

TOPICAL ALERT TOP STORY

MEDICAID SERVICES | ELDERLY AND DISABLED

For-profit companies' entry into Wisconsin program for disabled, elderly raises concern

David Wahlberg | Wisconsin State Journal

Sep 6, 2022



Matt Ward, of Madison, who has autism, gets supportive services through a Wisconsin Medicaid program. Advocates fear the acquisition of two local nonprofits involved in the program by for-profit companies from out of state could curtail services. Ward creates origami at Artworking, on Madison's Far East Side.

JOHN HART, STATE JOURNAL

David Wahlberg | Wisconsin State Journal

For-profit companies outside of Wisconsin plan to buy two of the four local nonprofits that run a state Medicaid program for people with disabilities and the frail elderly, which advocates fear could lead to cuts in services for about 80,000 of the state's most vulnerable residents.

Molina Healthcare, based in Long Beach, California, **plans to acquire My Choice Wisconsin**, of Wauwatosa, which has a sizable presence in Dane County. Humana, based in Louisville, Kentucky, **plans to purchase Inclusa**, of Stevens Point.

My Choice and Inclusa are the largest of **four managed care organizations**, or MCOs, that run Family Care, a state program that provides home care, transportation, job support and other services to keep people out of nursing homes. Started in 2000 as an alternative to county-run services, Family Care has helped Wisconsin retain a good reputation for long-term care, with the state **ranking third nationally in a 2020 scorecard**.

People are also reading...

- 1 **Pedestrian cited after being hit by vehicle, seriously injured, Madison police say**
- 2 **Tim Michels calls for 'pitchforks and torches' after story on his giving to anti-abortion, other groups**
- 3 **Why this version of Graham Mertz is what Wisconsin football needs**
- 4 **Police cite 137 at Downtown Madison bar**

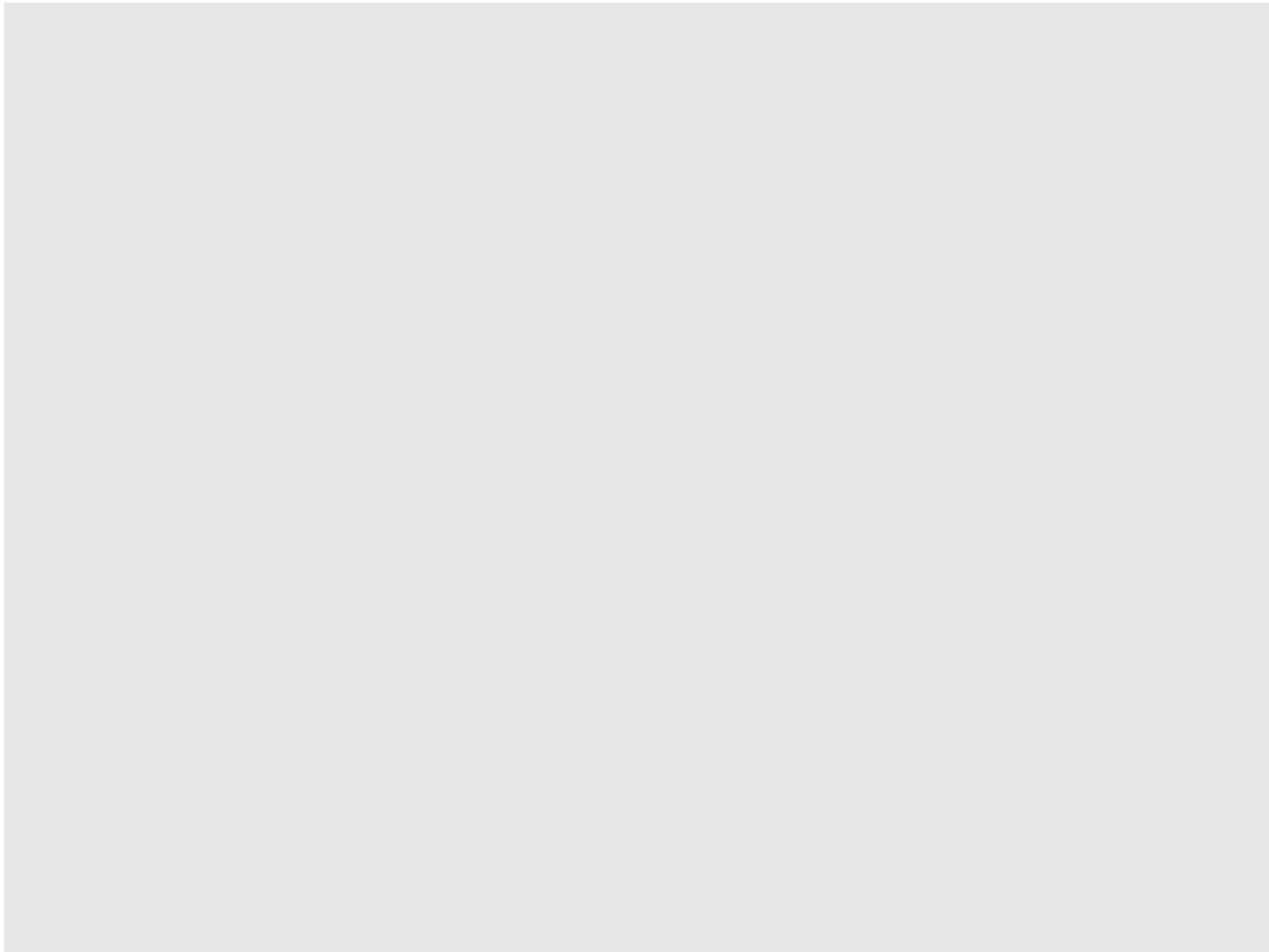
But the number of MCOs participating in Family Care has declined in recent years, with some of those that remain making what advocates say are questionably large surpluses over the past two years from state and federal tax dollars. Molina and Humana could be preparing to also buy the other remaining MCOs, which would give the state little leverage to rein in profits and protect patients, advocates say.

