Manager (DAS) and the Assistant Director - Fiscal and Support Services (MCDA). The CMO budget, along with budgets for other department divisions, is finalized and reviewed with the Director on Aging for presentation through the Milwaukee County budget approval process.

A review of the CMO budget for 2003 as recorded in the County's Advantage system, and interviews with CMO fiscal staff, raised concerns relative to the CMO budget. Specifically, it is questionable whether the CMO budget, as well as transactions posted to the CMO budget throughout the year, reflect what is actually occurring in the CMO from a financial perspective. This question is raised based on the following:

- *The nature and timing of budget appropriation transfers affecting the CMO budget.* It is understood that the budget is a planning tool and, as such, may require periodic adjustment based on CMO operating trends, including enrollment activity. Additionally, revenues and expenditures may require realignment where budget assumptions during the planning phase did not materialize. Prior year-end reports indicate revenues posted where no budgeted amounts exist and budgeted revenues with no posted transactions for the year. There have been no budget appropriation transfers to date for 2003 for the CMO, or for any other division in the Department on Aging.

- *The impact that the CMO budgeted revenues may have on cost allocation methodologies.* It was learned that some cost allocation methodologies were based on the proportion of budgeted revenues throughout the department, including the CMO. This methodology is not appropriate and it is likely to result in inaccuracies since revenues do not appear to be budgeted where they belong throughout the year, and are not adjusted accordingly by year-end.

- *Aligning budgeted amounts with cost allocation estimates that are known, or are not subject to materially change, once the budget has been adopted.* For example, cost allocation entries are recorded for employees assigned to the Department on Aging, but who are organizationally assigned to the Department of Administrative Services. The cost allocations are booked according to a pre-defined methodology based on time estimates and results in only a portion of the costs being applied to the CMO. However, the total amount of salaries for all DAS positions is budgeted in full in the CMO.

  This practice is problematic for numerous reasons. The total CMO expenditure budget is overstated. As allocation entries are entered throughout the year, the remaining available balance of the expenditure appropriation is also overstated. More importantly, CMO fiscal staff who are responsible for preparing monthly budget to actual reports in fulfillment of CMO contract requirements, and who may not be aware of this nuance, may erroneously report the CMO's financial position or spend unnecessary time examining possible reasons for the spending variance which they might otherwise not have needed to do.

It is believed that CMO fiscal staff cannot rely on Advantage system reports for financial reporting purposes without significant effort. CMO fiscal staff must seek out 'inside knowledge' of where appropriate program revenues and expenditures were budgeted and determine how best to adjust internal financial statement information to properly present the financial conditions of the CMO for any given reporting period. In addition, under these conditions, the preparation and presentation of even some of the most routine financial information that might initially be completed by lower level fiscal staff may require senior management involvement.

As long as these practices continue, all processes and procedures related to the CMO fiscal operations, including those designed to meet CMO contract requirements, will not be cost effective.

__Recommendation #18__

The CMO Chief Financial Officer should work with CMO fiscal staff, the Accounting Manager and the Budget Manager to review the 2003 CMO budget and to prepare any budget appropriation transfers that may be required.

In addition, any journal entries made throughout 2003 that involved postings to accounts based on where funds were budgeted, rather than the appropriate account classification based on the nature of the transaction, should be corrected.

To maintain the accuracy of the CMO budget, and in an effort to improve the efficiency of CMO fiscal staff, the CMO Chief Financial Office should establish procedures that result in the timely and accurate processing of budget appropriation transfers.

Finally, the CMO Chief Financial Officer should coordinate with the Budget Manager, the Accounting Manager, DHFS and the CMO fiscal staff to prepare the 2004 CMO budget

__Information Technology and Systems__

Previous sections of this report contain findings and recommendations relative to information technology and systems required to support CMO fiscal operations.

Information technology can be an important resource for the CMO provided that its design and use in support of fiscal operations is properly managed and controlled. Such oversight must be provided by an individual within the CMO that possesses the appropriate level of responsibility and authority to ensure sound financial management decision making. In doing so, accountability can be established over information technology as it is used to meet the financial business needs of the CMO.

Recommendation #19

To preserve the integrity of CMO fiscal information in the Advantage system, require that any operating decisions affecting CMO transaction data, including reporting capabilities and access controls, in Advantage be subject to prior review and approval by the CMO Chief Financial Officer. Similar thresholds should apply for any internal accounting systems (i.e., Peachtree), or information systems upon which fiscal operations rely (i.e., CMO application).

Due to ongoing issues with the third party administrator, the encounter based reporting requirements in the CMO contract have not been met. As such, the CMO has not been able to properly reconcile encounter based reporting data. Maintaining the accuracy of such member specific data through a reconciliation procedure is important because it provides the CMO with assurance, in part, of the extent to which member related costs are being collected and reported in an accurate and timely manner. Also, such information serves as the basis for negotiations with DHFS to establish prospective capitation rates for the upcoming CMO contract period.

