



Survival Coalition

of Wisconsin Disability Organizations

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DISABILITY ORGANIZATIONS PLEASED WITH RESULT OF FAMILY CARE AUDIT; ASK LEGISLATURE TO LIFT CAPS

The Survival Coalition of Wisconsin Disability Organizations is pleased to see that the Legislative Audit Bureau's evaluation of the Family Care Program released today confirms what we know to be true about our state's innovative long-term care system – that the program has improved access to long term care in the community and offers people with disabilities and older adults choices that meet their needs.

The Survival Coalition is comprised of over 40 statewide groups representing people with all disabilities and all ages, their family members, advocates and providers of disability services. For over 20 years Survival has been at the forefront of promoting cost effective, community-based services and supports for people with disabilities.

The audit affirms that the expansion of Family Care to 53 counties, and serving 28,885 individuals as of June 2010, has increased access to supportive services that enable older adults and people with disabilities to maintain their independence and remain in their own homes instead of being forced into more expensive institutional care.

We share the Audit Bureau's concern regarding the significant financial challenges facing three Managed Care Organizations (MCOs). We encourage the Department of Health Services and the Office of the Commissioner of Insurance to take the necessary steps to ensure that all MCOs remain financially solvent. We applaud the Department for their steps to increase monitoring and provide intensive technical assistance to MCOs. This support is necessary to ensure the future of our state's long term care system.

We are also encouraged by the analysis noted by auditors and DHS that it takes several years for new MCOs to develop efficiencies. The December 2010 APS study accentuates this finding by reporting that the unique circumstances of the state's newest MCOs may require the state to provide some flexibility and consider whether these struggling MCOs need up to five years of additional payments for risk-sharing during the start-up phase. It may also be necessary to make other adjustments to the funding levels of MCOs as well.

The audit does not reach a conclusion about the program's cost-effectiveness, citing complex issues surrounding that question. However, the audit indicates that there is limited fraud in the program, and increases in Wisconsin's Medical Assistance participant expenditures were considerably below the national average. In addition, the federal government has been satisfied with the State's ability to demonstrate cost neutrality in Family Care.

Perhaps most importantly, the audit shows this highly popular program continues to get high ratings from participants - more than 80 percent of participants surveyed expressed satisfaction with Family Care in 2009.

Based upon the positive findings in the audit, we believe there is no justification for implementing a costly cap on Family Care and other community based long term care programs, as is currently proposed in the Governor's budget. It is imperative that legislators consider the broader fiscal impact of a two year cap even DHS admits will result in increased use of expensive and preventable institutional care, including nursing homes.

While the audit shows average monthly costs of serving someone in Family Care range from \$1,800 to \$2,800 per participant for those with physical disabilities and older adults and from \$2,900 to \$4,600 per participant for individuals with developmental disabilities, the average monthly cost of serving someone in a nursing home is over \$5000 a month. In addition, the rate at Milwaukee's Mental Health Complex where many people with developmental disabilities currently live and are waiting to relocate to the community ranges from \$550 to \$1,364 a day depending on the setting. The care rate at Central Wisconsin Center is \$830 per day. Clearly, working through the fiscal challenges in Family Care is worth the investment of time and taxpayer dollars.

Today's release of the Family Care audit reinforces the view of disability advocates that the Family Care program deserves our continued investment. We urge legislators to lift the cap on Family Care, and work with DHS to ensure financial solvency and explore options to streamline and improve the efficiency and operation of the program.

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