Wisconsin caregiver task force to take up final proposals

David Wahlberg | Wisconsin State Journal

“These big insurance companies can hold the state hostage if they want to,” said Mitch Hagopian, managing attorney for Disability Rights Wisconsin. The state “needs to make sure (the companies) are not squeezing all of the profits they possibly can at the expense of restricting services to Family Care members.”

With a caregiver workforce shortage already making it difficult for some people on Family Care to obtain services, “it seems like a really bad time to be pulling money out of the system and not ... making provider rates higher,” said Janet Zander, with the Greater Wisconsin Agency on Aging Resources.



Making origami at Artworking, a nonprofit in Madison, helps Matt Ward lead a "gloriously autistic" life, said his mother, Nancy Alar.
JOHN HART, STATE JOURNAL

Uncertain outlook

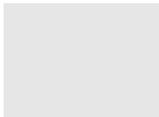
Nancy Alar's son, Matt Ward, 44, who has autism, lives in his own Downtown Madison apartment, works at the Downtown library and sells art he makes at Artworking, a nonprofit for disabled artists on Madison's Far East Side.

Alar **worried Ward would lose his independence** when Dane County became the last county in the state to join Family Care in 2018, as required under a 2015 state law. But Ward's services continued without a snag through a Family Care alternative called IRIS, which stands for Include, Respect, I Self Direct.

"His life did not change," Alar said. "I like to describe him as 'gloriously autistic.'"

But she is concerned the new acquisitions could change the nature of Family Care and IRIS, which allows clients to choose their own caregivers. Molina already owns The Management Group, or TMG, the largest IRIS consulting agency. Critics fear Molina will try to transfer clients between Family Care and IRIS to its financial advantage.

"The future is a little bit iffy," Alar said.



Care Wisconsin in Madison plans to merge with My Choice Family Care
David Wahlberg | Wisconsin State Journal

'Clear conflict'

Disability Rights Wisconsin, the Greater Wisconsin Agency on Aging Resources and other groups wrote to state Insurance Commissioner Nathan Houdek, saying Molina's ownership of TMG and proposed purchase of My Choice present a "clear conflict." The groups also said the merger would "substantially reduce competition in insurance in the state."

The Office of the Commissioner of Insurance has not yet received filings to review Molina's acquisition of My Choice, announced in July, or Humana's purchase of Inlusa, announced in August, OCI spokesperson Sara Smith said.

The state Department of Health Services, which oversees Family Care and IRIS, "will continue to ensure members receive appropriate care and have access to services as we work with the entities involved to understand the specifics of their plans," spokesperson Jennifer Miller said in an email.

