

JOINT HUMAN SERVICES & FINANCE COMMITTEES

Minutes of Meeting
November 7, 2006, 6:00 p.m.
Kenosha County Job Center - North 2

Committee Members Present: John O'Day, Bob Carbone, Anita Faraone, Joe Clark, Judy Rossow, Ed Kubicki, David Arrington, Ruth Booth

Committee Members Absent: Mark Wisnefski, Bill Grady

Staff Present: Dennis Schultz, Jim Kennedy, Laurie Staves, Tom Orendorff, LaVerne Jaros, Carolyn Feldt, Mark Felsing, Ron Frederick, Al Swartz

Others Present: Chuck Wilhelm, State DHFS; Craig Thompson, WCA; Senator Bob Wirsch; Emily Ayshford, Kenosha News; Bob Pitts; Co. Bd. Suprs. Gabe Nudo, Ron Johnson, Jan Marrelli, Terry Rose, & Dick Kessler

1. Call to Order

The meeting was called to order at 6:00 p.m. by Judy Rossow, Chairperson.

2. Citizen's Comments - None

3. Possible Action on Resolution for Approval of Family Care

Dennis Schultz stated that we will be doing a presentation on Family Care. He thanked Senator Bob Wirsch for attending. All legislators were contacted, but they were unable to attend. We did receive a letter from Rep. Kreuser in support of statewide expansion of Family Care. This letter is one of the 3 handouts on the table for everyone to pick up. Another handout is an e-mail from Gerald Huber, Director of LaCrosse County DHS listing their positive experiences with Family Care over the past 6 years. The third handout is a copy of tonight's PowerPoint presentation on Family Care Expansion in Kenosha County.

LaVerne Jaros explained that Wisconsin is one of the leaders in the long-term care system, but it needs re-tooling. There are 577 people on the waiting list as of August 2006. This figure includes only the frail elderly and disabled adults; it does not include the mentally ill. They are waiting for community-based care. In Kenosha County right now, they will be on our waiting list for 4 years. Wisconsin spends 50% more than the national average on long-term care because it uses nursing homes which are a higher cost. The current system is very complicated.

Ron Frederick added that there are other pressures we are facing as a community. Our population is aging, there are escalating costs, the DD people are living longer. Kenosha County's population increased by 10,000 people (from 150,000 - 160,000) between 2000 and 2006. This is a 6.7% increase compared to the state average of 4.7%. We are growing 42% faster than the rest

of the state. Funding has not kept pace. These are people who are eligible for Medicaid. Family Care should be able to contain the state-wide cost growth, will eliminate our waiting list, and will expand the consumer choice.

Ms. Jaros said that Family Care is currently running in 5 counties. The State wants to use CMO's (Care Management Organizations) instead of one county at a time. Kenosha-Racine would be a 2-county region. In 2007, our COP, CIP and MA Waivers will be phased out as the Family Care CMO takes over responsibility for this care. However, county-run Resource Centers will continue to provide services. We will take 20 people per month off our waiting list until the current waiting list would be emptied at the end of 2008. Current consumers would be transitioned by the end of 2007.

The remaining programs include: Adult Protective Services, Senior Nutrition Program, Guardian Services, Adult Crisis, Meals on Wheels, etc.

Family Care will benefit Kenosha County. We will be able to serve all eligible residents, it would eliminate our waiting list, it will remove long-term financial risk and projected deficits, and there will be an infusion of increased service dollars to the local economy. We have tried on numerous occasions to bring Family Care to Kenosha County since the State created it in 1998. Now it is being done on a national basis. Senator Bob Wirch has supported us in all of our previous attempts.

Jim Kennedy stated that \$16 million was spent for long-term care (LTC) by the Kenosha County Aging and Disability Services divisions in 2006. \$2 million of that is local contribution (consisting of Community Aids and Levy). The other \$14 million is state funding. From 2003 to 2006, the LTC costs have grown by \$2 million in Kenosha County. And nobody has moved from the waiting list. Our local contribution has increased every year due to flat-lined funding. We need to remove this long-term care financial risk. Beginning with 2008, and every year thereafter, the State will withhold \$2.1 million for Family Care. If we continue our current LTC system, it will increase \$2.7 million in 2010 and \$3.6 million in 2015. So, by 2015, \$1.5 million more will be spent if we do not go with Family Care. However, with Family Care, we project that by 2015, \$32 million more program service dollars will be infused into the community.

