

Virtual PACE: Revised Roll-Out Plan

Original Proposal & Need for Revision

DHS proposed rolling out the demonstration statewide over the course of the three year demonstration. CMS has indicated that a three year roll-out will not be approved, and that some proposal limiting the geographic expansion of the program less than three years into the demonstration should be submitted. This paper proposes an 18 month roll-out plan and discusses factors affecting enrollment and enrollment estimates under that plan.

Revised Proposal: 18 Month Roll-Out

The demonstration will be implemented in a few counties in the southeastern region of the state in the first quarter, with additional counties added each quarter to expand from the southeast out into the northeastern and southern regions. **After 18 months, no new counties or nursing homes will be added.** After considering a range of options between a 12 month and 36 month roll-out, DHS has settled on this proposal as it provides the best balance of starting small and implementing in a reasonable number of regions with sufficient enrollees to evaluate the impact of the demonstration. **It is estimated that this will result in enrollment of between 5,500 and 6,000 beneficiaries by the end of the 18 month roll-out period.**

Roll-Out Timeline

This set of counties is proposed to roll-out over 18 months in order to allow the demonstration to begin in a limited number of counties and learn from experience prior to covering a larger area. **Time is also needed for additional ICOs to obtain HMO licensure and add to their provider networks.** Stakeholders have recommended starting small, but it is also necessary to evaluate the impact of the demonstration in multiple regions given the varying geography of the state. This roll-out plan balances those interests, starting in only a few counties in the southeastern region, adding a few more in the second quarter, and then greatly increasing the number of counties and regions in which the demonstration is offered after six months.

The attached tables show the counties in which the demonstration may be implemented in each quarter, as well as rough estimates of the number of participating nursing homes and enrollees under that schedule. The specific schedule for where implementation occurs in each quarter may yet be adjusted as the demonstration rolls out, and there is some potential that a few counties on the edges of the proposed demonstration area may not have ICOs prepared to offer the demonstration within 18 months, but this is a general outline for an 18 month roll-out.

Limitation on Participating Nursing Homes

One consideration in developing a revised roll-out proposal was whether the end of the roll-out period should end the expansion only to new counties, or also to new nursing homes in counties where the demonstration was previously implemented. Allowing additional nursing homes to participate in a demonstration county following the end of the roll-out period would provide additional flexibility for ICOs and nursing homes to phase in the demonstration and could increase enrollment in later months. However, the demonstration really is implemented at a nursing home level; if it cannot expand beyond 18 months in order to have a stable

demonstration area for evaluation purposes, then this applies to expansion to new nursing homes as much as to new counties. Further, 18 months should provide sufficient time for nursing homes to choose to participate; the expected nursing home participation rates over the roll-out period are discussed below.

ICO Certification

Under this roll-out plan, the demonstration could begin even if only one ICO applicant was fully certified and prepared to implement in the first quarter. It is expected based on the Phase One ICO applications that three to four ICOs would operate demonstration programs by the end of the 18-month roll-out. An additional certification process would be possible if there were additional interest in ICO certification and sufficient capacity to manage the certification process, but it would not be necessary to implement in these regions as there are already applicants. MCDFC and SFCA both also need to obtain HMO licensure.

For six counties in the northeastern region (Calumet, Door, Green Lake, Kewaunee, Marquette and Waushara), we do not have a current ICO proposal. It is possible that ICOs operating in nearby counties or operating other programs in these counties could expand their operations. DHS would need to determine whether that would require only certain portions of the certification process, like network adequacy review, or if a full certification process would be needed to add these counties. ICO proposals by county are shown in Table 1 below.

Provider Networks

The ICOs that have applied for certification in these counties operate an array of existing programs there, making it feasible to build complete provider networks for an integrated program more quickly. Independent Care (iCare) already operates SSI managed care and Medicare Special Needs Plan (SNP) programs in many of the counties for which it has applied for certification, and operates Family Care-Partnership (FC-P) in a few counties; it will need to add long term care networks where it does not currently operate FC-P. Milwaukee County Department of Family Care (MCDFC) operates Family Care in Milwaukee, where it proposed to begin, and will need to add an acute & primary network and expand from there. Southwest Family Care Alliance (SFCA) operates Family Care in a large portion of the southern region, and will need to add an acute & primary network and expand into additional counties. ICOs' current programs and counties with acute & primary or long term care networks are shown in Table 1.

