Survival Coalition
of Wisconsin Disability Organizations

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DHS Secretary Dennis Smith
Wisconsin Department of Health Services
1 W. Wilson Street, Room 650
Madison, WI 53703

Subject: Reactions to 2011-2013 Medicaid Efficiencies Proposals

Dear Secretary Smith,

As the state's largest cross-disability coalition, we appreciate the opportunity to comment on DHS' proposals for Medicaid Efficiencies in the 2011-2013 biennium. We also appreciate the Department's efforts in recent months to solicit ideas for consideration in this process. We are aware of the challenges facing the state in trying to balance the Medicaid budget, and in particular the increase in Medicaid enrollment in recent years and the reduction in federal matching funds.

Although we have concerns about some of the proposals, there are several proposals that we support as both cost-effective and having the potential to improve the quality of the long-term care system. Given the scale of the savings to be achieved, we also recognize that there are a variety of potential cuts that could have been more detrimental to people with disabilities that DHS did not propose.

Proposals we Support

In the March 22 paper entitled "Recommendations for Efficiencies…" which we submitted to you, we encouraged DHS to, among other things:

- Improve Integrated Care Coordination,
- Explore Expanded Access to Private Insurance Benefits, and
- Explore the Capacity of Private Health Plans to Continue Coverage Past Childhood.

We view several of your current proposals as fitting with these recommendations, e.g.:

- 26. Long-Term Care Pilot Program – Virtual PACE
- 22, 24, 27, 28, 29, 30 – The Medical Home Initiatives

We are aware that there are multiple "medical home" models in use around the country. We ask the Department to be clearer re which model(s) you are proposing.

We also support the proposed enhancements in auditing and fraud prevention in proposals #10 and #16, and encourage the Department to take steps to ensure that fraud detection efforts do not result in qualified families experiencing interruptions in services or service denials. We support the Department's two Pay for Performance proposals in #12 and #13 (for HMOs and Hospitals), and we encourage exploration of Pay for Performance ideas for Family Care MCOs (e.g., to promote integrated employment and reduce the use of congregate residential programs).

In addition, we see proposal # 19 (SSDI/SSI Workload Repayment) as a positive step in actively pursuing reimbursement for Wisconsin; and proposal #21 (Birth to 3 Program Benchmark Plan) as a change that will bring more federal Medicaid revenue into the state without reducing services for families.

Proposals that Raise Concerns

1. Proposal #1: Aligning Personal Care Payment Policies
   The overall effect of the changes in personal care reimbursement is the same as a cut in the reimbursement rate. Reducing the personal care travel rate by 50% will have a catastrophic effect on individuals who receive personal care services. Recruitment and retention of personal care workers is already challenging for providers and a rate reduction for travel time will only increase this challenge. Personal Care agencies have static costs for providing personal care services, whether providing services in the home or driving to someone's home to provide care. Such a drastic reduction in travel reimbursement will make it difficult for personal care workers to provide services to individuals in both rural and urban areas. Making personal care services less accessible will leave them with very few personal care options and, in many cases, force them to seek more expensive acute services or nursing home placements.

   Introducing an independent needs assessment would compromise the quality of care provided through personal care providers and duplicate services. Personal care providers are concerned about the expertise of independent assessors, specifically their familiarity with each target group served by personal care providers. Moreover, providers are concerned about the timeliness of assessments provided by these outside assessors, especially given the tight timeframe they must follow under the Personal Care Screening Tool (PCST) guidelines. Reassessments are often needed after a consumer's condition changes, and it is imperative for the patient's care that these reassessments are completed quickly and efficiently. The introduction of an independent assessment could significantly delay this process. Personal care providers are liable for all cares assigned by the PCST; in the event that the independent assessment differs from the PCST care plan, a serious liability issue could arise. An independent assessment would also create additional costs to either providers or the state

since Medicaid Personal Care providers do not receive any payment for the assessments they currently provide. In addition, PA requests already have two reviews by a nurse consultant and physician to determine if the personal cares are appropriate and medically necessary; adding a third assessment would only duplicate these efforts.

Personal care providers would like further clarification of the proposal to align fee-for-service and Family Care rates for personal care. The Department has stated that it would like to create more uniform reimbursement rates throughout Medicaid programs. However, personal care rates are historically low with only a 2.5% increase over the last 10 years, resulting in rates that do not even cover the true cost of providing personal care.

We request that the Department immediately convene a discussion with consumers and advocates about significant changes in personal care, which is critical to 11,633 individuals.

