

DRAFT

State of Wisconsin

Medicaid Waiver to Restructure and Reform the Long-Term Care Delivery System

Preliminary Draft Submitted by
Helene Nelson, Secretary
Wisconsin Department of Health and Family Services

Additional Notes to JFC in italics, April 8, 2003

March 31, 2003

DRAFT

Table of Contents

I. EXECUTIVE SUMMARY	3
II. SUMMARY OF WISCONSIN LONG TERM CARE REFORM PROPOSAL	5
III. BUDGET AND COST-EFFECTIVENESS ANALYSIS.....	13
A. WITHOUT LONG-TERM CARE REFORM WAIVER	13
B. WITH LONG-TERM CARE REFORM WAIVER.....	13
IV. BACKGROUND.....	19
V. OVERVIEW OF WISCONSIN'S LONG TERM CARE SYSTEM.....	26
VI. CURRENT WISCONSIN MEDICAID ELIGIBILITY FOR ELDERLY AND PERSONS WITH DISABILITIES.....	27
A. SUPPLEMENTAL SECURITY INCOME (SSI)	27
B. MEDICALLY NEEDY	27
C. INSTITUTIONAL AND OTHER LONG-TERM CARE	28
D. MEDICAID PURCHASE PLAN.....	28
E. LOW-INCOME MEDICARE BENEFICIARIES	28
F. HOME AND COMMUNITY BASED WAIVER PROGRAMS	29
G. SENIORCARE.....	29
VII. CURRENT LONG TERM CARE SYSTEM FOR FRAIL ELDERLY AND ADULTS WITH PHYSICAL OR DEVELOPMENTAL DISABILITIES.....	30
A. DEMOGRAPHICS	30
B. COMMUNITY-BASED AND INTEGRATED BENEFITS	30
C. COMMUNITY AIDS AND COUNTY FUNDS.....	35
D. HOUSING OPTIONS AND ISSUES	35
E. INSTITUTIONAL SERVICES	35
F. SENIORCARE.....	36
G. SYSTEM OVERVIEW	37
H. SYSTEM TRENDS.....	40
I. LONG-TERM CARE REFORM RESULTS.....	41
VIII. ADDITIONAL INITIATIVES IN THE 2003-05 BUDGET FOR ELDERLY & PERSONS WITH DISABILITIES.....	49
ATTACHMENT I	51
ATTACHMENT II.....	54
ATTACHMENT III	57
ATTACHMENT IV	60
PART A.....	60
PART B.....	61
ATTACHMENT V.....	62
ATTACHMENT VI	64
PART A.....	64
PART B.....	65

I. Executive Summary

The State of Wisconsin requests approval of all waivers necessary to restructure and reform Wisconsin's long-term care delivery system and services for all Medicaid-eligible elderly persons, age 65 and older, and persons with disabilities between the ages of 18 and 64. Wisconsin is confident that successful implementation of the initiatives outlined in this proposal will slow the rate of growth in Medicaid spending for the target population. Therefore, Wisconsin would agree to an overall five-year cap on Medicaid expenditures, beginning in state fiscal year 2004, for all services for the target population.

The waiver would be based on the following key assumptions:

- Overall Medicaid spending will be less and more people will be served with the waiver than without the waiver over the five-year period July 1, 2003 through June 30, 2008. Although the projected savings total \$17.6 million over the five-year waiver period, in the final year of the waiver overall Medicaid spending will be \$463 million less than would occur in the absence of the waiver.

	Five-Year Trend Without Waiver	Five-Year Trend With Waiver
<u>For the elderly</u>		
• Caseload	2.0%*	2.4%
• Inflation	6.3%*	3.5%
<u>For persons with disabilities</u>		
• Caseload	3.2%	3.5%
• Inflation	8.2%	4.5%
<u>Total Medicaid Expenditures</u>	\$20.0 billion	\$19.9 billion

*As required by SeniorCare waiver.

