

2005 DRAFTING REQUEST

Bill

Received: **11/15/2005**

Received By: **dkennedy**

Wanted: **As time permits**

Identical to LRB:

For: **Dale Schultz (608) 266-0703**

By/Representing: **Eileen Schoenfeldt (aide)**

This file may be shown to any legislator: **NO**

Drafter: **dkennedy**

May Contact:

Addl. Drafters:

Subject: **Health - medical assistance**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Schultz@legis.state.wi.us**

Carbon copy (CC:) to: **robin.ryan@legis.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

Change in MA classification for Sauk County nursing homes

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	dkennedy 01/10/2006	csicilia 01/10/2006		_____			S&L
/1			pgreensl 01/10/2006	_____	sbasford 01/10/2006		S&L
/2	dkennedy 01/27/2006	csicilia 01/27/2006	chaugen 01/27/2006	_____	mbarman 01/27/2006	lemery 01/31/2006	

FE Sent For:

<END>

At Intro.

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/?	dkennedy	1/10 06	1/10 PS	1/10 PS/12			

FE Sent For:

<END>

Maplewood Sauk Prairie



SKILLED NURSING FACILITY

February 10, 2005

Senator Dale W. Schultz
17th Senate District
Room 211 South
State Capitol
P.O. Box 7882
Madison 53707-7882

Debra,
This is the info for
the change in classification
for Sauk County from
rural to metropolitan.
Please call if you have
any questions.

Eileen Schoenfeldt
262-0703

Re: Nursing Homes, Inc. Facility
Maplewood of Sauk Prairie - Sauk City
Request for Amendment to Wis. Stats.
Sec. 49.45(3)(6m)(ar)

Dear Senator Schultz:

Maplewood of Sauk Prairie is a 120 bed certified nursing home in Sauk City, Sauk County, Wisconsin. Its owners are located primarily in the Sauk-Dane County area.

Historically Maplewood has been a high labor cost facility because of (1) its proximity to the Madison and Dane County labor market and (2) the need to compete for nurses and other services directly with the Sauk Prairie Hospital which receives Medicaid reimbursement based on Medicaid hospital rates, which are much higher than Medicaid "Rural" nursing home rates which apply to Maplewood.

Over the last several years there has been a substantial increase in the percentage of Medicaid residents, very likely because of the relative ease with which individuals can shed their assets before admission to nursing homes. The result is that whereas in 1994, 58% of the residents were Medicaid, most recently the percentage of Medicaid residents is 68%. The actual cost to Maplewood for Medicaid residents in 2004 was \$166.25 per day, while the Medicaid reimbursement was \$118.67 (as of July 1, 2004) per day, a loss of \$47.58 per day for each Medicaid resident making a loss of \$2,568.50 per day. To some extent the private pay residents, now only about 24 to 25% of the total, have subsidized the loss, but the loss is now too great to be absorbed by private pay residents.

Costs of operation cannot be scaled back without reducing the present healthy and professional level of care Maplewood provides its residents. Labor cost amounts to 68% of Maplewood's total expense.

Senator Dale W. Schultz

February 10, 2005

Page 2

Maplewood is classified as a "Rural" for Medicaid reimbursement instead of "Metropolitan." Dane County nursing homes receive substantially more reimbursement because they are classified as "Metropolitan." The Sauk Prairie Hospital receives even more reimbursement because its reimbursement is at the still higher Medicare rate. There is no good reason for Maplewood to be classified as "Rural." The existing reimbursement classifications are arbitrary. Sec. 49.45(6m)(ar) of the Wisconsin statutes requires the state's payment plan (Formula) for Medicaid certified nursing facilities to "[adjust] for regional labor variations." The Formula used by the state Department of Health and Family Services (DHFS) to set Medicaid nursing facility rates attempts to meet this requirement by dividing the state into 14 distinct geographic regions. These regions mirror those used by the federal Medicare prospective payment system (PPS) for reimbursing Medicare certified nursing facilities.

Each region is assigned a factor based on nursing wage and hourly data applicable to the nursing facilities (NFs) located in the region. The factor is used to adjust a predetermined budget-driven statewide target maximum for direct care nursing home costs. Thirteen of the regions are determined according to population statistics and are designated as "Metropolitan" statistical areas (MSA's). Each MSA is comprised of a certain number of counties. Some MSA's contain only one county, whereas others contain several. The fourteenth region is comprised of all counties that are not included in any of the other 13 MSA's. This region is commonly referred to as the "Rural" MSA. Exhibit A provides a summary of the MSA's and the counties included in each.

The basic document for gathering the nursing wage and hourly data for 2004-05 payment year was the 2002 Medicaid cost report submitted to DHFS by certified nursing homes and audited by them. Because of the timing differences between cost report submittal and Formula development, more recent cost report data was not available for modeling. Exhibit B shows the actual wage and hourly data that was gathered by DHFS for the development of the 2004-05 labor region factors. Also included on Exhibit B, are comparisons to previous year's data for those nursing homes that submitted it.

For each nursing home in the model, the average nursing wage rate was calculated by dividing total nursing labor cost by total nursing hours. In this manner, an average nursing wage rate for the entire MSA was determined. For example, in the Appleton MSA, shown at the top of Exhibit B, it can be seen that the average wage rate for the entire MSA was \$13.93 per hour. For the Eau Claire MSA, shown immediately below Appleton, the average wage rate for the MSA was \$13.40.

Senator Dale W. Schultz

February 10, 2005

Page 3

Page 4 of Exhibit B shows the average nursing wage rate for Maplewood to be \$14.80. However, the average nursing wage rate of the entire Rural MSA, in which Maplewood is included, is only \$13.29, as shown on page 5. It is readily apparent that Maplewood's cost is not only significantly higher than more than 90% of the "Rural" nursing homes, but is also 81¢ per hour higher than the statewide (Metropolitan and Rural) weighted average nursing wage rate of \$13.99 per hour set forth in Exhibit C.

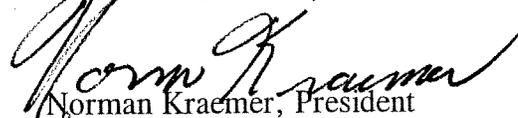
Exhibit D shows how the calculated indexes compare to comparable indexes used by the Title 18 Medicare PPS payment system. As you can see, the Medicare indexes are much higher than those calculated for Medicaid. One reason for this is that Medicare uses hospital nursing labor cost data whereas Medicaid uses nursing home nursing labor data; specifically, Wisconsin nursing home labor data. Additionally, due to the special language in the Formula related to the Douglas, Pierce and St. Croix County rates, the higher Medicare indexes are used instead of the lower Medicaid rates for those MSA's. The special language was the result of special legislation to remedy a substantial inequity.

