

## Long-Term Care Expansion “Readiness Template”

Several activities will occur as Wisconsin moves to implementing long-term care reform. Initially, intensive planning work must occur, and this work is in progress in ten planning consortia. The second step will occur when a planning consortium indicates its readiness to respond to a competitive request for proposals that will be issued by the Department. Once the Department decides to contract with an MCO through this competitive process, step three will begin: an intensive MCO implementation phase that will culminate with MCO certification and managed care implementation in that area.

The attached “Management Planning Tool for LTC Expansion ‘Readiness Template’” is provided to describe the certification expectations DHFS has for any managed care organization (MCO) at the point it is ready to begin operating under a risk-based contract to provide long-term care services and, in some cases, long-term care and acute and primary health care services. This tool does not list tasks that need to be accomplished in the planning phase prior to when the organization is ready to respond to a Request for Proposals. Rather, it identifies tasks that need to be accomplished during the implementation phase prior to when any enrollments in Family Care may begin.

We are providing the template now so that planning consortia may have a full understanding of what an MCO must accomplish to meet certification requirements. We believe it will be helpful to planning grantees because it describes the developmental tasks that must be accomplished before any organization begins to operate as a MCO. The Readiness Template is provided to assist in planning; it is not intended as a definitive checklist of MCO certification requirements.

During the implementation phase for any new MCO, workplans will need to be developed with much more detail than is included in this document. This is a major undertaking that will require a great deal of commitment and resources. We know from past experience that this expectation is achievable: all of the Family Care and Partnership MCOs have successfully developed the business systems and capacity reflected in this Readiness Template. Their experiences and resources will be invaluable to the planning consortia that will undertake this work. The planning consortia will also be able to use existing business and IT systems already developed for managed health and long-term care. DHFS staff will also be available for consultation regarding these requirements during implementation.

### How the Readiness Template is Organized

The first column of the template is organized according to major business area and conveys both the flow of the MCOs business process and the consumer’s experience, beginning with enrollment. However, these should not be considered entirely discrete areas. For example, the template separates “budgeting and projections,” “managing enrollment and capitation,” “financial management and reporting,” “claims processing” and “utilization review,” even though all these processes are probably part of the financial management area under the direction of the chief financial officer, with necessary and effective interfaces with care management and

quality areas. Although some coordinated planning and support for IT is needed, that function needs to support each of these areas and respond to each process's specific IT support needs.

The second column indicates what the Department will be using as a gauge to determine that the MCO has developed the necessary business systems. For instance, an indication that the claims system is adequate is the ability to submit "test" encounter data that passes the quality edits.

The third column describes in more detail the business systems that the MCO needs to have in place to succeed, but should not be taken as a complete or detailed list. Actual workplans will undoubtedly encompass what is included here, but will be more detailed in descriptions of the systems, processes and documentation needed.

Please note that the certification requirements for MCOs are based on Family Care statute and administrative rule, and the Family Care and Partnership CMO contract requirements. Typically, some contract language changes are made each year and, in addition, we will be working to standardize the language between the Family Care and Partnership contracts, which will result in further changes. These, and other considerations, may result in the Department revising some specific certification requirements from those contained in this version of the Readiness Template before any new MCO is ready to contract. Nevertheless, the basic business functions that this template describes will continue to be required of any MCO and the potential for some minor changes in the future in no way detracts from its usefulness by planning consortia.

Communication regarding this template and requirements for managed care organizations should be directed Monica Deignan, Managed Care Section Chief, in the Division of Long-Term Care or to the Department liaison who has been assigned to the managed care planning consortium. Monica may be reached at 608-261-7807 or [deignma@dhfs.state.wi.us](mailto:deignma@dhfs.state.wi.us).