Recommendation #20

The CMO Chief Financial Officer should work with DHFS, the third party administrator, CMO information technology consultants and others to establish procedures that require a monthly reconciliation of encounter based reporting data. To facilitate with procedures development, the CMO Chief Financial Officer should consider including MCDA fiscal staff with previous HSRS experience, who may be able to identify past problems and offer suggestions for improvement.

*****

WISCONSIN STATE LEGISLATURE

Joint Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

May 13, 2004

Ms. Helene Nelson, Secretary
Department of Health and Family Services
1 West Wilson Street, Room 650
Madison, Wisconsin 53707-7850

Dear Ms. Nelson:

On February 13, 2004, the Legislative Audit Committee held a public hearing on the *Wisconsin Family Care Final Evaluation* (July 2003), conducted by The Lewin Group, Inc., under contract with the Legislative Audit Bureau and the *Family Care Independent Assessment: An Evaluation of Access, Quality and Cost Effectiveness for Calendar Year 2002* (December 2003), prepared by APS Healthcare, Inc., under contract with the Department of Health and Family Services. Representatives from your agency and staff from each pilot county were invited to testify about the status of pilot program implementation.

While we found this discussion of Family Care to be informative, we write today to express our disappointment that the extent of the fiscal problems of the Milwaukee County pilot program were not disclosed at the February 2004 public hearing. Although Milwaukee County's program and services were discussed, at no time was the Joint Legislative Audit Committee made aware of the extent of the fiscal problems represented in Milwaukee Journal Sentinel (MJS) articles of May 12 and May 13. At the February 2004 hearing, the Committee posed specific questions regarding program performance to you and your staff, yet we were never informed of these significant problems.

Of additional concern is the remark in the May 12th MJS article, *Family Care program's $2 million deficit likely to put county in red*, attributed to Deputy Secretary Kenneth Munson that Milwaukee County has refused to give the state a report issued by auditor Cinda Mentz last November. We anticipate that copies of this report will be forwarded to our attention as soon as your Department receives it.

SENATOR ROESSLER
P.O. Box 7882 • Madison, WI 53707-7882
(608) 266-5300 • Fax (608) 266-0423

REPRESENTATIVE JESKEWITZ
P.O. Box 8952 • Madison, WI 53708-8952
(608) 266-3796 • Fax (608) 282-3624

Please be assured we will be closely monitoring the Family Care program and expect that you will keep us carefully apprised of current and future developments.

Sincerely,

Carol Roessler

Senator Carol A. Roessler, Co-chair
Joint Legislative Audit Committee

Suzanne Jeskewitz

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosures

cc: Senator Robert Cowles
Senator Alberta Darling
Senator Julie Lassa
Senator Jeff Plale

Representative Dean Kaufert
Representative Samantha Kerkman
Representative David Cullen
Representative Mark Pocan

Scott K. Walker, Milwaukee County Executive

Janice Mueller, State Auditor

Asbjornson, Karen

From: Pam Matthews [pamm6563@earthlink.net]
Sent: Monday, May 24, 2004 4:18 PM
To: Chrisman, James; Asbjornson, Karen; Shannon, Pam
Subject: FW: Family Care

FYI...

Pam Matthews

----- Original Message -----
From: Handrick, Diane
To: Matthews, Pam;SueHome;pamm6563@earthlink.net
Sent: 5/24/2004 2:10:17 PM
Subject: FW: Family Care

-----Original Message-----
From: Jerry Kallas [mailto:jkallas@wi.rr.com]
Posted At: Monday, May 24, 2004 1:51 PM
Posted To: Rep.Jeskewitz
Conversation: Family Care
Subject: Family Care

Dear Representative Jeskewitz,

I appreciate all the effort you have put into finding out more about the Family Care Program and the problems CBRF providers in have been experiencing. In addition to the financial problems that have come to light within Milwaukee County, there is now a lawsuit in Federal Court involving discrimination of developmentally disabled individuals when they turn age 60 and are enrolled in the Family Care Program. I have had an opportunity to review the lawsuit and it has great merit. It even includes families of two residents with Alzheimer's who live in Senior Residential Care homes who have joined in the lawsuit

I had the opportunity to review Secretary Nelson's response to your letter and found her comments quite interesting. I reviewed the APS Report (Dec 2003) that she referred to in her letter to you, and to my surprise, the APS report confirmed exactly what I related to you previously. Yes, the methodology is sound, but the data being fed into the methodology is not. It discusses the Capitation Rate determination and discusses how they are still using cost of care as described in the functional method of calculation what they paid the previous year for the same services. And since no CBRF provider in the Milwaukee Family Care Program has received an increase in their monthly provider service fee since 2001, the Capitation Rates paid to Milwaukee county will continue to remain artificially low and essentially frozen. It is my impression (excuse my English) Secretary Nelson gave you a 'snow job!" with her response.

I had an opportunity to discuss the new lawsuit with Attorney Pledl, and he indicated that there have been several documented similar program situations around the country where providers have been under reimbursed, and the provider network crumbled. It was only a matter of time when providers pulled out of the program. Your concern about the future stability of the provider network is a very legitimate one and needs to be further addressed. I do not believe Secretary Nelson has addressed it adequately.