Laurie Staves added that the Divisions of Aging and Disability Services will be consolidated and operating on a smaller scale. Their budget will go from \$31 million to \$12 million in 2008. The 2007 budget will not be impacted significantly. In 2008, after projected funding, savings, and expenditures, we show a \$1 million savings in the Aging/DDS budget. However, the State requires a contribution of \$2.1 million towards Family Care, which leaves \$1 million unfunded costs. After 2006 is closed out, we will be back to the Human Services and Finance Committees with updated numbers, probably in early spring.

Chuck Wilhelm, Director of the State Bureau of Long Term Support informed everyone that they are also negotiating at the federal level to expand Family Care to Racine-Kenosha. The federal officials are very supportive of this expansion. The State has a \$1 billion budget for Family Care. The State has

been working on Family Care for 10 years now. Family Care does not serve children or people with mental illness. Kenosha County has been running an ADRC (Aging & Disability Services Resource Center) since 1999. Family Care pools all of the pots of money and it can be used more flexibly. It also improves access to services. We don't want people to have to go into a nursing home just to get long-term care. Family Care is much more cost effective. We have had 3 independent assessments of Family Care since its inception. The last one was in October, 2005. It compared people in Family Care with those in fee-for-service. People in Family Care have better outcomes, and the cost to the State and Federal governments is significantly less. Both governments want to expand Family Care in the next 5 years.

In 2 weeks, we will be announcing the RFP results of the CMO chosen to manage the Racine-Kenosha Family Care program. We are providing more funding for an Economic Support worker for Kenosha to process Family Care eligibility, and additional funding to continue the ADRC. Starting in 2009, Family Care will be an entitlement in Kenosha County. In 2007, money will only be transitioned when people are transitioned to Family Care. The money will follow the person.

Counties will not be asked to put in more than their 2005 amount. The WCA has submitted a proposal to the State to reduce the contribution amount. If it's approved, Kenosha's contribution could be reduced from \$2.1 million to \$1.7 million. The State is working with Kenosha County to make things work. If there are issues or concerns, we will raise those to the Governor and the legislature.

Craig Thompson, WCA Legislative Director, said that this is a very significant issue. The State wants all of the levy the counties put into long-term care during 2005. WCA is vehemently opposed to that and is working to get that amount reduced to 22% of the County Community Aids allocation from 2005. We put this in writing to Secretary Nelson. She said she will talk to the Governor and recommend this proposal to him.

The current system is not working. The Community Aids money the State gives to the counties is less than it was in 1987. In Family Care, it's a state rate that goes along with the person. The State has not gone back to the 5 pilot Family Care counties for more levy.

We need to be careful to have enough Economic Support workers. Pilot counties, Milwaukee and LaCrosse, had problems with this issue. Counties will be offloading a lot of risk to the CMO's. Family Care has worked in the 5 pilot counties. When asked what would happen if Kenosha does not do this now, Mr. Thompson replied that Family Care is not mandated yet. You have more leverage in the early stages than you will have later.

Senator Bob Wirth said that we have a commitment here. This is a major expansion of services and this is good. His concern is, there is no free lunch. Mr. Wilhelm replied that fee-for-services is not well managed. We spend a lot of money. Most of the people moving to Family Care are already on MA. This will bring the cost down by about 14%. We can do this without a significant increase

in funding. Under Family Care, the federal government will require sound rates. We have a 3% trend factor. Our actuary does that. The federal government has been very supportive of this.

Terry Rose asked Mr. Wilhelm if the State could contribute to the \$1 million unfunded cost for 2008. Mr. Wilhelm replied they could not. They did, however, have \$60,000 for an additional Economic Support worker and additional money for the ADRC.

Mr. Wilhelm stated that if the transition to Family Care moves slower than planned, the State will leave the money for the MA Waivers. Kenosha County has a plan. But if it does not go as planned, we assure you that we will fund the county for those services in 2007. At the end of the year, we will reconcile and pay those costs. Dennis Schultz added that our 2007 budget will not be increased because of delays.

Mr. Wilhelm continued that Kenosha County has historically contributed more money to the elderly and DD clients than Racine. Kenosha County also has been very creative in accessing state and federal funding. Racine spends so little right now, so it's easier for them to transition from the county to the state.