Management Planning Tool For LTC Expansion “Readiness Template”

Business Area	State Performance Indicator (Certification Requirement)	Detailed MCO Systems (including IT)
Strategic Planning	<p>The 3-year MCO business plan approved prior to contract effective date, including:</p> <ul style="list-style-type: none"> <li>– Timeline for providing required risk reserve, solvency requirements, and working capital (if not licensed as an HMO).</li> </ul> <p>Organizational design and governance:</p> <p>Existence of legal (contracting) entity that will carry the financial risk and be responsible for quality, including:</p> <ul style="list-style-type: none"> <li>– Governance board with membership able to provide appropriate oversight.</li> <li>– Organization chart w qualified and full-time CEO, CFO, and Quality Manager.</li> </ul> <p>Documentation of how MCO will coordinate with adult protective service and counties’ 51/55 systems.</p> <p>Evidence of consumer and other stakeholder involvement in strategic planning.</p>	<p>Establishment of a separately identifiable restricted investment reserve account in a financial institution and Business Solvency Plan, with timeline and financing strategy.</p> <p>Consumer and Stakeholder Participation:</p> <ul style="list-style-type: none"> <li>– Identify stakeholders and provide opportunities for consumers and stakeholders to participate in planning process.</li> <li>– Provide training/support to enhance meaningful consumer and stakeholder participation.</li> <li>– Create mechanisms for consumers and reps to participate in quality management and appeals and grievance processes.</li> </ul> <p>Develop policies and procedures for best practices (designing quality into the organization). Legal and Operational Platform for Regionalized Governance satisfactory to all planning partners, including:</p> <ul style="list-style-type: none"> <li>– Mission and values statements.</li> <li>– Operating and risk sharing agreements.</li> <li>– By-laws and business protocols.</li> <li>– Steering and oversight committees, including consumer and stakeholder members.</li> </ul> <p>Organizational needs assessment (strengths, weaknesses, opportunities, barriers) for administrative, care management, IT and financial management tools and competencies to carry out managed long-term care, including:</p> <ul style="list-style-type: none"> <li>– Strategies to learn management techniques.</li> <li>– Identification of essential IT and competencies.</li> <li>– A claims payment / business system adequate for                         <ul style="list-style-type: none"> <li>– Encounter reporting</li> <li>– Service authorization and benefit coordination</li> <li>– Utilization management</li> <li>– Fiscal monitoring analysis</li> <li>– Managing enrollment</li> <li>– Provider network monitoring and contracting</li> </ul> </li> </ul>

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MOUs between MCO and Counties in the Service Area	<p>DHFS review of the MOU content and assurance it meets contract requirements.</p> <p>MCOs must also participate in development of an Access Plan, which is submitted to DHFS by the ADRCs for approval.</p>	<p>MCOs will be required by contract to have MOUs with the counties that are within the service area served by the MCO. The DHFS-MCO contract will require the MOU to cover:</p> <ol style="list-style-type: none"> <li>1.) The expectations of the MCO for discharge / relocation planning for individuals in Institutes for Mental Disease (IMDs) (Winnebago and Mendota Mental Health Institutes) whether they have been enrolled prior to admission to the IMD, or expected to be eligible once they are discharged from the IMD; and</li> <li>2.) The expectation for the MCO to be involved in local disaster planning and responsibilities in event of a real emergency, which could include staffing of emergency shelters.</li> </ol> <p>It is assumed that the MCO and counties will identify several areas they want to cover in these MOUs. Areas covered by the MOUs between Community Care and Racine and Kenosha Counties included adult protective services, transitions for children with disabilities turning 18, and mental health and substance abuse services.</p>
Information/ Knowledge Management	<p>An information management plan that supports each business process’s specific information management and information technology (IT) needs.</p>	<p>Identification of essential IT and reporting tools and competencies to carry out managed long-term care.</p> <p>Plan for control of data:</p> <ul style="list-style-type: none"> <li>– Data governance</li> <li>– Documentation</li> <li>– Data integration rules,</li> <li>– data security</li> <li>– Data retention</li> <li>– Policies and procedures for disaster recovery.</li> <li>– Current and future HIPAA/HIT requirements</li> </ul>
Budgeting and Projections	<p>Initial 3-year budget approved as part of business plan.</p>	<p>Identification of data sources and the analytical method used to project the budget.</p>