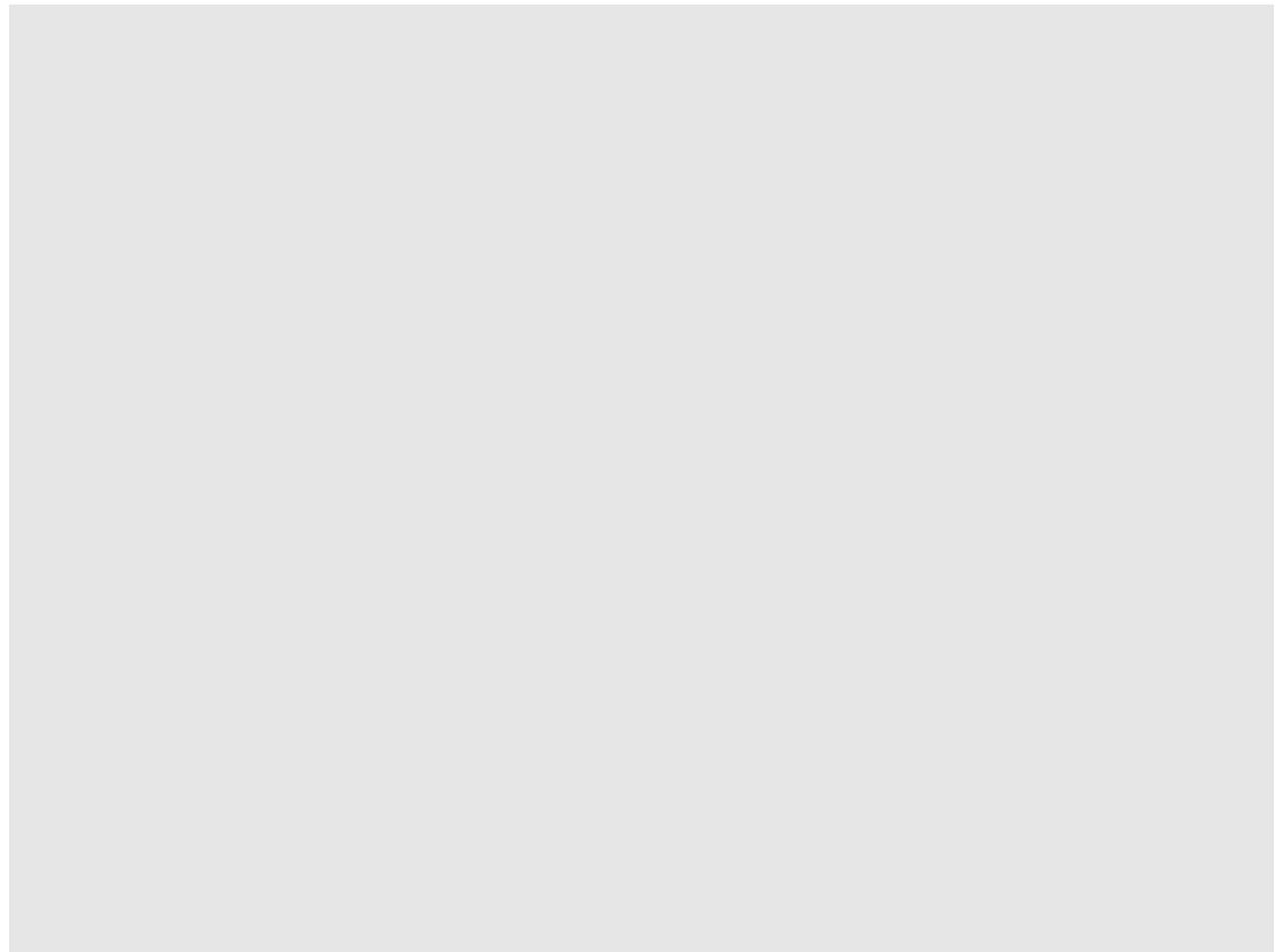
DHS "engages in many oversight activities to ensure managed care organizations are of a high quality and meet contract and performance expectations," Miller said.

"Molina's mission is to improve the health and lives of our members by delivering high-quality health care," spokesperson Caroline Zubieta said in a statement. "The Family Care and IRIS programs are distinct Medicaid waiver programs that have rules and regulations preventing any agency from exerting influence on an individual's enrollment choices."

Humana spokesperson Mark Taylor said in a statement: "Inlusa will continue to offer all current services in accordance with its state contract, and Humana has no plans to reduce the level of services provided to Inlusa members."

An evolution

Before Family Care started, some counties offered few services and others provided many, with some having long wait lists, said Lynn Breedlove, the retired former executive director of Disability Rights Wisconsin.



Matt Ward makes fractal art on a computer at Artworking in Madison, which sells a poster of his fractal artworks.

JOHN HART, STATE JOURNAL

Family Care made services more equal among counties and reduced wait lists, Breedlove said. Today, **56,000 people are in Family Care** or related programs, and **24,000 are in IRIS**.

In 2015, under former Republican Gov. Scott Walker, DHS **said it would revamp the system**, replacing **MCOs with integrated health agencies** — some likely from out of state — that would provide medical care along with supportive services. The move would slow the growing cost of a \$3.4 billion program that made up 20% of Medicaid enrollment and 40% of the Medicaid budget, DHS said at the time.

