

**A Review of Community Based Long Term Care with Emphasis on
Wisconsin's Community Options Program**

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EMPHASIS ADDED

Conclusions and Recommendations

A. Conclusions

Since implementation in 1982, COP has grown rapidly and provides an important service to needy clients throughout the State of Wisconsin. The organizational structure of COP has maximized "client choice". Any Wisconsin resident who meets financial and level of care criteria is eligible for COP services as an alternative to entering a nursing home or other institutional setting. Once an assessment and care plan are completed, counties can provide a variety of services tailored to client needs. They also can mix COP funds with other funding sources, such as Medicare and Medicaid, in order to fill "gaps" in service delivery. However, in spite of the successes of the COP, we feel that improvements in program structure and operations can be made. The need for improvement is based on the following conclusions:

- Although COP program growth has occurred at the same time as a decline in nursing home use, it is not clear whether COP has had a significant effect on these changes in utilization. There are a number of other factors that may have influenced nursing home use, such as a moratorium on new bed construction, elimination of Medicaid coverage for persons at ICF 3 and 4 levels of care, and increases in the number of Medicare financed nursing home residents. Available data simply are not sufficient to determine the extent to which COP has been responsible for the decline in nursing home use.
- COP does little targeting of services to persons who would be at greatest risk of nursing home admission. The single most important finding from the CBLTC demonstrations is that without effective targeting, CBLTC is unlikely to significantly influence nursing home use. The limited data that are available from COP suggest that COP clients may have fewer care requirements (lower level of care and less likely to be terminally ill) than nursing home residents. Yet, it is the more dependent and medically unstable individual who is at greatest risk of nursing home admission.
- The State has reported lower average costs for COP/COP-W clients when compared to nursing home users. Yet, these comparisons may not be valid because they fail to adequately adjust for potential differences in care needs between the two populations. Unfortunately, information is not available with which to make accurate cost comparisons between community and institutional settings.
- The absence of careful targeting reflects a wider problem in establishing program priorities. The "first come, first served" approach may be adequate under conditions of steadily increased funding. Yet, when State or local funds are constrained, many counties develop long waiting lists and as a result, persons who are in critical need of services may not receive them. The Hospital Link initiative is one attempt to direct

services to clients in crisis situations. This program, however, is operating in only a few counties and has too few openings to meet the demand for services or to have a measurable effect on nursing home admissions for long term care.

- The State's goal to minimize the administrative burden on counties has created problems of accountability. With the current reporting requirements placed on the counties, the State lacks essential information about client characteristics and program operations. As a result, the State is limited in its ability to evaluate program effectiveness and efficiency.
- Our analysis indicated wide variation in the content and form of client assessments. The absence of standardized assessments and the failure of the State to gather uniform client information makes it very difficult to describe the client population or to establish the link between client needs and the services they are receiving.

B. Recommendations

- COP provides a valuable service to disabled individuals by fostering their independence and improving their quality of life. However, results of CBLTC demonstrations and our own analysis of the COP program indicate that it may be difficult to justify COP solely on the basis of its effect on nursing home use or on cost savings that may result from substituting CBLTC for institutional services. The State and the counties should acknowledge that many COP clients may not be at imminent risk of institutionalization. Once this is done and realistic goals have been established for COP, the State and counties can then begin the process of ensuring that essential services are efficiently provided to needy clients.
- COP should develop more focused program objectives which set forth funding priorities and establish goals associated with target populations. The "first come, first served" approach to resource allocation is inappropriate in times of fiscal constraint. Hospital Link is an example of a program with focused objectives and a clearly defined target population: disabled persons awaiting hospital discharge. Its objectives are to promote timely discharge from the hospital, offer alternatives to nursing home care, and improve the health and functioning of clients. To meet these objectives, the program expedites client assessment and eligibility determination and provides COP services in a timely manner. COP should consider expanding Hospital Link and should initiate other programs with similarly focused objectives. The Legislature should provide adequate resources to ensure controlled growth and regular evaluations of these targeted programs.
- Counties should be required to adopt minimum and uniform standards for care management. These standards should include a uniform assessment tool (perhaps supplemented with county-specific information), protocols for linking assessments with care planning, and procedures for monitoring client status and service utilization.