2. Proposal #24: Family Care Enrollment Cap
   Our position on the Cap on Family Care/IRIS/PACE/Partnership is well known. We continue to oppose the Cap and have significant concerns about its impact. We also believe there will be more cost-shifting (e.g., to institutions, hospitals, etc.) as a result of the Cap than DHS has anticipated, resulting in less savings from the Cap than is projected. However, we appreciate the dialogue we continue to have with the Department to define how the program(s) can be reformed for sustainability in the future. We also believe that recent reports have shown that the fiscal stability of MCOs is improving, thus removing one of the obstacles to lifting the Cap.

   We strongly urge you to consider how our proactive partnership with you on implementing new ideas (e.g. promoting integrated employment; encouraging Supported Living options vs. use of congregate residential programs; and actively supporting individuals to move out of costly institutions) can achieve efficiencies WHILE the programs continue to grow. We strongly urge you and Governor Walker to lift the Cap by the end of this calendar year.

3. Proposal #31: Non-Emergency Medical Transportation Management System; Proposal #32: Non-Emergency Medical Transportation Management System – Southeast Wisconsin HMO Members
   While the Department describes the statewide implementation of the Non-Emergency Medical Transportation Management System as of July 1, 2011 as a success, we suggest that more data over time is needed before considering expansion. Advocate members of our coalition continue to receive complaints from people with disabilities who use this service, including complaints about missed rides for necessary medical appointments. We ask the Department to conduct a more probing analysis of the subgroup of riders with disabilities to more clearly ascertain their experience.

   We are also hearing reports that some people have given up on Logisticare and are no longer requesting rides at all. We ask the Department to conduct a before-and-after analysis of ride volume to see if this is true.

We urge the Department to ensure that the required consumer advisory committee be put into place immediately, that member rights and travel policies be clearly communicated; and that the Department respond to concerns regarding how complaints are compiled and reported in order to provide a transparent picture of the roll-out of this new and critical service delivery. These steps must take place before expansion to the five southeastern counties.

4. Proposal #39: Maintenance of Effort (MOE) Waiver Request of Eligibility Restrictions Established under PPACA

   We have many questions regarding this proposal. We are particularly concerned that poor families, many with a member with a disability (21 percent of people 16 and older have disabilities and live in poverty, compared to 11 percent of those without a disability), could see premiums rise and benefits be reduced. Many families we work with have extremely high medical costs; we often hear from parents who have lost employment because of their child's care costs and must rely on BadgerCare and other Medicaid programs for coverage. The DHS proposal identifies coverage as "affordable" if it costs less than 9.5% of household income, whether that covers only the employee or the entire family. Under this equation, a family of 5 that currently pays $54/month in BadgerCare premiums could instead pay $330/month for an employer-sponsored insurance plan premium. We are concerned that many families in need will go without coverage or seek costly emergency room care. In addition, changes in both Presumptive Eligibility and Retroactive Eligibility will likely cost the system more money through uncompensated care.

   We also have questions about the proposed Young Adult Eligibility Restrictions. As stated earlier, parents often find that having a child with expensive health care needs affects their employment. If the parent refuses to allow coverage (e.ge. can't afford it, may cause a job loss, or does not live near the child), then the young adult would have access to no health insurance. In addition, we would like DHS to clarify whether this policy applies to youth eligible based on disability (e.g. SSI). Unfortunately, for many youth with significant disabilities, private coverage is inadequate to meet their needs.

   Finally, we believe it is important to consider and report how many people currently enrolled in BadgerCare would lose their eligibility if this waiver request were granted, and its reductions in eligibility took effect.

   The Department should share information about how this reduction in the number of BadgerCare enrollees compares to the estimated 53,161 BadgerCare Plus and BadgerCare Core enrollees who would lose eligibility if, absent the approval of the waiver request, DHS enforces a reduction in adult eligibility to 133% of the federal poverty line

Reducing Institution Utilization

We were disappointed that the proposals did not include any initiatives to reduce Wisconsin's continued costly over-reliance on public and private institutions. We encourage the Department to revisit the possibilities of:

- downsizing Southern Wisconsin Center or consolidating the Southern Wisconsin Center and Central Wisconsin Center populations
- revitalizing the ICF/MR Downsizing Initiative
- increasing accountability for ADRCs to conduct outreach to people in nursing homes and other institutions

Thank you again for the opportunity to comment on these proposed changes to critical Medicaid benefits that people with disabilities rely upon in our state for not only their medical needs, but their daily care and quality of life in the community. Please do not hesitate to contact us with any questions.

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