Like the inequity once faced by the Douglas, Pierce and St. Croix County nursing homes, Maplewood is not treated fairly by the arbitrary "Rural" clarification. There is no good reason to perpetrate this substantial inequity. Healthy and professional care for nursing homes residents requires Maplewood to compete with the high labor cost of Sauk Prairie Hospital and Madison-Dane County. To accomplish this, it is necessary to reclassify Maplewood as "Metropolitan."

We along with our Administrator, Tom Graves, would like a meeting with you to discuss the possibility of revising Sec. 49.45(3)(6m)(ar) accordingly. Please call Norm Kraemer at (608) 546-2411 to arrange the meeting.

Very truly yours,

NURSING HOMES, INC.



Norman Kraemer, President



Joseph A. Melli, Secretary

JAM/lgs

Enclosures

cc: Tom Graves, Administrator
Maplewood of Sauk Prairie

Exhibit A

Summary of 2004-05 Medicaid Labor Regions

<u>Federal MSA#</u>	<u>Wisconsin Counties Included</u>	<u>DHFS Name</u>
0460	Calumet · Outagamie Winnebago	Appleton/Oshkosh
2240	Douglas	Duluth/Superior
2290	Eau Claire Chippewa	Eau Claire
3080	Brown	Green Bay
3620	Rock	Janesville
3800	Kenosha	Kenosha
3870	La Crosse	La Crosse
4720	Dane	Madison
5080	Milwaukee Ozaukee Washington Waukesha	Milwaukee
5120	Pierce St. Croix	Minneapolis
6600	Racine	Racine
7620	Sheboygan	Sheboygan
8940	Marathon	Wausau
Rural	All Others	Rural