- The reforms needed to lower expenditures in the future require up-front investments in increased federal Medicaid payments to the state for home and community-based services under the Community Integration Program (CIP) waiver, certain community services currently authorized under the Medicaid state plan and provided by local governments, nursing facility and ICF-MR services, and HMO services. These reforms are supported by the increased federal Medicaid revenues proposed in the Governor's budget, and cannot be implemented without federal approval. In particular, the State proposes to finance:
 - ✓ Increased rates for waiver services and county government services through a new intergovernmental transfer (IGT) program;
 - ✓ Increased rates for services provided by Medicaid-certified schools and municipalities through increasing state match from otherwise budgeted state funds for schools and local governments;
 - ✓ Increased rates for nursing facility and intermediate care facilities for the mentally retarded (ICF-MRs) services through an increase in current provider assessments; and
 - ✓ Increased rates for HMO services through a new provider assessment program.

This proposal requests explicit approval of all of these Medicaid initiatives as part of the Long-Term Care Reform initiative and waiver. For the last 18 months of the waiver no federal revenues associated with the home and community-based waiver intergovernmental transfer are requested. All additional federal Medicaid revenue will be used to support the Medicaid program.

- In return, Wisconsin proposes to build on its two-decade long commitment to quality long-term care and mental health reform with a broad-based system change that will:
 - ✓ Protect, support and enhance Medicaid, BadgerCare, and SeniorCare, the health care safety net for frail elderly, people with disabilities, poor children and their parents in a time of severe fiscal crisis;
 - ✓ Pioneer reform of the long-term care and mental health/AODA delivery system to provide a statewide framework, within 10 years, that assures equitable access to services across all counties with a continuum of long-term care programs;
 - ✓ Assure that older people and people with disabilities live with dignity and receive the long term care that they need in the setting that they choose;
 - ✓ Expand home and community-based care options, including Family Care, and Partnership for the elderly and people with disabilities to promote independence and care at home by relocating people from nursing homes and ICF-MRs to the community, by eliminating waiting lists and by expanding community based mental health/AODA services;
 - ✓ Create an opportunity where a smaller number of institutions with significantly fewer licensed beds will be financed at a level that is consistent with their mission for intensive, high quality care; and
 - ✓ Demonstrate a cost-effective model to provide quality health and long-term care that could be replicated nationally.

Please see Sections II and III for summary detail of the waiver proposal and the budget neutrality projections.

Approval of this waiver will achieve the goals of Medicaid reform shared by the state and federal governments by:

- Capping spending while assuring high quality, flexible benefits for more people;
- Preserving benefits for populations now covered, especially mandatory benefits for mandatory eligibles;
- Using new flexibility and Wisconsin know-how to enhance existing long-term care programs, such as Wisconsin's Community Options Program, home and community-based waiver programs for the elderly and persons with disabilities, Family Care, PACE/Partnership, Community Support Program, and SeniorCare, all national models and extremely popular in Wisconsin;
- Assuring a continuum of informed consumer choice and control through a simplified delivery system, flexible care plans, and increased access to cost-effective community services; and
- Improving quality of care through strategies that purchase for value, with defined standards of care and appropriate oversight in all care settings, the monitoring of outcomes that place the focus on the consumer's quality of life, and rates adequate to support services needed, as determined by the individual's actual care needs and preferences.