As another important piece of information, Secretary Nelson stated no provider has ever withdrawn from

the Family Care Program because of reimbursement. While this is technically true, Bayside Terrace located in Bayside, WI closed this month.
It is a 130 bed CBRF/RCAC being operated by the Laureate Group, which is one the premier senior housing providers in Milwaukee and Waukesha County. Senior Residential Care accepted a number of their residents who were on Family Care, and what families told us was that the Laureate Group had to close the facility because they could not afford the financial drain they were experiencing because of their inadequate Family Care reimbursement. I have no way to confirm this, but I did hear the same information from several families. There were at least 30 to 40 Family Care residents who were displaced to other facilities.The Laureate Group gave the State and Family Care notice in February 2004 that they were closing the facility!

We are seeing only the tip if the iceberg. We know this mess is not going to go away anytime soon. I have included today's Milwaukee Journal article on Family Care as an attachment.

Sincerely,

Gerald J. Kallas M.D.

Experience the Diffrence. It's the Care....
Senior Residential Care
Gerald J. Kallas M.D.
CEO & Medical Director
jkallas@wi.rr.com
2060 S. 61st
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The Milwaukee http://www.jsonline.com/ Return to regular view

Original URL: http://www.jsonline.com/news/metro/may04/231718.asp

From security to uncertainty

Program cuts care options for disabled when they turn 60

By GINA BARTON
gbarton@journalsentinel.com

Posted: May 23, 2004

When Sandra Erlichman first moved to Arbor House, she would stand at the window and wait for her parents to visit.

"Daddy coming? Mama coming? Daddy coming? Mama coming?" the childlike woman would ask over and over again.

Erlichman, who is developmentally disabled, couldn't understand that her father had died and her mother was ill. She felt abandoned. The staff at Arbor House, a group home where Erlichman has lived for five years, helped her through the crisis. After a time, Erlichman started calling her favorite staff member "Mama."

Then she turned 60.

With that milestone, Erlichman joined an ever-growing group of people caught up in the financial problems of Milwaukee County's Family Care program, which was designed to provide services for senior citizens on Medicaid.

Now that she's enrolled in Family Care, county officials want Erlichman to move out of Arbor House because it is too expensive. They want her to stop attending a day program where she has made many friends and performs simple but productive tasks, such as shredding old newspapers for animal bedding.

Health Care

Photo/Tom Lynn

Jane Prentice kids around with Gerald Nelson, who is disabled and lives in a group home in Hales Corners. Nelson and others may be forced to move because of the structure of county funding.

"She's been there five years and they have the funding, now she turns 60 and they don't? . . . Was she supposed to die by then, or what?" Erlichman's sister, Nancy Steeves, asked in frustration.

In Steeves' view, it's age discrimination, and she alleges as much in a federal lawsuit against the county and the state. Erlichman is one of nine plaintiffs in the case. Their lawyer, Robert "Rock" Pledl, is seeking class-action status because more and more people become disabled as they age because of conditions such as Alzheimer's disease.

"We should all remember the golden rule. What we do to seniors with disabilities in Milwaukee County right now is going to happen to all of us when we get older and need these same services," Pledl said.

Fixed funding per person

Mary Ellen Poulos, principal assistant corporation counsel for Milwaukee County, says it's not discrimination, it's just the way the system works. A combination of state and federal funding pays for the care of people with disabilities, no matter what their ages. The difference is in the way the money is administered. People under 60 are served through the county's Disability Services Division, which features individualized care plans but has long waiting lists. People 60 and over, whether they have developmental disabilities, medical problems or physical problems, are served through Family Care.

More than 7,500 seniors receive services through Family Care, which began as an experimental program in five Wisconsin counties in 2000.

"Family Care is being looked at as a national model," said Tom Hlavacek, director of the Milwaukee office of the Wisconsin Coalition for Advocacy. "They got rid of the waiting list. They're serving 2,500 more people."

But there was a trade-off. Milwaukee County receives federal and state funds totaling $1,810 per month for each person enrolled, no matter what their needs.

"That's the limit of the funds. There's no place else to go," Poulos said. "There has to be some give and take here, but I don't find much. Everybody wants a group home, but it's not always possible for everybody, and it's not always cost-effective."

In theory, the money saved on people with fewer needs should cover overruns for people such as Erlichman, whose specialized care can cost $3,000 to $5,000 monthly.

In Milwaukee County, that hasn't happened. Family Care had a $2 million deficit last year, and the state is asking to be reimbursed $3.3 million for previous years of payments made for clients who weren't eligible. County officials admit the program has been hard to manage, due to the large number of clients and their varied needs. However, some county officials and advocates - including attorneys Poulos and Pledl - believe the state is partially to blame for setting Milwaukee County's rate too low.

