



Long-Term Care 2023-2025 Biennial Budget Priorities

Medicaid Nursing Home Payment Standard:

- Support the Department of Health Services' (DHS) budget recommendation to maintain funding to preserve the recently implemented **Direct Care-Nursing payment standard** (payment related to costs for certified nursing assistants, LPNs, and RNs) at the median facility costs, plus 25 percent.
- Establish a **Support Services payment standard** (payment primarily related to costs for dietary, housekeeping, laundry, and administration) that mirrors the Direct Care-Nursing payment standard (the median plus 25%). Estimated Cost: \$31.1 million GPR in 2023-24 and \$35.2 million GPR in 2024-25.¹
- Establish a **payment standard for the Property cost center** by updating the Medicaid reimbursement parameters to fully reflect the actual costs associated with facility expenses related to physical plant costs (debt, interest, and depreciation), so that facilities can be remodeled or replaced, thereby modernizing service delivery, increasing the availability of private rooms to Medicaid residents for infection control purposes, and enhancing residents' quality of life. Estimated Cost: \$15.7 million GPR in 2023-24 and \$14.7 million GPR in 2024-25.²

Family Care Provider Fee Schedule (also referred to as Rate Bands):

- **Adopt a Family Care provider fee schedule**, effective January 1, 2024. The cost of this proposal is being determined by DHS. LeadingAge Wisconsin believes that for the Family Care fee schedule to appropriately reflect the actual cost of care and services provided, funding would need to be increased in the range of 20-25%. DHS's HCBS ARPA plan anticipates covering an unspecified portion of these costs.)³
- **Prohibit MCOs from reducing provider rates** for currently enrolled Family Care members, once the Family Care fee schedule is implemented.
- Include **6-month bridge funding** to pay for provider rate increases for the period July 1, 2023 to December 31, 2023, prior to the implementation of the fee schedule. These dollars should be allocated as "directed payments" to ensure the dollars are awarded to providers and not retained to cover Family Care MCO administrative and overhead expenses (some of these costs may be covered by ARPA dollars).

Hospital to LTC Transitions Pilot Proposal

- In addition to our discussion on the above issues, the Association is also requesting that the 2023-25 state budget **include a pilot program** under which long-term care organizations would partner with hospitals to address the needs of complex hospital patients in need of post-acute placement (See: [Hospital to LTC Transitions Pilot Proposal](#)).

¹ Assumes Federal Medicaid matching rate of 65% FED and 35% GPR

² Assumes Federal Medicaid matching rate of 65% FED and 35% GPR

³ Wisconsin's Plan American Rescue Plan Act (ARPA) 10% Home and Community Based Services Enhanced Funding, Dept of Health Services, www.dhs.wisconsin.gov/publications/p03048.pdf, page 3.