

Robert H. Coons, Jr., FACHE
President and CEO

January 26, 2010

Senator Kathleen Vinehout, Co-Chair
Joint Legislative Audit Committee
State Capitol, 104 South

Representative Peter Barca, Co-Chair
Joint Legislative Audit Committee
State Capitol, 107 North

Dear Senator Vinehout and Representative Barca:

Curative Care Network is a non-profit organization serving persons with disabilities or limiting conditions in southeastern Wisconsin. Curative is one of the largest, most experienced, and diverse rehabilitation, long term care and human service organizations in the region. Curative provides quality services to children, adults and seniors at community-based sites including Adult Day Services, Case Management, Child and Youth, Industrial, Residential, Senior and Vocational programs in the greater Milwaukee area. For over 90 years Curative has helped thousands of citizens by improving their quality of life.

Curative is aware that members of both the Assembly and the Senate have called for a comprehensive program and financial audit of Family Care. As a community based service provider serving nearly 3,000 individuals with long term care needs, Curative is in agreement with these members that it is time for the State to seriously examine the potential impact Family Care will have on the vulnerable people we support and the financial viability of the provider organizations that are trying to fully implement Family Care statewide.

We do not believe that Family Care is sustainable as it is presently designed. We believe that the Managed Care Organizations will be forced to cut rates so severely that the long term care infrastructure which provider organizations like Curative have built over decades of time will collapse. Already Curative has been asked to reduce its fees in some service lines. We are concerned that the same type of funding crisis will occur in for not-for-profit rehabilitation and long term care provider organizations that took place in the health care system when managed care was the main funding source.

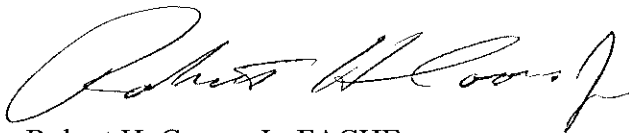
Most not-for-profit providers have not had funding increases in the past decade of public funding to keep up with the raising costs of health care insurance, energy costs, and overall cost of living. Reductions under Family Care managed care will be disastrous to the provider network. Legislators may be aware that the MCOs are currently having financial difficulties, but these will pale in comparison to the ones that will be experienced in the not-for-profit rehabilitation and long term care provider community when MCOs begin to pass along these shortcomings in funding.

This is especially obvious in Milwaukee County where Family Care expansion is underway. Once the Medicaid Waiver Community Options and Community Integration Program clients are enrolled in Family Care, the Milwaukee County Wait List will be eliminated. What will happen when there are 3,000 new consumers from the Wait List are enrolled? The financially strapped MCOs will be forced to look for even greater efficiencies in buying services from non-profit rehabilitation and long term care provider organizations. This will inevitably result in reductions to the current provider rates that are already rapidly becoming inadequate to run quality programs. Rehabilitation and long term care provider organizations already, as not-for-profits, conduct fund raising, apply for grants, and receive funding from United Way Agencies to offset the shortfalls in reimbursements that they receive.

If the not-for-profit rehabilitation and long term care provider organizations become so financially strapped they must cease providing these services, it would be the dismantling of the State's human service delivery systems. It's the provider organizations that provide the "hands on" care for these vulnerable clients – not the MCO's. The MCOs are simply the administrative agents of Family Care.

We believe that a comprehensive program and financial audit of Family Care will reveal both the short term and long term adverse implications of managed care on the rehabilitation and long term care systems in Wisconsin. In turn the information gathered from the audit should be used to further protect our most vulnerable citizens by developing reforms which will protect them from being denied services, from having to accept poor quality services, or having services reduced to such a degree as to be totally ineffective. We urge you to move forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert H. Coons, Jr.", written in a cursive style.

Robert H. Coons, Jr. FACHE
President and CEO