Rates higher in other counties

Three of the other pilot counties - Fond du Lac, Portage and Richland - get higher rates than Milwaukee. State officials attribute the discrepancy to the fact that in the other counties, Family Care serves people with disabilities of all ages, which is more expensive.

Kenneth Munson, deputy secretary of the Wisconsin Department of Health and Family Services, said the rate isn't the problem. Rather, administrators in Milwaukee County have been spending money on people who shouldn't be in the program. Therefore, the county can't be reimbursed by the state for those services, and a shortfall results.

Older people with disabilities shouldn't have to suffer because of the situation, Hlavacek said. He argues that if Family Care can't get more funding in Milwaukee County, older people with more expensive needs should be allowed to continue receiving care through Disability Services, which has served them all their lives.

Flourishing in group home

Gerald Nelson suffered a brain injury when he was 5 years old. Seizures forced him to stop going to school, but as he grew up, he was always around the neighborhood cleaning basements, mowing lawns and collecting old newspapers for recycling.

"His parents let him be as independent as he could be," said Jane Prentice, whose mother was good friends with Nelson's. "My mom taught him to read a little, ride the bus, identify animals."

Nelson's mother took care of him at home until 1998, when he was 65. She was almost 90.

Nelson then moved into Whitnall House, a group home in Hales Corners, where he has flourished, Prentice said. He goes to a day program, but in his mind, he's going to school at last. He often tells Prentice about the things he did there with the other "kids." His language skills have improved substantially, and he even wore a tuxedo to a formal dance.

"He's so happy," said Prentice, who is Nelson's legal guardian. "After all the struggles he's had in his life, Gerry deserves to end his life happy."

But Nelson's needs are expensive. Living at Whitnall House costs almost $6,000 a month, and Family Care can't afford it. The program is paying the same rate for Nelson's care as it did in 1999, although costs for things like liability insurance, employee medical insurance, gasoline and utilities have increased dramatically since then, said Lincoln Burr, executive director of Homes for Independent Living, which operates Whitnall House and 73 other group homes throughout the state.

Burr estimated that Homes for Independent Living is losing about $13,500 a year caring for Nelson. The agency has agreed to let Nelson stay until the lawsuit is resolved, but Burr says if they can't get more money from Family Care, Nelson will have to move.

"We can't afford to provide good service at the rates they're offering," Burr said. "Providing no rate increases is not a way to run a system. In the end, there'll be no providers left. It's impossible. . . . If we get nothing from the county, it has a profound effect on our ability to stay in business."

County officials want to relocate Nelson to a different group home, where he could live for about half the cost, Poulos said.

Prentice doubts such a place exists. Even if it does, moving can be disastrous for elderly and disabled residents, Hlavacek said.

'People would go ballistic'

"How can you justify telling these people, 'You can't live in your home anymore?' " Hlavacek asked. "Who forces somebody to move out of their house? Things are done to people with disabilities that if it was done at random in our neighborhoods, people would go ballistic."

Social scientists have proved that for disabled and elderly people, moving can be as debilitating as physical illness, Hlavacek said. The stress can cause physical complications. Treatment of medical conditions can fall through the cracks in the transition. People can die because their support systems disappear.

"There's destabilization when people move," Burr agreed. "Often it's a downward spiral."

Prentice hired attorney Pledl because she's afraid of what would happen to Nelson if he's caught in that situation. Because he is the highest-functioning person at Whitnall House, they tried to move him once before, to a group home with others more at his level. Nelson became so disruptive, they moved him back.

"I don't see any good outcome if they move him," Prentice said. "He will get belligerent, and they'll put him on medication or restrain him and he'll get depressed and he'll die."

She hopes the litigation can prevent that.

From the county's perspective, a loss in court may be more than the troubled Family Care can handle.

"If this lawsuit it successful, it's the end of Family Care, quite frankly," Poulos said.

From the May 24, 2004 editions of the Milwaukee Journal Sentinel

Editorial: Good call on Family Care

From the Journal Sentinel

Posted: Nov. 18, 2004

Milwaukee County and its Department on Aging are getting a well-deserved second chance.

The state has decided that the department's Family Care program deserves to remain under county control rather than be turned over to private agencies. It's a good call, not just for the county but for the many people served by Family Care. The experimental program provides medical and other services to people 60 and older with the idea of keeping them independent and out of institutional care as long as possible.

While highly touted, the Family Care program ran into serious financial problems earlier this year, including a $2 million operating deficit. That prompted both state and county officials to consider having a private, non-profit agency take over the reins of the program with the county filling a secondary role.

But county supervisors and county employee unions opposed handing over primary control to private non-profits. Their opposition, as it turns out, was well-grounded.

The heart of the problem at Family Care was that the people running it, including Stephanie Sue Stein, the county's hard-working director of aging, tried to do too much with too little. Their main goal was to end long waiting lists for Medicaid-eligible elderly residents in the county. And they did.

Unfortunately, because of understaffing, a lack of proper accounting and the inability to keep up with a large number of clients, the program ended up serving hundreds more seniors than it could afford. The result was a sea of red ink.