Exhibit B

SFY 2005 Labor Factor Detail

Facility Name	CR Yr	Phase	Admty	Tot Pds	Tot Hrs	2002 Final CRs		2002 Raw CRs		2001 Final CRs		2001 Final CRs (Standardized)						
						Tot Cost	Coefftr	Tot Cost	Coefftr	Tot Hrs	Tot Cost	Coefftr	Tot Hrs	Tot Cost	Coefftr			
917 Sheridan Medical Complex	2002	No	No	33,068	107,016	1,470,463	13.74	5.6%	107,016	1,465,229	13.69	0.4%	111,967	1,459,675	13.01	111,967	1,459,675	13.01
841 ST. JOSEPH'S HOME FOR THE AGED	2002	No	No	33,457	133,723	1,889,807	14.13	-0.2%	133,723	1,889,807	14.13	0.0%	128,232	1,830,651	14.16	128,232	1,830,651	14.16
666 THE CLARIDGE HOUSE	2002	No	No	23,070	78,800	987,739	12.21	-0.8%	78,800	987,739	12.21	0.0%	72,210	889,670	12.31	72,210	889,670	12.31
622 WASHINGTON MANOR	2002	No	No	42,242	148,691	1,904,652	12.82	8.9%	148,691	1,904,652	12.82	0.0%	180,728	2,127,067	11.77	180,728	2,127,067	11.77
909 Woodstock Health & Rehab Center	2002	No	No	149,605	449,605	2,125,505	14.22	0.7%	449,605	2,119,878	14.18	0.3%	162,203	2,027,679	13.32	162,203	2,027,679	13.32
				290,942	889,044	13,895,406	13.86	4.4%	1,023,946	14,270,055	13.94	-0.5%	966,993	12,830,938	13.27	966,993	12,830,938	13.27
La Crosse facilities included for SFY05 labor factor																		
178 Bradley Riverside	2002	No	No	42,344	202,864	2,871,716	14.16	0.8%	202,864	2,871,716	14.16	0.0%	213,140	2,823,698	13.25	213,140	2,823,698	13.25
880 Franciscan Shrip - LaCrosse	2002	No	No	3,671	28,074	469,626	16.72	10.7%	28,074	469,626	16.72	0.0%	111,709	1,369,801	12.25	111,709	1,369,801	12.25
651 Mulder Health Care Facility	2002	No	No	31,441	116,607	1,494,376	12.73	3.9%	116,607	1,494,376	12.73	0.0%	109,667	1,371,869	12.63	109,667	1,371,869	12.63
905 Our Lady's Home	2002	No	No	35,941	133,943	1,818,608	13.58	5.3%	133,943	1,818,608	13.58	0.0%	433,905	5,994,995	12.94	433,905	5,994,995	12.94
842 St. Joseph's Nursing Home	2002	No	No	27,141	109,048	1,436,983	13.70	8.9%	109,048	1,390,500	13.32	-0.1%	65,905	829,505	12.54	65,905	829,505	12.54
				139,838	589,988	8,091,105	13.70	8.9%	583,793	8,004,622	13.71	-0.1%	433,905	5,994,995	12.94	433,905	5,994,995	12.94
La Crosse facilities not included for SFY05, but included for SFY0																		
165 Bethany St. Joseph Care Center	2002	Yes	Yes			5,091,105				8,004,622			249,946	3,629,292	13.65	249,946	3,629,292	13.65
										683,483			683,483	9,190,877	14.61	683,483	9,190,877	14.61
Madison facilities included for SFY05 labor factor																		
229 Belmont Care Center LLC	2002	No	No	29,437	101,467	1,707,691	16.88	3.1%	101,467	1,707,691	16.88	0.0%	88,241	1,271,962	14.41	88,241	1,271,962	14.41
220 City View Nursing Home	2002	No	No	16,657	57,756	860,477	14.90	4.2%	57,756	860,477	14.90	0.0%	59,174	811,808	14.46	59,174	811,808	14.46
348 Four Winds Manor, Inc	2002	No	No	21,896	84,778	1,151,938	13.89	4.3%	84,778	1,151,938	13.89	0.0%	77,397	1,009,056	13.04	77,397	1,009,056	13.04
183 Heartland Country Village	2002	No	No	17,445	58,298	864,812	14.02	-0.8%	58,298	864,812	14.02	-1.0%	48,422	716,620	14.78	48,422	716,620	14.78
451 Highland, Inc.	2002	No	No	41,675	171,565	2,405,280	14.02	-2.8%	171,565	2,405,280	14.02	0.0%	161,888	2,327,454	14.30	161,888	2,327,454	14.30
451 Kennedy Center	2002	No	No	35,797	127,181	2,015,220	15.86	4.7%	127,181	2,019,163	15.88	0.0%	112,821	1,707,303	15.13	112,821	1,707,303	15.13
648 McCarty Nursing Home	2002	No	No	5,254	18,454	179,231	18.91	6.4%	18,454	179,231	18.91	0.0%	12,240	169,702	13.86	12,240	169,702	13.86
696 Neumann Health Center	2002	No	No	41,581	150,934	3,398,400	13.33	-2.3%	150,934	3,398,400	13.33	-0.3%	129,065	1,796,889	13.25	129,065	1,796,889	13.25
600 Neumann Lutheran Home	2002	No	No	48,982	150,934	2,012,382	17.89	6.6%	150,934	2,012,382	17.89	0.0%	204,857	3,128,312	15.29	204,857	3,128,312	15.29
603 Oakwood Lutheran Home	2002	No	No	48,982	150,934	2,012,382	17.89	6.6%	150,934	2,012,382	17.89	0.0%	204,857	3,128,312	15.29	204,857	3,128,312	15.29
408 Oregon Manor	2002	No	No	15,748	47,177	812,852	14.96	6.4%	47,177	812,852	14.97	-0.2%	25,988	364,988	14.05	25,988	364,988	14.05
798 Paul Hemenway Home	2002	No	No	7,358	25,440	412,142	14.76	5.8%	25,440	412,142	14.76	0.0%	23,004	3,650,348	13.96	23,004	3,650,348	13.96
821 Shalom Street Home	2002	No	No	70,708	279,489	4,121,428	16.31	7.0%	279,489	4,121,428	16.32	0.0%	293,981	3,912,289	16.25	293,981	3,912,289	16.25
113 St. Mary's Care Center	2002	No	No	69,801	282,973	4,289,021	18.31	7.0%	282,973	4,289,021	18.32	0.0%	280,381	3,912,289	16.25	280,381	3,912,289	16.25
869 St. Mary's Health Care Center	2002	No	No	69,801	282,973	4,289,021	18.31	7.0%	282,973	4,289,021	18.32	0.0%	280,381	3,912,289	16.25	280,381	3,912,289	16.25
864 Sunny Hill Health Care Center	2002	No	No	11,251	40,070	685,885	15.87	1.2%	40,070	685,885	15.87	0.0%	40,474	678,243	14.29	40,474	678,243	14.29
864 Sunny Hill Health Care Center	2002	No	No	11,251	40,070	685,885	15.87	1.2%	40,070	685,885	15.87	0.0%	40,474	678,243	14.29	40,474	678,243	14.29
944 Wisconsin Nursing Home	2002	No	No	35,087	112,409	1,662,328	14.77	-0.8%	112,409	1,662,328	14.79	-0.1%	58,390	944,178	16.17	58,390	944,178	16.17
				18,635	62,288	1,040,708	18.70	8.4%	62,288	1,040,708	18.70	-0.4%	113,702	1,689,333	14.86	113,702	1,689,333	14.86
				631,970	2,048,344	31,889,101	16.57	4.9%	2,041,273	31,889,101	16.50	-0.2%	1,834,372	28,717,873	14.98	1,834,372	28,717,873	14.98
Madison facilities not included for SFY05, but included for SFY0																		
111 Oak Park Nsg & Rehab	2001	No	No							2,048,344			113,790	2,028,273	17.33	113,790	2,028,273	17.33
										2,048,344			2,048,344	30,748,798	16.03	2,048,344	30,748,798	16.03
Milwaukee facilities included for SFY05 labor factor																		
957 ALEXAN VILLAGE	2002	No	No	37,677	132,803	2,250,802	14.73	4.8%	132,803	2,250,802	14.73	0.0%	153,201	2,162,712	14.06	153,201	2,162,712	14.06
916 ALLIANCE CARE CENTER	2002	No	No	61,062	140,248	2,328,192	16.59	4.2%	140,248	2,328,192	16.59	0.0%	131,638	2,096,590	16.32	131,638	2,096,590	16.32
188 BROOKLYN HEALTH & REHABILITATION	2002	No	No	60,338	192,500	3,940,778	14.71	6.3%	192,500	3,940,778	14.71	0.0%	216,007	3,018,952	13.98	216,007	3,018,952	13.98
203 Carmen Care Center	2002	No	No	37,430	138,500	1,853,888	12.37	6.7%	138,500	1,853,888	12.78	-0.2%	142,347	1,950,598	11.90	142,347	1,950,598	11.90
120 CHRYSLER OF BROOKFIELD	2002	No	No	38,783	149,172	2,288,369	15.34	0.5%	149,172	2,288,369	15.42	-0.5%	146,795	2,240,695	15.28	146,795	2,240,695	15.28
761 CHRISTOPHER EAST HCR CENTER	2002	No	No	46,348	163,488	2,608,091	16.33	4.6%	163,488	2,608,091	16.70	-2.2%	163,056	2,546,895	15.61	163,056	2,546,895	15.61
249 Covenant Manor	2002	No	No	69,418	228,016	3,438,420	14.97	6.9%	228,016	3,438,420	14.97	0.0%	232,338	3,294,628	14.14	232,338	3,294,628	14.14
249 Covenant Manor	2002	No	No	69,418	228,016	3,438,420	14.97	6.9%	228,016	3,438,420	14.97	0.0%	232,338	3,294,628	14.14	232,338	3,294,628	14.14
249 Covenant Manor	2002	No	No	69,418	228,016	3,438,420	14.97	6.9%	228,016	3,438,420	14.97	0.0%	232,338	3,294,628	14.14	232,338	3,294,628	14.14
249 Covenant Manor	2002	No	No	69,418	228,016	3,438,420	14.97	6.9%	228,016	3,438,420	14.97	0.0%	232,338	3,294,628	14.14	232,338	3,294,628	14.14
249 Covenant Manor	2002	No	No	69,418	228,016	3,438,420	14.97	6.9%	228,016	3,438,420	14.97	0.0%	232,338	3,294,628	14.14	232,338	3,294,628	14.14
249 Covenant Manor	2002	No	No	69,418	228,016	3,438,420	14.97	6.9%	228,016	3,438,420	14.97	0.0%	232,338	3,294,628	14.14	232,338	3,294,628	14.14
249 Covenant Manor	2002	No	No	69,418	228,016	3,438,420	14.97	6.9%	228,016	3,438,420	14.97	0.0%	232,338	3,294,628	14.14	232,338	3,294,628	14.14
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249 Covenant Manor	2002	No	No	69,418	228,016	3,438,420	14.97	6.9%	228,016	3,438,420	14.97	0.0%	232,338	3,294,628	14.14	232,338	3,294,628	14.14
249 Covenant Manor	2002	No	No	69,418	228,016	3,438,420	14.97	6.9%	228,016	3,438,420	14.97							

