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To: Chairpersons Alberta Darling and John Nygren
Members, Joint Committee on Finance
From: R.J. Pirlot, The Hamilton Consulting Group, Inc.
Subject: Governor Walker’s Family Care Recommendation
Date: April 28, 2015

Under current law, as part of the State’s “Family Care” program, managed care organizations (MCOs) provide long-term care services to elderly individuals, adults with developmental disabilities, and adults with physical disabilities. The State also offers the fee-for-service, self-directed IRIS (Include, Respect, I Self-Direct) program to provide to individuals who qualify for Family Care services an alternative to managed care.

In his biennial budget bill proposal, Governor Walker recommends a complete reform of the Family Care program that will integrate medical care with Long Term Supports and Services (LTSS) and ensure all Family Care services are available throughout Wisconsin, if approved by the U.S. Department of Health and Human Services (HHS). In particular, Wisconsin would be allowed to combine management of an individual’s primary, behavioral and acute medical healthcare needs with the individual’s long-term care support needs through Care Management Organizations (CMOs). Part of the Governor’s proposal is to integrate within the new Family Care a self-directed option, and individuals would be able to choose the CMO they want to partner with.

AHI supports the concept of the Governor's budget proposal to expand Family Care services – a statewide, fully integrated comprehensive care approach including an opportunity for self-directed services. The reformed, fully integrated, Family Care services should be available statewide, but AHI recommends such services may be made available via regional CMO contracts and regional networks.

Specifically, AHI supports the proposal as a means to:

- 1. Enhance the quality of long-term services to the affected population.**
- 2. Improve access to long-term services throughout Wisconsin.**
- 3. Promote efficiencies in the provision of acute and long-term services.**
- 4. Maintain person-centered care models which preserve consumer choice and self-directed supports and services.**

A comprehensive managed care approach to deliver health and long-term care services for older adults and people with disabilities through an integrated model can help the State effectively manage limited Medical Assistance dollars. In addition and most importantly, the new model ensures this vulnerable population continues to receive care in the community, for as long as possible, while maintaining individual choice and improving access to and the overall quality of that care. [Milliman, for example, studied the cost effect](#) managed care has had on costs in Texas’ Medicaid program; and

in addition, [Milliman and Sellers Dorsey](#) reviewed the effect of managed care on the affected population. These studies concluded the implementation of integrated managed care in Texas' Medicaid program resulted in:

1. **Program Savings** – Savings in Texas' Medicaid program of between 5 percent to 10.7 percent (all funds) compared to a fee-for-service structure¹.
2. **Expanded Care** – An expansion of care in Texas².
3. **Improved Access and Care** – Improved access to care and improved the quality of care provided³.

Though managed care is often touted as a means to more efficiently expend Medicaid dollars, improve access to care, and improve the quality of care, beneficiaries in surveys across multiple states typically report high levels of satisfaction with managed care after implementation. For example, the Florida Department of Elder Affairs in 2010 and 2011 extensively surveyed clients in its community-based care programs to gauge participant satisfaction with services, personal care worker quality, and how the program affects their lives. According to the survey:

- “When asked about program services, surveyed clients reported high levels of satisfaction with the frequency of services provided, the length of service visits, the time of day and the days of the week that services are provided, and the quality of services. Clients' combined responses indicating that they were very satisfied or satisfied with these aspects of services ranged from 89 to 94 percent in 2010 and from 87 to 95 percent in 2011.⁴”
- “When asked about their workers, clients reported high levels of satisfaction with their knowledge and skills, how they were treated by them, and the way they communicate. Between 92 and 96 percent of clients responded that they were satisfied or very satisfied with these characteristics of their workers in 2010, compared to 94 and 98 percent in 2011.⁵”
- “Respondents were highly positive when asked about the impact services have on their lives. Almost all respondents (99 percent) said services help them stay in their home or help them stay out of a nursing home in 2010 and 2011. In both years, over 95 percent said that the services they received met their needs and over 96 percent said that services maintained or improved their quality of life. Overall, 93 percent of clients surveyed in 2010 and 95 percent of clients surveyed in 2011 were satisfied or very satisfied with their services.⁶”

Expanding Family Care services statewide and including medical and long term care services within a statewide managed care model can help the State more efficiently manage its Medicaid dollars, but most importantly, provide consumer choice, help participants live happier, healthier, and, as appropriate, independent lives.

¹ “Texas Medicaid Managed Care Cost Impact Study,” Milliman, February 17, 2015. Available at http://www.tahp.org/images/reports/Milliman_Texas_Medicaid_Managed_Care_Cost_Impact_Study_20150211.pdf

² “Medicaid Managed Care in Texas: A Review of Access to Services, Quality of Care, and Cost Effectiveness, Sellers Dorsey and Milliman, February 21015. Available at: http://www.tahp.org/images/reports/Sellers_Dorsey_Medicaid_Managed_Care_TX.pdf

³ Ibid.

⁴ “2011 Client Satisfaction Survey,” Florida Department of Elder Services, September 2011, p. 3. Available at <http://elderaffairs.state.fl.us/doea/Evaluation/2011%20DOEA%20Client%20Satisfaction%20Survey%20Report.pdf>

⁵ Ibid.

⁶ Ibid.