

**Committee on Comprehensive System Change**  
Council on Long Term Care Reform  
**Meeting of April 13, 2006**

**Draft Minutes**

**Members present:** Pat Anderson, Lynn Breedlove, Paul Cook, Carol Eschner, Tom Frazier, George Potaracke, John Sauer, Tim Sheehan, and Craig Thompson

**Members absent:** Gerry Born and Rich Kammerud

**Others present:** Judith Frye, Lorraine Barniskis, Chuck Wilhelm, Kathleen Luedtke, Sue Schroeder, Mark Stein, Bill Jensen, Bob Schaefer, Tim Steller, Bonnie Zabel, Peter Tropman, and Steve Milioto

Chair George Potaracke called the meeting to order at 9:00 a.m.

**Updates and discussion – current LTC reform efforts**

Peter Tropman updated the committee on the planning efforts that he and a team at TMG have been involved in. He noted that all regional consortia are working hard. They are in various stages of planning. To date, many preliminary stages have been necessary, including partners getting acquainted, educated, and oriented to the tasks and decisions necessary. Some will likely be ready to implement sooner than others. The regions that have done more work prior to the issuance of the RFI/RFP and more likely to be ready to implement sooner include the La Crosse area, the counties surrounding Milwaukee, Dane County and the nine-county West Central consortium.

The first two tasks for all groups has been to form a group to work on development of Aging and Disability Resource Centers and another to develop two-way communication and participation of consumers, providers and other stakeholders. Two major blocks of work that need to happen soon are:

- Big picture planning, including
  - MCO structure and governance, and county roles
  - Programmatic platforms (especially complicated with SSI Managed Care and Medicare Special Needs Plans also being developed simultaneously)
  - Decisions about who will bear risk
  - Benefits (could mix and match)
- Planning for implementation, including
  - Information system and administrative infrastructure
  - Care management models, including consumer self-direction
  - Solvency plans
  - Transitions for consumers now in COP and waiver programs

Judith Frye reported on several planning efforts. In the Central Wisconsin consortium, Portage County will help Marathon and Wood County to implement the current Family Care program; big questions about possible future programs and structures will come later. In the Southwest, Richland County is taking the lead in educating other counties in the region; Gerry Born's new organization is helping them with planning; they are likely to be slower and deliberative. In the Northeast (involving 12 counties), a revised proposal has been submitted and will likely be funded.

Peter said that he sees a number of issues emerging that may warrant the attention of the CSC Committee and/or the LTC Reform Council. These include:

- ADRC development and the role of the Aging Network. Guidance is needed from DHFS. (Judith noted that the first of several papers is coming out very soon.)
- MCO structures and local options.
- What county funding will be required. This question needs a decision from the state.
- The degree of integration of benefits. More consortia than not are interested in offering an integrated benefit including acute and primary care.
- Education of and getting input from all stakeholders, including consumers and county board members. All consortia are very interested in making this effort with consumers, but are overwhelmed with all the other major tasks. More needs to be done on a statewide basis.
- The need for sharing learning among the consortia.

### **Nursing home perspectives – current and future residents**

John Sauer introduced a panel of three administrators of nursing homes with very different missions. Tim Steller operates North Central Health Care Facilities, which are owned by Marathon County. Bonnie Zabel is administrator of Marquardt Memorial Manor in Watertown, which has had private rooms for a number of years and serves primarily long-stay residents. Bob Schaefer operates LindenGrove, a facility that focuses on sub-acute care for short stays.

Bonnie Zabel described Marquardt Memorial Manor, a not-for-profit campus that includes a skilled nursing facility (140 beds), a CBRF (48 beds), 101 HUD-subsidized apartments, as well as a home health agency, a supportive home care agency, a library, beauty shop, workout room, Dodge County congregate meal site, and coffee shop/grocery store. Many clinics and classes are offered routinely. The nursing home has all private rooms and bathrooms. There is usually a waiting list for admission. Lengths of stay are generally fairly long; only 34% stay less than one year and 8% have been there for more than four years. Most residents have dementia in addition to complex and unstable medical conditions. Only 13% can transfer independently, 8% can toilet independently and 37% can eat independently. Funding has been substantially from Medicaid (71% in 2005) and most residents have been eligible for MA upon admission. Because of substantial financial losses, the facility is beginning to screen for ability to pay and hope people can privately pay for at least six months. She raised concerns about the new rate structure being considered by DHFS because it does not adequately reimburse for many costly cares, including monitoring of unstable diabetics, wound care, pain management, multiple labs and medications, oxygen use, behavior issues requiring multiple staff and intense efforts needed to care for severely demented residents. She also noted that her facilities work hard to retain good staff and that they have very low turnover among both CNAs and RNs. CNA turnover last year was only 15%.

