



# WISCONSIN LEGISLATURE

P.O. Box 7882 Madison, WI 53707-7882

January 10, 2013

Honorable Scott Walker  
Governor  
115 East State Capitol  
Madison, WI 53702

Governor Walker;

We write today to ask that you restore the **Nursing Home Bed tax** funds used for purposes other than caring for our frail elderly nursing home population by including this as a Medicaid reimbursement rate increase in your 2013-2014 budget.

You are well aware of the nursing home bed tax history – begun in 1991-92 with a \$32 per occupied bed per month tax to fund nursing home MA rate increases. A full “pass through” of the tax to facilities was supported by providers and seen as a win-win funding mechanism. Fast forward to today, the bed tax is \$170 per licensed bed – ALL beds - and these funds collected from nursing home residents are “skimmed” to cover Medicaid base funding. The “pass through” of income is gone while the Medicaid reimbursement formula continues to “pass through” the bed tax expense leaving private pay residents to bear the nearly \$6 per day cost to cover expenses for all residents – a significant financial burden. These bed tax funds should be restored for resident care.

Approximately \$45 million – or 75% of the additional Federal Medical Assistance matching funds generated by bed taxes - are used for purposes other than providing care to nursing home residents who generate the additional funding. We don't believe this was the intent of the tax.

Restoring these funds in your budget would make a positive change in quality care for our frail elderly in nursing homes. We ask that you consider restoring these funds in the form of a Medicaid reimbursement rate increase.

Thank you for your consideration.

Sincerely,

Rep. Ed Brooks  
50<sup>th</sup> Assembly District

Rep. Howard Marklein  
51<sup>st</sup> Assembly District

Rep. Lee Nerison  
96<sup>th</sup> Assembly District

Sen. Dale Schultz  
17<sup>th</sup> Senate District