



To: Representative Peggy Krusick and Members of the Assembly Committee on Aging and Long-Term Care

From: Shelley Hansen-Blake, Vice-President of the Community Alliance of Providers of Wisconsin (CAPOW)

Date: November 12, 2009

Re: Wisconsin Family Care Program

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Thank you Representative Krusick and Members of the Assembly Committee on Aging and Long-Term Care for holding an informational hearing on the Wisconsin Family Care Program.

I am Shelly Hansen-Blake, the Vice-President of the Community Alliance of Providers of Wisconsin (CAPOW) and the Executive Director of REM Wisconsin.

CAPOW is a network of human service providers that support over 4500 persons with developmental disabilities. Our members offer a range of services including residential services, personal care services, and day and vocational services.

We work to improve the wages, benefits, recruitment, and public awareness of direct care workers to enhance the quality of community-based services for persons with developmental disabilities.

CAPOW is committed to assuring that Wisconsin has a viable provider network to promote consumer choice, a strong workforce, adequate funding, and appropriate regulation.

Now, the topic before us – the Wisconsin Family Care Program.

Our members were pleased with Family Care expansion in the 2009-11 biennium given the significant fiscal challenges in Wisconsin. CAPOW supports statewide implementation of the Family Care Program. That said, “savings” or cuts to Medicaid programs like Family Care equate to reimbursement cuts on providers with little knowledge of the impact of the cuts to quality care and consumer choice.

Today I would like to touch on three areas as they relate to the Wisconsin Family Care Program:

1. Worker Wages
2. Contracting with Managed Care Organizations (MCOs)
3. Provider Regulations

## **Worker Wages**

Direct care workers are frontline providers of care to some of our most vulnerable populations. Many direct care workers find their jobs rewarding. That said, the pay is low with limited benefits, which contributes to high turnover. This should come as no surprise - there is a shortage of direct care workers in Wisconsin.

In 2008, the average hourly wage of a direct care worker was \$9.72<sup>1</sup>. A shortage of direct care workers means limited care, which can lead to falls and accidents, or an emotional or behavioral health crisis for a consumer. The result is additional services and care that otherwise would not have been necessary, which equates to higher costs.

Worker wages are heavily influenced by Medicaid reimbursement to providers. Adequate reimbursement is needed to sustain a vibrant direct care workforce.

CAPOW respectfully requests members of the committee to support and prioritize adequate funding for long-term care programs. Adequate funding will help address low worker wages.

## **Contracting with Managed Care Organizations (MCOs)**

Our members contract with Managed Care Organizations (MCOs) to provide services to individuals receiving the Family Care benefit. A number of services may be available including residential care, day and vocational services, and personal care. Often, for persons with developmental disabilities, rates are negotiated per home, or based on the needs of the individual being served.

First, I must say that working with 10 Family Care Managed Care Organizations is much easier than 72 counties, and our members understand that best practices will be realized as Family Care is implemented statewide.

CAPOW members identify the lack of consistency and uniform processes among Family Care MCOs and the balancing act between fiscal constraint and consumer choice as prominent concerns with contracting.

Recently, CAPOW met with representatives of Family Care MCOs and the Department of Health Services to discuss these concerns. A collaborative effort to identify best practices and standardized business practices is key. Our goal is a joint effort among providers, MCOs, the Department, and other stakeholders to adopt best practices.

## **Provider Regulations**

Lastly, I would like to touch on provider regulations. While regulations are important some regulations add cost, but do not enhance service or safety.

For example, some regulations limit the use of technology as a supplement to staffing and limit a consumer's choice on staffing patterns.

When considering new regulations it is important to consider whether or not the regulation is value-added, or one that adds cost, but does not enhance service or safety.

Thank you for your time today. I am available to answer questions. Also, if committee members are interested in learning more about CAPOW or any of the issues discussed today, I am happy to follow-up on an individual basis.

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<sup>1</sup><http://www.wiworkforcealliance.com/images/pdfs/wi%20wage%20initiative%20cover%20sheet.pdf>