- The State should gather additional information on all COP clients and service delivery. At a minimum the State should assemble uniform information on socioeconomic, health, functional, and cognitive status of COP clients, and this information should be linked to data on service delivery and costs of care. These types of information are essential for program evaluation and are necessary if policy makers are to make informed decisions about resource allocation in the future. They also might be applied in the quality assurance process to evaluate outcomes of care. The Legislature needs to provide adequate resources to enable this to occur.
- The State should expand its evaluation and policy analysis capabilities. For example, the State should be able to systematically compare COP clients with nursing home residents, determine the costs associated with clients having different levels of disability or health status, and evaluate outcomes of care overall and for sub-groups within the COP client population. This will require a level of sophistication which is used in evaluations of the nursing home industry but which is currently absent in COP.



Issue: Caregiver Background Checks

BACKGROUND:

Last session, the Legislature enacted 1997 Act 27 which included the requirement that, beginning October 1, 1998, all entities regulated or licensed by the Department of Health & Family Services conduct Caregiver Background Checks on all employees and contractors who might have "access" to clients of the entity. This legislation covered nearly every health and long-term care provider as well as child and day care providers.

The Caregiver Background Check statute requires that covered entities complete a Caregiver Background Check ("CBC") every four years on all employees or contractors under the entity's control who are likely to have access to clients. Several employment prohibitions and restrictions are contained in statute, and the remainder are found in Wis. Admin. Code HFS 12, which is currently promulgated as an amended emergency rule.

Under the statute, no entity may employ or contract with any person under the entity's control who has or is expected to have access to its clients if the entity has known or should have known: (1) That the person has been convicted of a "serious crime"; (2) That the person has a pending charge for a "serious crime" against him/her; (3) That a unit of government or state agency has made a finding that the person has abused or neglected any client or misappropriated the property of any client; (4) That a determination has been made under the child abuse and neglect statutes that the person has abused or neglected a child; or (5) That, in the case of a position for which the person must be licensed or credentialed by the DRL, the person's credential is not current or is limited so as to restrict the person from providing adequate care to a client. Additionally, the statute requires DHFS to establish a list of crimes that bar employment, unless and until the individual demonstrates to a DHFS panel, by clear and convincing evidence, that they have been rehabilitated.

The legislation created five "serious crimes," a conviction of which results in a permanent ban on employment within any covered entity. The legislation also required that the DHFS promulgate rules to fully implement the legislation, including that the Department identify additional "serious crimes," "bar w/ rehab" crimes, and crimes of "lesser sanc-

tions." When the employer receives the results of the CBC, if there are any convictions, they must determine where the conviction falls on the "crimes table," an attachment to HFS 12. If the conviction is for a "serious crime" the individual is permanently banned from employment in a position having access to clients. If the conviction falls into the "bar w/ rehab" category, the individual will need to seek and receive Rehabilitation Review Approval from the DHFS, prior to being able to work in a position having access to clients. HFS 12 contains the eligibility, criteria and procedures that DHFS has established for the Rehabilitation Review. A conviction in the "lesser sanctions" category does not prohibit employment, however, the employer is expected to apply some additional level of supervision or training for such individuals.

HFS 12 has been promulgated as an emergency rule, and after a series of public hearings which generated significant opposition to its content, has been amended and was granted a 30 day extension as an amended emergency rule. HFS 12 has been opposed by WHCA and nearly every other affected group because of its breadth and expansiveness; its absence of data to support many of its employment restrictions; its cumbersome and rigid application and compliance requirements; its lack of discretion or recognition that employment decisions must be made on a case-by-case basis; and its negative impact on the ability to hire otherwise qualified individuals but for past problems. Some of the concerns raised at the public hearings have been taken into account in the amended emergency rule and the proposed permanent rule; however, significant problems persist within the rule due in part to provisions of the statute.

WHCA POSITIONS:

WHCA suggests and requests the following revisions to the Caregiver Background Check law:

1. All covered entities should be required to complete Caregiver Background Checks on all employees and all contractors with significant patient care responsibilities. This change would simplify and expand the employers' responsibilities and will require all entities to know the background of applicants and employees.

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2. Define "caregiver" as an individual who will have "significant, regular patient or client care responsibilities," and for caregivers, that there be a number of convictions which would bar employment. Specifically, any of the current statutory "serious crimes" would bar employment for any caregiver.
 3. Rehabilitation Review by DHFS would be available for caregivers convicted of the five serious crimes.
 4. For employees or contractors who are not caregivers, and for caregivers who have not been convicted of a "serious crime," the employer will exercise its fully informed judgement and discretion as to whether to hire or retain an individual. This decision will be made subject to current state and federal fair employment laws.