While ICO applicants do have some portion of the necessary networks developed in many of these areas, the extent to which existing networks can be leveraged for Virtual PACE varies significantly by county. Under an 18 month roll-out, there is an applicant with an existing acute & primary network in 22 of the 37 counties (about 60 percent), and at least one applicant with a long term care network in 11 of the 37 counties (about 30 percent). These calculations include counties where an applicant has a network approved or pending approval for another program, regardless of whether the applicant included the county in its Virtual PACE application, assuming any existing network could be leveraged for Virtual PACE. So, for example, in the non-proposal counties above, iCare is pending SSI managed care approval in three of these counties (Calumet, Door and Green Lake), and these are included as counties with existing acute & primary networks.

Enrollment Assumptions & Estimates

Passive Enrollment

DHS has refined its targeted population and enrollment plan to passively enroll dual eligible individuals in nursing homes on a Medicaid stay who are not enrolled in existing managed care programs, already receiving hospice services, or receiving additional employer-sponsored, retiree, or other supplemental benefits or subsidies. In order to estimate enrollment under the revised proposal, the total potential passive enrollment population must be estimated. This has been approximated for purposes of developing a roll-out proposal by looking at the number of dual eligible individuals with FFS nursing home claims paid entirely by Medicaid in several sample months, removing individuals in Medicare Advantage plans from the count, and then projecting the declining nursing home enrollment trend forward. **It is estimated that approximately 13,000 dual eligible individuals statewide would be eligible for passive enrollment when the demonstration begins.**

Participating Nursing Homes

Only eligible individuals who reside in a nursing home that has chosen to participate in the demonstration by signing a contract with an Integrated Care Organization (ICO) will be enrolled. The number of participating nursing homes is thus a key factor in determining the likely enrollment under any roll-out option. There are a total of 389 nursing homes in the state, an estimated 374 of which have submitted FFS Medicaid nursing home claims for which the individual would have been eligible for passive enrollment into the demonstration. There is at least one potential participating nursing home in 71 of the 72 counties in Wisconsin; Menominee County does not have one. Table 2 below shows the total number of nursing homes and potential participating nursing homes for counties included in the 18 month roll-out proposal.

The enrollment estimate assumes the proportion of participating nursing homes increases each quarter for the first year in which the demonstration is offered in the county. **Specifically, it is assumed that 30 percent of nursing homes in a county would participate in the first quarter of implementation in that county, that 45 percent would participate in the second quarter, 60 percent in the third quarter, and 75 percent in the fourth and subsequent quarters.**

Estimated Enrollees

The estimated number of enrollees is calculated for each county based on the estimated number of participating nursing homes and the estimated average number of Virtual-PACE eligible individuals per nursing home in the county. This average is shown in Table 2 below. **It is assumed for purposes of developing enrollment estimates for each roll-out option that 15 percent of passively enrolled individuals will opt out of the demonstration.**

Enrollment Trends after Implementation

Since the enrollment estimate is based on individuals eligible for passive enrollment at the time of implementation, several factors that may influence enrollment following implementation are excluded. These include voluntary enrollment (potential increase), overall declining trend in Virtual PACE-eligible nursing home stays (potential decrease), churn or turnover, and the

potential for enrollees who relocate or elect hospice to remain in the program (potential increase-beneficiaries in similar situations are not passively enrolled, so they are not reflected in the population eligible at implementation). Any net impact on enrollment from the various post-implementation factors will likely be small, so the factors increasing and decreasing enrollment are implicitly assumed to balance each other out, rather than explicitly projected.

Number of Counties, Participating Nursing Homes, and Enrollees

It is estimated that by the end of the 18 months, the demonstration would include between 150 and 200 participating homes and between 5,500 and 6,000 enrollees. Table 3 shows a point estimate of approximately 185 participating nursing homes and about 5,800 enrollees at the end of the 18 month roll-out, based on the above assumptions. The Virtual PACE demonstration would thus reach approximately half of the counties, potential participating nursing homes, and potential enrollees in the state.