The solution, as state officials ultimately realized, wasn't to push county officials out of the picture but to require them to tighten up their financial operations. State Health and Family Services Deputy Director Kenneth Munson said the improved financial management of the program helped the county win the job of running Family Care.

Interestingly, the state, Munson said, always felt the long-term care services provided by the county under Family Care were very good and, if possible, wanted to retain that continuity.

It's good that things worked out.

From the Nov. 19, 2004, editions of the Milwaukee Journal Sentinel

BACK TO TOP

how much each Δ
50% CMO
20% other what's happening
Lewin differences in differences

colsey co look is critical
respond like milw.
– status of program
APS – argue against more pop. in milw. – expans.
– lew. 2004-05 analysis
more confid. in cost effect.
? ask APS – shd another analysis
when started Lewin 2004-05
Jan 02 – when good timeline
for cost effectiveness
? ask co's behave like 4 CMO co's
& which have milw. exp.
? CMO having umbrella – expand to
MI more regional adjacent co's.
Richland – small/rural

Lewin – RC services working gd.

? here from dept on status of waiver renewal
Sept 30, 2003 and contract
waiver on track?
?

②

→ APS - reference other studies
in FC. to review
— management
— meta stor
near which are required under
waiver? - costs to contracts
w/outside evaluators
Lewin - track record respect

- pos. exp. in pilot counties
- been a Δ issues w/ ESU
← changing requirements

Milw. Co - APS conclusion
what might be different
couldn't explain based on people -
something else about service
delivery

Lewin - $400,000
APS - $150,000

non milw - costs decline
milw - higher incr.

to control group
milw. co. saw incr. primary & acute services in
outpatient hosp. expend.

APS control group - all non CMO counties

Lewin - Rock co best match for milw

APS concluded
- sign. cost savings when examine milw
separately
all but milw.
milw masks CMO counties

- LTC costs and indiv. savings
where cost savings come into effect

adm at co. level
reg. & co differences in delivery of services practice patterns

Cautiously pos.

> for APS + Lewin Did study control for indiv. costs
- charging more
one of factor controlled for?
different labor regions

Lewin - matched co's
APS - remainder of state as comparison / statewide
milw separately by APS

Looks cost effect. in 4 co's (not Milw)

APS
1. incr. in comparis. group LT care cost
F.C. exp. even higher cost increase
break apart -
milw vs. others - masking affect
non fam care statewide - costs go up $238 / per memb. per mo
non milw CMOS " " " 125) per memb. per mo.)
pos. outcome.
milw. - " " " 280
(higher than rest of state)
sheer # of indiv. milw elderly only
> adm. questions
controlled for level of care - couldn't identify
diff - something about co. admin.
can't put finger on it
now cos more like milw vs. other CMO
what char. in co make it a match
for F.C. ~~(CBRF, Ast Liv)~~
2. non milw: CMO's showed incr in home health care costs
compared to state
milw - incr. in resid. care (ast liv, CBRF) but not home health care
3. decr. costs in non milw - pers. & res. care
milw - no decr in costs at a significantly decreased for LT care costs

Lewin / Rept / APS

- fed $ s for RC – in anticip. for cmiss ?
- where see expans. most appropriate & how expand?
-

- all had shortage of nurses pg. 65
expend
- ave no. increases more rapidly in
F.C. Co's pg. 94-96
- per member per mo. 84 less
- F.C. Cos lower rate for drugs,
- acute care incr at a higher rate
appendix F2
- as care increased the more indiv required
to do services pg. 100
- Tech. Ast.
- mind set Δ
- infrastructure - IT
- no consistent pkg

Lewin / APS
1. meet waiver renewal
waiver moved slower
to meet waiver - too early data
Jan 02 APS

Similarities
① cost effect → APS - indiv. exps.
Lewin - what about N. Home comp
payment methodology, capitated & indiv.
experience
N. Home vs. community
② look at changes in spending pre/post
diff comp. groups
diff - Dec. 02 APS - 18 mos later Lewin June 01

Family Care

Dec. 02 up to 8,000 now
6,000 older adults
1,000 phys. dis.
1,000 dev. dis.

- RC "library"
- EC
- ESU
- CMO

FDI Feb. 2000
Rich Jan 2001
Lewin
Early outcomes
B4 & after Family Care
Jan 1 - June 01
- early implementation
- gather data to make matter
what happens in indiv's co.
- time lag pieces reported & processed
lag is considerable 9-10 mos to
know in & processed
Summer 02 - claims & Dept pulled info
1. Pg. 46 wait list eliminated
increased access to services & outcomes
2. waiting list
3. provider networks have grown Pg 55-56

Chester Kuzminski	Milw. Co Resource Center
Dana Cyra	Portage Co. Resource Center
Kim Enders	Richland County Resource Center
Peggy Herbeck	La Crosse County Aging and Disability Resource Center
Becky Seversen	Trempealeau County Aging + Disabil. Resource Center
Sandy Wyow	Fond du Lac Co. Aging + Disability Resource Center
Jim Meisinger	FdL CMO
Kay Krause	FdL CMO
Teri Buros	Richland County Health + Human Services CMO
Meg Gleeson	Milwaukee County CMO
[illegible]	LaCrosse Co. Human Services
Jim Canacas	Portage County - Community Care of Portage County - CMO
Gail Sumi	AARP
Tom Frazier	CWAG