II. Summary of Wisconsin Long Term Care Reform Proposal

Federal DHHS Medicaid Reform Goals	Governor's Recommendations for 2003-05 Long-Term Care Reform Budget	Wisconsin's Proposed Demonstration Waiver
<p><input type="checkbox"/> Finances reform with up-front investment and commitment to a multi-year spending cap and a maintenance-of-effort (MOE) of state funding at the conclusion of the waiver</p> <p style="text-align: center;">*****</p> <p><i>Additional Notes on Summary Proposal</i></p> <ul style="list-style-type: none"> • <i>This chart demonstrates that the President's goals for Medicaid reform are consistent with the long-term care initiatives recommended in the Governor's budget and a broad vision for overall reform of the long-term care system in Wisconsin.</i> • <i>The President's budget assumes states would require an up-front investment to protect current Medicaid programs and to support reforms necessary to achieve more cost-effective reforms tied to an overall spending cap.</i> • <i>In this waiver, the up-front investment is funded by a new intergovernmental transfer (IGT) program for home and community-based waiver services (CIP I).</i> 	<p><input type="checkbox"/> Uses the total amount of new, federal IGT and provider assessment revenues of \$730 million to:</p> <ul style="list-style-type: none"> • Maintaining coverage of current eligibles and current benefits (\$480 million) • Increase funding for home and community-based services reinvestment plan and home and community-based provider payments (\$250 million) <p><input type="checkbox"/> Restores overall state spending for Medicaid in State Fiscal Year 2004-05</p> <p><input type="checkbox"/> Wisconsin has already committed to five-year spending cap for all Medicaid services for the elderly under the SeniorCare waiver</p> <p><input type="checkbox"/> All additional federal Medicaid revenue will be used to support the Medicaid program</p> <p style="text-align: center;">*****</p> <p><i>This column, which reflects the Governor's 2003-05 biennial budget recommendations, and the right column, which reflects broad outlines for proposed reform, are subject to final action on the state budget and federal approval of the proposed waiver.</i></p> <p><i>The reforms would apply to the long-term care system for Medicaid-eligible elderly and persons with disabilities.</i></p> <p><i>In the 2003-05 biennium, this proposal provides the funding necessary to support and protect the Medicaid program (Medicaid, BadgerCare, and SeniorCare), and improve the long-term care system. In the final three years of the waiver, system reforms would be implemented to reduce overall spending below projected expenditures without the waiver.</i></p>	<p><input type="checkbox"/> Using an additional \$210 million annually in new federal IGT revenue (\$185 million from community waivers for four calendar years beginning January 1, 2003 and \$25 million from local government services on an ongoing basis beginning January 1, 2003), in addition to Medicaid base funding adjusted for caseload and inflation, Wisconsin commits to five-year spending cap for all services for all Medicaid-eligible elders and adults with disabilities, including persons with severe mental illness and addition, in order to expand, support, and stabilize Wisconsin's long-term care system through a new waiver</p> <p><input type="checkbox"/> State commitment includes overall cost reduction and MOE of state spending for all services covered under the waiver by the end of the waiver period. The IGT funding of \$185 million annually for services provided through the community waiver would terminate at the end of the waiver period.</p> <p><input type="checkbox"/> The new waiver would incorporate all existing Wisconsin waivers for home and community-based services for seniors and adults with disabilities and the SeniorCare waiver, which includes a five-year cap on expenditures for the elderly.</p> <p><input type="checkbox"/> The new waiver would provide flexibility to design programs that best meet the needs of Wisconsin residents and that expand coverage to more people, while preserving mandatory benefits for mandatory groups</p>

