

## Governor Evers 2021-2023 Biennial Budget Proposal

Governor Evers presented his 2021-2023 state biennial budget recommendations to the Legislature on February 16, 2021. The Governor recommends an operating budget of \$45.4 billion in fiscal year 2021-22 and \$45.6 billion in fiscal year 2022-23 (Note: 9.3% annual increase for fiscal year 2021-22 and 0.4% in 2022-23).

### Medicaid Expansion

To provide healthcare coverage to 90,900 low-income families, of which approximately 45,100 are uninsured, and lower state healthcare costs by \$634,100,000 GPR (State funds) over the biennium, the **Governor recommends accepting the federal Affordable Care Act's provision for Medicaid expansion.** (Note: The Assembly majority leadership has announced Medicaid expansion will not be included in their budget plan).

### Nursing Home Rates

The Governor recommends providing \$15 million GPR annually, plus the matching federal share of payments, to support direct care staff in nursing homes and intermediate care facilities for individuals with intellectual disabilities. This would result in **funding increases for nursing home rates of over 11% in the first year of the biennium, and more than an additional 11% in the second year of the biennium.**

The Governor also recommends amending statutes to provide rate-setting flexibility to the department to **implement acuity-based billing.**

This initiative would result in providers billing Medicaid for the current acuity of residents, rather than a lagged reimbursement based on prior acuity levels. A working group is meeting on this monthly and includes stakeholders to include LeadingAge Wisconsin staff and members.

The Governor further recommends providing the Department of Health Services (DHS) **discretion in its use of cost report data** from 2020 and 2021 for rate setting, if it determines those years are inappropriate bases for prospective rate-setting due to the COVID-19 pandemic.

LeadingAge Wisconsin will seek clarification from DHS staff on what the alternative method used for rate setting would be if 2020 and 2021 cost reports would not be considered for rate setting.

### Senior Housing

The Governor recommends providing funding to increase the direct care and services portion of the capitation rates the department provides to managed care organizations in recognition of the direct caregiver workforce challenges facing the state. The amount proposed being \$40.3 million all funds in the first year of the biennium and an additional \$37.4 million in the second year of the biennium.

It is worth noting that in the prior biennial budget proposal, the Governor worded what ended up being the Family Care **Direct Care Workforce Fund** increase in the same manner as the above was worded. It is our belief that the intent is for the increase in funding to be implemented by increasing the Direct Care Workforce Fund, thus bypassing the MCO and making direct payments to providers to fund wage increases for direct care staff.

The Governor also recommends directing the DHS to develop a **statewide rate band** that would establish equitable and sustainable minimum rates for home- and community-based long-term care supports. The proposed budget would direct DHS to include a proposal to implement the statewide rate band in its 2023-25 biennial budget request.

#### **Other Items**

- Direct DHS to develop and implement a pilot program to provide person-centered **direct support professional training** to achieve consistent standards of healthcare practice. DHS also would be directed to develop a **career ladder** for caregivers leading to potential certification as a nurse aide.
- Provide \$200,000 GPR for local workforce development boards to hold **hiring events for health care-related careers** and career exploration courses.
- Expand the Wisconsin **Family Medical Leave Act** to include time off to care for a grandparent, grandchild, or sibling with a serious health condition (among other provisions).
- Invest \$1.8 million to fund the development of state-administered **public option health plan** to be offered no later than 2025, or 2022 if the federal Affordable Care Act is no longer enforceable.
- Provide \$321 million to **hospitals that serve Medicaid** patients.
- Provide \$14 million for **communicable disease** items.
- Provide additional funding from **EMS Funding** Assistance Program, convert 2.0 FTE on the Wisconsin Trauma System from FED to GPR, provide 1.0 FTE position to staff an ambulance inspection program.
- Direct OCI to study the creation of a **state prescription drug purchasing entity**.
- Establish parity provisions to ensure patients utilizing **telehealth services** are not charged or have their services limited.
- **Eliminate balance billing** for emergency and ambulatory services given by out-of-network provider as well as services provided at an in-network facility by an out-of-network provider.
- Provide \$5 million GPR in FY2022-23 to **address nurse educator shortages**.
- Create a nonrefundable **individual income tax caregiver credit** for

qualified expenses incurred by a family caregiver to assist a qualified family member. The credit is subject to income limits that phase out the credit between \$75,000 and \$85,000 in income for single and head of household filers and \$150,000 and \$170,000 in income for married-joint filers. The credit first applies to taxable years beginning after December 31, 2020. The fiscal impact is an estimated decrease in tax revenue of \$100.4 million in FY22 and \$102.5 million in FY23.

- Require hospitals to provide a patient or a patient's legal guardian with an opportunity to **designate a caregiver** who will receive instruction regarding assistance with the patient's care after discharge.

### **The Time for Advocacy is Now**

Now that the Governor has advanced his proposed budget, which contains several funding initiatives widely supported by the long-term care provider community, our attention shifts to the State Legislature. Our Legislators will work on crafting their version of the 2021-2023 biennial budget bill, with the goal of passing a budget and sending it to the Governor for signing by July 1, 2021. The majority Republicans, who control both the Senate and Assembly, are expected to pass a budget that could look significantly different than the version presented by the Governor.

Our collective advocacy efforts will push for bipartisan support for significant funding increases for (Medicaid) nursing facilities and providers under the Family Care program.

**Days at the Capitol—Legislative Visits:** In lieu of our annual in-person Advocacy Day at the Capitol, LeadingAge Wisconsin has set aside the first week in March for members to host their very own virtual meetings with their legislators as part of LeadingAge Wisconsin's 2021 Virtual Advocacy Days event. Your participation will not require a trip to the State's capital, but instead, should only require an hour of your time to meet with your elected officials from your own workplace and with all the LeadingAge Wisconsin resources available to you! Click [HERE](#) for all the details for our Advocacy Day.

To kick-off our effort, LeadingAge Wisconsin staff will be hosting a webinar on **Monday, March 1 from 10:00 a.m. – 11:00 a.m.** to assist members in preparing for the meetings you have scheduled with your legislators. During this time, we will review the Governor's biennial budget proposal as it relates to our issues, discuss the timeline for budget advocacy opportunities and the negotiations that will take place, and walk you through the advocacy materials that you will share in your meetings. ***A link to join this webinar will be sent out to members the week prior to the event and the webinar will be recorded for you to reference at any time for any of the three advocacy meeting days. We will regularly update and post our briefing materials, issue papers, advocacy tools and related information [HERE](#).***

### **2021 Virtual Advocacy Days Schedule:**

**Monday, March 1- Briefing & Participant Prep Session**

**Tuesday, March 2 – Member Legislative Meetings**

**Wednesday, March 3 – Member Legislative Meetings**

**Thursday, March 4 – Member Legislative Meetings**



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