Bob Schaefer described LindenGrove, Inc., a non-profit campus that includes a 461-bed nursing home, 335 beds of which were originally the Waukesha County Home. The campus also includes 162 assisted living beds, 60 of which are apartment-style. This organization also owns two specialty memory care facilities. The nursing home has two hospital system sponsors, and 25% of its residents are sub-acute, post-hospital, with an average length of stay of about 20 days. This percentage is growing at about 2% per year. Residents with longer term stays are much more sick and unstable than they were years ago, and need daily RN observation. Two-thirds have dementia, along with physical health problems. Many have behavioral problems and/or mental illness. The Medicaid rate for his facility is about \$130 per day, while costs average about \$180 per day.

Tim Steller said that of the 320 beds in North Central, 123 beds (in three units) serve people with behavior challenges plus physical health conditions. Marathon County has downsized and moved people with mental illness to community settings. Many facility residents are admitted from other nursing homes and from psychiatric hospitals. He noted that many elderly people with dementia end up in psychiatric hospitals. He also noted a growing group of younger people who need help because of long-term alcohol or other drug abuse; because of resulting body and brain damage, these people need skilled nursing services. He said that specialized regional facilities might be a sensible solution, but that Medicaid supplementation rules pose barriers.

John Sauer summarized by observing that nursing homes have very different roles in the current system and questioned how campus arrangements fit into the access question. He is concerned that while nursing homes are losing money under current Medicaid rates, the initiative to reduce nursing home beds by 25% over eight years is designed to fund LTC reform. He said that the nursing home access question is very complex, and needs considerable work. He made several suggestions: (1) Add nursing home representatives to the Committee; (2) Invite Family Care representatives and nursing home administrators from Family Care counties to speak to the Committee; (3) Gather data on relocations by target group and length of stay; (4) Review downsizing provisions and the moratorium on downsizing payments; (5) The Committee could meet in a nursing home.

Several additional points were raised in this discussion, including:

- Behavioral issues very much affect cost, liability and the ability to place people who have burned out caregivers and facilities.
- It is a challenge to have a medical model for sub-acute patients while providing a homey and comfortable atmosphere (e.g., private rooms). The medical model also presents challenges for providing flexible, consumer-driven scheduling of meals and other activities.
- As we continue to downsize, the remaining nursing home population has much higher care needs, making it less possible to move them into the community.
- Regulation presents issues of both cost and quality of life. Requirements for the same person are different in different settings.
- An analysis of the number and location of people with very high-cost behavioral issues is needed.

### **Efforts to resolve implications of LTC reform for Chapters 51 and 55**

Donna McDowell provided a handout on Adult Protective Service (APS) functions. She noted that a legislative package to revise Chapters 55 and 880 is being considered by the Legislature. APS has been a county responsibility without much state involvement. State funding for elder abuse services and outreach has been available. APS needs to be available 24 hours a day, seven days a week. Moving APS funding to the new managed LTC system will leave gaps of funding and possibly of skilled staff in counties, which will remain responsible for APS. DHFS staff are recommending that the Aging and Disability Resource Center is a logical place for APS in the new system. CMOs should not be the home for APS, especially if they are not operated by county government. APS, like other protection services, is a government function. DHFS continues to work on these issues.

Chuck Wilhelm described a DHFS project to sort out county funding issues, with a focus on APS and county administrative infrastructure. State auditors are visiting several counties to determine

how county and state funds are currently spent. It is hoped that findings can be applied statewide, but it is not yet known whether this will be possible.

Judith Frye distributed a letter and position paper from Kenosha County on behalf of the Southeastern planning consortium, noting that it was a good compilation of county issues. DHFS has already started working on most of the issues. The letter and attachment will be sent to everyone on the listserve of people interested in LTC reform efforts. Donna said that an additional question is the extent to which APS clients are Family Care eligible. Craig Thompson noted that there is still a problem with statutory provisions that give responsibility and liability for the developmentally disabled population if we are openly procuring and contracting for services to them.