Exhibit B
SFY 2005 Labor Factor Detail

Agency	Facility Name	CR Yr	Phase - Down?	2002 Final CRS			2002 Raw CRS			2001 Final CRS			2001 Final CRS (Excludes)		
				Tot Pds	Tot Hrs	Tot Cost	Coefft	% Increase	Tot Hrs	Tot Cost	Coefft	% Increase	Tot Hrs	Tot Cost	Coefft
912	SEVEN OAKS	2002	No	31,342	121,941	1,817,765	14.91	-1.2%	121,941	1,817,765	14.91	0.0%	110,194	1,622,957	16.09
902	SILVER SPRING CONVASCENT CEN	2002	No	39,005	126,791	1,769,481	13.88	2.0%	126,791	1,769,481	13.88	0.0%	123,431	1,678,744	13.80
824	SOUTH SHORE MANOR	2002	No	12,344	37,980	547,509	14.36	6.0%	37,980	547,509	14.36	0.0%	36,710	527,778	13.65
829	ST. ANNA REEST HOME	2002	No	60,181	216,375	3,311,239	15.30	0.8%	3,311,239	3,311,239	15.30	5.0%	3,168,912	3,168,912	16.17
827	ST. ANNE'S HOME FOR THE ELDERLY	2002	No	48,085	149,408	2,192,988	14.94	6.4%	149,408	2,192,988	14.94	0.0%	43,489	616,900	14.77
827	ST. CARMEL'S HEALTH CENTER	2002	No	38,400	119,200	1,972,088	13.20	4.1%	119,200	1,972,088	13.20	0.0%	157,774	1,748,020	12.89
868	SUNRISE CARE CENTER, INC	2002	No	35,689	107,780	1,885,678	15.10	-0.3%	107,780	1,885,678	15.10	-0.3%	402,065	4,572,816	11.38
119	TERRACE AT ST. FRANCIS	2002	No	27,145	83,944	1,185,678	13.91	1.4%	83,944	1,185,678	13.91	0.0%	122,625	1,580,610	13.72
868	TUDOR OAKS	2002	No	21,078	66,508	1,282,288	18.53	1.4%	66,508	1,282,288	18.53	0.0%	51,105	819,035	18.04
918	VIRGINIA HEALTH AND REHAB. CENTE	2002	No	37,681	128,120	2,073,931	18.18	2.7%	128,120	2,073,931	18.18	0.0%	131,989	1,904,016	16.78
921	VIRGINIA HIGHLANDS HEALTH AND REHAB CAR	2002	No	38,765	128,203	2,002,773	16.82	-2.7%	128,203	2,002,773	16.82	0.0%	108,400	1,708,400	16.22
939	VALLEYVIEW SPRINGS HEALTH & REH	2002	No	63,765	211,623	3,250,533	15.30	1.8%	211,623	3,250,533	15.30	0.0%	212,257	3,208,849	15.12
946	WISCONSIN CARE CENTER	2002	No	54,922	107,780	1,885,678	15.07	1.0%	107,780	1,885,678	15.07	0.0%	111,128	1,713,850	14.82
963	WISCONSIN LUTHERAN CARE CENTER	2002	No	54,922	107,780	1,885,678	14.05	2.1%	107,780	1,885,678	14.05	0.0%	208,078	2,853,321	14.20
967	WOODLAND HEALTH CENTER	2002	No	77,154	272,950	4,584,158	10.73	5.9%	272,950	4,584,158	10.73	0.0%	286,043	4,916,242	10.79
				2,239,083	8,980,948	128,253,188	14.93	3.9%	8,980,948	128,253,188	14.93	0.1%	8,297,992	118,957,285	14.59
Mitsunopole USA facilities included for SFY05, but included for SFY0															
169	KILDORIAN CARE CENTER	2002	Yes												
801	MARION FRANCISCAN CENTER	2002	Yes												
783	MELION HEALTHCARE CENTER	2002	Yes												
420	RIVER HILLS WEST HCC	2002	Yes												
420	SHOREVIEW HEALTH CENTER	2001	Yes												
639	SHOREWOOD HEIGHTS HCC	2001	Yes												
480	St. John's Home of Milwaukee	2001	Yes												
480	Triumph Terrace	2001	Yes												
Mitsunopole USA facilities included for SFY05 labor factor															
105	American Heritage Care Center	2002	No	18,984	60,649	910,351	13.86	6.4%	182,920	2,314,108	16.13	-8.7%	64,919	837,031	12.95
682	Buckhorn Care Center	2002	No	20,100	64,509	1,011,659	13.04	0.6%	80,803	1,000,693	13.13	-0.7%	88,194	1,116,178	12.85
250	Chadron Community Home	2002	No	27,944	86,336	1,469,781	16.26	3.0%	96,336	1,469,781	16.26	0.0%	82,222	1,281,928	14.81
376	Elmwood Care Center	2002	No	18,182	58,038	1,244,803	14.47	6.3%	88,888	1,281,742	14.49	0.2%	82,535	1,259,578	13.74
412	Heritage of Elmwood	2002	No	19,688	68,616	1,461,208	12.73	1.8%	88,227	1,461,208	12.73	0.0%	84,072	1,049,182	12.80
708	Kendal Long Term Care	2002	No	18,827	58,227	1,068,136	12.11	0.2%	88,227	1,068,136	12.11	0.0%	84,072	1,049,182	12.80
708	Partridge Home	2002	No	23,744	73,373	1,233,422	16.35	4.4%	91,322	1,462,801	16.73	-2.4%	87,284	1,078,071	14.42
839	Plum City Care Center	2002	No	18,947	63,593	994,811	11.46	-0.7%	64,508	988,259	11.46	0.0%	51,735	670,655	11.73
839	Spring Health Care	2002	No	17,428	53,343	725,988	17.05	-2.3%	70,188	920,045	13.22	0.0%	62,057	883,689	13.12
839	Spring Health-Nursing Retirement	2002	No	16,654	49,916	818,570	18.40	7.2%	70,188	920,045	13.22	0.0%	46,789	699,891	13.90
828	Spring Valley Nursing Home	2002	No	15,008	49,916	818,570	13.22	0.0%	80,365	1,370,049	16.16	0.0%	74,358	1,226,182	13.21
759	The Lutheran Home	2002	No	25,013	80,311	1,050,137	15.18	6.7%	80,365	1,370,049	16.16	1.1%	82,494	1,209,998	13.13
				259,446	848,638	13,141,487	13.88	6.7%	883,375	12,125,578	15.78	1.1%	914,911	11,999,420	13.14
Facilities excluded for SFY05 labor factor															
201	Buckhorn Ship Center	2002	No	39,277	149,078	2,010,161	13.48	3.0%	149,078	2,010,161	13.48	0.0%	140,647	1,840,898	13.89
300	LANCELOT MANOR	2002	No	17,713	67,180	1,112,365	18.58	1.0%	67,180	1,112,365	18.58	0.0%	70,065	1,138,089	14.80
617	Lutheran Village Convalescent Center	2002	No	55,828	182,834	2,139,020	13.13	1.0%	182,834	2,139,020	13.13	0.0%	163,088	2,126,788	14.80
578	Mount Carmel Care Center	2002	No	55,828	182,834	2,139,020	14.07	6.2%	189,734	2,800,983	14.02	0.3%	202,441	2,107,084	13.97
791	Oak Ridge Care Center	2002	No	19,550	61,780	1,204,378	13.78	-0.4%	61,780	1,204,378	13.78	0.0%	63,457	1,184,225	13.82
791	Pacific Federated Care	2002	No	19,550	61,780	1,204,378	11.04	3.5%	63,787	716,892	11.22	-1.5%	61,489	626,001	10.87
				19,550	61,780	1,204,378	13.83	3.1%	734,483	10,042,788	13.87	-0.3%	721,747	8,824,448	13.23
Facilities excluded for SFY05, but included for SFY0															
941	Lutheran Home Care Center	2001	No												
Rural Wisconsin facilities included for SFY05 labor factor															
101	Adams County Memorial NH	2002	No	6,446	24,608	328,388	13.35		24,608	328,388	13.35		23,585	270,754	11.46
101	Algonquin Memorial Center & LTCU	2002	No	16,050	55,480	816,980	14.71		55,480	820,788	14.79		61,889	863,877	12.89
207	Al About Life Rehabilitation Center	2002	No	42,147	165,983	2,368,445	14.26	0.1%	167,164	2,400,833	14.36	-0.7%	168,839	2,204,627	13.07
107	American Lutheran Home-Memphis	2002	No	18,888	73,237	984,827	13.45	0.0%	73,237	984,827	13.45	0.0%	62,889	824,699	13.11
173	American Lutheran-Hendry	2002	No	34,811	121,744	1,531,178	12.58	3.8%	121,744	1,531,178	12.58	0.0%	114,885	1,128,119	11.85
643	Arundel Nursing Home	2002	No	26,613	100,232	1,278,008	12.78	0.6%	100,232	1,278,008	12.78	0.0%	94,817	1,128,119	11.85
226	Ashland Nursing Home	2002	No	21,810	82,584	940,301	11.38	0.5%	82,584	940,301	11.38	0.0%	81,541	823,558	11.42
114	Barnon Health Care Center	2002	No	30,379	107,225	1,288,922	12.11	-1.1%	107,225	1,288,922	12.11	0.0%	106,082	1,350,071	13.54
144	Barnon HealthCare Center	2002	No	17,216	63,987	888,923	12.85	6.0%	63,987	888,923	12.85	0.0%	68,978	813,478	13.23
141	Barron Memorial Medical Center	2002	No	32,916	104,569	1,400,169	13.39	3.1%	104,569	1,400,169	13.39	0.0%	70,858	883,878	12.23
145	Beaver Dam Care Center	2002	No	32,916	104,569	1,400,169	13.39	3.1%	104,569	1,400,169	13.39	0.0%	106,177	1,370,223	12.49
154	Bethel Center	2002	No	39,302	142,583	2,143,584	13.18	2.6%	142,583	2,143,584	13.18	0.0%	161,766	2,079,223	14.25
167	Bethel Home	2002	No	34,735	120,341	1,550,188	13.94	2.9%	120,341	1,550,188	13.94	-0.6%	133,850	1,526,983	14.85
853	Beverly Terrace	2002	No	19,072	63,925	888,923	11.90	3.8%	63,925	888,923	11.90	0.0%	61,858	687,489	12.79
174	Burnett Medical Center-ECL	2002	No	19,008	63,925	888,923	13.13	7.6%	63,925	888,923	13.13	0.0%	59,965	781,387	12.20
204	Capitola Care GSS	2002	No	34,478	104,878	1,484,468	14.16	3.8%	104,878	1,484,468	14.16	-0.5%	101,781	1,296,016	12.76
227	Capitola Home Nursing & Rehab center	2002	No	31,618	119,225	1,613,160	18.00		119,225	1,613,160	18.00		107,968	1,358,216	13.70
232	Capitola Home Nursing & Rehabilitation Center	2002	No	31,618	119,225	1,613,160	18.00		119,225	1,613,160	18.00		107,968	1,358,216	13.70
235	Community Memorial Hospital	2002	No	31,441	107,889	1,381,819	12.81	2.9%	107,889	1,381,819	12.81	0.0%	106,136	1,359,857	12.45
237	Confidential Home Health & Rehabilitation	2002	No	19,080	67,434	1,446,781	13.67	3.0%	67,434	1,446,781	13.67	0.0%	64,833	1,359,210	12.79
728	Crest View Nursing Home	2002	No	29,590	92,361	1,229,039	13.35	8.1%	92,361	1,229,039	13.35	0.0%	80,033	987,489	12.82
786	Crest View Nursing & Rehab CI	2002	No	29,590	92,361	1,229,039	13.35	7.8%	92,361	1,229,039	13.35	0.0%	80,033	987,489	12.82
246	Cumberland Memorial Hospital NH	2002	No	18,343	69,008	899,008	12.80	5.6%	69,008	899,008	12.80	0.0%	65,005	789,	