Mr. Rose asked for confirmation that the in the future, Kenosha's contribution will be frozen at the \$2.1 million. Mr. Thompson responded that because Kenosha County is above the 22% amount, the \$2.1 million will be reduced by \$365,000 if the State agrees with the WCA proposal.

Mr. Schultz commented that Family Care is an entitlement like MA and Food Stamps. Our \$2.1 million stays forever. Mr. Thompson added that the CMO will bear the risk in the counties.

Mr. Wilhelm said that it will be the State's responsibility to deal with any deficit in the counties. Getting in early is better than later. The federal government pays 60% of the cost of providing Family Care; the state pays 40%. The federal government gave us a \$5 million grant to reform our long-term care system. This is what we are using to expand Family Care statewide.

Mr. Schultz stated that the DHS tax levy is 14.1% of an \$89 million budget. This goes to the credibility that the state and federal government has been funding us along the way.

Mr. Thompson said that it is a federal law that a CMO cannot put anyone on a waiting list.

Joe Clark said that the question is: Are we willing to spend this money to eliminate the waiting list? What happens when the State lets Family Care go? Mr Clark requested a copy of the latest independent study on Family Care.

Mr. Schultz stated that we have given you a worst case scenario. The \$2.1 million could be reduced by \$365,000 if the WCA proposal is approved by the State. We will still be looking at ways to reduce the \$1 million unfunded cost in

2008. This is no different than any other human service program. "I don't want to keep people on waiting lists any longer." It will cost us \$3 million more by 2015 if we do not do Family Care.

Mr. Wilhelm said that we have entitlement right now. This is just a different type of entitlement. Currently, Family Care is running successfully in 5 counties.

Ms. Jaros said the State wants to reduce the number nursing home beds. We would not see a reduction at Brookside. The reduction in beds will be more in the northern part of the state.

Mr. Wilhelm explained that a CMO is a risk-bearing entity. They will contract most of their services.

Ms. Staves said that after the divisions of Aging and Disability Services are consolidated, there will be \$1.1 million saved. There will be a reduced level of employees.

Ms. Jaros cited an example. A mother currently lives in an assisted living facility but has used up all of her assets. She may have to move into a nursing home, but she wants to stay where she is. Her care is cheaper in assisted living. But without Family Care, she has no choice.

Bob Carbone stated that we need to support these people. Mr. Schultz said that we want to start 2/1/07. We need the support of the County Board to do this. We have put forward our presentation on Family Care and taking the 577 people off our waiting list. Bob Pitts, Brookside Care Center Trustee, agreed with Mr. Carbone. Our number one priority is human services to the public. These waiting lists keep increasing. We have an opportunity to go forward and do something good to help people. People will accept a tax increase for a good purpose. Our priorities sometimes get mixed up. How can you compare costs in helping needy people? We need to try this. Let's not close the door on this. The WCA will lobby very hard for funding.

Judy Rossow said that the Chambers in these towns tout Family Care because of the infusion of money into their communities. It is not going to get any better. We don't have any other choice. We need to take this seriously and move forward.

Mr. Clark said he is not prepared to vote tonight. **Joe Clark moved that this resolution be deferred.** He would like to see that independent assessment first and learn what is said by the pilot counties at the Nov. 9th WCA meeting in Wisconsin Dells. **Anita Faraone seconded the motion.**

Mr. Schultz said that County Administration has approved this Family Care presentation and the costs in 2008. He is here representing Administration.

Mr. Carbone said we aren't going to hear anything new and does not want to put off the vote. We have enough information and we need to make a decision. We should have enough confidence in the County Executive and his staff to present the best possible budget.

Dennis Schultz suggested holding another meeting after both committees could be provided with more information on Family Care via the last independent Family Care assessment and notes from the Nov. 9th WCA meeting. Debate was closed.

It was moved by John O'Day to hold another joint Human Services and Finance Committee meeting on Dec. 21st at 6:00 p.m. Seconded by Anita Faraone. Unanimously approved.

Ed Kubicki moved to approve the Family Care Resolution. Motion failed.

It was moved by Ruth Booth to hold another joint Human Services and Finance Committee meeting on Nov. 21st at 6:00 p.m. Seconded by David Arrington. Unanimously approved, with Ed Kubicki abstaining.

5. Committee Members Comments - None

6. Adjournment

It was moved to adjourn by John O'Day, seconded by Ed Kubicki. Meeting adjourned at 8:40 p.m.

Respectfully submitted,

Sharon Davis
KCDHS Secretary

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