


To: Listserv

For: County Departments of Human Services Departments
County Departments of Social Services Directors
County 51 Directors
County Fiscal Contacts
County COP and Waiver Coordinators
Children's Services Specialists

From: Sinikka Santala 
Administrator

Subject: LTC Fiscal Update Memo #9

The purpose of this memo is to clarify planning instructions for counties transitioning to long-term care managed care.

BACKGROUND

As previously detailed in Managed Long-Term Care Expansion Planning Informational Memo #5, counties are required to submit initial transition plans to the Department of Health Services (DHS) three months (90 days) prior to the anticipated first date of enrollment in managed long-term care in that county. This plan must clearly indicate both the total number of current waiver participants and the total number of individuals on the county's waiting list. Counties are required to process the enrollment of current waiver participants into Family Care within six months of the program first being offered. Enrollment from the waiting list is to be distributed over 24 months.

ENROLLMENT PLANNING

In order to formulate an accurate budget for Family Care expansion, DHS was required to project the pace and nature of expansion. A key assumption of this projection is that the careful regulation of the speed of the enrollment of current waiver program participants and of individuals on wait lists into managed care is essential in order to stay within appropriated expenditure levels. Another assumption is that savings generated by bringing the care of former waiver participants under management using the principles of Family Care will generate part of the savings needed to serve those on wait lists. Using these projections, DHS determined that any county's waiver participants could be enrolled over a six-month period, allowing Managed Care Organizations (MCOs) time to ramp up to full capacity. DHS projected that those on waiting lists could be enrolled over a 24-month period, which also coincides with the period of time before entitlement is required in any county where Family Care is implemented. Finally, DHS projected that curtailing all new waiver approvals beginning 90 days prior to Family Care implementation in any county, except in very select circumstances, was required in order to finalize case counts and regulate the flow of enrollment to Family Care.

The amount of the Department's request for funding for expansion was made using these assumptions, with the expectation that these assumptions would become the guidelines within which expansion would occur. In implementing these guidelines, DHS allowed a degree of flexibility that does not jeopardize the ability to stay within the appropriation.

- Some long-term care districts have been granted permission to plan for enrollment of all current waiver participants who choose Family Care in a single month. This rapid transition from county

operations to district operations will challenge the district to bring care "under management" quickly, but is not contrary to appropriation guidelines.

- DHS has authorized Aging and Disability Resource Centers (ADRCs) and MCOs to work together to replace individuals who disenroll from an MCO with individuals from the waiting list, over and above the number of individuals enrolled from the wait list under any county's DHS approved transition plan (1/24th allocation). As a result, enrollment of everyone waiting for services may take less than 24 months in some counties. Additionally, this replacement of enrollees with those from the waiting list allows the ADRC to use its judgment to prioritize enrollees whose needs are most urgent, regardless of when a person with urgent needs comes to their attention prior to Family Care entitlement in that county (24 months).
- DHS encourages continued relocations from nursing homes to the community by not including relocated individuals among the DHS approved monthly transition amount from the county's wait list (1/24th of wait list).

Nevertheless, some counties have submitted new waiver care plans to add large numbers of new participants in their waiver programs shortly before the 90-day cut off date before Family Care enrollment begins.

DHS developed a budget request for Family Care expansion that relied upon the key assumptions listed above being applied consistently during expansion. These actions by some counties that deviate from the expansion plan upon which the Family Care budget was developed, however well-meaning, cannot be funded within the budget available to the Department.

In order to more carefully regulate the pace of Family Care expansion in individual counties, Community Integration Specialists (CIS) have been instructed to carefully review the service components proposed by care managers in new waiver approval requests. Because the number of new care plans to add waiver participants to county programs has been quite consistent, the Department has also instructed the CIS to alert the Family Care management team to any unusual increases in the number of plans being submitted as transition nears. If DHS finds that a county has enrolled an unusual number of individuals in the months preceding its planned transition to managed long-term care, DHS will adjust the number of persons that it will allow the MCO to enroll from the wait list until these "early enrollees" have been transitioned. The effect of the county's action to serve these people earlier in the waiver will be that DHS will consider them to have been made the highest priority for enrollment by their county from the wait list, and those remaining on the waiting list will be required to wait longer for resources.

If a county has a specific concern that an individual who is waiting for Family Care enrollment may be in crisis in the near future, the long-term support unit should work with the ADRC to give priority to that individual's enrollment. In some cases, this might result in an earlier Family Care enrollment for this person. As a priority candidate for enrollment among those on the wait list, the person might be offered enrollment in months 1, 2, or 3 after implementation of Family Care in his or her county, but as a newer waiver participant, the individual might be among those offered enrollment in months 4, 5, or 6. We have encouraged county, ADRC, and MCO collaboration in enrollment planning to address individual circumstances.

The action that DHS plans to take to address the early enrollment concern may best be described by an example. If County A is found to have enrolled 30 individuals more than would typically have been enrolled in the months leading up to transition and County A's DHS approved transition plan calls for enrollment of six new people from the wait list per month, DHS will suspend any enrollments from the county's wait list until the 6th month after implementation of Family Care in that county.

Removing significant numbers of individuals from a waiver waiting list just prior to Family Care implementation in any county also has the unexpected result of reducing the monthly number DHS allows to be enrolled from the wait list each of the 24 months prior to entitlement. In the example above, County A's approved monthly enrollment from the wait list is six individuals; it had 144 individuals on its wait list just before Family Care was implemented. If the 30 individuals who enrolled earlier had still been on the wait list when DHS approved the county's Family Care transition plan, the total wait list would have been 174, yielding at least seven enrollments

per month for 24 months. All 30 people could have been enrolled within five months, along with several others. Those others are disadvantaged by the county's decision to enroll the 30 individuals earlier.

Finally, if all of the earlier enrollments to the waiver programs are from a single target group, this action disadvantages those in other target groups who are also waiting. Since DHS must stay within its budget appropriation, disallowing enrollments from the waiting list for the number of months it will take for the earlier waiver enrollees to transition to Family Care, no enrollees from other target groups will gain access to Family Care during that time.

If you have questions regarding these policies or the fiscal impact of funding moves in light of your county's transition to long-term care managed care, please contact a member of the Fiscal Management and Business Services Section:

- Rebecca Hotynski, Fiscal Unit Supervisor – (608) 264-9870 or Rebecca.Hotynski@dhfs.wisconsin.gov
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