Family Care

~~Portage~~ ~~Best~~ thing Happened
Get what need to get their outcome

Past working for them, Versus with them.
~~Hard~~ decisions case mgmt staff must be
more creative - a shift Not just brokering
have to have like services you're really
responsible
LACROSSE USED TO SERVE 500 - NOW SERVE 1500
As SUPERVISOR old wld had more control
team level more control.
Our teams SW/ers | Nurse team
creative
People who leave N.H. ~~D~~ME wanted ~~to~~ available
~~to~~ was going to sell mbr $2,000 -
MA wld have paid for MA wld have
Nurse px - All needs $450.

~~NOT~~ efficient yet Acute + primary care
ē better coord. of peoples h. care. don't
I think we will control growth. 10%
? will be managing @ 10% / 30% Don't know
how well contra.
House system had to put everything
in place
Harder to Document we
cancel
Delay in PF care serv.
Now have hope not despair.

our N.H. nyx all Portage
more opts. for private pay-

Bad to put N.H. ← Term Residents
5-7% our people we pay for N.H.

B4 FC.

Wait 2 yr.. for service

Any N.H. that is just a N.H. you're going to die.

MA = not managed - under T 19 XX
MA never demanded

Nobody manages MA & Medicare
Medicaid Pay co pay ? - Pay above rate
Don't even follow.

II challenge, commitment & cooperation + TRUST = very positive w/ pilots & Dept.

APS - OHFS to keep Dept meet waiver renewal
Lewin = too early - for waiver ~~and~~ waiver renewal process - other = Lewin too
→ more discussion in payment modality - 2002 capitation dev. + outcome
selected services cost effectiveness = MH + community

Changes in spending pre & post. betw diff comp groups

APS - 18 mos later - ~~Statewide~~ Dec. '02. more current ~~data~~. Looked at any sep. + remainder of state
Lewin - matched co's

APS key findings - slides very presented to L + Cave council
Increase in comparison group - F Care Exp = higher cost increase, What's happening in milw. - FA milw. - Statewide costs > 238.00 per member, = non Family Care co's.
Non milw those cost going up.
4 CMO's - non milw. $125 pmo, milw = 280, higher

of ~~[illegible]~~ just elderly, in milw 123
Couldn't id any driving factors something rel. to !
What's it about CMO models in a more appr[illegible] for family care
Non ~~member~~ milw - Saw increase in ~~costs~~ homehealth - services costs ~~care costs~~ Milwaukee saw increase in resident care = CBRF's/assisted living
< costs non milw - personal + residential care <
milw co. no no cost < at sign decrease, for anything
milw co saw > in primary & acute services in outpatient ~~ex~~ facilities.
(any where in other 67 cos) = a non family co's = control group
APS concluded - significant cost saving when examining milw separately. Total long term care Milw masks the impact of others size + magnitude of milw. co. ~~Costs & some under which services = when cost savings came into effect~~
Possible exp. adm. & practice patterns delivering long term care - Lyn Chase ~~to~~ deliver services,

Family Care Folder Contents:

Lewin Group	Summary sheets	red flag is the conclusions
Lewin Group	Overview of the Evaluation	
Lewin Group	Summary of Key Outcomes & Cost Analyses	
Lewin Group	LAB Summary	
Lewin Group	DHFS letter	
Lewin Group	LAB letter to previous co-chairs	
APS Healthcare	Summary sheets	red flag are the lessons learned

7000 - 02
8000 now

Elderly - 6,000
Disabled - 1,000
DD - 1,000
8,000 now

Resource Ctr, ID services community. - Eligibility Wars
~~Enrollment consultation~~ -
Co Economic Support,
CMO -

Resource only Jackson Kenosha Marathon Trempealeau

-LaCrosse
-FDL - Feb 2000
-Portage
-Milw
-Richmond = last Jan 01 - July 02 began

Lewin
Jan 01 - June 01
Early Outcomes
Matched Co's
; Statewide comparison,

Pre Post,
F C = Co/Co - what happens in individual Co's
Time lag getting claims for services delivered.
9-10 mos to be certain all claims processed - Summer 2002 ha
all together,

1. Increased access to services + info Page 46 - Even though wait list.
2. Wait list eliminated
3. Provider networks grown - May-03 to document diff 55-56 Lewin Study
4. All co's experienced shortage of nurses - caseloads = high = problem. Page 65

Expenditure results - ave mo expenditures > more rapidly in FC Co's
existing enrollees ; ~~new enrollees~~ > per member per mo costs = true appendix F 2
prescription drugs

- Family Care Co's < increase of acute care to them
- Acute services = much higher - Page 100 - looked at level care > harder sharder
- Nursing Home costs - community > N.H. also level care
Serve in Community Page 100 again Less in long term

APS = both + findings!
Lewin other areas caution needs
Don't know co's

Milw co not + in relation to costs.

