



Governor's 2023-25 Biennial Budget Recommendations: Provisions Impacting LTC Providers

Last night, Governor Evers unveiled his proposed 2023-2025 biennial budget which would set the State's two-year spending level at \$103.8 billion. The summary below generally focuses on the Governor's long-term care related recommendations, and represents excerpts from the Governor's various budget documents, supplemented with information obtained from officials with the Evers Administration. Beyond what is summarized below, further details will not be fully known until LeadingAge Wisconsin staff is able to meet with State budget officials (meeting planned for next week), and has the opportunity to review the actual budget bill's statutory language which, as of this writing, was not yet available. Whenever funding levels are shown below in parentheses, these amounts reflect all funds funding levels for years one and two of the biennium.

The Governor's budget recommendations will be referred to the Legislature's Joint Committee on Finance and this Committee over the next four months will work on crafting its version of the 2023-25 budget. The full legislature intends to pass the budget bill sometime around July 1, 2023.

All members are encouraged to attend the LeadingAge Wisconsin [Day at the Capitol](#) on March 14, 2023 in Madison to advocate for budget and policy provisions necessary to improve our State's long-term care system.

Here is a summary of the Governor's LTC Recommendations:

Nursing Home Payment Standard: The Governor recommends adjusting the DHS base budget to reflect re-estimates of Medicaid and BadgerCare Plus enrollment, service utilization and inflation. (\$1.1 billion; \$631.5 million) Included within these amounts are the cost-to-continue the nursing home payment system and the Family Care actuarially sound capitation funding. It has been confirmed by the Evers Administration that the nursing home payment standard for Direct Care- Nursing (currently set at the median plus 25%) **is funded**, but our request to establish the same payment standard for Support Services was not included in the Governor's budget. Inflationary increases to the Direct Care-Nursing target are assumed to maintain the payment standard over each year of the next biennium (the actual inflation percentage assumed in the budget is unknown at this point).

Family Care:

- **Rate Bands/Other:** The Governor recommends providing funding to build upon the work done in the 2021-23 biennium utilizing one-time federal funds to enhance home- and community-based services in long-term care through: (a) **\$44.5 million (all funds) in FY25 to fund the development of a minimum fee schedule for home- and community-based services;** (b) \$627,000 in FY25 to sustain the Wisconsin Personal Caregiver Workforce Careers Program to continue enrolling an additional **5,000 caregivers into the professional certificate program;** (c) \$101,500 in FY25 to provide ongoing funding for the WisCaregiver Career IT platform to remain up-to-date with available resources for caregivers and maintain the technical quality of the **website;** (d) \$5.5 million in FY25 to provide grants to the 11 federally recognized Native American Tribes to make improvements to tribal community facilities and **tribal member housing;** (e) \$1.7 million in FY25 to support the ongoing costs of the tribal aging and disability resources specialists to serve as liaisons between the tribes and the **aging and disability resource centers;** (f) \$1.1 million in FY25 to build a centralized aging and disability resource center website and database that is accessible to Wisconsinites statewide, providing access to information about long-term care supports and services from the comfort of their home while also providing aging and disability resource centers with a database that centers on the individual rather than the facility; (g) \$100,000 in FY25 for continued licensure and maintenance of a system to coordinate **certification** status work between the department and **managed care organizations;** and (h) \$100,000 in FY25 for licensure and maintenance of a system devised as a technical solution to allow streamlined data entry, review and report generation to comply with a federal rule requiring states to define the qualities of **settings eligible for Medicaid home- and community-based services.** (\$0; \$54 million)
- Family Care **Capitation Rates** (Provider only, Not for MCO Administration): Provide 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. (\$44.8 million; \$43.9 million)
- Provide funding to **continue the 5 percent rate increase** provided to home- and community-based services that was part of the American Rescue Plan Act. (\$43.1 million; \$183.8 million)

Complex Patient Pilot (Hospital-LTC Transitions): Provide funding to create a pilot program aimed at identifying innovative approaches to complex patient care transitions from acute care providers to long-term care settings. (\$15 million; \$0)

Personal Care Workers: Provide funding to increase support to direct care staff that provide medical services through personal care programs. (\$44.8 million; \$43.9 million)

WisCaregiver Career Program: Provide \$8 million GPR in fiscal year 2024-25 to expand the successful WisCaregiver Careers program, which aims to recruit certified nursing assistant (CNA) candidates.

Medicaid Expansion: Governor: Wisconsin's neglect of its residents by not accepting Medicaid expansion under the federal Affordable Care Act has cost low-income families millions of dollars while costing the state billions in taxpayer dollars. To provide affordable health care coverage to 89,700 low-income individuals, of which approximately 30,300 are uninsured, and lower state health care costs by \$1,619,519,900 GPR over the biennium, the Governor recommends accepting the federal Affordable Care Act's provision for Medicaid expansion.

Health Care Innovation Grants: Provide funding for grants to help health care providers implement best practices and innovative solutions to increase worker recruitment and retention. (\$7.5 million; \$15 million)

Health Information Exchange: Provide authority to create a Medicaid pay-for-performance incentive for nonhospital providers who participate in a health information exchange. Require DHS to develop and implement for non-hospital providers in the Medicaid program, including physicians, clinics, health departments, home health agencies, and post-acute care facilities, a payment system based on performance to incentivize participation in the health information exchange as specified in the bill. (\$12.2 million; \$8.5 million)

Licensing/Incident Reporting Systems: Provide funding and position authority to modernize the health care provider licensing, certification and health care staff misconduct incident reporting computer systems to improve system efficiency, transparency and accountability within the department and between the department and the provider types that interact with the systems. (\$56,100; \$771,400)

Investigations: Provide 11 positions for the Office of Caregiver Quality to support misconduct investigations and the background check program. (\$739,700; \$912,100)

Assisted Living Surveyors: Provide 32 positions to manage the Bureau of Assisted Living's survey workload and backlog and the increasing number of complaints to be investigated, due in part to the COVID-19 pandemic. (\$1.8 million; \$2.3 million)

Subsidize Licensing Fees: Providing \$1.5 million to supplement the revenue collected from assisted living facilities and program certification fees for outpatient mental health facilities in lieu of increasing rates for these providers.