These suggested changes to the statute are fair and reasonable from the providers', employees' and clients' perspective. The provider will have an obligation to conduct a background check for all employees, and apply certain restrictions on those employees or contractors in a caregiving position. This obligates the employer to know the background of those they employ, but does not unnecessarily encumber the hiring process. The well intended HFS 12 requirements simply cannot replace the professional judgment necessary

for making what should be a case-by-case determination as to an individuals suitability for employment.

Employees, under the proposed changes, would still have their backgrounds checked, and certainly those individuals not suitable for employment in a caregiving environment will have to find work elsewhere. However, individuals would not automatically be barred from employment for what are often long past problems. Health care employees will essentially share the same rights as all other employees, but the requirement that employers conduct background checks will make it difficult for individuals with unsuitable backgrounds to work in caregiving positions.

Most importantly, under the proposed statutory revisions, clients will be protected because the statute would require that all covered entities know the background of the individuals they employ. To the extent that there was an alleged "crisis" in the health and child care employment area, it was due to the fact that not all employers regularly conducted background checks on the individuals caring for the clients. The proposed revisions address this and require employers to know about the backgrounds of the individuals before they are hired to care for the clients.

WHCA

Wisconsin Health Care Association

3-26-90

Hello my name is Mary Westphal.

I work at Good Shepherd Home in Seymour Wis.

I have been a C.N.A. Since 1983. I believe

that the care that is given to our residents is the kind of care that we all deserve that

is: we do for them, what we would want or

except done for ourselves. Our home is really

a home. It is not a shelter that houses the

elderly. We as parents would think nothing

of paying for good quality care for our children

yet when it comes to the elderly & frail we

tend to hesitate. Is it because they are

not here long? or unable to tell us of bad care.

These are the people that gave us life, and

with out them we would not be sitting here

today. I can't imagine having any other

care than a C.N.A. It is more than just

a job - it's a calling. You don't wake-up
One day and decide that you want to be a CNA.
It is a feeling inside you that continues to grow.
My executive Director told me that the governor
is proposing to cut the money the nursing home
receives to care for the elderly. I can't imagine
what that will do - or could do to the wonderful
reputation Good Shepherd has. We have been deficiency
free for four straight years. And are very proud of
this. With these cuts, I'm afraid of what that
could mean, fewer staff members, and less benefits for
employees. I would hate to think that Wisconsin
could be one of those homes featured on the news. Staffing
at times can be a major problem. When help finds
out what we do, or how hard it is, they usually
stay only short term saying - for what they do - they
are worth more than is. and that there is easier work

for more pay else where. With that, the quality of care is at jeopardy. I to made financial sacrifices. and stayed in long-term care knowing I could make more money else where. If there are cuts - I don't know if I could stay in long term care. if that meant sacrificing my family's needs or the needs of the residents. In closing, I ask that you please consider what I said and ask the legislature to also consider a wage pass through for long-term care employees.

Thank you for your time
Mary Westphal

March 24, 1999

To Whom it May Concern:

I am a C.N.A. who works part-time at Santa Maria nursing home. I elect to work part-time because my husband is retired and damn of retirement age also. In this manner we can still maintain a quality of life that we desire.

Since Jan. 18, 1999 I have been at Santa Maria. Prior to that I worked for over two years at Parkview Manor Nursing Home. The Primary reason I left ^{PTM} was because I was besieged almost every day to work: even called as much as three times a day for the same given shift. In addition I practically never got out on time because of call-ins. Obviously this says there is a critical shortage of help. And with the pay level being what it is, it is only going to get worse.

Let me give you another picture of shortage of help; the night I started at Santa Maria, another cna started also. She has not been seen at Santa Maria to report for work since that first night.

signed
Virginia F. Prusk
1440 Chicago St.
Green Bay, WI 54301

Phone: 920-432-5450

March 25th 1999

To whom this may concern;

Finance Commission of Wisconsin

You must not cut back on financing of nursing homes, they need all the help they can get for nurses, R.N.'s, cleaning, kitchen, administrators etc.

There is excess money out there for other things, first start with our senior citizens who need skilled nursing-home care, they are not baby sitters they are unpaid care-givers for & to our loved ones - because we as parents or spouse's can no longer care for them at home by our self.

