



Budget Request for Wisconsin's Family Care Long-Term Care Providers

Wisconsin's Family Care providers thank Wisconsin's elected officials for their continued commitment to investing in the long-term care workforce.

Family Care is a long-term care program which serves frail elders and adults with disabilities and is in need of major investment to maintain quality care. As of December 1, 2020, there were over 50,000 people enrolled in the program. Our direct care workforce crisis has only worsened under COVID-19 and reimbursement does not cover costs of care.

OUR REQUEST:

Funding: Wisconsin's long-term care provider community is asking the Legislature to invest an additional **\$15 Million GPR annually in the 2021-23 biennial budget** for a fixed-amount increase to *direct care and services* for Family Care managed care organizations (MCOs). We ask that these funds be added to the current Direct Care Workforce Fund program.

Reimbursement Modernization: Most long-term care providers were forced to take rate cuts when the Family Care program was first implemented and for years, many have experienced little to no rate increases in the program despite rising costs. The Department of Health Services (DHS) should be directed to develop and implement by January 1, 2024 a new reimbursement methodology using a statewide minimum rate band (fee schedule) to be adopted by Family Care, IRIS (Include, Respect, I Self Direct), and other Home and Community-Based System (HCBS) long-term care programs. **New provider reimbursement methodologies are needed to reflect transparency and accurately reflect the actual cost of care and the rising expenses that occur year-after-year.** A new system needs to be developed collaboratively with long-term care providers and should be facilitated by an independent outside entity.

As you know, Wisconsin continues to face a crisis in the shortage of available caregivers, with 1 in 4 caregiver staff positions remaining vacant.¹ This serious shortage directly impacts all Wisconsin care and service organizations serving Family Care members. Some of the factors causing this serious shortage are:

- Wisconsin continues to experience high levels of caregiver vacancy rates in long-term care programs: average caregiver **vacancy rates are 23.5%**. There are an estimated **20,655 vacant caregiver positions** in Wisconsin assisted living and nursing facilities.
- On average, nearly 80% of a long-term care provider's operating budget is focused on workforce expenses. Providers have limited options to absorb reimbursement reductions and/or the lack of reimbursement increases.
- While providers are thankful for the Direct Care Workforce funding increases in the 2019-21 state budget, those increases do not offset the rate cuts or freezes that providers have experienced.

A continued investment in the long-term care workforce is necessary so providers can compete in the marketplace to recruit and retain quality caregivers. The additional \$77.8 million (All Funds) investment will ensure that more is done to address the long-term care workforce crisis. ***To reflect the state's continuing commitment to the Family Care program, the \$77.8 million would build on the direct care workforce funding provided in the last budgets.***

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¹ [The Long-Term Care Workforce Crisis: a 2020 Report](#)