PROMISING PRACTICES IN HOME AND COMMUNITY-BASED SERVICES

Wisconsin – Supporting Consumer-Directed Services within Managed Care

Issue: Consumer-Directed Care – the Agency with Choice Model

Summary

In Wisconsin's Family Care program, Care Management Organizations (CMOs) provide long-term care services and supports in five pilot counties through a managed care model. CMOs allow participants to work with traditional provider agencies or choose between two consumer-directed options. This brief focuses on one of these options – the Agency with Choice model – in which a "co-employment agency" serves as the Employer of Record and the consumer acts as the Managing Employer. In the other consumer-directed model, the consumer takes on all employer responsibilities. Slightly more than one in five Family Care members choose the co-employment option, demonstrating how a managed care program can incorporate consumer direction.

Introduction

Wisconsin's Family Care, a managed care pilot program, serves 17% of the State's eligible Medicaid population and delivers comprehensive and flexible long-term care services and supports in five Wisconsin counties. The program, which operates under a 1915(b)/(c) combination waiver, allows participants to choose whether to receive services within a traditional agency service delivery model or to self-direct services using one of two available options.

This brief focuses on the "co-employment option" for self-directing services. In this Agency With Choice model, an organization, known as a co-employment agency, is responsible for employing and paying workers; reimbursing allowable expenses under the program; witholding, filing and paying federal, state and local income and employment taxes; and providing a wide range of supports to the participant, who acts as the Managing Employer. As the Managing Employer, the participant is responsible for hiring, managing, and possibly dismissing the worker. This model offers participants and their representatives a high level of choice and control, without the burden of organizing and overseeing financial matters associated with employment.

Slightly more than one in five Family Care participants choose the co-employment option.

The co-employment model of self-direction differs from the other self-directed option, where participants act as the Employer of Record and assume all employer responsiblities. They must ensure that their service worker is paid correctly and taxes are deducted appropriately by hiring a financial management services provider to perform all required employer-related tasks.

As of August 2004, 22% of the 8,890 Family Care members chose co-employment, while only 2% elected to be the Employer of Record and use a fiscal/employer agent to complete employer-related tasks.

Background

Wisconsin has a rich history of providing self-directed services to people with disabilities and older persons. It's state-funded Community Options Program (COP) and a related Medicaid Home and Community Services (HCBS) Waiver have supported consumer direction for over 20 years and continue to operate outside of the Family Care pilot counties. During the design stage of the Family Care program, consumers campaigned vigorously to ensure that participants would have the option of exercising control over their long-term services and supports. Consequently, Family Care combines funding and services from a variety of existing programs into one flexible long-term care benefit

that is tailored to the needs, circumstances and preferences of each individual.

One way the program ensured this responsiveness to consumer needs was to require that, for services that meet intimate personal needs or for regular visits into a private home, participants must be able to purchase services from any qualified provider who accepts the rate of payment and meets provider standards and other contractual requirements. This may include any family member of the participant other than a spouse.

Wisconsin home and community-based services programs rely heavily on local administration. In the case of Family Care, each of the five pilot counties administer a managed care organization or CMO (Care Management Organization) within a broad framework determined by the State's administrative rules for Family Care. Each CMO organizes and runs its co-employment option differently. For example, they choose different types of organizations to act as co-employment agencies and negotiate their rates independently.

Four of the five CMOs serve persons with physical or developmental disabilities and older persons. The CMO in Milwaukee County, where over half of Family Care participants reside, serves only older persons. All CMOs deliver a comprehensive long-term care benefit that includes supports previously funded by COP, Medicaid HCBS waiver services, and selected Medicaid state plan services such as home health, therapies, personal care, durable medical equipment, and nursing home care.

Intervention

Once enrolled, Family Care members work together with an interdisciplinary case management team that includes a Registered Nurse and a social worker/care manager. Using the State's Member-Centered Planning Process, the team determines the member's individual budget and develops a care plan. The plan documents member preferences and desired outcomes (often in the member's own words), translates them into outcomes, and develops concrete steps and timelines for achieving these outcomes.

