



## PRESS RELEASE

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### **Analysis Documents Record Medicaid Nursing Home Deficits Next Year's 5% Medicaid Rate Increase a Necessity**

Madison – The non-profit Wisconsin Association of Homes and Services for the Aging (WAHSA) has completed an analysis of the State's Medicaid nursing home cost reports and the findings are extremely disturbing. WAHSA's analysis documents fiscal year 2006 nursing home Medicaid losses exceed \$265 million statewide, for an average Medicaid nursing home loss of \$758,340 annually. These record losses do not reflect the fact that nursing homes received no Medicaid rate increase for FY 2007-08, meaning that current year losses are likely to top the \$300 million mark.

“Our member organizations are called upon to serve our State's most frail and chronically ill citizens and they do so with great pride and commitment. However, because two-thirds of nursing home residents, on average, are Medicaid eligible, the inadequacies of the Medicaid payment program often present an overwhelming challenge to community-based long term care providers,” said John Sauer, WAHSA executive director.

According to the Sauer, “The vast majority of nursing home expenses are for personnel including, nurses, certified nursing assistants, dietary and foodservice staff, housekeepers, and social workers. These folks are the backbone of our long term care system. Better Medicaid payments are desperately needed to ensure facilities are able to meet the needs of their residents and their caregivers.”

In light of the State's budget deficit, Sauer called on the Governor and Legislature to refrain from cutting back on the 5% nursing home Medicaid rate increase scheduled for later this year.

**The WAHSA analysis and summary sheet on the 2006-07 Medicaid nursing home losses are available on the Association's web page at: [www.wahsa.org/medup.pdf](http://www.wahsa.org/medup.pdf) and [www.wahsa.org/medloss.pdf](http://www.wahsa.org/medloss.pdf).**

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*The Wisconsin Association of Homes and Services for the Aging (WAHSA) is a statewide membership organization of not-for-profit corporations principally serving the elderly and persons with a disability. Membership in WAHSA is comprised of 187 religious, fraternal, private and governmental organizations which own, operate and/or sponsor 196 nursing homes, 144 of which are operated by private, not-for-profit organizations, 45 of which are county-operated facilities, and 7 of which are municipally-operated; 20 facilities for the developmentally disabled (FDD); 81 community-based residential facilities (CBRF); 59 residential care apartment complexes (RCAC); 14 HUD Section 202 Supportive Housing for the Elderly apartment complexes; 113 apartment complexes for independent seniors; and over 300 community service programs ranging from Alzheimer's support, child and adult day care, home care and hospice to Meals on Wheels. WAHSA members employ over 38,000 individuals who provide compassionate care and service to over 48,000 elderly and persons with a disability.*

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