My husband is at Santa Maria nursing home, has been for two (2) years & two (2) months, I had him home from the hospital for two years after a severe stroke, my health could no longer take care of him (sorry), so I am asking that you reconsider your spending & help our nursing-home care!

Thank You - Sincerely
Mrs Leo Virginia M. Mero

1820 Ridgeway Dr. De Pere, Wis. 54115 - 920-336-3205

State nursing homes face staff cutbacks

Low wages make it hard to keep jobs

Wisconsin Association of Homes and Services for the Aging Inc. said today that a recent survey shows nursing home operators can't keep wages high enough to draw and keep qualified staff.

As a result, some may need to cut back on the number of people they admit, said the agencies, which represent the interests of almost every nursing home in Wisconsin.

Staffing shortages, due to fewer state dollars, could result in 1998, 17 out of more than 200 nursing homes surveyed in the state.

The Wisconsin Health Care Association and the staffing shortages, according to a summary of the survey, which both organizations conducted.

John Sauer, executive director of the Wisconsin Association of Homes and Services for the Aging, said in a statement to be issued today.

"This is a disturbing state of affairs, and unless we act now, the situation promises to grow significantly worse."

The situation is particularly troublesome for certified nursing assistants, who have the most direct contact with the patient, the agencies said.

"The average wage for such staff is less than \$8 an hour," the survey stated.

Four of five nursing homes reported the ability of their facility to be fully staffed was worse or significantly worse than two years ago.

The concern has many nursing homes calling for more state dollars, which would allow them to pay better wages.

The state reimburses nursing homes a portion of what patients can't pay for themselves, mostly through Medicaid dollars.

"What we're asking for, and what we're saying, is we need more money to pay for the care of the most frail people in society — the elderly and the disabled," said Mary Ann Kehoe, administrator of Good Shepherd Services Ltd., which operates a nonprofit nursing home in Seymour.

"That's the bottom line."

Good Shepherd, for example, takes a loss of up to \$15 a day for each Medicaid resident, Kehoe said.

Sixty-five percent of the home's 97 patients are on some form of medical assistance, she said.

Good Shepherd still has been able to operate without too many problems at this point, Kehoe said.

She said she's not aware of any other nursing homes that cut back on admissions last year.

But demands for more staff will increase statewide, as does the number of elderly in the state, Kehoe said.

"There's just not people out there to get," she said. "It's getting scary."

By JOHN DIRKO, Press-Gazette Staff Writer

This is a summary of the survey, which both organizations conducted.

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Good Shepherd still has been able to operate without too many problems at this point, Kehoe said.

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3-25-99

BILL NO. _____

OR

SUBJECT Cut Back

in N. Home

Virginia Mesa

(NAME)

1820 Bridgeway
(Street Address or Route Number)

De Pere, 54115
(City and Zip Code)

(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information
only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O.Box 7882
Madison, WI 53707-7882

March 26, 1999

To Joint Financial Committee

Senator Cowles and Representative Gard

Please help the low end wage earner in health care to provide better food, housing, and health insurance for themselves and their many dependents.

I will use a few statistics from my own employment example for this appeal.

We employ 135 employees. Of those 105 earn less than \$9.00 an hour.

1. They are certified assistants and support personnel in foodservice, housekeeping and laundry.
2. Many are single parents under the age of 35 .
3. Some are approaching retirement and are trying to grow their social security base.
4. Some are seeking to support only themselves.
5. Most are females.
6. Males who enter these areas leave in short order due to inability to support families.
7. They often refuse health insurance because they need the money for food and housing. Insurance is too expensive.
8. These workers provide 85% of the direct services to our elderly residents.

These workers NEED and SHOULD have at least a 10% to 20% wage increase.

This money would return improved life for their dependent children and establish a better base for when they can no longer work.

This would help the state and federal tax base and social security; and assist to remove many more individuals from government support programs.

It would also encourage the many cash workers who do not declare incomes to move into the employment arena and "fess up."

This would, in effect, help each tax payer who now covers more than his/her share.

Please find a budget solution that will improve the lives of these many individuals.

It will also help small business to provide decent wages and health insurance to the dedicated people and employees who spend each day caring, loving and providing skilled services to the frail, elderly and handicapped folks in Wisconsin.

Please consider this request for inclusion in the budget.

Thank You

Judy Dolezal

Tax payer, homeowner, 39 years in the health service.