<p>Federal DHHS Medicaid Reform Goals</p> <p><input type="checkbox"/> Helps states preserve benefits they now provide to the populations now covered</p>	<p>Governor's Recommendations for 2003-05 Long-Term Care Reform Budget</p> <p><input type="checkbox"/> Assures continuity of current program eligibility, benefits and provider payments during severe fiscal crisis</p> <p><input type="checkbox"/> Provides increases of 11% in 2003-04 and 3% in 2004-05 for Medicaid budget</p> <p><input type="checkbox"/> Assures adequate access to community-based services through targeted rate increases for:</p> <ul style="list-style-type: none"> • Home and community-based waivers services • Home health • Outpatient mental health • Speech therapy • Family planning • Common carrier transportation <p><input type="checkbox"/> Assures adequate access and quality to nursing home and ICF-MR services</p> <p><input type="checkbox"/> Maintain the very successful and high-quality managed care programs, including:</p> <ul style="list-style-type: none"> • Family Care, PACE/Partnership, and I-Care for the elderly and persons with disabilities (14,103 served) • Medicaid and BadgerCare for low-income families with children (329,935 served) <p><input type="checkbox"/> Maintain SeniorCare, Wisconsin's Pharmacy Plus Medicaid waiver for seniors with income up to 240% of the federal poverty level (waiver funds those up to 200%, with state funds for the remainder)</p> <p><input type="checkbox"/> Implement aggressive pharmacy cost containment through expanded prior authorization, supplemental rebates, reduced reimbursement, and prescriber education, with projected savings of \$214 million in the 2003-05 biennium.</p>	<p>Wisconsin's Proposed Demonstration Waiver</p> <p><input type="checkbox"/> As target populations grow and age and as chronic conditions require more care, Wisconsin will invest in new and expanded programs to assure long-term savings with an emphasis on prevention, quality, access, consumer control and cost-effectiveness by expanding comprehensive, risk-based managed care and community-based programs and reducing nursing home, ICF-MR and hospital utilization</p> <p><input type="checkbox"/> Savings will support current Medicaid eligibility and benefits, provided in more flexible service delivery models, to current and future eligibles in their homes, based on care plans developed with consumers, families and friends, as appropriate</p> <p><input type="checkbox"/> SeniorCare continues during and after the waiver period</p>
---	--	---

<p>Federal DHHS Medicaid Reform Goals</p> <p>□ Serves more people</p>	<p>Governor's Recommendations for 2003-05 Long-Term Care Reform Budget</p> <p>□ Promote full access to community life for more elders and people with disabilities:</p> <ul style="list-style-type: none"> • Increase home and community-based waiver funding to serve an additional 2,085 persons, or approximately 25% of the 9,330 persons on the waiting list, by expanding waivers to: <ul style="list-style-type: none"> ✓ 168 persons on CIP I-A ✓ 617 persons on CIP I-B ✓ 1,300 persons on CIP II • The current waiting list includes: <ul style="list-style-type: none"> ✓ 2,382 elderly ✓ 3,574 people with developmental disabilities ✓ 2,815 people with physical disabilities ✓ 429 people with mental illness ✓ 130 people with alcohol/drug abuse • Increase funding in existing Family Care counties to serve an additional 2,985 enrollees • Expand Family Care to Kenosha County to serve an additional 212 enrollees, along with current waiver participants who choose to participate • Expand the Community Support Program to serve an additional 388 persons with severe mental illness 	<p>Wisconsin's Proposed Demonstration Waiver</p> <p>□ Waiver funding combined with savings from significantly reducing nursing home patient days and costs will support additional waiver placements and nursing home relocations, eliminating statewide waiting lists</p> <p>□ Waiver funding combined with savings from significantly reducing psychiatric hospital utilization will support the expansion of services to more people for mental health and alcohol and other drug abuse (AODA) through the:</p> <ul style="list-style-type: none"> • Community Support Program (known as Assertive Community Treatment federally); • Comprehensive Community Support Services Benefit; and • Crisis Intervention Program.
<p>□ Provides states flexibility to design innovative programs building on local strengths</p>	<p>□ Continues support to reform the acute, primary and long-term care delivery system to shift funding from institutional services to the community, including:</p> <ul style="list-style-type: none"> • Family Care in five counties serving 7,030 persons • PACE/Partnership in six counties serving 1,792 persons, the majority of which are dual eligibles <p>□ Implements a new, comprehensive risk-based</p>	<p>□ Create a pre-Family Care pre-paid health plan that combines traditional waiver services, personal care services, and home health services for waiver program participants to more effectively manage in-home care and ready additional local providers to assume responsibility for the full Family Care program</p> <p>□ Expand existing innovative programs, including Family Care, PACE/Partnership, and SSI managed care, wherever local public and private</p>

