



## Statement of Interest in Statewide Long-Term Care Reform

**Organizations: Independent Care Health Plan in Non-Profit Joint Venture with Bethesda Lutheran Homes and Services, Inc.**

**Independent Care Health Plan**  
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### **Brief Description of Organizations**

Independent Care Health Plan is a “locally grown” Milwaukee-based HMO licensed under Chapter 611 of Wisconsin statutes. Independent Care offers over eleven years of experience in providing person centered quality care to persons with disabilities and frail elders. Independent Care has the organizational business systems strengths necessary to assist the Department in the creation of a reformed system that integrates a continuum of long term care services with both primary and acute health care and behavioral health services.

Independent Care is jointly owned by the Milwaukee Center for Independence, a non-profit social service agency and Humana, Inc., a national managed care organization. This unique governance structure allows iCare to bring insurance industry and managed care expertise in areas such as actuarial evaluation, provider credentialing and contracting, and capitation management and reflects an organizational commitment to improve the lives of persons with disabilities through efficient and individualized care management. The iCare model has been refined over eleven years to maximize effectiveness and has optimally balanced both government requirements for consumer protection and

private sector demands for efficiency. Today we serve more than 8,600 individuals in Milwaukee County who qualify for Medicaid through Social Security Supplemental Income (SSI) under a full risk capitation contract between iCare and the Department of Health and Family Services (DHFS). In the 2005 Annual Quality Site Review Report compiled by MetaStar, Inc. on behalf of the DHFS noted that “one of iCare’s greatest strengths is their ability to creatively develop care plans and interventions suited to each member’s individual needs.”

Bethesda Lutheran Homes and Services, Inc. is a 100 year old non-profit organization based in Watertown, Wisconsin that is committed to being a leader in empowering people with developmental disabilities to live faithful, meaningful and independent lives. Bethesda provides an array of supports for people with developmental disabilities. These include individual in-home supports, adult family homes, group homes and an intermediate care facility. Currently 400 people are supported in five counties. Its community based services in Wisconsin are accredited by the Council on Quality and Leadership, a national accrediting agency. Bethesda also provides day activities, supported employment, and vocational supports. Nationally, Bethesda provides supports to 1,000 people in 10 states. In addition to its direct supports, Bethesda provides staff training seminars as well as multimedia and printed materials to customers nationwide.

### **Interest in Planning and Implementation of LTC Reform in Wisconsin**

Bethesda has expressed interest in exploring opportunities to partner with iCare and interested counties to develop and monitor services for persons with developmental disabilities in an iCare Social HMO (SHMO) model within a defined geographical area. As Wisconsin can no longer perpetuate an inefficient, fragmented system, the iCare SHMO model, in collaboration with Bethesda, can assist the Department in achieving the following goals of LTC reform:

- Pool funding to deliver the right care in the right setting as appropriate for each individual using managed care principles to find the most effective and least costly LTC services and settings.
- Integrate and coordinate LTC supports with primary/acute care to avoid more costly institutionalization later in life and maximize savings for the State.
- Integrate and coordinate behavioral health services with primary/acute services to reduce the likelihood of costly institutionalization.
- Coordinate social issues such as housing and fund community-based care to avoid the need to enter institutions unnecessarily.
- Create alternatives to institutions to reduce the lengths of institutional placements.

The proposed iCare SHMO model is to enter into a direct contract, as a private entity, with counties or the Department to manage all the multiple fragmented funding sources that support the current LTC programs. Through a unique blend of public accountability and private sector investment, the iCare SHMO model offers an effective reform

model to address Wisconsin's long term care reform needs without further government investment in infrastructure and to create savings to the State by moving care from reliance on institutional care and fragmented local programs to an integrated holistic model of care.

The *iCare* care management team is currently experienced in serving over 500 frail elders who meet the functional eligibility requirements for long term care programs such as Family Care, Partnership, or Home and Community Based Waiver Programs. These frail elders choose to stay in *iCare* even though they are fortunate to have other LTC options. These options are less available to younger persons with disabilities, but *iCare* fills an important gap by serving over 2,000 members from all target groups who are on the county wait list. Independent Care has demonstrated capacity and capability in managing a chronic population. At *iCare*, care teams arrange for medical, behavioral health, and social services that create the best interventions to deliver cost-effective care and positive clinical outcomes. As a result, *iCare* is able to avoid the need for institutional care and entry into the LTC system for some of its members. Costly hospitalizations and skilled nursing care are reduced through early interventions.

Bethesda has the capacity to expand its supports to additional communities and to serve as a resource to disability professionals throughout the state. Bethesda welcomes the opportunity to participate with *iCare* and other interested parties in planning for an innovative, comprehensive long term care system.<sup>1</sup> In addition to planning, Bethesda could assist *iCare*, and interested counties, with the development of a service package that includes the full range of supports for people with developmental disabilities that are now provided under Medicaid Waivers. These supports could be provided by Bethesda and/or through subcontracted arrangements with other pre-qualified support providers.

