

County of Milwaukee
INTEROFFICE COMMUNICATION

DATE: April 7, 2011

TO: Sup. Peggy West, Chair, Committee on Health and Human Needs

FROM: Stephanie Sue Stein, Director, Department on Aging

RE: Informational report regarding the potential impact of the 2011-2013 State Budget on the Milwaukee County Department on Aging

I respectfully request that the attached informational report be scheduled for review by the Committee on Health and Human Needs at its meeting on April 13, 2011.

The proposed 2011-13 state budget released on March 1 by Governor Scott Walker includes a wide range of provisions that, if adopted, contain changes that have major fiscal implications for local government, including Milwaukee County. Proposed changes could affect the availability of services provided to Milwaukee County seniors and persons with disabilities, including the Family Care entitlement program.

Background

Family Care is an initiative of the State of Wisconsin to reorganize its Long Term Care programs for older adults and persons with disabilities. Family Care consolidates long term care services as funded by the state under Medicaid along with the Community Options Program, Community Options Program Waiver, and other Long Term Care programs and was created as an entitlement to Home and Community Based Care alongside the entitlement to institutional care under Medicaid.

The major disadvantage of the state's traditional Long Term Care programs was that they funded services through a fixed annual allocation that served only a limited number of persons each year and led to long waitlists of people in need of services throughout the state. By eliminating waitlists, Family Care provides timely services thereby preventing deterioration in client health and functional abilities and reducing the need for costly services later.

To provide access to and to administer its benefits, Family Care created two new entities – the Resource Center (RC) and the Care Management Organization (CMO). Resource Centers provide a single point of access to Family Care by conducting a comprehensive functional and financial eligibility screen on all persons who request assistance. A Care Management Organization administers the Family Care benefit for persons determined to be eligible by a Resource Center. The CMO is responsible for creating a comprehensive plan of care for each client; contracting with a wide range of service providers; and monitoring the quality of services that clients receive.

The Milwaukee County Board of Supervisors authorized the Milwaukee County Department on Aging to participate as an original Family Care Pilot and has served persons age 60 or older under Family Care since 2000. Family Care in Milwaukee County was recently expanded to serve persons age 18 to 59 with physical and development disabilities. Calendar year 2010 was the first full-year in which Milwaukee County operated both an Aging Resource Center (serving individuals age 60 and older) and a Disability Resource Center (serving individuals age 18 to 59). It was also the first full-year the CMO serves both populations in need of long-term care services. The Milwaukee County Department on Aging continues to operate the Aging Resource

Center, and the Milwaukee County Department of Health and Human Services operates the Disability Resource Center. The separate Milwaukee County Department of Family Care was created in 2010 and is now one of two care management organizations in the community.

Potential Effects of the 2011-13 State Budget

Family Care

Milwaukee County currently has approximately 8,000 seniors enrolled in Family Care. If the 2011-2013 State Budget passes in its current form, for the first time in over ten years, the waitlist would be re-established and seniors who are eligible for care will have to wait rather than getting help. Freezing slots will immediately affect hundreds of Milwaukee County older people older adults.

Every month the Milwaukee County Department on Aging Resource Center enrolls over 150 seniors into Family Care. These people have spent their money and need a nursing home level of care. The Family Care program offers that level of care while enabling seniors to remain in their homes and communities.

Because Family Care has been an entitlement for older people for over ten years, seniors and their families have been assured that they could spend their money on the care they needed and when that money was gone Family Care would be there to serve them. Instead their money will be gone and they will go on a waiting list. It is almost certain that these individuals will need to enter skilled nursing homes, as there is no other way they can get the care they need. At an average of \$5,000 a month for skilled nursing home care, the state will be spending twice as much for care the person does not want and does not need.

Some older adults have entered assisted living and community-based residential care facilities with their own resources, again being assured that when their money is gone, if they have chosen a place under contract with one of the Family Care operators, that Family Care will begin to pay for them. Unfortunately, if the budget is passed in its current form, this will not happen and seniors will be left with the only alternative, which is skilled nursing home care.

In Milwaukee County approximately 80-100 people leave the program every month due to death or moving out of the state. With a cap on Family Care, this means that every month at least 50 older people (600 annually) will go on waiting lists. Additionally, we presume these empty slots will be shared with persons on the disability waiting list, which consequently will create an even larger waiting list for older adults. These people have done their financial planning and are spending their savings to get to Medicaid eligibility with the promise there will be help. Beginning in July 2011, there will be no help.

Counties contributed a great deal of their own money to help initiate Family Care. If the proposed state budget passes, the money will no longer be available to help older adults and there simply will be no alternative to provide the support that Family Care offered.

SeniorCare

There are 92,000 seniors who rely on the value of SeniorCare, Wisconsin's Prescription Drug Assistance Program. However, based on the proposed 2011-2013 State Budget, SeniorCare would only be available to seniors who enrolled in the Medicare Part D Prescription Drug Plan. In its present form, SeniorCare is simple, inexpensive, and fair. Medicare Part D is confusing, includes complexities that change yearly, and can cost

from \$15.00 to \$150.00 per month. Moreover, forcing seniors to sign-up for Medicare Part D would likely require unplanned and unaffordable out-of-pocket costs for them. See the following section, Area Aging Programs, Benefit Specialist Program for additional information related to the impact of changes with SeniorCare.

Area Aging Programs

Specialized Transportation

Funds for the Specialized Transportation Assistance Program for Counties (s.85.21) are proposed to stay in the segregated fund with no increase or decrease in funding levels. That funding source supports both the Department's Specialized Elderly Transportation Services program and Transit Plus. The Specialized Elderly Transportation Services program assists nearly 2,000 seniors ineligible for Transit Plus. Should there be no increase in s.85.21 funding during the biennium, the Department may need to place limits on some trip purposes. Examples would be shopping, other than grocery shopping, and nursing home visitation (fewer days a week).

Benefit Specialist Program

Although no funding changes were proposed for the state's benefit specialist program, the proposed change requiring all older persons wanting to enroll in SeniorCare to also enroll in Medicare Part D will result in a substantial increase in the number of older persons needing assistance from five benefit specialists provided by Legal Action of Wisconsin under the Benefit Specialist/Legal Services program. Benefits specialists assist SeniorCare enrollees in selecting a Medicare Part D plan. On average, it takes a benefit specialist 1½ hours to assist a Medicare Part D client. With no new funding for benefit specialists, and the fact Medicare Part D is only one of several areas where seniors need assistance in understanding benefit programs, the number of SeniorCare enrollees in need of assistance will strain the ability of benefit specialists to assist all seniors.

If you have any questions, please call me at 2-6876.



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