<p>Federal DHHS Medicaid Reform Goals</p>	<p>Governor's Recommendations for 2003-05 Long-Term Care Reform Budget</p> <p>managed care program for adults with disabilities ("SSI managed care" expansion) statewide, serving 82,152 by the close of the 2003-05 biennium</p>	<p>Wisconsin's Proposed Demonstration Waiver</p>
<p>partnerships can support them</p> <ul style="list-style-type: none"> <input type="checkbox"/> Facilitate the establishment of multi-county Family Care Districts and public/private partnerships to provide a framework for the implementation of Family Care on a statewide basis by the end of a 10-year period. <input type="checkbox"/> Using a statewide network of Aging and Disability Resource Centers offers consumers a choice of the following options: <ul style="list-style-type: none"> • Expanded options for elders and people with disabilities, including Family Care, Partnership, SSI managed care, Community Support Program, and other models that may be developed. • SSI managed care will be expanded to accommodate increased voluntary enrollment of more dual eligibles across the state, and Partnership will be expanded to cover at least 15 additional counties by 2008 • Community Support Programs and Comprehensive Community Support will be expanded to persons with severe and persistent mental illness with the goal of meeting the needs of all eligible persons. Mental health/AODA crisis intervention programs will be established across the state to provide accessible services. <input type="checkbox"/> Provide coordinated care management across long-term care and medical delivery systems by either: 1) having both long-term support and medical services provided by the same care management organization; or 2) having the long-term support care management organization coordinate medical services as well as long-term care supports. Require protocols for service integration to be put in place, including but not limited to, the use of a nurse on the long term 		

Federal DHHS Medicaid Reform Goals	Governor's Recommendations for 2003-05 Long-Term Care Reform Budget	Wisconsin's Proposed Demonstration Waiver
<p><input type="checkbox"/> Simplifies delivery system, benefits, and eligibility, while assuring a continuum of care that supports individual choices</p> <p style="text-align: center;">*****</p> <p><i>The Department intends to create a process to work with a broad group of stakeholders and the Legislature to develop the specifics of long-term care reform.</i></p>	<p><input type="checkbox"/> Continues support for Resource Centers in nine counties</p> <p><input type="checkbox"/> Continues support for managed care ombuds, who assist consumers in accessing care and resolving issues.</p>	<p>support case management team.</p> <p><input type="checkbox"/> Require that all long-term care managed care programs incorporate the Family Care model for assessment and care planning, which is based on achieving consumer-defined outcomes in the most cost-effective way possible, which utilizes a flexible benefit package and a prospective payment rate based on individual functional deficits and needs, and which provides supports for people to live in the most integrated setting possible as long as possible, especially their own homes.</p> <p><input type="checkbox"/> Require that plans foster independence so that people can live in their own homes for as long as possible.</p> <p><input type="checkbox"/> Expand consumer-centered, recovery-based service approaches in mental health and AODA services to ensure focus on consumer outcomes, recovery and improvement.</p>
		<p><input type="checkbox"/> Provide a statewide network of Resource Centers for long term care information and assistance, including:</p> <ul style="list-style-type: none"> • Outreach and prevention services to help people maintain health and wellness and thus delay or prevent the need for long-term care services. • Counseling about long-term care options to individuals to help them make informed decisions about their own care, and help them use their own funds cost-effectively in purchasing long-term care • Identification of individuals who have urgent needs and helping them acquire needed services • Determination of eligibility for publicly-funded and enrolling persons in a continuum of program choices, including a new long-

