The Wisconsin Long-Term Care Coalition

Keep Our Care at Home

TO: Wisconsin State Legislature, Members, Wisconsin Senate and Assembly

FROM: The Wisconsin Long-Term Care Coalition

SUBJECT: Misinformation Regarding the Wisconsin Long-Term Care System

DATE: April 13, 2015

On behalf of our over 300 member organizations, we are concerned that there is a lot of misinformation circulating about Wisconsin's excellent long-term care system, which includes Aging and Disability Resource Centers (ADRCs), Family Care, the self-directed IRIS program, and the integrated Family Care Partnership program. We are concerned that many of the misleading claims being made in support of the proposed state budget's plan to dismantle our current long-term care system are based on pure speculation and do not have any evidence, data, or credible evaluation to back them up. There is absolutely no evidence that what is being proposed is as good as or as cost-effective as our existing system.

Claim #1: Long-term care costs are out-of-control.

Fact Check: According to the Department of Health Services (DHS), the percentage of the state's Medicaid budget spent on long-term care dropped from 53% in 2002 to 43% in 2011. Furthermore, annual Medicaid nursing home days dropped from 8.8 million in 2002 to 5.7 million in 2012 — a 35% reduction, saving taxpayers over $300 million/year. We are attaching a paper which includes more information about the cost-effectiveness of our current system.

Claim #2: Integrated, statewide private insurance is considered "best practice" that serves the "whole person."

Fact Check: We are aware of only one national study that ranks all 50 states in terms of their Medicaid long-term care programs ("Raising Expectations, A State Scorecard on Long-term Care Services and Supports" by AARP, The SCAN Foundation, and the Commonwealth Fund, 2014). In fact, this scorecard rates Wisconsin as the 8th best state in the country and says "These eight states clearly established a level of performance at a higher tier than other states—even other states in the top quartile." Other states being touted as models and their ranking are Florida (43), Texas (30), Kansas (17), California (9), and Tennessee (48). In short, Wisconsin already has a "better practice" than the other states we are being asked to emulate.

Claim #3: Integrating long-term care and acute/primary healthcare will coordinate care for members better than our current model.

Fact Check: Medicare is not included in the budget proposal for the new Family Care model. Over 70% of Family Care members are dually eligible for Medicare and Medicaid. And Wisconsin already has an integrated Family Care Partnership program that includes Medicare as well as Medicaid. This program has been in operation for over 20 years, but DHS has only authorized it to

operate in 14 counties. Why propose a partially "integrated" insurance model that does not include Medicare instead of using the fully integrated model that we have had for many years?

Claim #4: The proposed budget will produce huge savings, such as a 1% or $300 million reduction to the Medicaid long-term care budget.

Fact Check: There is nothing to support the claim that the proposed budget will save $300 million. The non-partisan Legislative Fiscal Bureau (LFB) shows only a $6 million GPR savings ($14 million All Funds) in 2016-17 related to the long-term care budget items, which is a result of implementing the current programs in additional counties. A $300 million savings will not occur as the current system has already achieved huge savings by moving from the old waiver system, reducing institutional care--the most expensive form of long-term care-- and instituting additional reforms for over 15 years.

Claim #5: Family Care needs to be offered by statewide entities so that it is "consistent for the consumers no matter where you live."

Fact Check: All current, regional MCOs provide the same benefit package, no matter where they are located in the state. Family Care members receive different services because care plans are developed using a person-centered approach that reflects the needs of the member. This means that all members receive exactly the right amount of services, which ensures that care is cost-effective.

Claim #6: IRIS is not going away.

Fact Check: The proposed state budget makes it clear that IRIS is being eliminated as it deletes statutory references to the program. The Legislative Reference Bureau's analysis of the budget bill states, "The bill eliminates the separate IRIS program but specifies that individuals may self-direct their services within the Family Care program."

Claim #7: There will be little impact on ADRCs by allowing "for profit companies to compete in the market."

Fact Check: The current ADRC model is successful and extremely popular. The proposed budget would allow entities contracting with DHS to operate as ADRCs to offer <u>some</u> of the current ADRC services instead of <u>all</u> of the current ADRC services, as is presently required in statute. These changes make it very likely that ADRCs will neither exist nor function as they currently do today. In fact, in the drafting files related to the ADRC changes in the budget bill, DOA staff told bill drafters that the budget bill should "allow DHS to contract for current ADRC functions either through separate vendors, including non-county entities and eliminate the county's right of first refusal to the contract" and "allow contracted vendors to provide services statewide or within, DHS designated, specific regions."

Due to the lack of detail regarding the proposed budget changes to our long-term care system, misinformation is spreading like wildfire. We urge you to maintain our home-grown long-term care system, not dismantle it for an unknown new program without a single evaluation, study, or any data documenting that it is as good as what we have already developed.

Contact: Tom Frazier (608.770.0605) or Lynn Breedlove (608.577.0468)