Exhibit B
SFY 2005 Labor Factor Detail

Agency	Facility Name	CR Yr	Phase	Days/Week	Tot PDBs	Tot Hrs	Tot Cost	2002 Final CRs		2002 Raw CRs		2001 Final CRs		2001 Final CRs (Extended)	
								Coeff	% Increase	Coeff	% Increase	Total Hrs	Total Cost	Coeff	Total Cost
707	Riverside Health Care and Rehabilitation	2002	No		19,820	82,513	774,656	12.40	6.8%	12.40	6.8%	62,513	774,656	12.40	6.8%
701	RIVERSIDE BEND HEALTH & REHABILITATION	2002	No		35,652	128,006	1,647,228	14.65	2.0%	14.65	2.0%	128,006	1,647,228	14.65	2.0%
770	RiverView Health & Care Center	2002	No		20,044	79,728	976,728	12.28	4.1%	12.28	4.1%	62,908	837,661	12.88	0.0%
716	Sanjour (Bogard)	2002	No		21,803	77,912	1,182,930	15.18	5.8%	15.18	5.8%	77,912	1,182,930	15.18	0.0%
804	Sanjour Village Good Samaritan	2002	No		21,400	56,742	451,814	12.94	4.7%	12.94	4.7%	451,814	451,814	12.94	0.0%
804	Sanjour Woodland Hill	2002	No		6,108	78,754	2,823,072	14.35	0.7%	14.35	0.7%	188,754	2,823,072	14.35	0.0%
810	Shelley Lane, Inc.	2002	No		20,489	85,187	981,216	10.48	0.0%	10.48	0.0%	71,799	764,740	10.65	0.0%
822	Shelley Village Of Ripon	2002	No		20,489	33,691	385,107	11.78	6.2%	11.78	6.2%	33,691	385,107	11.78	0.0%
822	Sky View Nursing Center	2002	No		30,322	107,700	1,487,357	13.82	6.7%	13.82	6.7%	107,700	1,487,357	13.82	0.0%
845	Southland Health Center	2002	No		10,572	40,724	568,904	14.78	5.7%	14.78	5.7%	40,724	568,904	14.78	0.0%
845	Sports Medicine Care Center	2002	No		39,532	142,427	2,103,098	12.48	-1.8%	12.48	-1.8%	142,427	2,103,098	12.48	0.0%
845	St. Joseph's Nursing Home	2002	No		29,228	70,648	74,989	13.09	-7.2%	13.09	-7.2%	70,648	74,989	13.09	0.0%
844	St. Joseph's Nursing Home	2002	No		18,918	118,948	1,697,239	13.32	6.0%	13.32	6.0%	118,948	1,697,239	13.32	0.0%
831	St. Cecilia of Wisconsin, Inc	2002	No		20,623	88,140	978,582	14.33	1.7%	14.33	1.7%	88,144	978,582	14.33	0.0%
834	St. Croix Valley OSC	2002	No		20,692	150,120	1,975,828	12.84	5.6%	12.84	5.6%	150,120	1,975,828	12.84	0.0%
881	St. Dominic Villa	2002	No		20,692	157,524	1,923,088	13.41	0.2%	13.41	0.2%	137,824	1,892,888	13.42	-0.2%
847	St. Francis Residence	2002	No		38,477	157,524	1,923,088	13.41	0.2%	13.41	0.2%	43,218	580,983	13.44	-0.2%
847	St. Joseph Residence	2002	No		13,509	48,218	591,994	11.58	3.0%	11.58	3.0%	48,688	591,994	11.58	0.0%
845	St. Michael's Lutheran Home	2002	No		14,023	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
845	St. Mary's Lutheran Home	2002	No		14,423	49,084	651,984	11.54	-8.9%	11.54	-8.9%	48,504	651,984	11.54	0.0%
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845															