### **Comments from the public**

Mark Stein reiterated earlier raised concerns about access to Medicaid nursing home beds in Milwaukee County.

### **Committee business**

- New member Pat Anderson was introduced to the Committee. She runs the Mobile Outreach to Seniors (MOST) program at the Mental Health Center of Dane County.
- On a motion by Paul Cook, seconded by Carol Eschner, the minutes of the February 10, 2006 meeting were approved unanimously without change.
- Lynn Breedlove updated the Committee on the consumer rights brochure developed by the Committee and approved by the full Council. A few minor edits were made. Disability Rights Wisconsin will also make it available in alternative formats; Independent Living Centers will assist. On the advice of the Committee, the brochure will be made available to all counties and tribes based on population, with some reserved for advocacy groups' use. Translation into several languages (especially Russian, Hmong and Spanish) was recommended.
- Lynn also reported on forums being sponsored by the Survival Coalition to educate and get input from consumers on several topics, including managed LTC expansion. The forum held in the northwest part of the state was very successful, with many consumers, advocates and county staff present. Notices of five or six future forums will go out broadly. Tim Sheehan noted that the Council's Committee on State and Local Stakeholder Participation has developed a consumer survey and advice for planning consortia for involving consumers in a meaningful way.

### **Updates from DHFS**

Chuck said that the ICF-MR Restructuring Initiative continues to be on track, with 359 relocations to date. Nine facilities have closed, and five more are in the process of closing. About 370 relocations have occurred (data through February for relocations under PACE/Partnership/Family Care and through March for CIP II). More detailed data will be available for the next Committee meeting.

Judith said that DHFS staff have been busy analyzing many issues, including what federal authority will be needed for reforms and a number of operational questions such as development of an RFP for implementation, and DHFS readiness. Planning grants are mostly made. The 12-county consortium in the northeastern part of the state has submitted a revised proposal. Negotiations are underway with Milwaukee and Rock counties. Passage of the legislation to lift the cap on Family Care expansion is expected and the end of April. The Joint Committee on Finance made substantial changes, and then passed it by a vote of 16-0. The first managed LTC

technical assistance web cast was very successful, with 400 viewers while live. Additional web casts are planned to cover care management, quality issues, and ADRC issues. All web casts will be available on delay; the technology works well for viewing delayed versions.

Kathleen Luedtke reported that the federal Deficit Reduction Act may provide opportunities to enhance Wisconsin's LTC reform efforts; however, federal staff is still sorting out what will be allowed. Lynn Breedlove noted that the act also opens the door for states to do many detrimental things to Medicaid and wondered whether the Council should consider recommending a resolution or other mechanism that might slow any future effort in Wisconsin to dismantle Medicaid. John Sauer questioned whether Medicaid was a sustainable model for the future.

### **Nursing home access issues**

Kathleen reminded the Committee that there is an agreed upon assumption that nursing homes will be a critical component of any future LTC system. She said that DHFS has narrowed the scope of its analysis to the question of what need there will be for nursing home beds in a managed care environment. They are therefore analyzing the reasons why current and previous members of Family Care/Partnership entered nursing homes (for short term and for long term stays), along with demographic information about these people, lengths of stay, utilization rates and other information from functional screen and MDS sources. She noted that several issues are hard to project: (1) Past, present and potential future reasons why people decide to use nursing homes; (2) Future technology that could prevent nursing home use; and (3) The availability of culturally competent services to match future populations. DHFS is still working on their basic projection of need, with more nuanced projections to follow (e.g., regional differences). Staff are still assessing what data is available and beginning analysis. Additional information will be available at the June Committee meeting.

### **Future agenda items**

- Next meeting scheduled for June 9, 2006. Suggested items for future agendas (cumulative list):
  - Invite representatives of planning consortia to provide status updates at the next several meetings.
  - Discuss what the roles of PACE/Partnership in the new system; will they run side by side with other programs?
  - Continued discussion of nursing home access issues (preliminary report from DHFS).
  - 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)
- Discussion of what insurance regulations will impact LTC reform efforts
- 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.
- Further discussion on implications of shifting Chapter 51 and 55 responsibilities from counties to the state.
- 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 2:45 PM.