

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** January 7, 2015

**TO:** Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

**FROM:** Maria Ledger, Director, My Choice Family Care



**SUBJECT:** Resolution from the Director of Family Care, recommending adoption of the following resolution relating to transferring the family care program to a nonprofit corporation, with appropriate compensation to the County, in order that services may continue to be provided to adults with disabilities and frail elderly persons who are now receiving them.

Since 2000, The Milwaukee County Department of Family Care (now operating as My Choice Family Care "MCFC") has administered long term care and support services to adults with disabilities and frail elderly persons through the State of Wisconsin Family Care program. MCFC currently administers the Family Care benefit to approximately 8,400 persons in eight Wisconsin counties. All persons served by MCFC are Medicaid eligible and receive primary and acute healthcare services separately through the Medicaid program.

The 2015-17 Wisconsin state budget makes major changes to the Family Care program. Under the budget:

- Primary and acute care services will be added to the Family Care benefit and provided through Integrated Health Agencies (IHAs) rather than Managed Care Organizations (MCOs)
- Oversight of the IHAs will reside with Wisconsin's Office of the Commissioner of Insurance

- All IHAs will be required to maintain licensure as Health Maintenance Organizations in order to administer both long term care and support services together with primary and acute medical benefits.
- Family Care will be available in all counties in Wisconsin in 2017
- The size of regions currently served by managed care entities will increase such that each region has sufficient population to allow for adequate risk management by IHAs
- Multiple IHAs will be required to be present in all regions of the state; and
- IHAs must make a consumer-directed option available under the long-term care program, by which the IHA would assist individuals in developing individualized support and service plans.

The final budget document, which is now Act 55, calls for implementation of the above described programmatic changes with an effective date of January 1, 2017.

Additionally, the budget requires that DHS develop its final recommendations in accordance with the ten key principles determined by CMS to be essential elements of a strong managed long-term services and supports program, which include: (a) adequate planning and transition strategies; (b) stakeholder engagement; (c) enhanced provision of services in home and community-based settings; (d) alignment of payment structures with programmatic goals, including improving the health of enrollees, improving the experience of enrollees, and reducing costs through these improvements; (e) support for beneficiaries, including counseling regarding options and enrollment from an independent source at no cost to the beneficiary and the availability of ombudsman resources; (f) person-centered processes, including an option to self-direct services; (g) a comprehensive and integrated service package; (h) qualified providers; (i) participant protections, including systems to manage incidents and appeals processes for program participants; and (j) comprehensive quality assurance and oversight procedures.

### **Implications for My Choice Family Care**

In the absence of strategic changes proposed by MCFC, the Family Care program originally established and expanded by Milwaukee County will cease to exist as of December 31, 2016.

Continuity of care and services will be disrupted for the 8,400 older adults and persons with disabilities served by MCFC and will likely result in those persons being transferred to IHA plans offered by large commercial, national insurers.

In addition, there would most certainly be an impact on the employment status of the county staff currently employed by My Choice Family Care, with the potential of lay off notices. Contracts would be terminated with MCFC's 1,100 contracted community providers which would certainly have negative implications for those providers, most of them small local businesses, and their more than 8000 employees, in terms of maintaining fair reimbursement rates and employee wages.

### **Strategic Planning**

In order to remain a participating entity under the revised Family Care program, MCFC must obtain HMO licensure from the State of Wisconsin. No mechanism exists under state law for a unit of County government to obtain an HMO license. As such, MCFC must instead be organized as a corporate entity that is eligible for HMO licensure.

MCFC must establish itself as a not-for-profit service insurance corporation. MCFC will need to establish a robust provider network of hospital systems and clinics including primary, acute and specialty care beyond its current network of long-term care providers.

MCFC brings forward this resolution now because we need sufficient time to establish a network prior to program implementation in January of 2017. Additionally, MCFC needs sufficient time for precertification of said network by both the Department of Health Services (DHS) and the Federal Centers for Medicare and Medicaid (CMS).

MCFC has met with the Comptroller's Office, Corporation Counsel and the Department of Administrative Services to coordinate this initiative. Through an approved resolution of the Milwaukee County Board of Supervisors, all cash assets attributable to MCFC which are designated in separate Milwaukee County ledger accounts and paid to MCFC through the Medicaid program will be transferred to a not-for-profit private successor entity. No tax levy dollars will be transferred.

MCFC shall pay Milwaukee County for any hard assets it desires to transfer to the successor entity (the price of which will be determined through a mutually accepted asset valuation). Additionally, MCFC is actively engaging in efforts to identify a mechanism to preserve County employment for current staff. Finally, all contracts signed by the County on behalf of MCFC will be assigned to the successor entity.

If you have questions, please contact Maria Ledger at 287-7610.

Attachment

Cc:

County Executive Chris Abele  
Chairman Theodore Lipscomb, Sr., County Board  
Kelly Bablitch, Chief of Staff, County Board  
Raisa Koltun, Chief of Staff, Office of the County Executive  
Teig Whaley-Smith, Director, DAS  
Steve Kreklow, Director, Performance, Strategy and Budget, DAS  
Andre Simms, Fiscal & Management Analyst, DAS  
Scott Manske, Comptroller  
Steve Cady, Analyst, Office of the Comptroller  
Erica Hayden, Analyst, Office of the Comptroller  
Janelle Jensen, Committee Clerk, County Board Staff  
Jim Hodson, Chief Financial Officer, MCDFC