Assistant Administrator. Bornemann Nursing Home

Green Bay, WI

To: All Legislators

From: Bonnie Davis, NHA
Mary Vietzke RN, BSN, CDONA/LTC

Bornemann Nursing Home, Inc.

Subject: Support for a Wage Pass-through for Nursing Home Employees

We have approached a pinnacle in time where significant attention is required immediately to prevent a down spiraling of standards in the way we think about and deliver health care to our elderly in this state. There needs to be more emphasis on what can be done to make the job of a CNA more fulfilling, both for students and CNAs who are currently working. Facilities across the state can honestly say they've done their part in that. We, now, see our CNAs receiving a higher level of continuing education, professional growth, and an average wage increase of 8.6% in the past year alone. All of this directly funded by respective facilities in an effort to meet the necessity of placing perceived worth and value to job that needs desperately to be valued as a profession.

There is a multitude of reasons why we are at this critical crossroad. Many of those reasons are in relation to rules designed to improve the quality of care for our residents. One would easily submit to the idea that many of the rules and regulations enacted in the pasted ten years have, indeed, been successful in that end. Wisconsin nursing home residents consume an exemplary quality of care. The proof is in the statistics that show that Wisconsin facilities have met and in cases exceeded the national average in meeting requirements of state and federal initiatives. We as a state have superceded the negative television portrayals of what a nursing facility has to offer. It is now that we need to develop a means to maintain and nourish this growth of our homes. Paragraphs that follow describe why we arrived here and will hopefully spur some thought as to where we need to grow.

Nursing staff fights, daily, the stereotype of being second rate caregivers based solely on the fact of being employed in a long term care facility. The fact is that a long term facility caregiver is an expert in multiple fields of specialty, rather than our hospital counterparts who gain expertise in a single area. The nursing home entity would benefit greatly if our state officials pioneered a project to educate the public to the fact that quality facilities exist. Our legislators need to become mindful that our elderly thrive, not die, in our facilities. We all need to be aware that our facilities are microcosms of our respective communities. It would not be difficult to list specific individuals who had not had the opportunity to worship, visit with peers, attend meaningful functions, move about freely, vote, or be involved with the community for years prior to their nursing facility admission due to being home bound. Nursing facilities have grown. Death is an inevitable part of life. More people die at home or in hospitals than they do in nursing facilities. The public needs to know that Nursing facilities foster life and make death as an important event as being born. A wage pass-through to nursing facility staff would be helpful in this. In this country, the perceived value of your work is based on the wage connected to that work. Our hospital counterparts have out-earned our staff by five to seven percent since time began. It is easy to identify that private insurance and the Medicare system are large players in that arena that nursing facilities do not have as great an access to. We require the state to assist us as we do care for the larger part of health care consumers whose bills are paid by the state.

It is also important to remember who our CNAs are. Typically, your brand new CNA today is between 18 and 22 years old. They have, perhaps, some labor type job experience if any at all. It has taken them, on the average, 6 months to gather the two to four hundred dollars necessary to achieve certification. There was a time when facilities could reimburse that new CNA on hire based on reimbursement to us by our state. It was a good program to motivate entry into CNA programs. Without notice, that reimbursement dropped to half the cost of the course required and facilities no longer have the means to reimburse without additional costs to themselves, and in turn to the resident population. It is understood that one should not expect to be given a living. However, when one looks at the earning potential of an eighteen-year-old, there is no motivation for them to choose being a CNA over a burger flipper at a fast food restaurant. We cannot ask our young people to choose this as a job much less a profession based on what they may get out of it being personal satisfaction only when McDonald's training program gives them that.

Many facilities have resorted to bringing in temporary agency CNAs. When you use temporary agency help for some time, you take away the sense of ownership your own CNAs feel about their facility and about the quality of the work that is expected. In their minds, the temps cannot possibly know as much as, they, your permanent staff do. Yet, the facility, in an effort to meet regulatory guidelines continues to bring them in. Our own staff will come to feel that it is not necessary to develop bonds to the residents and be able to identify the smallest changes. Right now, our quality staff still knows that this is important. They still know that this is cost effective, as early treatment of any

change in condition is always cost effective, not to mention more beneficial to the residents health. Only permanence of position in the facility can foster ownership of these values. Values which it seems we all should want them to have. We, as taxpayers, seek quality as well as quantity in terms of our health care. Also, one should be certain that at some time in our lives we will become directly affected by the decisions that we make right now, either as a direct consumer of long term care or in seeking it for our parents or grandparents. As the current trend continues, our own CNAs are adopting beliefs that the temporary worker is earning a higher wage for work that does not require a personal obligation to any entity other than themselves. They are drawn from our facilities knowing that they will be back because they know you can't live without them. This, in turn, reduces the possibility that our own CNAs can be financially rewarded as the increased cost, of that same person under agency hire, in the facility rises substantially and quality in the name of continuity is chiseled away bit by bit.

