



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 386
[2005 Senate Bill 653]

**Authorization for Family Care
Expansion**

2005 Wisconsin Act 386 eliminates the pilot project status of the Family Care Program, and integrates requirements for those pilot projects with current requirements for contracts with resource centers and care management organizations (CMOs). Under the Act, the Department of Health and Family Services (DHFS) may contract with a county, a Family Care district, a tribe or band, the Great Lakes Inter-Tribal Council, Inc., or two or more of these entities to administer CMOs in geographic areas in which, in the aggregate, more than 29% but less than 50% of the state population that is eligible for the Family Care benefit reside. The proposed contract must receive advance approval from the Joint Committee on Finance (JCF), under a passive review process.

For contracts with the entities in areas in which, in the aggregate, 50% or more of the state population that is eligible for the Family Care benefit resides, the Legislature must provide specific authorization and necessary funding.

The Act also requires that, if DHFS intends to expand its use of capitation payments under managed care programs for provision of long-term care services over the number of capitated payments made on behalf of individuals enrolled in these managed care programs under 2005 Wisconsin Act 25 (the 2005-07 Biennial Budget Act), the DHFS must first notify JCF of that intention, and JCF must approve the expansion. Further, a care manager of a managed care program for provision of long-term care services must provide a mechanism by which an enrollee, beneficiary, or recipient of the program may arrange for, manage, and monitor his or her benefit directly or with the assistance of another person chosen by the enrollee, beneficiary, or recipient (also known as a “self-directed services” option).

The Act also requires that a CMO provide each Family Care enrollee with a form on which the enrollee must indicate whether he or she has been offered the self directed services option. The enrollee also must indicate whether he or she accepted or declined the option. This same requirement applies to the care manager of a managed care program for provision of long-term care services.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.

The Act also requires that the evaluations that DHFS must make concerning Family Care include client access to services, the availability of client choice of living and service options (including the opportunity for the client to have self-directed services), quality of care, and cost effectiveness. Lastly, the Act expands these evaluations to include all managed care programs for provision of long-term care services that are funded by Medical Assistance (MA).

The Act also requires that CMOs provide increased funding for reimbursement for care provided by nursing homes for recipients of MA as a Family Care benefit, in amounts that proportionately reflect the nursing home reimbursement rate increase for fiscal year 2006-07 and the nursing home reimbursement supplement for fiscal year 2005-06 that were authorized under 2005 Wisconsin Act 211.

Finally, the Act requires the DHFS annually by October 1, to submit to the JCF and to the appropriate standing committees of the Legislature a report that includes information collected from the previous fiscal year on the relocation or diversion of individuals who are MA eligible or MA recipients from nursing homes, intermediate care facilities for the mentally retarded, and centers for the developmentally disabled.

Effective Date: Act 386 takes effect on May 25, 2006.

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LR:ksm