Did the study control for - ie Milw charging more for services??

Diff Labor Regions - Difference in differences.

?'s -
Broad lessons learned Kate
1. Co by Co look = critical when making decisions to expansion -
(argue -> against EXP) not milw - data not there based on data

2. Status of program when studies comp Lewin 2004-2005. = best X to do cost analysis.
APS - when ~~time~~ to make ~~analysis~~? cost effectiveness APS-

which co's would behave - expand near by
michigan looking at Regional. Other.

3. - Lewin look at amount of use = Resource Ctrs Great
Resource Ctr. what are other aspects ...
& CMO

APS

What is target for Waiver Renewal -
Fall of '03 - Study delivered mid Dec.
What should we expect.

Lewin: APS response often studies. has looked at
- Group - which required
Under Waiver Keep pilot going cost to
I would based on Lewin's content to look at
expansion - Expand - respect Lewin -
Serve this area.

- (+) experience in Pilot CO's. Consumers = happier
change - but all support
CO - feel positively. - ~~not want to go back.~~ -
Miles cont seeing decrease due to adm.

Lewin - 4 yr pd, - $400,000 Ask them.

APS | IBG —

~~Dept.~~ more - to USE ~~CO~~ Resource Ctrs
Lewin Group.
EXPANSION - How U Recommend we do.

Commitment - Trust, Cooperation, attitude
People have to want to do it. right frame / will interest.
IT Info System RN Pool, - Yes.

W-2
Kathleen
Mulligan

task w/ mad, milw
advocates
her goal framework for what
advocacy group
1. overview 2001
2. position - what cover & what
Questions
3. perf. standards from current
contract

quarterly - 3 audits (narrow)
See revisited
if what was actually in statute
was implemented
policy & practice not legis intent
- how much legis. intent is
carried out
what
red flags - jobs ready category
job ready - not get any pymt
discretionary
handout for criteria for job ready

fed 5yrs

① legis. intent
② contracts down to local level

perf. standards - Set A, Set B

legis. never looked at if perf. standards approp - ~~[illegible]~~ ~~of standards~~ most did not meet perf. standards

no agency get contract

2

2003 1800 on food stamps but no CARES - service/income

INSTITUTE FOR WISCONSIN'S FUTURE
policy research in the public interest

I. Justification for Revisiting the 2001 Audit

Many observers of the W-2 program believe it is time to conduct a comprehensive audit of W-2, rather than an audit that narrowly focuses on the financial practices of one or a handful of agencies. A comprehensive audit would include detailed information on access to the program, work-related outcomes for W-2 participants, and the scope of appropriate service provision.

This approach is justified by:

- **Statutory reporting requirements** Leg intent
  - W-2 statutes require quarterly reports on outcomes

- **Evidence of failure to serve**
  - extensive use of "job ready" — FEP has right to say we think you're job ready. discretionary criteria for job ready; case by case & statute's policy disconnect.
  - sanctions without proper assessments or services
  - Cf. 49.147, 49.143(2), 49.173

  Classified as job ready & no job then what.

- **Changes in the context**
  - recession
  - two-year time limits Sed = 5.

- **Changes in the contract structure** How contract structured to deliver key goals.
  - Is this the right standard? performance standards — A = Base B = Performance Bonus.
  - changes in number of type of providers

II. Goals for the 2004 Audit

Employment outcomes not very good — earnings not very good

Advocates for low-income families want to ensure that the audit enables us to develop a bi-partisan reform agenda that will: *1) improve accountability mechanisms, 2) provide more specific guidelines for service provision, 3) adjust the program to ensure connections between W-2 participants and meaningful work opportunities, and 4) ensure that fewer families without income are turned away without assistance and services.*

- Do current performance standards reflect legislators' priorities for the W-2 program? Do they reflect our expectation that over the long-term W-2 would produce a better ~~educated~~ work experience prepared workforce?

- Are the performance-based contracts providing the right incentives for W-2 agencies to provide appropriate services and meet desired outcomes?

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- Are we getting the most for our money out of investment in W-2 service-provision? Is investment in workforce development through the W-2 system creating a better skilled, better prepared workforce?