The temporary agency pool of CNAs is growing at an alarming rate. They have grown from being shelter in a storm to something as valuable as the very air we breathe. I, for one, am grateful that there is an entity that can provide a CNA a fair wage for the body of knowledge they needed to attain to become certified and for the work they perform. These CNAs are moved from facility to facility on a daily basis and carry the stress of being required to perform at each respective facility's standards and policy's; as well as, in many cases, to function personally with little to no benefits in trade for a higher wage. Agency's can afford this type of wage, as the financial constraints on respective budgets do not include the cost of running an entire facility. The temporary CNAs have merit, as they do fill the gap that is needed by skilled facilities. They are bandaids for the nursing home body that needs to find a way to keep going. One could easily project that our future looks grim, in that, the number of bandaids in our facilities will soon cover our nursing home body. You will not, any longer, be able to see what the home was all about to start out with. The spirit of the home will have been literally sold. This for, nothing more than, compliance to rules created by legislators, who have never been employed by a nursing facility, had a family member receive quality care in a facility or listen to the realities of what it really takes to deliver that quality of care. The realities, in the delivery of that kind of care, are too many to list in a simple letter designed to make an impact. This is in a trade for a deficiency free survey, which has become one of the few ways a facility can find funds to pass on to their own staff.

A wage pass through would allow a quality home to increase hourly wages for current employees to nearly match what a temporary agency pays their staff, in turn, improving retention of quality senior members of a home's staff. It will allow for a shift of current temporary workers into traditional positions, where continuity can only result in more bangs for the health care dollar. It will reduce a nursing homes cost as the temporary agency costs are anywhere from three to five dollars an hour higher than what the that CNA actually earns. Those savings, by a quality facility, could be passed on not necessarily in another wage increase; but in a staffing increase, which will allow more individual attention to our resident population by staff that truly want to belong to the facility.

From the time of initiation of electronic submission of the MDS to the time that PPS became effective, we have been nicked and dimed by thousands of dollars in the name of progression. We have had to add additional computer terminals, train our staff in their use and spend enormous time out of the facility to become competent in all areas of change mandated by our government. We have not received any type of assistance from our state to encourage us to be competent. We funded the enormity of it all.

There are times when it is apparent that current trends are leading us into a survival of the fittest scenario. Meaning, that the small private facility will financially suffer in competition with larger and more powerful corporate homes. The small private homes will disintegrate. We struggle in a time when we were promised, by our sitting President, that our government would bolster small business and that corporate America would not take over. Nursing homes were forgotten when that promise was made. Small facilities are being bought out by corporate giants all over Wisconsin. It has become difficult as a private facility to compete against these giants for reasonable group insurance rates, employee wages and benefits. As much as a wage pass-through would cut our costs in the area of over time and temporary CNA need as described above, it is not unreasonable to believe that the small private home will still be struggling to compete as there will still be no reward for trying to do it the old fashioned way. Our state needs to recognize each facility individually and work to put us on an even playing field in an effort to keep our standards of care where they are. The wage pass-through is step one.

Your time spent on this issue is greatly appreciated. Hopefully, when you become more intimately involved with long term care on a personal level you will look back to this and be able to identify the positive impact you had made.

Sincerely,

Bonnie Davis NHA

Mary Vietzke RN,BSN, CDONA/LTC

To: All Legislators

From: Robert W. Lyons, Executive Director, AFSCME Council 40
Richard Abelson, Executive Director, AFSCME Council 48
Dan Iverson, President, SEIU, Wisconsin State Council
Phil Neuenfeldt, Secretary-Treasurer, Wisconsin State AFL-CIO
John Sauer, Executive Director, Wisconsin Association of Homes and Services for the Aging
Thomas P. Moore, Executive Director, Wisconsin Health Care Association

Subject: **Support For a Wage Pass-through for Nursing Home Employees**

Our varied memberships share a common goal: To ensure the quality of care and the quality of life of each nursing home resident in Wisconsin. We also share a common concern: Namely, that the heavy dependence of nursing homes on increasingly inadequate Medicaid funding, combined with the State's extremely tight labor market, make it increasingly more difficult for nursing homes to recruit and retain caring and competent staff. To avoid a potential crisis in care, the above organizations, which represent both nursing home operators and the caregivers they employ, unite under the name "Coalition for Quality Nursing Home Care" and seek your support for a 7% nursing home employee wage pass-through.