Federal DHHS Medicaid Reform Goals	Governor's Recommendations for 2003-05 Long-Term Care Reform Budget	Wisconsin's Proposed Demonstration Waiver
<ul style="list-style-type: none"> <input type="checkbox"/> Supports delivery system that: <ul style="list-style-type: none"> • Promotes consumer choice and control with individual assessments and care plans • Provides flexible benefits, including home and community-based services • Supports people in their homes and reduces out-of-home placements • Provides a "medical and social services home" • Prevents premature nursing home use • Avoid unnecessary hospitalizations • Reduces nursing home & ICF-MR beds • Promotes independence and reduces barriers for Americans with disabilities • Creates new, effective public/private partnerships, including state and local governments, and community and faith-based organizations • Promotes quality and enforces accountability through purchasing for defined outcomes measured by specific performance standards • Promotes efficient coordination of care for dual eligibles • Offers services on a statewide, coordinated basis • Promotes healthy lifestyles for all persons through care management, health promotion information, and public awareness 	<ul style="list-style-type: none"> <input type="checkbox"/> Creates a consumer-directed personal care service for 100 waiver participants <input type="checkbox"/> Continues support for existing long-term care programs that support these goals, including: <ul style="list-style-type: none"> • Home and Community-based waiver programs: <ul style="list-style-type: none"> ✓ Community options program waiver (COP-W) serving 9,538 in 66 counties ✓ State-funded Community options program (COP) serving 2,254 in 66 counties ✓ Community integration program (CIP) serving 12,415 in 66 counties ✓ Community Supported Living Arrangements (CSLA) serving 224 in 66 counties ✓ Brain Injury Waiver (BIW) serving 257 in 66 counties • I-Care, which provides comprehensive, risk-based managed care to 5,300 adults with disabilities in Milwaukee County • Medicaid Purchase Plan (MAPP) serving 3,584 individuals with disabilities • Hospital Link, which diverts persons from nursing homes at the time of hospital discharge <input type="checkbox"/> Provides for a new program called Life Lease, which allows money to follow the person from the institution to the community to relocate 650 people from nursing homes to the community 	<p>term care program, "Family Care Plus", as well as in expanded PACE/Partnership, SSI managed care, and home and community-based waiver programs.</p> <ul style="list-style-type: none"> • Pilot provision of mental health/AODA options, counseling and outreach services through the Resource Centers <p><input type="checkbox"/> Fund Wisconsin nursing homes and ICF-MRs only for those for whom it is deemed medically necessary and appropriate. Under increasingly stringent criteria:</p> <ul style="list-style-type: none"> • Reduce the number and size of nursing homes and ICF-MRs as the elderly and individuals with developmental disabilities and severe mental illness are enabled to live in the community in home-like settings, with high quality long term care, mental health/AODA, and medical services appropriate to their individual needs. • Establish admission policies to assure that care will be primarily medical rehabilitation and skilled nursing care, instead of long term intermediate residential care, and limit Medicaid payments for new admissions for ICF level of care to 60 days. • Screen and counsel private pay patients seeking admission to nursing facilities and offer personalized home and community-based plans to promote and prolong independence • Limit Medicaid nursing home admissions based on stringent medical criteria • Require care management organizations to contract for nursing home care utilizing placement protocols to assure appropriate residential care is provided, and high quality services are assured through monitoring by