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Managing Enrollment	<p>Approved Access Plan.</p> <p>ADRC and ES readiness requirements are documented separately.</p> <p>The MCO policies and procedures for managing enrollment must be approved by DHFS as part of the initial certification process.</p>	<p>Participate in Access Plan development with ADRC and ES.</p> <p>CMO enrollment processes in place to accept new enrollments, assign care teams, make sure needed services are in place on day of enrollment, develop initial care plan w/in 10 days. (FC)</p> <p>MCOs must have policies and procedures for use of DHFS enrollment and remittance reports, and for identifying discrepancies between these reports and their own MCO records. DHFS will provide a technical assistance document for MCOs to use in developing these policies and procedures. The policies and procedures must assure that all appropriate steps to resolve issues are completed at the local level before DHFS involvement in resolution.</p>
Member Informational Materials	<p>A sample of an approved handbook can be found at:  <a href="http://dhfs.wisconsin.gov/managedltc/grantees/pdf/info3handbook.pdf">http://dhfs.wisconsin.gov/managedltc/grantees/pdf/info3handbook.pdf</a> (PDF, 427 KB)</p>	<p>MCO Member Handbooks that have been approved by DHFS should be available during the months prior to start-up so they can be shared with potential enrollees. Any other informational materials the MCO wants to make available, such as brochures describing the MCO or parent organization, must be approved by DHFS before being distributed.</p>
Managing Enrollment and Capitation	<p>Policies and procedures to manage enrollment and capitation developed prior to implementation.</p>	<p>Reconcile enrollment reports and capitation payments with member enrollment, disenrollment and LOC effective dates.</p> <p>Process for resolving discrepancies between the State enrollment reports and the MCO's enrollment records.</p> <p>Recertification processes in place to maintain enrollee eligibility – functional screens, interface with ES.</p> <p>Management of cost share receivables, process for interventions if cost share payments not timely, process to refer for loss of eligibility if interventions are not successful.</p>

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Care Management and Care Planning ----- Service Authorization ----- Utilization Management	Adequate and trained care management teams in place. Completion of the Self Assessment Checklist re: Program for Developing and Supporting IDT Competencies (template available at: <a href="http://dhfs.wisconsin.gov/managedltc/grantees/pdf/info3idtselselfasses.pdf">http://dhfs.wisconsin.gov/managedltc/grantees/pdf/info3idtselselfasses.pdf</a> ) (PDF, 51 KB) ----- Approved Service Authorization Policy (RAD) in place (dif. for FC / WPP). Policies and procedures for SDS in place. ----- Appropriate interdisciplinary plans for benefit package provided are in place.	Strategy and timeline to achieve employed and/or subcontracted care management teams. <ul style="list-style-type: none"> <li>– Program for developing and supporting key care management competencies. This includes training in the needs of the target groups, service authorization policies and utilization management, care management techniques including outcome assessment, risk management and negotiation skills.</li> <li>– Training plan developed and in place.</li> </ul> Process for prior authorization of services, clerical support and integration with fiscal systems.
Member Grievances and Appeals Process	Policies and procedures and MCO structure in place.	
Service Provision ----- Provider Network ----- Contract Management ----- Provider Relations	State review and certification of adequacy of service capacity prior to implementation. ----- Completion of <a href="#">Provider Network Template</a> (Excel, 38 KB) and <a href="#">Adequacy of Provider Network Capacity Questionnaire</a> (PDF, 21 KB) ----- Process for determining future provider network needs is in place. ----- Have negotiated and executed cost-effective provider contracts.	Identification of service needs among potential enrollees, assessment of the capacity of the local provider pool to meet these needs (gap analysis); planning with potential providers to achieve a satisfactory workforce and provider pool in regard to capacity, quality and options for consumers; and establishment of minimum provider competencies. This planning must address the needs of consumers who are interested in self-directed supports. Develop contracts and put in place (contract language must be approved by DHFS). Train providers in philosophy of managed LTC, claims processes, etc. Process to ensure an adequate number of personnel with the appropriate skills to meet the scope of services, including policies to ensure services do not decline during personnel shortages due to operational contingencies or changes in staffing structure or mix. Provider capacity monitoring and management.