The proposed Medicaid rate increase for nursing homes contained in SB 45/AB 133, the biennial budget bill, simply magnifies the problem. The \$15 million "rebasng" of the nursing home formula in FY 1999-00 and the 1% rate increase proposed for FY 2000-01 fall far short of meeting the costs facilities already have incurred to serve their Medicaid residents. Indeed, Data Resources, Inc. (DRI), the firm the State uses for its own economic forecasting, has projected a 3.3% increase in health care costs due to inflation for 1999.

If the rate increases provided in SB 45/AB 133 fall below the rate of inflation in health care costs, which we anticipate, then many facilities will be facing rate cuts and the possibility of staff freezes or cuts. Without an adequate Medicaid rate increase, the benefits of a wage pass-through will be lost because facilities facing a rate cut would be forced into the perverse position of rewarding one employee with a wage increase funded by the pass-through and by the termination of a position(s). Even with a 3.3% rate increase, some facilities will experience rate cuts and would need to utilize funds from a wage pass-through to retain current positions.

In order to maximize the benefits to our caregivers of a wage pass-through, we also respectfully request legislative support for a 3.3% rate increase for Medicaid-certified nursing homes in each year of the biennium.

Coalition for Quality Nursing Home Care Wage Pass-Through Proposal

Under the Coalition proposal, all nursing home employees except the administrator and home office staff would be eligible for the wage pass-through, which could be used to increase wages, benefits, the number of staff and/or to offset potential nursing home rate cuts that would occasion staff reductions.. The wage pass-

through would be in addition to the 3.3% rate increase proposed above. A nursing facility would be required to apply to the Department of Health and Family Services (DHFS) in order to receive the wage pass-through: a DHFS review of the facility's Medicaid cost report would ensure that the funds are spent for the intended purposes. Failure to expend the wage pass-through funds for their intended purpose would result in the recoupment of those funds by the DHFS.

The benefits of this proposal are clearly illustrated in the following table, which highlights the wage increases for selected nursing home employees that would be generated if the 7% wage pass-through were to be used to increase wages (rather than increase benefits, increase staffing and/or offset facility rate cuts and corresponding staff cuts):

| Position | 1997 | 1997 | 7% | 1997 Annual |
|------------------------------|---------|----------|--------|-------------|
| Registered | \$17.38 | \$36,150 | \$1.22 | \$38,688 |
| Licensed | 12.86 | 26,749 | .90 | 28,621 |
| Certified Nurse Assistant | 8.32 | 17,306 | .58 | 18,512 |
| Food Workers | 8.12 | 16,890 | .57 | 18,075 |
| Maintenance | 11.04 | 22,963 | .77 | 24,565 |
| Housekeeping | 7.56 | 15,725 | .53 | 16,827 |
| Laundry | 7.54 | 15,683 | .53 | 16,786 |

Annual Projected Cost: The projected cost of this proposal admittedly is hefty: We estimate a 7% wage pass-through would cost approximately \$17 million GPR and \$41.3 million all funds in FY 1999-00. With the inclusion of a 3.3% rate increase, which we estimate would cost an additional \$5.4 million GPR and \$13.1 million AF over SB 45/AB 133 levels, the total request is estimated at \$22.4 million GPR and \$54.4 million AF in FY 1999-00 over the amounts included in SB 45/AB 133. But the members of the Coalition for Quality Nursing Home Care firmly believe both our wage pass-through and our rate increase requests are needed and justified.

Why is a Wage Pass-Through Critically Necessary?

