



## WISCONSIN LEGISLATIVE COUNCIL

### CHILD WELFARE PROVIDER RATE IMPLEMENTATION

Room 225 Northwest, State Capitol  
Madison, Wisconsin

December 17, 2009  
10:00 a.m. – 12:30 p.m.

[The following is a summary of the December 17, 2009 meeting of the Special Committee on Child Welfare Provider Rate Implementation. The file copy of this summary has appended to it a copy of each document prepared for or submitted to the committee during the meeting. A digital recording of the meeting is available on our Web site at <http://www.legis.state.wi.us/lc>.]

#### Call to Order and Roll Call

Senator Jauch called the committee to order. The roll was called and it was determined that a quorum was present.

COMMITTEE MEMBERS PRESENT: Sen. Robert Jauch, Vice Chair; Rep. Steve Kestell; and Public Members John Burgess, Susan Conwell, Linda Hall, Amy Herbst, Bill Orth, Sheila Reichert, and John Tuohy.

COMMITTEE MEMBERS EXCUSED: Rep. Tamara Grigsby, Chair; Sen. Alberta Darling; and Public Member Wanda Montgomery.

COUNCIL STAFF PRESENT: Laura Rose, Deputy Director; and Anne Sappenfield, Senior Staff Attorney.

APPEARANCES: Dondieneita Fleary-Simmons, Director, Bureau of Permanence and Out of Home Care, Department of Children and Families (DCF).

#### Approval of the Minutes of the Committee's November 17, 2009 Meeting

*Mr. Burgess moved, seconded by Mr. Orth, to approve the summary of proceedings of the November 17, 2009 meeting. The motion carried by unanimous consent.*

## **Presentations by Invited Speaker**

[Note: PowerPoint presentations and other documents referred to by the speakers are posted on the committee's Internet site.]

### ***Dondieneita Fleary-Simmons, Director, Bureau of Permanence and Out of Home Care, DCF***

Ms. Fleary-Simmons presented to the Special Committee a proposed implementation timeline for child welfare provider rate regulation. The steps she outlined are as follows:

- Identify the team within DCF to facilitate the implementation of the budget initiative on rate setting.

Ms. Fleary-Simmons stated that most team members have been identified, and that the first team meeting will be held by teleconference on January 6, 2010. She stated that it is important to have representatives from many sectors, including clinical and fiscal specialists, county representatives, and representatives of different sizes of providers, as well as a mix of rural and urban providers.

- Identify any changes needed in statutory language in order to support rate regulation.
- Determine per diem rates and enhancements for contracted services based on cost based accounting methodology (by March 2010).
- Develop system to categorize contracted services in order to equalize payment amounts among like providers (by March 2010).

Mr. Orth commented on these steps, saying that they involve three pieces: an historical analysis of costs; using the CANS or a similar tool to assess a child's level of care; and looking at services provided by specific providers, and developing the rate based on this information. He also asked if the DCF would be proposing an administrative rule related to rate setting. Ms. Fleary-Simmons responded that the DCF expects that each provider's administrative rule chapter would be amended to reflect the changes, because of the differences among the types of providers.

- Develop performance-based rating system designed to reward stronger performing providers within each level (by September 2010).

Ms. Fleary-Simmons stated that a performance-based rating system could not be implemented in one year's time, but that background work could be done to begin to gather the data needed to implement this system. The committee discussed the implementation of performance-based contracting and how much time would be needed to do so.

- Develop rule language to support changes in practice (by October 2010).

Ms. Fleary-Simmons stated that rule changes would be needed to support the changes in provider rates, and that the time frame for submitting these changes is tight. Senator Jauch noted that there is built-in legislative involvement because proposed rules must be submitted to legislative standing committees. The committee also discussed whether the DCF is anticipating implementation of emergency rules, pending the submittal of final proposed rules.

- Train county staff on proper application of new contracting system (by October 2010).

Ms. Fleary-Simmons commented on the importance of training. She said she has heard comments from the provider community that they have felt “blind-sided” by the rate regulation proposal, which emphasizes the need to conduct training about the changes.

- Negotiate and approve provider rates and enhancements (September to December 2010).

Ms. Fleary-Simmons stated that this negotiation process must be completed in time to submit rates that will take effect in calendar year 2011.

Miss Fleary-Simmons added that she recommends requesting input from the Special Committee or another designated legislative committee at each step outlined above.

The committee discussed issues relating to the application of rewards and penalties to providers under the new rate regulation system, as well as whether the rates will follow the child or the agency. Ms. Fleary-Simmons said that in most states, the rates followed the agency, and they get one blended rate based on all of the children they served.

Ms. Conwell asked whether DCF regulatory staff will provide enforcement under the new system, and commented that providing adequate enforcement is a staffing level issue. Ms. Fleary-Simmons stated that currently, the DCF has four licensing staff to cover all of the licensed agencies. Mr. Tuohy added that, currently, there are insufficient staff in DCF to provide technical assistance for providers.

### **Discussion of Committee Assignment**

Ms. Hall directed the committee’s attention to a letter which had been sent out to members as an attachment to Memo No. 5, *Documents Relating to Child Welfare Provider Rate Implementation*. First, she described a proposal for performance-based contracting, looking at it as a multi-year process. She stated that there is a need to gather data and operational know-how before implementing performance-based contracting.

Ms. Hall then discussed some suggested principles for implementing child welfare provider rate regulation that could form the basis of the committee’s report, and discussed some proposed statutory clarifications that she would like to see the committee consider in modifying certain parts of Act 28’s plan for child welfare provider rate regulation. These are also contained in the attachment to Memo No. 5.

Senator Jauch expressed concern about taking four years to implement performance-based contracting. After committee discussion, there was consensus to require that there would be full implementation of performance-based contracting in 2012, but providers would not be held financially accountable for outcomes until 2013. There was discussion of needing time to implement an entirely new system of rate reimbursement, especially given the decentralized nature of the county and tribal-administered system.

The committee then discussed targeting group homes for earlier implementation of performance-based contracting. The committee decided to retain the same implementation dates for all providers, and

the DCF staff present at the meeting said that there would be actions taken soon within the agency to address some of the disparities in quality of care among group home providers.

Senator Jauch said that, without objection, the Legislative Council staff would draft Ms. Hall's proposed language for the committee's report and for the suggested statutory changes. After some discussion of the timing of the Legislative Council process, he said that he may look at introducing bills outside of that process, in addition to presenting the committee's report to the Joint Legislative Council for that committee's possible introduction of the legislation.

### **Other Business**

Mr. Burgess commented that an item for future study would be education of children in RCCs, and how school districts claim school aid revenue for these children, but counties are on the hook financially for this expense.

### **Plans for Future Meetings**

The committee's next meeting will be held on Wednesday, January 20, 2010, in Room 225 Northwest, State Capitol.

### **Adjournment**

The meeting was adjourned at 12:30 p.m.

LR:ksm