Federal DHHS Medicaid Reform Goals	Governor's Recommendations for 2003-05 Long-Term Care Reform Budget	Wisconsin's Proposed Demonstration Waiver
<p>Federal DHHS Medicaid Reform Goals</p> <p>*****</p> <p><i>Under the Governor's recommendations in the 2003-05 biennial budget, up to 8,000 nursing home and ICF-MR beds are projected to close, including:</i></p> <ul style="list-style-type: none"> • Existing phase-down agreements – 499 beds • Increased licensed bed assessment – 2,870 beds • Historical decline in occupancy – 2,678 beds • Downsize Northern Center – 155 beds • Downsize ICFs-MR – 650 beds • Downsize nursing homes – 600 beds • Nursing home relocations funded through reinvestment plan – 540 beds <p><i>These numbers are not "mandated" by the budget or directly regulated. They are a projection based on a system where consumers have equal access to home and community-based options, when cost-effective and appropriate given their individual needs.</i></p>	<p>Governor's Recommendations for 2003-05 Long-Term Care Reform Budget</p> <ul style="list-style-type: none"> <input type="checkbox"/> Provide additional funding in the 2003-05 biennium for phase-down payments to assure quality as nursing homes downsize. [Existing phase down agreements with 59 nursing homes will eliminate 4,400 beds by June 30, 2003.] <input type="checkbox"/> Create mechanisms to decrease ICF-MR/nursing home beds by up to 20%, or 8,000 beds, by limiting the placement of persons with developmental disabilities in ICF-MRs and nursing homes through provisions to: <ul style="list-style-type: none"> • Restrict all admissions to ICF-MRs, except for emergency placements with a limit of 60 days; • Require local governments to develop a relocation plan for ICF-MR and nursing home residents who wish to relocate to the community; • Transfer budgeted funding from ICF-MRs and nursing homes to community services for residents who move to the community; • Provide one-time funding for relocation activities; and • Provide phase-down funding for ICF-MR and nursing facilities that downsize or close. <input type="checkbox"/> Provide a mechanism and additional funding to allow counties to relocate 650 persons with disabilities from ICF-MRs to homes in the community over an 18-month period beginning January 1, 2005 <input type="checkbox"/> Downsize the State of Wisconsin Northern Center for the Developmentally Disabled and relocate at least 95 residents to the community <input type="checkbox"/> Provide funding to continue mental health/AODA redesign by funding the development and piloting of the functional screen to identify persons with severe and persistent mental illness <input type="checkbox"/> Continue support for prevention programs, 	<p>Wisconsin's Proposed Demonstration Waiver</p> <p>care managers</p> <ul style="list-style-type: none"> • Contract for nursing home care through expanded use of managed care programs, including Family Care and Partnership. • Adequately support nursing homes and ICF-MRs that provide a continuum of care options for frail elderly or persons with disabilities. Increase skilled nursing and ICF-MR facility rates to assure high quality care consistent with the rapidly increasing intensity as the number of patients decline. • Continue to work with the nursing home industry to build on the continuum of care and downsizing initiatives implemented in the 2003-05 budget to seek additional reductions in nursing home/ICF-MR beds, as appropriate. <input type="checkbox"/> Expand access to high quality, coordinated medical care and social supports for the elderly and persons with disabilities who also need mental health services. Make "recovery" the guiding principle of mental health care, with the understanding that some illnesses are serious and persistent, thus requiring ongoing medical and social supports for individuals to achieve their optimum functioning in the community. <input type="checkbox"/> Require all managed care programs to: <ul style="list-style-type: none"> • Coordinate and effectively manage medical care with long term care supports, consistent with individual choices and well-being • Assure that care management services ensure safety, rely on best practices in medical care to promote individual wellness and comfort, and use all resources cost-effectively. <input type="checkbox"/> Implement statewide initiative to foster cooperation among public health agencies, Aging and Disability Resource Centers, and health care

<p>Federal DHHS Medicaid Reform Goals</p>	<p>Governor's Recommendations for 2003-05 Long-Term Care Reform Budget</p> <p>including:</p> <ul style="list-style-type: none"> • Falls prevention • Diabetes • Medicaid disease management programs for asthma, diabetes, congestive heart failure, chronic obstructive pulmonary disease, and tobacco cessation 	<p>Wisconsin's Proposed Demonstration Waiver</p> <p>providers to promote health and wellness for adults of all ages, with a particular focus to prevent health conditions or disabilities requiring substantial medical costs and long term supports as individuals age.</p> <p><input type="checkbox"/> Expand and create mechanisms to require, measure and support quality in all long-term care regardless of setting, or delivery system, using quality assurance and quality improvement strategies that promote the availability of the right care, in the right place, in the right way, at the right time.</p> <ul style="list-style-type: none"> • Provide enhanced prevention services as a component of a quality improvement, to improve health and wellness and reduce medical costs. • Provide enhanced prevention services for mental health and AODA by focusing on prevention of depression, post-traumatic disorder, conduct disorder, and suicide. • Emphasize strategies to foster a workforce of caregivers that are motivated and able to provide quality care that responds to individual needs and preferences.
--	---	--

