



March 5, 2015

To: Wisconsin Legislators

From: John Sauer, President/CEO  
Tom Ramsey, Vice President of Public Policy and Advocacy

Subject: Initial Positions on Long-Term Care Provisions in 2015 SB/AB 21, the 2015-17 Biennial Budget Bill (revised estimates)

LeadingAge Wisconsin members continue to review the 1,839-page state budget bill. An initial reading of 2015 SB/AB 21 found that Medicaid rate increases were provided for neither nursing homes nor Family Care providers. Unlike the past two budgets, this proposal also failed to provide nursing homes with acuity adjustments (a 1% acuity adjustment in each year of the biennium was provided in 2011 WI Act 32; a 2% adjustment was given in each year of the biennium in 2013 WI Act 20) to recognize the residents they are caring for have greater service needs than they have in the past. A dramatic overhaul of the Family Care program, which has been called "arguably the most significant public policy change in the history of Wisconsin's Long-Term Care service system," has raised more questions than answers.

**LeadingAge Wisconsin respectfully requests your consideration for the following revisions to SB/AB 21:**

- Members had requested a 5% Medicaid rate increase for nursing homes and Family Care providers in each year of the biennium. The need for those increases remains. **Without additional Medicaid funding for nursing homes, however, approximately 80% of the state's 376 nursing facilities will receive a cut, rather than a much-needed increase, in their July 1, 2015-June 30, 2016 Medicaid rate.** Potential rate increase funding "sources" could include: (1) The return of the remainder of the nursing home bed tax "skim" would generate approximately \$15 million AF (and fund a 1% Medicaid rate increase for nursing homes in each year of the biennium); and (2) The Department of Health Services (DHS) had identified a .76% nursing home acuity adjustment (at an estimated cost of \$7.8 million GPR/\$18.7 million AF over the biennium) which ultimately was not funded in SB/AB 21.

- Authorize Family Care provider rate increases and create statutory language requiring Family Care managed care organizations (MCO) to apply a portion of the capitation rate they receive from the DHS for provider rate increases.
- Delete Section 1597 of SB/AB 21, which would reinstate the Family Care “any willing provider/return to home” statutory provision which was repealed under the budget bill.
- Because the budget provisions to overhaul Family Care are so dramatic, because so many questions remain on how those changes will be implemented, and because of the uncertainty of how those changes will impact Family Care providers and enrollees present and future, no position is being taken on the revisions to Family Care at this time.

*LeadingAge Wisconsin is a statewide membership association of not-for-profit organizations principally serving seniors and persons with a disability. Membership is comprised of 190 religious, fraternal, private and governmental organizations which own, operate and/or sponsor 185 nursing homes, 9 intermediate care facilities for the intellectually disabled (ICF-ID), 182 assisted living facilities, 114 apartment complexes for seniors, and over 300 community service agencies which provide programs ranging from Alzheimer's support, adult and child day care, home health, home care, and hospice to Meals on Wheels. LeadingAge Wisconsin members employ over 38,000 individuals who provide compassionate care and service to over 48,000 residents/tenants/clients each day.*

*For more information, please contact: John Sauer ([jsauer@LeadingAgeWI.org](mailto:jsauer@LeadingAgeWI.org)), LeadingAge Wisconsin President/CEO; Tom Ramsey ([tramsey@LeadingAgeWI.org](mailto:tramsey@LeadingAgeWI.org)), Vice President of Public Policy & Advocacy; or Brian Schoeneck ([bschoeneck@LeadingAgeWI.org](mailto:bschoeneck@LeadingAgeWI.org)), Vice President of Financial and Regulatory Services, at (608)-255-7060, or go to: <http://www.LeadngAgeWI.org>.*

  
LeadingAge™  
Wisconsin  
Better Services for Better Aging