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<p>Claims Processing</p>	<p>Demonstrated ability to submit acceptable encounter data.</p> <p>A description of the encounter data certification process, and a <a href="#">worksheet</a> (PDF, 107 KB) that must be submitted to begin the certification process, is posted online at: <a href="http://dhfs.wisconsin.gov/LTCare/encounter">http://dhfs.wisconsin.gov/LTCare/encounter</a>.</p> <p>Proposers that receive a letter of intent to award a contract from the Department must complete this worksheet within 5 business days of receipt of the letter.</p> <p>Policies and procedures to handle provider appeals.</p>	<p>Acquire or develop claims processing capacity. Considerations include:</p> <ul style="list-style-type: none"> <li>- Customer Service functions,</li> <li>- Customized Check/EOB printing</li> <li>- Communications with members</li> <li>- Reporting requirements,</li> <li>- QA/audit,</li> <li>- High cost \$ claim procedures,</li> <li>- Cost containment procedures,</li> <li>- Coordination of benefits</li> <li>- Processes for adjustments, corrections, and claims that cannot be adjudicated</li> <li>- Reconciliation with service authorizations</li> <li>- Encounter submissions, tie-outs</li> </ul>
<p>Financial Management and Reporting</p>	<p>Full-time, qualified fiscal manager with appropriate certification, such as a CPA.</p> <p>Ability to manage and effectively utilize sophisticated information systems.</p> <p>Accounting policies and procedures in place, including for use of GAAP accrual accounting practices.</p> <p>Cost allocation plan.</p> <p>Ability to implement an IBNR model</p> <p>Ability to produce financial statements that tie out to claims.</p>	<p>Process used to ensure the accurate recording and timely collection of accounts receivable; including processes for member obligations receivable and capitation receivable.</p> <p>Cost allocation: Process used to determine accurate proportion of shared administrative services and costs (e.g., support staff, fiscal staff, management staff, IT, building costs, and supplies).</p> <p>Procedures for monitoring consumer cost sharing collections.</p> <p>Methodology for analyzing (fiscal) risk.</p> <p>Monitor and analyze budget versus actual variances.</p> <p>Process to identify “outliers” (members whose claims exceed expected costs).</p> <p>IBNR methodology; process to monitor accuracy and reliability of the methodology.</p> <p>Process used to ensure the accurate recording and timely collection of accounts receivable; including processes for member obligations receivable and capitation receivable.</p> <p>Maintenance of solvency protections.</p> <p>Process used to determine accurate proportion of shared administrative services and costs (e.g., support staff, fiscal staff, management staff, IT, building costs, and supplies).</p>

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Utilization Review	<p>Demonstrated ability to produce reports that clearly communicate utilization information and trends to all levels of the MCO.</p> <p>Process by which utilization information will be shared with IDTs and other parts of the MCO, and how IDTs and others will be given help in analyzing that information.</p>	<p>Process for reconciliation and reporting on services authorized versus services used; service utilization reports.</p> <p>Process to communicate changes in practice patterns and health care delivery identified through utilization management reviews.</p> <p>Process to review and evaluate high volume / high risk indicators, practice guidelines and protocols, unusual occurrences, clinical outcomes, and services provided. How are these reviews used to minimize risk?</p>
Quality Management	<p>QM organizational structure, including:</p> <ul style="list-style-type: none"> <li>– A senior manager with resource-deployment authority is designated as responsible for QM program.</li> <li>– A full time qualified professional is in place to coordinate the quality program.</li> <li>– QM activities have individuals or units with clearly assigned responsibility for them.</li> <li>– Mechanisms for active participation from consumers, staff, and others.</li> <li>– Must have clear operational links to and support from other functional areas.</li> </ul> <p>DHFS- approved Quality Program/Plan, adopted by gov. board, including:</p> <ul style="list-style-type: none"> <li>– Includes annual goals based on findings from previous QM activities;</li> <li>– Describes quality-monitoring processes and activities;</li> <li>– Describes at least one performance improvement project.</li> </ul>	<p>Design QM program that will:</p> <ul style="list-style-type: none"> <li>– Assure quality of both provided and purchased services;</li> <li>– Monitor performance and Detect problems;</li> <li>– Determine causes of problems;</li> <li>– Prioritize quality-improvement activities;</li> <li>– Determine effective remediation;</li> <li>– Follow up to verify problems are fixed; and</li> <li>– Carry out improvement efforts even in absence of identified problems.</li> </ul> <p>MCO ensures that assessments and care plans are timely and of high-quality—without checking or prior approval from DHFS.</p> <p>MCO determines, documents, and reports its own performance (e.g., immunization rates)</p> <p>MCO plans and carries out tightly focused improvement projects.</p>

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