### **Geographic Area and Target Populations of Interest**

Independent Care currently enrolls all target populations and serves adults with physical, developmental, and mental disabilities. Among these individuals, ten percent are elderly. The practice of serving all adult target populations will continue under this proposed SHMO model beginning in the SE region and areas where Bethesda has a presence in the community. Future potential includes expansion to a statewide program.

While *iCare* effectively manages a quality managed care program for members (as reflected in consistently high consumer satisfaction rates), access to funding sources that can be blended with the current benefit package would

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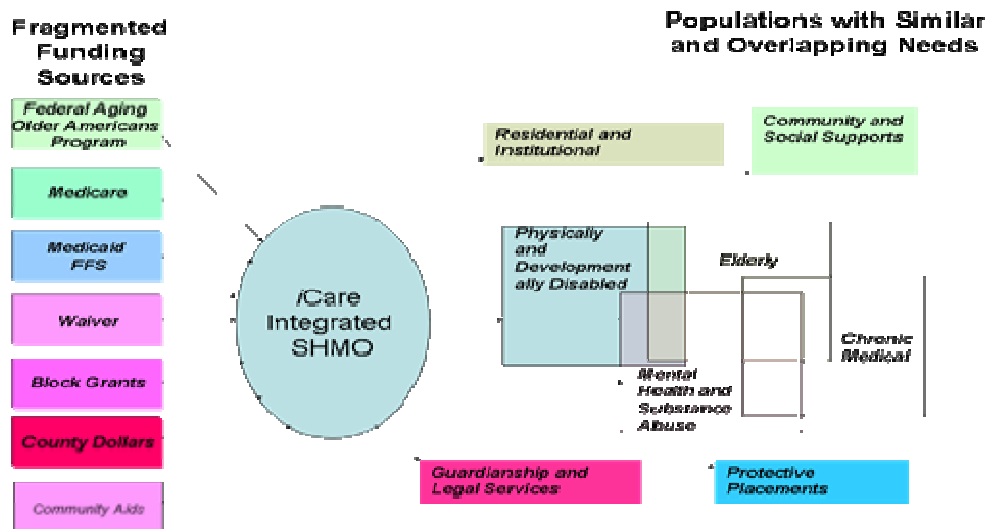
<sup>1</sup> In addition to submitting this statement of interest, *iCare* is concurrently submitting RFP responses with both Kenosha and Milwaukee Counties.

make a full continuum of integrated managed long-term care more attractive to consumers. Bethesda’s experience will enhance access to specialized services to persons with developmental disabilities such as personal care workers, behavioral health services, nursing, speech, occupational and physical therapy, durable medical equipment, disposable medical equipment, service coordination and case management, respite supports, supportive home care, quality assurance and medical/dental services. Bethesda would ensure sufficient qualified providers and would provide oversight of the programs. Bethesda would provide assurances to iCare that desired outcomes are being achieved in the most cost effective manner. All supports would have integral quality assurance measures, and be consumer driven. The strengths and contributions of each entity to the proposed SHMO model are outlined in the following table.

<b>iCare</b>	<b>Bethesda</b>	<b>MCFI</b>
Utilization management	De-institutional planning	Social supports
Care management	Guardianship assistance	Educational and vocational training
Legal and Government relations	Community supports	Daycare
Information technology systems	Training for Specialized programs	Charter School

**Proposed Scope and Nature of the Program**

The following figure demonstrates the current fragmentation that could be more effectively managed in an integrated, holistic iCare SHMO model, with less bureaucracy and fewer administrative nightmares for counties and providers. Under this proposed iCare SHMO model, iCare would assume risk as the insurer of medical, behavioral health, residential, and community social support services to manage all aspects of care over an individual’s life cycle with a select quality closed network. If successful, the model could also be adapted to serve children with disabilities in an integrated, holistic manner.



## **Other Comments and Information**

This proposal is consistent with the Department's reform goals to deliver quality care with value to taxpayers. Evidence has proven that the integrated management of both long-term care and acute and primary care can greatly enhance the effectiveness of both. Investing in independence is the goal of many reputable advocacy organizations such as the Coalition of Wisconsin Aging Groups and the Wisconsin Council on Developmental Disabilities. These and other advocates desire to support vulnerable individuals in safe and nurturing environments that maximize independent living opportunities and quality of life. Enabling independence is the core mission and expertise of *iCare*, and also Bethesda, which provides individualized supports respecting each person's unique capabilities, talents, and desires. A program that is cost effective to taxpayers such as *iCare* has the potential to manage a larger long-term care population, at a lower cost, and with less public funding than other models. A key element of *iCare's* ability to control costs has been in the area of integration of all service delivery, even though funding is not integrated. Independent Care has made significant strides in the integration of medical and behavioral health services while coordinating the social service components with other funding sources and withstanding the pressures of resource and dollar competitive forces.

Independent Care is primarily interested in exploring appropriate rate adjustments and potential risk sharing arrangements for a capitated program that includes Medicaid primary, acute, and long term care card services plus blended funds used to serve frail elders and persons with disabilities. A properly managed integrated program has the potential of bringing benefits to all stakeholders, but must be carefully implemented. Independent Care is also willing to examine the potential to provide administrative services to counties and/or the state in situations where a county "pulls out" or simply does not participate in the reform its system.