During care plan development, members choose whether to self-direct their services, which self-directed option they would like to use, and which services they would like to self-direct. For example, they may elect to receive most personal care through a traditional agency, but have bathing performed by a family member under the self-directed option. Members who opt for self-direction then choose whether to use the co-employment option with the agency as the Employer of Record or to act as the Employer of Record, using the services of a fiscal/employer agent.

Members using the co-employment option have access to a broad range of supportive services that are not available under the other self-directed option. Co-employment agencies are required to conduct criminal background checks on potential workers and provide emergency backup. They also offer optional supports to help participants become effective Managing Employers (e.g., assistance with recruiting, interviewing, hiring and firing, setting workers' tasks and hours, and training, supervising and disciplining workers). Some maintain worker registries to help members identify workers. Members also receive support from the CMO's interdisciplinary teams and from organizations outside the Family Care program, such as Independent Living Centers.

Participants are responsible for identifying potential workers. They also set the workers' rate of pay and determine the hours they work and the tasks they perform (within certain parameters determined by the CMO). Once a worker is hired and payroll forms are completed, participants are responsible for signing timesheets, which go to the co-employment agency that pays the worker.

Co-employment agencies have no oversight responsibilty for Family Care members. Monitoring and quality assurance are the responsibility of the CMO – primarily, the interdisciplinary teams. To promote quality services, CMOs train team staff to develop relationships with participants that are strong but not intrusive. In addition, Family Care CMOs operate under an outcomes-oriented quality improvement framework that specifically evaluates the member's level of choice and control.

Implementation

The state faced two primary challenges in developing the Family Care co-employment option: 1) ensuring that CMO staff understood and were able to implement self-directed services within a managed care environment; and 2) identifying and recruiting organizations to serve as co-employment agencies. Many of the new CMO staff came from traditional managed care plans or from county agencies and were not familiar with self-direction. Consequently, educating CMO staff in the principles of self-direction became a priority for consumers, advocates and the program administrators responsible for implementing Family Care. An extensive outreach program was instituted, which included indentification and dissemination of training materials and useful tools for CMO staff, as well as ongoing communication through multiple meetings. Difficulties in attracting providers who understand the philosophy and issues involved in operationalizing self-direction have been addressed through outreach by CMO staff.

CMOs chose co-employment agencies in different ways. The Milwaukee CMO selected two agencies (a traditional non-profit social services agency and an agency formed by a group of in-home service providers) through a Request for Proposals (RFP) process. The other CMOs actively recruited organizations. CMOs report that it has been difficult to find organizations willing and able to act as co-employment agencies. Only two of the pilot counties are able to offer participants a choice of co-employment agencies.

As with traditional provider agencies, co-employment agencies are paid an hourly rate for services (roughly $15 per hour for personal care), and they deduct a portion of the rate to cover agency overhead and worker benefits, which vary by agency. For example, one agency in La Crosse County provides health and dental insurance for employees who work more than 35 hours per week.

Discussion Questions:

1. How does the State ensure that program participants have choice and control under Family Care?
2. Why do program participants prefer the co-employment option over taking on all employer responsibilities?
3. What support services are available under the co-employment model?
4. How does local control affect participants' experience of the program?

Impact

The co-employent option is the choice of just over one in five Family Care participants. It merges the benefits of agency-provided care – such as fiscal management services – with key elements of self-direction, such as the ability to choose workers, reward them with better pay and/or benefits, and set the time and location of service. Participants are also attracted by the availability of emergency backup if their worker fails to show or cancels at the last minute. The additional fiscal responsibiliites associated with the other self-directed option, where the participant is the Employer of Record, are seen to be too onerous.

An independent evaluation of the Family Care program found positive outcomes for participants in the area of choice and self-determination (when compared to individuals enrolled in Wisconsin's other HCBS programs). Unfortunately, separate analyses of the two self-directed options were not conducted. However, CMO administrators note that the co-employment option is as or less expensive than the provision of traditional services, although it is more expensive than the other self-directed option due to the higher level of supports provided.

Contact Information

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One of a series of reports by Medstat for the U.S. Centers for Medicare & Medicaid Services (CMS) highlighting promising practices in home and community-based services. The entire series will be available online at CMS' web site, http://www.cms.hhs.gov. This report is intended to share information about different approaches to offering home and community-based services. This report is not an endorsement of any practice.