Table 1: Roll-Out Proposal with Current ICO Applicants and Existing Programs & Networks

County	Proposed Start Quarter	DQA Region	ICO Proposal & Status or Proposed Year	ICO Applicants' Current Programs ¹	Existing networks	
					AP	LTC
MILWAUKEE	Q1	SE	iCare (LOIs signed); MCDFC (2013); Optum (2013)	iCare SSI, FCP, SNP; MCDFC FC	1	1
WASHINGTON	Q1	SE	iCare (LOIs signed); MCDFC (2015); SFCA (2015); Optum (2013)	iCare SSI & SNP	1	
WAUKESHA	Q1	SE	iCare (LOIs signed); MCDFC (2015); Optum (2013)	iCare SSI & SNP	1	
KENOSHA	Q2	SE	iCare (LOIs signed); MCDFC (2014); Optum (2013)	iCare SSI, FCP, SNP	1	1
RACINE	Q2	SE	iCare (LOIs pending/not highlighted); MCDFC (2014); Optum (2013)	iCare SSI, FCP, SNP	1	1
WALWORTH	Q2	SE	iCare (LOIs pending/not highlighted); MCDFC (2015)	iCare SSI & SNP	1	
BROWN	Q3	NE	iCare (LOIs signed); Optum (2013)	iCare SSI & SNP	1	
MANITOWOC	Q3	NE	iCare (LOIs signed); Optum (year TBD)	iCare SSI & SNP	1	
SHEBOYGAN	Q3	NE	iCare (LOIs signed); Optum (2013)	iCare SSI & SNP	1	
OUTAGAMIE	Q3	NE	iCare (LOIs signed); Optum (2013)			
SHAWANO	Q3	NE	iCare (LOIs signed)	iCare SNP (2013)	1	
WAUPACA	Q3	NE	iCare (LOIs signed); Optum (2013)	iCare SSI & SNP	1	
WINNEBAGO	Q3	NE	iCare (LOIs signed); Optum (2013)	iCare SSI & SNP	1	
DANE	Q3	S	iCare (LOIs signed); SFCA (2015)	iCare SNP (2013)	1	
JEFFERSON	Q3	SE	MCDFC (2015); SFCA (2015); Optum (2013)	iCare SSI pending approval	1	
OZAUKEE	Q3	SE	MCDFC (2015)	iCare SSI & SNP	1	
RICHLAND	Q3	S	SFCA (2014)	SFCA FC		1
SAUK	Q3	S	SFCA (2014)	SFCA FC		1
CRAWFORD	Q3	S	SFCA (2014)	SFCA FC		1
GRANT	Q3	S	SFCA (2014)	SFCA FC		1
JUNEAU	Q4	S	SFCA (2014)	SFCA FC		1
IOWA	Q4	S	SFCA (2014)	SFCA FC		1
LAFAYETTE	Q4	S	SFCA (2014)	SFCA FC		1
GREEN	Q4	S	SFCA (2014)	SFCA FC		1

¹Optum/UHC application did not list specific counties for existing programs; since the application was withdrawn anyway, these are not listed here.

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County	Proposed Start Quarter	DQA Region	ICO Proposal & Status or Proposed Year	ICO Applicants' Current Programs ¹	Existing networks	
					AP	LTC
ROCK	Q5	S	SFCA (2015)			
CALUMET	Q5	NE	None proposed	iCare SSI pending approval	1	
DOOR	Q5	NE	None proposed	iCare SSI pending approval	1	
FOND DU LAC	Q5	NE	Optum (2013)	iCare SSI pending approval	1	
GREEN LAKE	Q5	NE	None proposed			
KEWAUNEE	Q5	NE	None proposed	iCare SSI pending approval	1	
MARINETTE	Q5	NE	iCare (LOIs pending/not highlighted)	iCare SSI pending approval	1	
MARQUETTE	Q5	NE	None proposed			
OCONTO	Q5	NE	iCare (LOIs pending/not highlighted)	iCare SNP (2013) & SSI pending approval	1	
WAUSHARA	Q5	NE	None proposed			
ADAMS	Q6	S	SFCA (2015)			
COLUMBIA	Q6	S	SFCA (2015)			
DODGE	Q6	S	SFCA (2015); Optum (year TBD)	iCare SSI pending approval	1	
Total					22	11