After complaints from advocates and clients, **DHS dropped the plan in 2016**. Now, with Molina and Humana poised to enter the market, similar concerns are emerging about companies outside of Wisconsin deciding how to allocate the services.

“It makes people nervous,” Breedlove said. “If there’s a chance to make profit by cutting down on people’s individual service plans, that’s what the shareholders and top managers will want these companies to do.”



Bill would give tax credit to family caregivers for Alzheimer's, other conditions

David Wahlberg | Wisconsin State Journal

Larger gains

Tim Hood, former board chairman at St. Coletta of Wisconsin in Jefferson, whose developmentally disabled daughter lives at St. Coletta, said he's already concerned about the surpluses MCOs make. He said the low rates the MCOs pay service providers make it difficult for St. Coletta to stay open and contributed to the **closure of Watertown-based Bethesda Lutheran Communities**.

Last year, the four MCOs collectively made **\$97.7 million from operations**, for an average operating margin of 4.7%, with additional gains from other revenue, according to DHS. The MCOs made **\$87 million from operations**, or 4.4%, in 2020, following **smaller gains in 2019** and **losses in 2018**.



Origami by Matt Ward is displayed at Artworking, a nonprofit on Stoughton Road that provides career-oriented support for artists with developmental disabilities.

JOHN HART, STATE JOURNAL

“Something is wrong here,” Hood said, referring to the gains in 2020-21. “That’s not what Family Care is supposed to be about.”

DHS limits MCO profits on the service portion of their payments to 4%, with MCOs keeping all gains or losses up to 2%, half of gains or losses between 2% and 6% and all gains or losses over 6%, Miller said. DHS shares in the gains or losses MCOs can’t keep.

The program “incentivizes MCOs to reinvest funding into the provider community to meet member needs while also providing financial stability for MCOs and the members they serve,” Miller said.

DHS plans to set minimum rates MCOs have to pay service providers by 2024, she said.

‘Disappointing’ service

Sue Werner, guardian of a 62-year-old Madison woman with cerebral palsy in Family Care, said dealing with My Choice has been “disappointing” and the shift to for-profit companies is “disconcerting.”

Concerns linger as Dane County transitions to Family Care

David Wahlberg | Wisconsin State Journal

The woman she helps has had six care managers since March 2020, which is disruptive, and has to pay for an outside nursing service that should be provided through Family Care, said Werner, who before retiring oversaw related services for the Dane County Department of Human Services.

Rise Up, a Madison agency that supports the woman Werner helps in the woman’s apartment, became so frustrated with My Choice’s contractual details that it is leaving Family Care, said Amy Melton-White, executive director of Rise Up. The agency is staying only with IRIS, to which Werner is switching the woman.

Melton-White said the acquisitions by Molina and Humana raise questions about the future of the care.

“The money, instead of going to people and the services they need, is going to these big insurance companies,” she said. “Where are the people in all of this?”

“These big insurance companies can hold the state hostage if they want to.”

Mitch Hagopian, managing attorney for Disability Rights Wisconsin

Around The Web



Hands Down the Top Credit Card of 2022

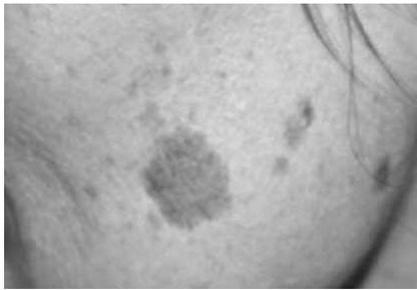
CompareCredit



These Are the Top Financial Advisors in Milwaukee

SmartAsset





MD: If You Have Dark Spots, Do This Immediately (It's Genius!)

GundryMD



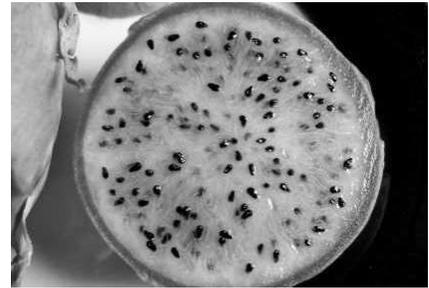
7 Mistakes You'll Make Hiring a Financial Advisor

SmartAsset



The Best States to Retire in 2022

SmartAsset



Everyone with Type 2 Diabetes Should Try This (Watch)

Diabetes Secret



Top Heart Surgeon: This Simple Trick Helps Empty Your Bowels Every Morning

Guthealthwellness



3-Minute Shower Hack Flushes Away Toenail Fungus (Watch)

Leading Reports



Anyone with Diabetes Should Watch This (Big Pharma Companies Hate This!)

True Natural Solutions

By David Wahlberg | Wisconsin State Journal

David Wahlberg is the health and medicine reporter for the Wisconsin State Journal.

