

Committee on Comprehensive System Change
Council on Long Term Care Reform
Meeting of October 7, 2005

Draft Minutes

Members present: Lynn Breedlove, Paul Cook, Carol Eschner, John Sauer, Craig Thompson, Mick Bachhuber for Tim Sheehan, and Theresa Sanders for Rich Kammerud.

Members absent: Gerry Born, Tom Frazier, Jerry Huber, George Potaracke.

Others present: Judith Frye, Lorraine Barniskis, Chuck Wilhelm, Diane Waller, Bill Jensen, Kathleen Luedtke, Dan Hayes, Nancy Anderson, Michael Blumenfeld, Jim Johnston, Theresa Sanders, Dave Lund, Brian Schoeneck, and Jennifer Gillespie

Paul Cook chaired the meeting in George Potaracke's absence, and called the meeting to order at 9:00 a.m.

Summary of committee consensus on LTC reform principles

After considerable discussion and some editing, the committee approved a paper summarizing its areas of consensus on principles that should guide long-term care reform, and outlining points of discussion issues where it had not reached consensus. The paper will be forwarded to the full LTC Reform Council for review.

Interface between Medicaid LTC reform and Medicare reform

This item was postponed until the November meeting.

Using Medicaid mechanisms to manage the rightsizing of nursing homes

John Sauer and Brian Schoeneck distributed a handout describing current and previous Medicaid mechanisms to manage rightsizing of nursing homes. John stated that over the past year, incentives for downsizing have diminished with changes in DHFS policy and reduction in the availability of transition payment funds. These payments are now being offered to facilities that agree to close, but are no longer available to those that want to downsize in order to reduce the use of pool staff, offer private rooms, achieve long-term financial viability, or diversify into other services.

Brian walked through several examples of the economics and results of previous uses of transition funding. John noted WAHSA's recommendations on this topic near the end of the paper. Craig Thompson noted that some counties will sell their facilities without the availability of funds to assist with updating and downsizing. Chuck Wilhelm noted that the recently enacted budget significantly cut available funds for this purpose and that the primary purpose of the payments is to maintain adequate staffing during transition, for the protection of residents. It was noted that Mark Moody had indicated a change in DHFS policy and had proposed the funding cuts.

After some discussion, it was agreed that the future role of nursing homes and both long-term and short-term mechanisms for moving toward that vision should be the next major task for this committee. It was noted that the CSC grant-funded project does include a number of these issues.

Comments from the public

Nancy Anderson distributed copies of the Home Care RFI recently issued by DHCF. She noted that the RFI seems to imply that fee-for-service personal care will go into managed care soon. This would have major implications for the kind of comprehensive LTC reform that this committee has been discussing. She suggested that it be made clearer that running parallel managed care systems should be time-limited, since multiple systems are very expensive for providers.

The committee agreed that the Home Care RFI should be on the next committee agenda for further discussion.

Highlights from the independent assessment of Family Care

Judith Frye walked through highlights of the Independent Assessment of Family Care recently completed by APS Healthcare. This is the second such assessment, which is an independent evaluation of the program's effects on access, quality and cost. The assessment found that:

- Total costs for all Medicaid services were lower for Family Care members. Average monthly total Medicaid costs were:
 - \$452 less for Family Care members outside Milwaukee
 - \$55 less for frail elder members of the Milwaukee County CMO
- Reductions were produced:
 - Directly by spending less on services; and
 - Indirectly by favorably affecting members' health and abilities to function so that they have less need for services
- Costs of long-term care (without other costs) were also lower for Family Care members. Average monthly long-term care costs were:
 - \$722 less for Family Care members outside Milwaukee
 - \$565 less for frail elder members of the Milwaukee CMO
- Quality and access to services have also improved.
 - Family Care members visit their primary care physician more regularly than their comparison group counterparts.
 - Family Care members' have lower costs for inpatient hospital care and for non-primary care office visits.

Updates from DHFS

Judith Frye had the following updates:

- High-level discussions are going on regarding the LTC Reform RFI. It is expected to be issued soon.
- Guidance has been provided to counties on how the Community Relocation Initiative will work. 54 preliminary applications have been approved. 13 actual case plans have been approved. A number of additional relocations have been accomplished through Family Care and Partnership programs. Overall, the initiative is on target.
- The ICF-MR Restructuring Initiative is also on target, with 177 relocations accomplished.

Discussion on how SSI-Managed Care, the CCS benefit and LTC reform fit together

Angie Dombrowicki distributed handouts and updated the committee on SSI Managed Care in Milwaukee County. Joyce Allen described the Comprehensive Community Services programs, which are operating in 9 counties. 5 additional counties have submitted applications and 29 more have received requested application packets. The CCS benefit is a fee-for-service Medicaid

benefit, which encompasses a variety of individualized services for people with mental health or substance abuse condition. The non-federal portion of the costs is paid by counties, and only counties can be certified providers of this benefit.

Points of discussion around the interplay among SSI Managed Care, LTC reform, and the CCS benefit included the following:

- It is a federal requirement that an individual cannot be in SSI Managed Care and Family Care at the same time.
- There are some, but not many, people who are eligible for both SSI Managed Care and home and community-based waivers or Family Care.
- Several new models are emerging, including in Dane and La Crosse Counties, that more closely integrate some LTC service with mental health and substance abuse services. The Community Living Alliance in Dane County is developing an SSI Managed Care program that will include mental health and substance abuse services and all MA fee-for service benefits, but not home and community-based waiver services or waiver-eligible populations. In La Crosse, the County has partnered with Group Health Cooperative of Eau Claire to develop a program that will include all Medicaid fee-for-service benefits plus all Family Care benefits. They plan to expand regionally.
- There are many issues around the degree to which a single system serving LTC, SSI and mental health populations could be developed, including the various current funding sources and the widely varying levels of county funding in the mental health system.

Committee business

- On a motion by Carol Eschner, seconded by John Sauer, the minutes of the meeting of September 2, 2005 were approved by consensus.
- Next meeting scheduled for November 4, 2005. Suggested items for future agendas (cumulative list):
 - 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. (Postponed from October meeting.)
 - Discussion on how to structure discussion over the next several months on long-range vision of the role and size of the nursing home industry and shorter term policy recommendations to move toward that goal. Possible issues to include changes in the nursing home formula, downsizing transition payments.
 - Information on and discussion of recently released MA home care RFI
 - Briefing from Rep. Curt Gielow or staff on plans and activities of Assembly Medicaid Reform Committee
 - Overviews of various risk-based payment systems and trends toward individually based rates
 - Update on ICF-MR Restructuring Initiative
 - Update on the CSC project.

- Update on the Community Relocation Initiative and other budget implementation issues
- County panel on nursing home relocation experience (or include on agenda of full Council instead)
- Consider asking EverCare to present their model.

Meeting adjourned at approximately 3:20 PM.