TABLE 3. DEMONSTRATION WITH WAIVER (WW) BUDGET PROJECTION

Eligibility Group	Trend Rate	DEMONSTRATION YEARS (DY)								TOTAL WITH WAIVER
		DY 01 (SFY 04)	DY 02 (SFY 05)	DY 03 (SFY 06)	DY 04 (SFY 07)	DY 05 (SFY 08)				
AGED - Caseload - Expend. Per Recipient Per Year - Total Expend. (w/o IGTs & SeniorCare)	2.4%	64,200	65,741	67,319	68,934	70,589			70,589	
	3.5%	\$ 22,492	\$ 23,279	\$ 24,094	\$ 24,937	\$ 25,810			\$ 25,810	
		\$1,443,973,735	\$1,530,381,124	\$1,621,959,130	\$1,719,017,164	\$1,821,883,151			\$ 1,821,883,151	
Disabled - Caseload - Expend. Per Recipient Per Year - Total Expend. (w/o IGTs & SeniorCare)	3.5%	74,955	77,654	80,449	83,345	86,346			86,346	
	4.5%	\$ 21,704	\$ 22,681	\$ 23,702	\$ 24,768	\$ 25,883			\$ 25,883	
		\$1,626,849,000	\$1,761,259,265	\$1,906,774,505	\$2,064,312,215	\$2,234,865,690			\$ 2,234,865,690	
Senior Care - Caseload - Expend. Per Recipient Per Year - Total Expend. (w/o IGTs)	4.0%	72,280	75,171	78,178	81,305	84,557			84,557	
	14.0%	\$ 913	\$ 1,041	\$ 1,187	\$ 1,353	\$ 1,542			\$ 1,542	
		\$ 66,001,759	\$ 78,251,686	\$ 92,775,199	\$ 109,994,275	\$ 130,409,213			\$ 130,409,213	
IGTs (Cur. Nur. Home, Loc. Gov. & HBC waiver) & Prov. Asses.		\$ 463,162,878	\$ 453,525,821	\$ 449,775,821	\$ 288,532,026	\$ 127,288,232			\$ 1,782,284,777	
TOTAL WITH WAIVER (WW) EXPENDITURES		\$3,599,987,372	\$3,823,417,894	\$4,071,284,654	\$4,181,855,681	\$4,314,446,286			\$19,990,991,888	
TOTAL WITHOUT WAIVER (WOW) EXPENDITURES		\$3,303,336,860	\$3,613,891,045	\$3,963,612,614	\$4,350,189,583	\$4,777,552,139			\$20,008,582,240	
SAVINGS		\$(296,650,513)	\$(209,526,849)	\$(107,672,040)	\$ 168,333,902	\$ 463,105,853			\$ 17,590,353	

- This draft proposal is subject to Legislative, Gubernatorial, and Federal approval.
- In exchange for federal approval of the new IGT, Wisconsin would commit to reform the long term care system and cap Medicaid spending for persons with disabilities, building on the existing cap on Medicaid expenditures for the elderly approved under the SeniorCare waiver.
- The Governor's budget assumes \$730 million in new federal Medicaid revenues, of which \$434 million in 2003-04 is from the waiver IGT. The waiver requests \$185 million annually, beginning January 1, 2003, for four calendar years. This results in federal revenues of \$276 million in 2003-04 and \$185 million in 2004-05, for a total of \$461 million in 2003-05.
- The table reflects increased federal Medicaid revenues from the IGTs and provider assessments.
- Increased revenues in this table reflect only the amount to support payments for services to the elderly and persons with disabilities.
- Total "without waiver" expenditures assume federal approval of the new provider assessments and the IGT for local-government-provided services. In addition, total "with waiver" expenditures assume federal approval and a four-year new waiver IGT.