Exhibit B
SFY 2005 Labor Factor Detail

PageID	Faculty Name	CR Yr	Phase	Tot PDs	Tot Hrs	Tot Cost	Cost/Hr	2002 Final CRs		2002 Raw CRs		2001 Final CRs		2001 Final CRs (Revised)							
								Tot Hrs	Tot Cost	Cost/Hr	% Increase	Tot Hrs	Tot Cost	Cost/Hr	% Increase	Tot Hrs	Tot Cost	Cost/Hr	Tot Hrs	Tot Cost	Cost/Hr
691	Walsell Mentor	2002	No	20,818	82,609	1,135,530	13.75	82,609	1,135,530	13.75	3.3%	82,609	1,146,470	13.91	-1.2%	83,727	1,114,287	13.31	83,727	1,114,287	13.31
				179,552	624,565	8,789,579	14.07	624,565	8,789,579	14.07	2.9%	624,565	8,789,082	14.06	0.1%	628,530	8,211,400	13.71	628,530	8,211,400	13.71

Exhibit C

SFY 2005 NH Assn. Labor Index

Labor Region	Non-County, Non-Phasedown, 2002 Final Cost Reports					Avg Wage/Hr	X PDs	Raw Index
	Hours	Wages	All Resident PDs	Count	SFY05			
Appleton	2,059,368	28,695,325	557,472	15	13.93	7,767,840	0.9983	
Eau Claire	1,637,593	21,936,695	448,665	13	13.40	6,010,179	0.9578	
Green Bay	1,492,971	20,843,027	402,945	15	13.96	5,625,423	0.9982	
Janesville	825,298	11,795,630	219,384	7	14.29	3,135,561	1.0219	
Kenosha	996,064	13,805,405	290,942	8	13.86	4,032,444	0.9910	
La Crosse	589,666	8,081,105	139,838	5	13.70	1,916,416	0.9799	
Madison	2,046,344	31,869,101	531,970	18	15.57	8,284,729	1.1135	
Milwaukee	8,580,948	128,262,169	2,329,063	54	14.95	34,813,248	1.0688	
Minneapolis MSA	946,638	13,141,497	259,466	13	13.88	3,601,981	0.9926	
Racine	744,739	10,153,555	197,626	6	13.63	2,694,375	0.9748	
Rural Wisconsin	14,175,395	188,452,518	3,939,341	148	13.29	52,370,938	0.9506	
Sheboygan	716,540	10,359,869	199,088	8	14.46	2,878,451	1.0338	
Superior	517,149	7,023,177	151,040	4	13.58	2,051,209	0.9710	
Wausau	624,565	8,789,579	175,552	5	14.07	2,470,565	1.0062	
Grand Total	35,953,278	503,208,652	9,842,392	319	13.99	137,653,359	1.0000	

Region	T19 PDs*		Raw Index	Rescaled
	SFY05	SFY05		
Rural	3,879,154	0.9506	0.957	
Minneapolis	194,793	0.9926	0.999	
Duluth/Superior	108,083	0.9710	0.978	
Eau Claire	283,694	0.9578	0.964	
La Crosse	178,851	0.9799	0.987	
Wausau	233,127	1.0062	1.013	
Madison	329,177	1.1135	1.121	
Janesville	149,868	1.0219	1.029	
Racine	227,828	0.9748	0.982	
Kenosha	217,257	0.9910	0.998	
Appleton/Oshkosh	565,238	0.9963	1.003	
Green Bay	364,033	0.9982	1.005	
Sheboygan	187,614	1.0338	1.041	
Milwaukee	1,668,246	1.0688	1.076	
All	8,586,963	0.9931	1.000	

* Budgeted Medicaid PDs for all facilities, including county and phase-down facilities

Exhibit D

Summary of Direct Care Labor Factors for SFY 2005

Region	FFY05 T18 SNE PPS Labor Factors			
	FR 7/30/2004	Adj Urban	Rescaled	% Chg
Rural	0.9498	0.9498	0.960	0.5%
Minneapolis	1.1087	1.1584	1.098	-0.9%
Duluth/Superior	1.0356	1.0840	1.098	0.3%
Eau Claire	0.9139	0.9566	0.967	-0.7%
La Crosse	0.9290	0.9724	0.983	-1.1%
Wausau	0.9570	1.0017	1.013	-2.8%
Madison	1.0395	1.0881	1.100	-0.3%
Janesville	0.9583	1.0031	1.014	1.6%
Racine	0.9045	0.9468	0.957	1.1%
Kanosh	0.9772	1.0229	1.034	-1.4%
Appleton/Oshkosh	0.9115	0.9541	0.965	-0.6%
Green Bay	0.9586	1.0034	1.015	-0.2%
Sheboygan	0.8949	0.9367	0.947	2.2%
Milwaukee	1.0076	1.0547	1.066	-0.7%

Nursing Rate Component	Urban	Rural
		133.29
		Ratio 1.0467

Raw*	SFFY05 NH Assn Index		% Change from SFFY04
	Rescaled	% Change from SFFY04	
0.9506	0.957	0.3%	
0.9926	0.999	1.8%	
0.9710	0.978	-0.2%	
0.9578	0.963	2.9%	
0.9799	0.987	-1.8%	
1.0062	1.013	-1.1%	
1.1135	1.121	-0.1%	
1.0219	1.029	-1.1%	
0.9748	0.982	2.6%	
0.9910	0.998	0.7%	
0.9963	1.003	-2.4%	
0.9982	1.005	-2.0%	
1.0338	1.041	1.7%	
1.0688	1.076	-0.7%	

