



# Family Care Capitation Rates in Wisconsin

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## Wisconsin's Long-Term Care Programs

- Medicaid members requiring nursing home level of care
  - Individuals with physical disabilities
  - Individuals with developmental disabilities
  - Frail elders
- Non-nursing home level of care
  - Family Care only
  - Not part of this presentation



## Wisconsin's Long-Term Care Programs

- Family Care: 42,600 members
- Family Care Partnership: 3,000 members
- Program of All-Inclusive Care for the Elderly (PACE): 630 members
- Include, Respect, I Self-Direct (IRIS): 12,000 members
- Remaining county-administered 1915 (c) Waivers: 3,200 members



## **Family Care Capitation Rate: Nursing Home LOC**

- Long-term care service component
- Administrative component



## Family Care Covered Services

- All Medicaid long-term care services
  - State plan
  - Home and Community-Based Services Waivers
  - Care management
- Nursing home services included



## Capitation Rate: Service Component

- Linear regression model
  - LTCFS information
  - Encounter data (service and care management expenditures)
- Model created for each target group
- Assigning expenditures to member attributes



## Capitation Rate Model

Variable	Estimate	Proportion with Variable	Incremental Increase
IADL_4-5-6	678.69	0.73365308	497.93
Bathing_1	160.23	0.26067366	41.77
Bath_Equip_Eat	33.69	0.34566284	11.65
Overnight_Mental Illness	47.50	0.03022446	1.44
Offensive_1-2-3	224.09	0.06860526	15.37
Alzheimers	127.15	0.50100584	63.70
Mental Illness	153.43	0.09538192	14.63
Med Management	75.90	0.34012662	25.82
Reposition	424.10	0.07483213	31.74
Ulcer Stage 3-4	368.98	0.00393017	1.45



## Base Data

- Long-term care service costs, including care management
- Last two complete years of costs
- Regression model to determine relationship of service costs to identified diagnoses and care needs
- 3 Models: one for each target group





## Trend

- Separate trend rates for each target group
- Based on the historic change for regions in base data
  - Unit costs
  - Utilization of services
  - Overall program acuity



# Risk Score

- Develop separate rate for each GSR the MCO serves
- Risk score based on long-term care functional screens of members as of July prior to rate year



## Risk Assessment Tool

- Long-Term Care Functional Screen (LTCFS)
  - Began October 2001 in Family Care and Partnership
  - Expanded to other long-term care programs in 2002
- Eligibility tool for Home and Community-Based Services Waiver programs



## Long-Term Care Functional Screen

- Administered during enrollment and annually or if a significant change in care needs
- Screeners
  - Enrollment staff at Aging and Disability Resource Centers
  - IRIS program staff
  - Managed care organization (MCO) staff
- On-line tool; all data stored in Long-Term Care Data Warehouse



## Long-Term Care Functional Screen: Information Gathered

- Activities of Daily Living (ADLs)
- Instrumental Activities of Daily Living (IADLs)
- Medical diagnoses
- Health-related services: frequency of need for assistance
- Communication and cognitive abilities
- Behavioral and mental health needs



# Regional Wage Adjustment

- Relative cost differences for long-term care services between GSRs
- Bureau of Labor statistic wage data for types of occupations involved in long-term care



## Capitation Rates: Service Component

- Separate rate for each MCO in each region it serves: 29 rates
- Blend target group rates based on projected enrollment
- Represent the average expected per member per month expenditures on long-term care and care management services for that MCO in that region



## Administrative Component

- Per member per month component of capitation rate
- MCO-specific amount based on MCO's projected overall program enrollment
- Administrative funding model based on historic MCO expenditures on various administrative areas





## Administrative Funding Model

- 2 components
- Variable
  - Cost rises with each additional enrollee
  - Ex. Claims processing
- Fixed
  - Costs depend on size of enrollee population
  - Ex. Executive staff



## Additional Information

- Long-term care functional screen:  
<https://www.dhs.wisconsin.gov/functionalscreen/index.htm>
- Rate reports:  
<https://www.dhs.wisconsin.gov/familycare/mcos/capitationrates.htm>