

# STATE OF WISCONSIN

# Senate Journal

## Ninety–Fifth Regular Session

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WEDNESDAY, December 18, 2002

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The Chief Clerk makes the following entries under the above date.

### PETITIONS AND COMMUNICATIONS

#### State of Wisconsin

December 12, 2002

The Honorable, The Senate:

The members of the Senate Democratic Caucus have elected Senator Jon Erpenbach to serve as Senate Minority Leader and have also elected Senator Dave Hansen to serve as Assistant Minority Leader.

Sincerely,

ROBERT W. WIRCH

Chair, Senate Democratic Caucus

#### State of Wisconsin Legislative Audit Bureau

December 12, 2002

The Honorable, The Legislature:

In its authorization of the Family Care pilot program in [1999 Wisconsin Act 9](#), the Legislature also directed the Legislative Audit Bureau to contract with an organization other than an agency of the State to evaluate the pilot program. Under the terms of a contract with the Audit Bureau, the Lewin Group, Inc., has completed its third report on implementation of the Family Care pilot program. The first two implementation reports were released in November 2000 and November 2001. In early 2003, The Lewin Group will also provide a report on the program's outcomes and cost-effectiveness. A final implementation report is expected in June 2003.

Family Care is operating a pilot program, under the terms of federal waivers, in nine counties. Jackson, Kenosha, Marathon, and Trempealeau counties operate Resource Centers, which provide information and assistance concerning services and program operations to both consumers and providers of long-term care services. Fond du Lac, La Crosse, Milwaukee, Portage, and Richland counties operate both Resource Centers and Care Management Organizations (CMOs), which coordinate care and manage capitated payments for those determined eligible for the Family Care benefit. Eligibility is limited to the elderly and adults with physical and developmental disabilities whose financial and functional status meet established criteria.

This third implementation report notes the progress made in implementing the Family Care model in the pilot counties, as well as issues the State and the counties will need to address as program expansion is considered. For example, to ensure unbiased information is available to consumers making decisions about long-term care services and to comply with federal requirements, a Family Care enrollment consultation function was established in 2002 in each of the five counties

operating CMOs. The number of inquiries to Resource Centers continues to exceed goals established by contract, and CMOs have worked to expand the availability of service providers to better meet their members' needs. Finally, waiting lists for home and community-based waiver services have been eliminated in each of the five counties operating CMOs. Total program enrollment has increased from 5,485 in March 2002 to 6,302 by July 2002, with over 97 percent of these enrollees eligible for Medical Assistance.

We appreciate the cooperation and courtesy of the department of Health and Family Services and the many county staff, citizen members of local long-term care councils, and provider representatives who have worked with The Lewin Group throughout the evaluation process. This third implementation report is available on our Web state at [www.legis.state.wi.us/lab](http://www.legis.state.wi.us/lab), or it can be obtained by contacting our office at (608) 266-2818.

Sincerely,

JANICE MUELLER

State Auditor

#### State of Wisconsin Legislative Audit Bureau

December 13, 2002

The Honorable, The Legislature:

We have completed an evaluation of the Department of Health and Family Services' regulation of nursing homes and assisted living facilities, as requested by the Joint Legislative Audit Committee. As of June 30, 2001, there were 462 nursing homes and 2,114 assisted living facilities in Wisconsin; approximately \$1.0 billion in federal and state Medical Assistance (Medicaid) funds helped to support the cost of care provided to residents in these long-term care facilities. In fiscal year (FY) 2000-01, 80.2 percent of the Department's 215.7 full-time equivalent staff with regulatory responsibility for long-term care were regional regulatory staff. Expenditures for regional regulatory staff totaled \$12.5 million.

Although both nursing homes and assisted living facilities are inspected by state staff, there are significant differences in the oversight provided. Nursing homes are inspected under a well-established process that is dictated by federal regulations designed to ensure quality, occurs frequently, and employs teams of inspectors that include registered nurses who evaluate resident care. In contrast, the regulatory system for assisted living facilities, which is controlled entirely by the state, is less-established, and each inspection typically involves a single inspector who is not required to have medical credentials. Furthermore, as of June 30, 2001, 47.1 percent of assisted living facilities had not been visited by inspectors for any reason for at least a year. During our review period, there was an increase in the number of citations the Department issued to assisted living facilities, in part because of the implementation of new state regulations, and complaints about assisted living facilities

increased 82.1 percent. In contrast, nursing home complaints decreased 3.0 percent. We provide options for the Legislature to consider if it is not satisfied with the current regulatory process for assisted living facilities.

We also reviewed the enforcement process for both nursing homes and assisted living facilities, which can include financial penalties, restrictions on new admissions, and other sanctions. Although prompt imposition of penalties is considered an effective method of compelling compliance, 64.6 percent of FY 2000-01 nursing home citations for which forfeitures could be assessed were awaiting review by the Department. Other

available enforcement options have rarely been used. We include several recommendations to improve the current enforcement process.

We appreciate the courtesy and cooperation extended to us by the Department of Health and Family Services and the Department of Justice. A response from the Department of Health and Family Services is Appendix 7.

Sincerely,

JANICE MUELLER  
State Auditor