SFFY05 Factors	% Change from SFFY04
0.957	0.3%
1.171	-0.9%
1.096	0.3%
0.964	0.8%
0.987	-1.8%
1.013	-1.1%
1.121	-0.1%
1.029	-1.1%
0.982	2.6%
0.998	0.7%
1.003	-2.4%
1.005	-2.0%
1.041	1.7%
1.076	-0.7%

* Based on 2002 final CR average RN/LPN/NA wage per hour w/o fringe benefits
Non-County facilities, weighted by all resident PDs

49.45 PUBLIC ASSISTANCE

4. a. Every 12 months following the delicensure of a bed under this paragraph, for which a nursing home has not resumed licensure under subd. 5., the department shall reduce the licensed bed capacity of the nursing home by 10% of all of the nursing home's beds that remain delicensed under this paragraph or by 25% of one bed, whichever is greater. The department shall reduce the statewide maximum number of licensed nursing home beds under s. 150.31 (1) (intro.) by the number or portion of a number of beds by which the nursing home's licensed bed capacity is reduced under this subdivision.

b. Subdivision 4. a. does not apply with respect to the delicensure of beds between October 14, 1997, and the date that is 60 days after October 14, 1997, during the period of any contract entered into by a nursing home prior to January 1, 1997, if the contract requires the nursing home to maintain its current licensed bed capacity.

5. A nursing home retains the right to resume licensure of a bed of the nursing home that was delicensed under this paragraph unless the licensed bed capacity of the nursing home has been reduced by that bed under subd. 4. The nursing home may not resume licensure of a fraction of a bed. The nursing home may resume licensure 18 months after the nursing home notifies the department in writing that the nursing home intends to resume the licensure. If a nursing home resumes licensure of a bed under this subdivision, subd. 2. does not apply with respect to that bed.

6. If subd. 4. b. applies and the nursing home later resumes licensure of a bed that was delicensed between October 14, 1997, and the date that is 60 days after October 14, 1997, the department shall calculate the costs per patient day using the methodology specified in the state plan that is in place at the time that the delicensed beds are resumed.

(ar) In determining payments for a facility under par. (ag), the department may establish minimum patient day occupancy standards for determining costs per patient day and shall apply the following methods to calculate amounts payable for the rate year for the cost centers described under par. (am):

1. For direct care costs:

a. The department shall establish standards for payment of allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily serve the developmentally disabled, that take into account direct care costs for a sample of all of those facilities in this state and separate standards for payment of allowable direct care costs, for facilities that primarily serve the developmentally disabled, that take into account direct care costs for a sample of all of those facilities in this state. The standards shall be adjusted by the department for regional labor cost variations. For facilities in Douglas, Pierce, and St. Croix counties, the department shall perform the adjustment by use of the wage index that is used by the federal department of health and human services for hospital reimbursement under 42 USC 1395 to 1395ggg.

b. The department shall establish the direct care component of the facility rate for each facility by comparing actual allowable direct care cost information of that facility adjusted for inflation to the standards established under subd. 1. a.

c. If a facility has an approved program for provision of service to mentally retarded residents, residents dependent upon ventilators, or residents requiring supplemental skilled care due to complex medical conditions, a supplement to the direct care component of the facility rate under subd. 1. b. may be made to that facility according to a method developed by the department.

cm. Funding distributed to facilities for the provision of active treatment to residents with a diagnosis of developmental disability shall be distributed in accordance with a method developed by the department which is consistent with a prudent buyer approach to payment for services.

2. For support service costs, the department shall establish one or more standards for the payment of support service costs that

take into account support service costs for a sample of all facilities within the state.

4. For net property taxes or municipal services, payment shall be made for the amount of the previous calendar year's tax or the amount of municipal service costs for a period specified by the department, subject to a maximum limit as determined by the department.

6. Capital payment shall be based on a replacement value for a facility. The replacement value shall be determined by a commercial estimator contracted for by the department and paid for by the facility. The replacement value shall be subject to limitations determined by the department.

(av) The department shall calculate a payment rate for a facility by applying the criteria set forth under pars. (ag) 1. to 5. and 7., (am) 1. bm., 4., 5m. and 6., and (ar) 1., 4., and 6. to information from cost reports submitted by the facility, as affected by any adjustment for ancillary services and materials under par. (b).

(b) The charges for ancillary materials and services that would be incurred by a prudent buyer may be included as an adjustment to the rate determined by par. (av) when so determined by the department. The department may not authorize any adjustments to the rate established under par. (av) to pay for a cost overrun that the department fails to approve under s. 150.11 (3). Ancillary materials and services for which payment may be made include, if provided, oxygen, medical transportation and laboratory and X-ray services. Payment for these services and materials shall not exceed medical assistance limitations for reimbursement of the services and materials. For services in a facility for which the department may make payment to a service provider other than a facility, the department may make payment to the facility but not in excess of the estimated amount of payment available if a separate service provider provided the service. The department may promulgate rules setting forth conditions of and limitations to this paragraph.

(bg) The department shall determine payment levels for the provision of skilled, intermediate, limited, personal or residential care or care for the mentally retarded in the state centers for the developmentally disabled and in a Wisconsin veterans home operated by the department of veterans affairs under s. 45.50 separately from the payment principles, applicable costs and methods established under this subsection.

(bm) Except as provided in par. (bo), the department may establish payment methods for a facility for which any of the following apply:

1. The facility is newly constructed.

2. The total of licensed beds for the facility has significantly increased or decreased prior to calculation of its rate under the payment system.

3. The facility has undergone a change in certification or licensure level.

5. The facility has received approval or disapproval for provision of service to residents requiring supplemental skilled care due to complex medical conditions.

6. The facility has received approval or been disapproved for provision of service to residents who have any of the following:

a. Brain injury, as defined in s. 51.01 (2g).

b. A diagnosis of acquired immunodeficiency syndrome.

c. An HIV infection, as defined in s. 252.01 (2), and illness or injury associated with the development of acquired immunodeficiency syndrome.

(bo) The department may establish payment methods for capital payment for a newly constructed facility that first provided services after June 30, 1984.

(bp) Notwithstanding pars. (am) 6. and (ar) 6., the department may establish payment methods based on actual costs for capital



TODAY (TUES.), if possible

State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-4094/

DAK:.....

