LeadingAge™ Wisconsin
Better Services for Better Aging

ISSUE: FAMILY CARE PROVIDER PAYMENT RATE TRANSPARENCY

LeadingAge Wisconsin Position: Support

BACKGROUND: LeadingAge Wisconsin members applaud the Department of Health Services (DHS) for amending its 2013 contract with the Family Care managed care organizations (MCO) to require that assisted living residential provider rates established by a MCO must be of at least one year duration unless both the provider and the MCO agree otherwise. This will prohibit past practice where several MCOs reduced provider rates numerous times during a one-year contract period; in one instance, an assisted living rate was reduced 15 days after a previous rate reduction was implemented.

But there still is a lack of clarity on the methodology individual MCOs utilize in setting their residential rates and an inability for providers to challenge the MCO-established rate.

To address this situation, LeadingAge Wisconsin recommends either a DHS policy change or the introduction of legislation which would:

1. Within 10 days of receipt of a notice of a change in a provider's MCO contract payment rate for a Family Care enrollee, permit a provider to request, and require a MCO to provide, any or all of the following:

    A. A copy of the MCO payment methodology utilized in calculating the modified provider payment rate;
    B. A copy of the MCO assessment of a resident's needs and/or the functional screen that was applied in the rate recalculation;
    C. The MCO rate worksheet which reflected the rate recalculation; and
    D. An explanation of any change in the MCO rate calculation/payment methodology or the resident assessment/functional screen which resulted in the rate change reflected in the MCO notice.

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2. Require the MCO to respond to the above request(s) within 10 days of the receipt of the request(s).

3. Authorize to a provider the right to contest the actions of a MCO, and file an administrative appeal challenging those actions, based on any of the following:

   A. The MCO failed to properly apply its payment methodology in calculation of the provider's payment rate for a specific Family Care enrollee;
   B. The MCO's rate calculations were inaccurate; or
   C. The MCO's assessment of a resident's needs and/or the functional screen either was inaccurate or incomplete.

4. Give a provider 10 days after receipt of the information provided under 2. above to file an appeal of a MCO rate determination. The appeal must be in writing, must identify the general basis for the appeal as outlined under 1. above, and must identify the specific errors or omissions upon which the appeal is founded.

ARGUMENTS IN SUPPORT OF THE LEADINGAGE WISCONSIN POSITION

- While the Family Care MCO budget is estimated to increase from $1.25 billion to $1.37 billion in 2013-14 (9.9%) and from $1.37 billion to $1.48 billion in 2014-15 (6.6%), nursing home costs to care for Family Care enrollees exceed Family Care rates for those facilities by $23.4 million and most assisted living facilities have gone without Family Care rate increases for several years (those that didn't receive rate decreases). Providers are uncertain where those increasing Family Care dollars are going but they are certain they all too often aren't going to providers to meet increasing staffing and operational costs. This proposal would offer providers a mechanism to challenge the distribution of the Family Care expenditures.

- Some MCOs currently refuse to share either their resident functional screen results or their residential rate-setting methodology. Without this information, the right to challenge a MCO rate determination would be severely limited at best.

- Providers have argued since the inception of Family Care that rate negotiations with most MCOs are little more than “take it or leave it” exercises. If residential rates remain stagnant or trend downward while remaining beyond the ability of a provider to challenge, the Family Care program faces two unpleasant scenarios: (1) For providers who need Family Care enrollees to survive, they will begin to fail; and/or (2) For providers who do not need Family Care enrollees to survive, they either will cap their Family Care services or leave the program entirely. Both results will stymie access; neither is in the best interest of the Family Care. enrollee.

LeadingAge Wisconsin, formerly WAHSA, is a statewide membership association of not-for-profit organizations principally serving seniors and persons with a disability. Membership is comprised of 188 religious, fraternal, private and governmental organizations which own, operate and/or sponsor 185 nursing homes, 9 facilities for the developmentally disabled (FDD), 182 assisted living facilities, 114 apartment complexes for seniors, and over 300 community service agencies which provide programs ranging from Alzheimer's support, adult and child day care, home health, home care, and hospice to Meals on Wheels. LeadingAge Wisconsin members employ over 38,000 individuals who provide compassionate care and service to over 48,000 residents/tenants/clients each day. For more information, please contact John Sauer (jsauer@LeadingAgeWI.org), LeadingAge Wisconsin President/CEO, Tom Ramsey (tramsey@LeadingAgeWI.org), LeadingAge Wisconsin Vice President of Public Policy & Advocacy or Brian Schoeneck (bschoeneck@LeadingAgeWI.org), LeadingAge Wisconsin Vice President of Financial and Regulatory Services, at (608)-255-7060.

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