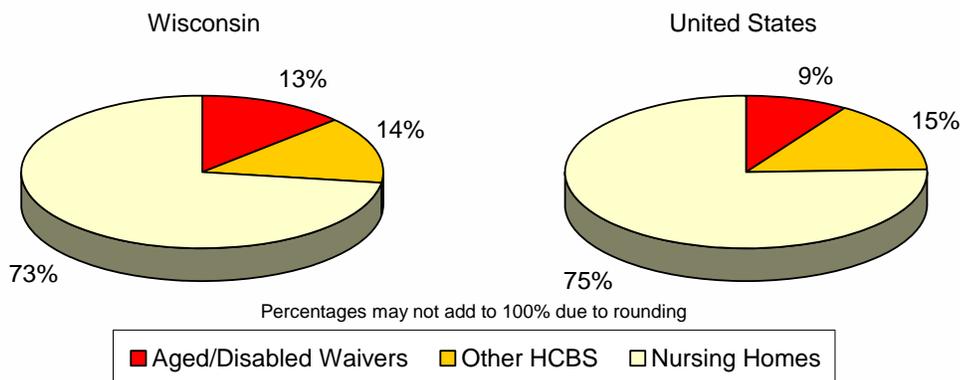


State Long-Term Care Reform in
WISCONSIN

Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in Wisconsin and the U.S., 2006



Similar to the U.S. average, Wisconsin allocates a greater percentage (73 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to nursing homes, even though most people prefer to remain in their own homes and communities. In FY 2006, Wisconsin spent 13 percent on waiver services and 14 percent on personal care services (PCS).

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	24,967	32,315	+7,348	\$283	\$326	+\$43
Nursing Homes	41,341	35,533	-5,808	\$960	\$876	-\$84

Recent Medicaid trends indicate that Wisconsin has made progress in balancing its LTC system for older people and adults with physical disabilities. While the number of participants receiving home and community-based services (HCBS) increased, the number of participants receiving nursing home services decreased from 1999 to 2004. From FY 2001 to FY 2006, Medicaid spending on HCBS increased by \$43 million, whereas spending on nursing homes decreased by \$84 million. In addition, participant and expenditure numbers are underreported because they do not include the Partnership program or Family Care, two Medicaid managed care programs for people with LTC needs.

¹ This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

Major Initiative

The heart of LTC reform in Wisconsin has been development and implementation of the Family Care program, a managed care pilot program that operates under a combination of 1915(b) and 1915(c) Medicaid waivers. Created in 1999 as a redesign of the state's LTC system, Family Care operated as a demonstration project in only five of the state's 72 counties until 2006, largely because of state fiscal problems. In his January 2006 State-of-the-State address, Governor Jim Doyle proposed statewide expansion of the program, which the legislature approved (2005–06 Act 386) in the spring of 2006.

Family Care provides older adults and persons with disabilities with an entitlement to a wide range of service options. Services are tailored to each enrollee's needs and preferences, and participants can remain in their homes and self-direct their services. Care Management Organizations (CMOs) in each Family Care county help arrange for and manage services for persons eligible for them. (CMOs receive a monthly per person payment to manage and purchase care for their members.)

“Family Care”

The heart of LTC reform in Wisconsin is the Family Care program, a managed care pilot program for older adults and persons with disabilities.

The program was operating in eight counties as of February 2008, with enrollment totaling 12,141 persons. Older persons accounted for 71.5 percent (8,677 persons) of the total Family Care population. In 2006, the Wisconsin Department of Health and Family Services (DHFS) awarded a total of \$1.4 million in planning grants to communities around the state that wanted to develop Family Care.

An independent study by APS Healthcare Inc. concluded that the cost of Family Care services per member per month in the pilot counties (except for Milwaukee County) in 2003 and 2004 (the fourth and fifth years of operation) was \$452 less than for a comparable fee-for-service population. Also, waiting lists for services were eliminated in the pilot counties. (The waiting list for the Community Options Program totaled about 12,000 persons in February 2008, which included 4,122 older persons. State officials predict that the numbers on this waiting list will drop as Family Care moves into additional Wisconsin counties because the program will provide services to this population.)

Other Developments

Aging and Disability Resource Center (ADRC). State officials estimate that, by 2009, expansion of Family Care will allow for about 75 percent of Wisconsin's population to be covered by ADRCs Centers and 62 percent by CMOs. In addition to the counties with Family Care programs that also include ADRCs, at least 10 other ADRCs were operating around the state by 2008, with about 14 other centers planned to open in 2008. Ten planning consortia were being developed around the state to develop multi-county Family Care programs through formation of Long-Term Care Districts.