



MEMO

TO: Interested Parties

**FROM: The Wisconsin Family Care Association
Contact: Michael Blumenfeld 608-257-1888**

DATE: February 25, 2015

SUBJECT: Proposed changes to Wisconsin's Long-term Care System in the 2015-17 state budget

The Wisconsin Family Care Association (WFCA) is writing to you today to provide information related to the potential impacts of Governor Walker's biennial budget proposal related to the Family Care program and, more broadly, to Long-Term Care support delivery in the State.

The biennial budget language in Governor Walker's proposal for the Family Care program would substantially alter its delivery into the future. This is arguably the most significant public policy change in the history of Wisconsin's Long Term Care service system. There are several areas of change contained within Governor Walker's proposal for Family Care:

- Statewide implementation of Family Care to all counties by January 1, 2017.
- Primary and Acute Care services would be included in the Family Care benefit package, along with the Long-Term Care services currently provided.
- Long-Term Care Districts such as ContinuUs, Community Care Connections of Wisconsin, Lakeland Care District and Western Wisconsin Cares would be required to dissolve (end business) by June 30, 2017.
- Any Care Management Organization (CMO) that provides services in the new system would have to be certified to provide services statewide, and would have to be licensed as a Health Maintenance Organization (HMO). The reserve requirements necessary to provide statewide service are significant. No current MCO in Wisconsin has the ability to meet this capitalization requirement.
- Members transferring between Care Management Organizations would only be allowed to do so during an open enrollment period that occurs once yearly. Currently, member transfers are allowed at any time.
- Oversight of the Family Care program would move from the Department of Health Services to the Office of the Commissioner of Insurance.

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- Implementation of the new model would occur very quickly as proposed. In comparison, Family Care was piloted in five (5) counties for eight (8) years prior to regional expansion.
- Current law requirements that MCOs contract with any local business wishing to provide Family Care services is eliminated.

Other changes included in the Governor's Budget that affect the long-term care system:

- Elimination of the Include, Respect, I Self-Direct (IRIS) program, a program that currently supports more than 11,000 people statewide. All self-direction would be supported within the new Family Care program.
- Significant changes to the operations of Aging and Disability Resource Centers.

If the budget language stands as proposed, four Managed Care Organizations serving more than 17,000 Family Care members would be required to close their doors by mid-2017. People with disabilities and frail elders would be impacted significantly by the movement from a person-centered and community-centric model of long-term support toward a medically-focused and insurance-based model. Wisconsin's Family Care program is a recognized national leader in the delivery of managed long-term care services that focuses on independence, supporting meaningful community-based lives, and cost-effectiveness. The program has increased access, reduced waiting lists, improved quality, enhanced choice, and reduced per member costs significantly since its inception. This long history of innovation and program excellence is jeopardized by the proposed state budget.

The Wisconsin Family Care Association welcomes the opportunity to discuss this matter with stakeholders in more detail and to answer any questions you may have about the Family Care program.

Any significant changes to Wisconsin's community-based long-term care program should include engagement of its many stakeholders who have invested so much to create a nationally respected program.

Thank you for your time and attention to this important matter.

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