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Wisconsin Health Care Association

Wisconsin Center for Assisted Living

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## Recommendations on Long-Term Care Provisions in 2015 Senate/Assembly Bill 21, the 2015-17 State Budget Bill

- **Medicaid Nursing Home Rates:** Support for a 2% Medicaid rate increase for nursing facilities in each year of the biennium to be funded through a return of the nursing home bed tax “skim” (\$6.2 million GPR/\$15 million AF over the biennium) and a .76% acuity adjustment as identified by the DHS (\$7.8 million GPR/\$18.7 million AF over the biennium) – Total Biennial Cost: \$14 million GPR/\$33.7 million AF
- **Family Care Provider Payments:** Capitation rates for Family Care Managed Care Organizations (MCO) are projected to increase 3.2% in CY 2016 and 2.5% in CY 2017 under 2015 SB/AB 21. **Amend the biennial budget bill to require Family Care MCOs to apply 50% of those projected capitation rate increases to support a rate increase of at least 1.6% on average within each class of Family Care provider in the first year of the biennium and a rate increase of at least 1.25% on average within each class of Family Care provider in the second year of the biennium. Funds Available for Provider Rate Increases: An estimated \$20.5 million AF in FY 15 and \$16.4 million AF in FY 16.** Since this provision would reallocate a portion of the MCO capitation rate appropriation under 2015 SB/AB 21, it has no fiscal impact.
- **Maintain Consumer Choice:** Delete Section 1597 of 2015 SB/AB 21, which would reinstate the Family Care “any willing provider/return to home” provision under s. 46.284 (2) (c), Wis. Stats. that was repealed under the budget bill.
- **Maintain Prohibition of Family Care MCO “Claw-Back” Schemes:** Delete Section 1598 of 2015 SB/AB 21, which would reinstate s. 46.284(2)(d) and continue the current law prohibition of a Family Care MCO from including a provision that requires a provider to return any funding for residential services, prevocational services, or supported employment services that exceeds the cost of those services to the MCO in a contract for services covered by the Family Care benefit.
- **Family Care Expansion:** Since 1997, nursing home providers have supported a delivery system which integrates acute and primary care, long-term care and supportive services in order to provide, finance and manage the health and long-term care needs of those we serve. Conceptually, the Family Care changes proposed in 2015 SB/AB 21 are not inconsistent with that position. However, **because the budget provisions to overhaul Family Care are so dramatic and because of the uncertainty of how these proposed changes will impact Family Care providers and current/future enrollees, the support of the members of our four organizations for the proposed revisions to Family Care cannot be provided unless and until the many unanswered questions members have with these proposed changes are adequately addressed.**