting from SNPs to Medicaid. Related interface issues from provider perspectives (address concerns expressed by WPSA). Relationships between SNPs and counties for people receiving services from both.
- Overviews of various risk-based payment systems and trends toward individually based rates
- Updates on ICF-MR Restructuring Initiative, Community Relocation Initiative and the CSC project.

Meeting adjourned at approximately 2:30 PM.