CMP Grant Administration: Create a position and provide biennial funding of \$156,900 for the nursing home grant program to administer the civil money penalty (CMP) reinvestment program, which returns a portion of penalty revenue to States to be reinvested to support activities that benefit nursing home residents.

Glucose Monitoring and Insulin Pumps: Provide \$23.2 million to begin covering continuous glucose monitoring devices and insulin pumps through the Medicaid pharmacy benefit. Under current law, these devices are covered as durable medical equipment. (\$12.2 million; \$8.5)

Nurse Educators: Provide \$10 million for the Nurse Educators Program.

Workforce Innovation Grants: Provide \$200 million for the Workforce Innovation Grants Program to encourage the development of long-term solutions to help businesses find qualified workers as well as assisting individuals in obtaining family-sustaining jobs. The Governor also recommends allocating **\$100 million GPR of the total program funding to address health care industry labor and workforce challenges.**

Advanced Practice Registered Nurse Scope of Practice: Establish a new system of licensure that allows registered nurses to be licensed by the Board of Nursing as advanced practice nurse practitioners, giving the advanced practice nurse practitioners a greater scope of practice, such as issuing prescription orders and delegating certain tasks to other clinically trained health care workers.

Paid Family and Medical Leave Program: Provide 45 positions in FY 24 and 198 positions in FY 2025 and create a paid family and medical leave program that provides 12 weeks of benefits for qualified (under current and proposed family and medical leave provisions) employed and self-employed individuals. The Governor's proposal specifies that benefits will first be paid beginning January 1, 2025, and that employers with at least 50 employees are required to participate in the program. The Governor also recommends the creation of a paid family and medical leave trust fund that: (a) is administered by the department; (b) is fiscally supported by an initial transfer from the general fund and ongoing payroll contributions shared equally by employers and employees; and (c) pays benefits and funds program administration. The Governor further recommends that employers with in-house paid family and medical leave programs for employees be exempt from payroll contribution requirements and program participation, so long as benefits provided to employees are at least as generous as those provided under the state program. See Item #2. Finally, the Governor recommends providing position and expenditure authority to implement and administer this program and to pay benefits to qualified individuals. (\$65.8 million; \$177.6 million)

Further, expand the current State Family and Medical Leave program to include the following provisions: (a) permit leave to be taken to care for a grandparent, grandchild or sibling with a serious health condition; (b) expand the definition of "qualifying exigency" to include deployment of a spouse or child and an unforeseen or unexpected closure of a school or child care facility; (c) expand the definition of "serious health condition" to include medical quarantine to allow workers to take leave when under a medical quarantine, or caring for someone under quarantine, regardless of whether the person is exhibiting symptoms; (d) reduce the number of hours an employee is required

to work before qualifying from 1,000 hours to 680 hours; and (e) extend the statute of limitations for filing a complaint regarding related law violations to 300 days, instead of 30 days.

Barriers to Graduation (health care): Provide \$5 million GPR to technical colleges and nursing schools to reduce barriers to graduation and assist students in becoming career ready. Further provide \$936,600 to conduct outreach to stakeholders and partners to develop new apprenticeship pathways related to health care. The Governor also recommends providing one-time funding to support curriculum development for new health care apprenticeship programs. The Governor further recommends providing one-time funding to evaluate and implement one-year apprenticeships for licensed practical nurses at state-operated facilities.

Minimum Wage: Increase the statutory minimum wage for general workers to \$8.25 on or after the effective date of the budget bill and prior to January 1, 2025; then \$9.25 on or after January 1, 2025; then \$10.25 on or after January 1, 2026; then \$10.25 plus the change in the consumer price index for each year thereafter.

Promote HealthCare.gov to LTC Workers: Provide \$2 million all funds annually of additional funding to Wisconsin's navigator program to regularly engage industry partners and help assisted living, nursing homes, home health agencies, and other providers inform new workers about HealthCare.gov and help workers understand eligibility for tax credits and subsidies available in the healthcare marketplace.

Alzheimer's Support Program: Provide \$500,000 GPR annually to provide additional community aid funding for the Wisconsin Alzheimer's Family and Caregiver Support Program and increase the maximum joint income an individual and their spouse may earn per year from \$48,000 to \$60,000 to qualify for the program.

ADRCs/Adult Protective Services: Invest in aging and disability resource centers (ADRCs) across the state by providing: (a) \$2.5 million GPR in fiscal year 2023-24 and \$5 million GPR in fiscal year 2024-25 to increase base allocations to ADRCs, which have been unchanged since 2013; and (b) \$3.1 million GPR in fiscal year 2023-24 and \$6.3 million GPR in fiscal year 2024-25 to allocate funding that supports at least 0.5 FTE position to provide caregiver support services in every county. Further, provide \$13.6 million GPR to increase base funding to the allocations for adult protective services, elder abuse, and domestic violence. Funding would also be provided for training initiatives and technical support.