Table 2: Current Nursing Home Information

County	Proposed Start Quarter	DQA Region	Total NHs in County	NHs w/ VPACE-elig claims	Average VPACE Enrollees per NH ²
MILWAUKEE	Q1	SE	40	38	34
WASHINGTON	Q1	SE	5	4	55
WAUKESHA	Q1	SE	18	17	37
KENOSHA	Q2	SE	9	9	41
RACINE	Q2	SE	7	7	40
WALWORTH	Q2	SE	8	7	33
BROWN	Q3	NE	13	13	38
MANITOWOC	Q3	NE	6	6	51
SHEBOYGAN	Q3	NE	10	10	33
OUTAGAMIE	Q3	NE	10	9	42
SHAWANO	Q3	NE	5	5	32
WAUPACA	Q3	NE	10	10	64
WINNEBAGO	Q3	NE	10	9	44
DANE	Q3	S	21	20	26
JEFFERSON	Q3	SE	4	3	34
OZAUKEE	Q3	SE	5	3	40
RICHLAND	Q3	S	2	2	19
SAUK	Q3	S	5	5	38
CRAWFORD	Q3	S	2	2	25
GRANT	Q3	S	9	9	29
JUNEAU	Q4	S	3	3	35
IOWA	Q4	S	3	3	21
LAFAYETTE	Q4	S	1	1	43
GREEN	Q4	S	3	3	39
ROCK	Q5	S	10	9	43
CALUMET	Q5	NE	3	3	24
DOOR	Q5	NE	3	3	30
FOND DU LAC	Q5	NE	9	8	30
GREEN LAKE	Q5	NE	3	3	20
KEWAUNEE	Q5	NE	2	2	34
MARINETTE	Q5	NE	6	6	49
MARQUETTE	Q5	NE	1	1	25
OCONTO	Q5	NE	4	4	30
WAUSHARA	Q5	NE	1	1	18
ADAMS	Q6	S	1	1	40
COLUMBIA	Q6	S	5	5	36
DODGE	Q6	S	10	10	43
Total			267	254	

² Average used in projecting enrollment; actual will vary by size of NHs participating.

Table 3: Estimated Nursing Home Participation & Enrollment

County	Proposed Start Quarter	DQA Region	Estimated NHs Participating in VPACE						Estimated VPACE Enrollment (assumes 15% opt-out)						
			Q1	Q2	Q3	Q4	Q5	Q6	Q1	Q2	Q3	Q4	Q5	Q6	
MILWAUKEE	Q1	SE	12	18	23	29	29	29	347	520	665	838	838	838	
WASHINGTON	Q1	SE	2	2	3	3	3	3	94	94	140	140	140	140	
WAUKESHA	Q1	SE	6	8	11	13	13	13	189	252	346	409	409	409	
KENOSHA	Q2	SE		3	5	6	7	7		105	174	209	244	244	
RACINE	Q2	SE		3	4	5	6	6		102	136	170	204	204	
WALWORTH	Q2	SE		3	4	5	6	6		84	112	140	168	168	
BROWN	Q3	NE			4	6	8	10			129	194	258	323	
MANITOWOC	Q3	NE			2	3	4	5			87	130	173	217	
SHEBOYGAN	Q3	NE			3	5	6	8			84	140	168	224	
OUTAGAMIE	Q3	NE			3	5	6	7			107	179	214	250	
SHAWANO	Q3	NE			2	3	3	4			54	82	82	109	
WAUPACA	Q3	NE			3	5	6	8			163	272	326	435	
WINNEBAGO	Q3	NE			3	5	6	7			112	187	224	262	
DANE	Q3	S			6	9	12	15			133	199	265	332	
JEFFERSON	Q3	SE			1	2	2	3			29	58	58	87	
OZAUKEE	Q3	SE			1	2	2	3			34	68	68	102	
RICHLAND	Q3	S			1	1	2	2			16	16	32	32	
SAUK	Q3	S			2	3	3	4			65	97	97	129	
CRAWFORD	Q3	S			1	1	2	2			21	21	43	43	
GRANT	Q3	S			3	5	6	7			74	123	148	173	
JUNEAU	Q4	S				1	2	2				30	60	60	
IOWA	Q4	S				1	2	2				18	36	36	
LAFAYETTE	Q4	S				1	1	1				37	37	37	
GREEN	Q4	S				1	2	2				33	66	66	
ROCK	Q5	S						3	5					110	183
CALUMET	Q5	NE						1	2					20	41
DOOR	Q5	NE						1	2					26	51
FOND DU LAC	Q5	NE						3	4					77	102
GREEN LAKE	Q5	NE						1	2					17	34
KEWAUNEE	Q5	NE						1	1					29	29
MARINETTE	Q5	NE						2	3					83	125
MARQUETTE	Q5	NE						1	1					21	21
OCONTO	Q5	NE						2	2					51	51
WAUSHARA	Q5	NE						1	1					15	15
ADAMS	Q6	S							1						34
COLUMBIA	Q6	S							2						61
DODGE	Q6	S							3						110
Total			20	37	85	120	155	185	630	1,157	2,681	3,790	4,807	5,777	