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~ *ojs*

Gen cat.

makes this adjustment

1 AN ACT...; relating to: Medical Assistance reimbursement for allowable direct
2 care costs of nursing homes in Sauk County.

and adjust the standards

Analysis by the Legislative Reference Bureau

Under current law, the Department of Health and Family Services (DHFS) reimburses nursing homes for services provided to recipients of Medical Assistance (MA), under a formula that includes allowable direct care costs. DHFS must establish standards for payment of allowable direct care costs that are based on direct care costs for all nursing homes in Wisconsin, as adjusted to reflect regional labor cost variations. Currently, except for nursing homes in Douglas, Pierce, and St. Croix Counties, DHFS adjusts for labor regions by using the labor region designations under the federal Medicare Program, weighted to MA patient day costs, based on Wisconsin nursing home-specific average wages, excluding county-owned nursing homes. For nursing homes in Douglas, Pierce, and St. Croix Counties, however, DHFS must perform the labor region adjustment using the Medicare Program hospital wage index.

This bill adds nursing homes in Sauk County to the nursing homes in Douglas, Pierce, and St. Croix Counties for which DHFS must adjust direct care costs, reimbursable under MA, using the Medicare Program hospital wage index.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

2 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of

3 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily

4 serve the developmentally disabled, that take into account direct care costs for a

5 sample of all of those facilities in this state and separate standards for payment of

6 allowable direct care costs, for facilities that primarily serve the developmentally

7 disabled, that take into account direct care costs for a sample of all of those facilities

8 in this state. The standards shall be adjusted by the department for regional labor

9 cost variations. For facilities in Douglas, Pierce, Sauk, and St. Croix counties, the

10 department shall perform the adjustment by use of the wage index that is used by

11 the federal department of health and human services for hospital reimbursement

12 under 42 USC 1395 to 1395ggg. ✓

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107, 112, 183, 212, 246, 269, 335, 356, 437, 446, 469; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293; 1999 a. 9, 63, 103, 180, 185; 2001 a. 13, 16, 35, 38, 57, 67, 104, 109; 2003 a. 33, 318, 321; 2005 a. 22; 2005 a. 25 ss. 1120 to 1149f, 2503 to 2510.

13

(END)

Emery, Lynn

From: Emery, Lynn
Sent: Tuesday, January 17, 2006 11:11 AM
To: Sen.Schultz
Cc: Schoenfeldt, Eileen
Subject: LRB 05-4094/1 (attached as requested)

Attachments: 05-4094/1



05-40941.pdf (14
KB)

Lynn Emery
Program Assistant
Legislative Reference Bureau
(608) 266-3561

Kennedy, Debora

From: Schoenfeldt, Eileen
Sent: Monday, January 23, 2006 11:15 AM
To: Kennedy, Debora
Subject: FW: LRB 05-4094/1 (attached as requested)

Attachments: 05-4094/1

I have a change for LRB 4094/1. Please delete Sauk in the list of counties and rather add the following sentence to the end of the paragraph.

"For facilities in Sauk County, the department shall perform the adjustment by use of the wage index that is used for Dane, Columbia and Iowa counties."

Is this change possible?

Eileen Schoenfeldt
Office of Senator Dale Schultz
608-266-0703
800-978-8008

From: Emery, Lynn
Sent: Tuesday, January 17, 2006 11:11 AM
To: Sen.Schultz
Cc: Schoenfeldt, Eileen
Subject: LRB 05-4094/1 (attached as requested)



05-40941.pdf (14
KB)

Lynn Emery
Program Assistant
Legislative Reference Bureau
(608) 266-3561

TELEPHONE DRAFTING INSTRUCTIONS

Drafting instructions received by Debora Kennedy.

DATE:

1/27/06

CONVERSATION
WITH:

Dave Lund

OF:

DHFS

TELEPHONE NO:

6-2021

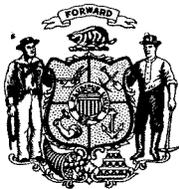
REGARDING LRB #
OR DRAFT TOPIC:

4094/1

INSTRUCTIONS:

Redraft:

Require Sank Co to be
combined in same
labor region as
Iowa, Dave, + Columbus



stays

2005 BILL

SA/

4

treat

nursing home

requiring the Department of Health and Family Services to ~~include nursing homes~~ ^{in four} counties as one labor region for purposes of Medical Assistance reimbursement

1 AN ACT to amend 49.45 (6m) (ar) 1. a. of the statutes; relating to: Medical

2 Assistance reimbursement for allowable direct care costs of nursing homes in

3 Sauk County.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Health and Family Services (DHFS) reimburses nursing homes for services provided to recipients of Medical Assistance (MA), under a formula that includes allowable direct care costs. DHFS must establish standards for payment of allowable direct care costs that are based on direct care costs for all nursing homes in Wisconsin, and adjust the standards to reflect regional labor cost variations. Currently, except for nursing homes in Douglas, Pierce, and St. Croix counties, DHFS makes this adjustment by using the labor region designations under the federal Medicare Program, weighted to MA patient day costs, based on Wisconsin nursing home-specific average wages, excluding county-owned nursing homes. For nursing homes in Douglas, Pierce, and St. Croix counties, however, DHFS must make the adjustment using the Medicare Program hospital wage index.

This bill ~~adds nursing homes in Sauk County to the nursing homes in Douglas, Pierce, and St. Croix counties for which DHFS must adjust direct care costs, reimbursable under MA, using the Medicare Program hospital wage index.~~

requires DHFS to ^{treat} ~~include~~ ^{the counties of} ~~as~~ one labor region, ^{nursing home} ~~in~~ Dane, Iowa, Columbia, and Sauk ~~counties~~, for purposes of MA reimbursement

BILL

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 49.45 (6m) (ar) 1. a. of the statutes is amended to read:

2 49.45 (6m) (ar) 1. a. The department shall establish standards for payment of

3 allowable direct care costs under par. (am) 1. bm., for facilities that do not primarily

4 serve the developmentally disabled, that take into account direct care costs for a

5 sample of all of those facilities in this state and separate standards for payment of

6 allowable direct care costs, for facilities that primarily serve the developmentally

7 disabled, that take into account direct care costs for a sample of all of those facilities

8 in this state. The standards shall be adjusted by the department for regional labor

9 cost variations. For facilities in Douglas, Pierce, ~~Sauk~~^{Wa} and St. Croix counties, the

10 department shall perform the adjustment by use of the wage index that is used by

11 the federal department of health and human services for hospital reimbursement

12 under 42 USC 1395 to 1395ggg.

(END)

treat as
a single

no #
 The department shall ~~with appropriate~~
 labor region ~~of the~~ Wa, Dane, Iowa,
Columbia, and Sauk ~~ppp~~

the counties of

Emery, Lynn

From: Schoenfeldt, Eileen
Sent: Tuesday, January 31, 2006 2:43 PM
To: LRB.Legal
Subject: Draft Review: LRB 05-4094/2 Topic: Change in MA classification for Sauk County nursing homes

Please Jacket LRB 05-4094/2 for the SENATE.