III. Proposed Research Agenda

$7-8,000 Annual

Our proposed research agenda would *provide basic demographic information on the participants who are accessing the program, assess the quality of services and work-preparations they receive, evaluate outcomes for family income and well-being, describe the population of individuals who are unable to receive W-2 services, and assess financial and program-based accountability.*

- **Description of caseload**
  - Demographic characteristics (**numbers, age, education level, W-2 placement)**
  - Prevalence of **barriers to employment**
  - Characteristics of "**returnees**"
  - **SSI** applicants

- **Quality of service provision**
  - Access to specific types of **services** (DV, AODA, mental health counseling, etc.)
  - Use of the **job ready** tier
  - Use of **sanctions** and **strikes**
  - Implementation of **screening and assessment** practices
  - Provision of **education and training** to W-2 participants
  - **SSI Advocacy**
  - Services provided to participants deemed **unable to work**
  - Utilization of **emergency assistance**
  - Services for **minor teen parents**

- **Outcomes**
  - Average **earnings**
  - Numbers of W-2 participants that obtained **employment and types of employment**
  - **Retention** of jobs
  - Responses to the **recession**
  - Characteristics of participants that received **extensions** and those that did not apply or were denied

- **Diversion**
  - Proportion of inquirers that **enroll in W-2**
  - **Characteristics** of individuals who do not enroll
  - Number of Medicaid and Food Stamps recipients in each county **who do not have** income, or have income below $6000/yr.

- **Finances**
  - Total **expenditures**
  - Spending **per participant**
  - **Structure of Contracts** since 2001 audit
  - Spending **by category**
  - **Unspent** funds
  - **Budget shortfalls** – why they have happened and how they have been addressed
  - **Inappropriate uses of funds** and how they have been addressed
  - Appropriateness of **financial accountability** mechanisms

- **Service Delivery Standards**
  - Performance Standards – **appropriateness to W-2 statute**
  - How well agencies have met **performance standards**
  - Functioning of **oversight mechanisms** to protect needs and rights of participants
  - Extent to which performance standards drive **service provision** (as opposed to need to maintain the W-2 agency as a "business")
  - Use of **fact-finding and appeals** processes

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Overview of 2001 Audit

I. Overview and Findings

The 2001 Comprehensive Audit of W-2 provided valuable insight into the way the program operated. Chief among the findings reported in the 2001 audit were the following:

- Use of assessments was extremely limited – MH Educ. AODA
- Access to specific types of services (employment counseling, AODA treatment, mental health counseling, education and training) was extremely limited 4 wk Quick train.
- Agencies regularly sanctioned participants; review of a sample of cases showed high prevalence of inappropriate sanctions High incidence
- Average earnings of W-2 leavers were far below the poverty line, even when state and federal tax credits were added in
- Agencies pocketed over $65 million in profits, despite a poor record of service provision
- The Trial Job category was severely underutilized – Omit.

II. Structure of the Audit

Introduction	Demographic profile of participants Overview of implementation structure Types of services provided Trends in participation/caseload numbers Placements (cash vs. non-cash)

Program expenditures	Total costs
	Structure of initial contract
	    Spending by category (services, cash benefits, admin)
	    Unspent funds
	    Community Reinvestment
	Current Contracts
	    Total expenditures
	    Performance bonuses

Program effectiveness	Financial status of former participants

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	Incomes	
		Relation to poverty line
		Use of tax credits
	Returning participants	
"Other Factors"	Sanctions	
		percent sanctioned
		avg. amount sanctioned
		sanction as a % of benefit levels
		inappropriate sanctions (sample)
	Dispute resolution	
	Trial jobs	
Oversight/measurement	Performance standards	
	The Role of the Milwaukee County PIC	

III. Data Reviewed

- available data on program participants, including trends in program participation
- program expenditures under the initial implementation contract and ongoing contract, including performance bonuses linked to meeting specific standards
- provision and effectiveness of services under first W-2 contracts, including wages paid to W-2 participants and extent to which they remain in poverty
- management oversight of the program
- funding and policy issues affecting the program that will require consideration by Leg., and DWD

IV. Recommendations

The Audit Bureau concluded by recommending that DWD and the legislature address the following:

- Whether participants' barriers to employment are being adequately addressed
  Grade: some progress
  In the past year, DWD mandated the use of barrier screening tool, and educational assessment. We still see participants being sanctioned without having ever received appropriate assessment, inadequate use of tests of basic English (TABE) and inadequate provision of services to participants that have low test scores.

  Assessment tools.

  Barrier Screening tool.
- How to serve participants who are approaching time limits
  Grade: no progress

X limits few apply
for time. Extension.
time limits

The Audit asked for a report from DWD by September 2001 with detailed information on use of extensions; report was never produced

- How to address needs of participants who left W-2 for labor market but are still in poverty
  2/3 went for jobs. Seasonal temporary unstable.
  Grade: no progress
- Whether to consolidate contracts in Milwaukee County
  Grade: minimal progress
  We do have fewer providers, but no fewer regions. The transfer process for participants who move from one region to another is extremely expensive for the state and cumbersome for both participants and agencies. Eliminating the regions would give participants more power to choose and streamline implementation.

move across street
money wasn't expended.

whoever

asked for
not [illegible]

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IWF

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- Agencies regularly sanctioned participants; review of a sample of cases showed high prevalence of inappropriate sanctions — higher group in states w/ sanctioning
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- her assessment

DWD created policy - collect data 2nd vs. 9th grade educ.

Sanctioned but never assessed

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moving across street - new agency new people

1 FT person to handle transfers at agencies

very few apply for an extens. partic. declined extension - a lot of paperwork - decline w/agency struggle so no w/dept.

Keeping consistent

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