May 14, 2015

(Sen./Rep.) FIST NAME LAST NAME  
STREET ADDRESS  
CITY, WI ZIP

Senator \_\_\_ and Representative \_\_\_\_:

I am writing to request your opposition to a proposal being advanced by an Indiana-based real estate development company that would afford them a special exemption from the Wisconsin Chapter 150 nursing home bed cap to build 26 new nursing homes. This proposal is currently being shopped around to members of the Joint Finance Committee as an 11th hour policy addition to the budget. There is no clinical, demographic, economic, market, or social need for what is being proposed.

Carmel, Indiana-based Mainstreet Investment Company is advancing a proposal to build facilities that offer “transitional care,” for **Medicare and private-pay residents only and for 28 days or less,** something they claim to be new and different from nursing home care. **The problem with their story is it’s not true.** They are trying to make a distinction without a difference. Wisconsin nursing homes are consistently ranked among the best in the nation and have been proudly providing high-quality post-acute care for decades. However, if approved, this proposal would enable this company to cherry-pick Medicare and private-pay residents and ignore Wisconsin’s poor frail elderly and residents with disabilities.

***Please consider the following key facts as you consider this proposal:***

* **SNF vs “TRANSITIONAL CARE”: What is defined and described in this proposal as a ”transitional care” facility is not the new health care product touted by its proponents but simply a skilled nursing facility by another name. “Transitional care” is a marketing term, not a health care product.**
* **AVAILABLE CAPACITY:** Nearly 20% of Wisconsin nursing home beds – over 6,670 - are currently unoccupied. That’s about 76 buildings worth of available capacity. There is no need for this proposal.
* **MARKET DYNAMICS: Nursing homes do not operate in a free market. The government (both federal and state) sets the rates, determines who uses the facilities, and mandates how to operate facilities via regulations. Bed allocation also is controlled under Chapter 150, Wis. Stats., which this proposal would appear to allow Mainstreet to circumvent.**
* **ECONOMIC IMPACT:** While advocates may point to flashy numbers of economic generation – this proposal would redirect the existing economic impact that Wisconsin’s skilled nursing facilities already generate. An [analysis](http://www.leadingagewi.org/files/econstmnt.pdf) conducted by the NorthStar Economics, Inc. found that Wisconsin nursing homes account for: $5.5 billion in economic activity in the state; spend almost $2.9 billion on payroll and goods and services in Wisconsin; and generate over $250 million in state income, sales, and property taxes.
* **QUALITY:** This proposal will place existing facilities in financial jeopardy by taking away a resident population that allows facilities to maintain balanced case mix, and negatively affect the exceptional quality of care that Wisconsin’s skilled nursing facilities are currently able to provide.
* **JOBS:** While advocates may point to flashy numbers of job creation – this proposal would not create any more long term care jobs, rather it would redirect existing positions from Wisconsin’s existing skilled nursing facilities. **Wisconsin’s skilled nursing facilities employ over 37,000 FTE workers and create another 27,316 jobs.**

Mainstreet’s marketing of “transitional care” as a new service ignores the fact that Wisconsin’s skilled nursing facilities have been providing similar services for over 25 years. **My position is** **not about competition, just fair and equal treatment under the law for all facilities.**

***Please contact me if you have any questions regarding my position on this issue, vote against this issue should you have the opportunity, and please contact your colleagues on the Joint Finance Committee to vote against this proposal.***

**Sincerely,**

NAME  
FACILITY – STREET ADDRESS  
CITY, WI ZIP