The reasons we request this wage pass-through proposal are numerous. Consider the following:

- **The nursing home formula was cut nearly \$47 million in 1997-99.** Although the Governor and the Legislature approved Medicaid rate increases for nursing homes of 5% in FY 1997-98 and 3.5% in FY 1998-99, the dollars generated by those rate increases do not flow directly to nursing homes, but rather fund the nursing home formula. The formula distributes those funds to individual nursing homes based on each facility's historical costs and whether those costs fall above or below the formula's maximum payment limits established for six service areas (direct care, support services, administrative and general,

fuel and utilities, property taxes, and capital). The 5%/3.5% Medicaid rate increases provided in 1997 Act 27, the biennial budget bill, resulted in a lowering of those maximum payment limits by \$46.9 million. The end result: Nearly \$47 million in Medicaid costs incurred by nursing homes in 1997-99 went unreimbursed.

- **Direct caregivers bore the brunt of those cuts.** Of the \$46.9 million cut from the nursing home formula in 1997-99, \$41.8 million came from the direct care cost center. This is the nursing home formula cost center which provides the wages and benefits for nurses and certified nursing assistants (CNAs) in nursing homes. A cut resulted because the maximum payment for facility direct care costs was reduced by the Legislature from 110% of the statewide median to 103%. Our wage pass-through proposal is intended to restore the funding cut from the nursing home formula in 1997 Act 27. The additional dollars will be utilized to increase staffing, to boost the wages/benefits of nursing home employees, or to retain current positions.
- **SB 45/AB 133 will not provide the funds needed to either significantly increase staffing or boost wages.** Indeed, as noted above, the end result of the rate increases provided in SB 45/AB 133 would be a rate decrease and possible staff cuts for some facilities. For the remainder of facilities, this proposal basically allows them to tread water.
- **Nursing homes rely heavily on Medicaid funding.** Medicaid is the primary source of payment for 69% of the residents in Wisconsin nursing homes. If the funding provided through the Medicaid program is not sufficient to allow facilities to recruit and retain competent staff, quality of care inevitably will suffer.
- **Unfunded mandates inhibit a facility's ability to recruit and retain caregivers.** Last session, the Legislature passed bills which increased nursing home minimum staffing levels and which require employee criminal background checks. Neither bill contained additional funding.
- **Decreased Medicare funding only will exacerbate the problem of Medicaid underfunding.** In past years, expanded Medicare coverage of nursing home stays has reduced Medicaid patient days and expenditures. However, a Prospective Payment System for Medicare skilled nursing facilities (SNF), which was mandated by the federal Balanced Budget Act of 1997, went into effect 7/1/98 and is expected to reduce Medicare payments to SNFs by 17%, or \$12.8 billion, over the next 5 years. This reduction in Medicare revenues will place additional pressure on the already underfunded Medicaid program and will limit a SNF's financial ability to provide necessary wage and staffing increases.
- **CNA wages do not do justice to the difficult work they do.** CNAs comprise over two-thirds of the employees who provide direct hands-on care to nursing home residents. The average wage for a CNA in Wisconsin is \$8.32/hour, or an annual salary (52 weeks x 40 hours) of \$17,306 before taxes. Because of their significant reliance on the Medicaid program for reimbursement of costs incurred, nursing homes are severely constrained in their ability to provide better wages for their workers. Are we comfortable in the thought that those caring for our fathers and our mothers, or our grandparents, are being paid \$8.32/hour on average, which is less than a telemarketer or a door-to-door salesman? Is an annual salary of \$17,306 sufficient to raise a family for the many CNAs who are single parents? We think not.
- **Facilities are facing a critical shortage of competent CNAs at a time when the labor market is extraordinarily tight.** Staff recruitment and retention is the #1 problem facing nursing facilities in

Wisconsin. Keeping in mind the average wage of a CNA in Wisconsin is \$8.32/hour, and that CNAs must complete a minimum training program of 75 hours, pass a competency test and undergo a criminal background check, consider the following findings of an October 1998 study of job openings conducted by the UW-Milwaukee that was updated in January of this year:

- 1) The number of full-time and part-time jobs open during the week of May 18 in the Milwaukee-area was the highest since 1995; employers were looking to fill 19,259 full-time positions and 15,263 part-time positions. Those figures had risen to 21,515 open full-time positions and 15,476 open part-time positions when a similar survey was conducted during the week of October 19, 1998.
 - 2) For entry-level jobs demanding a high school diploma but little else, employers were paying an average of \$7.90/hour last May; that figure rose to \$8.07 in October.
 - 3) Companies offered at least \$8/hour for nearly half the beginning-level, full-time positions they were trying to fill – jobs that required neither a high school diploma nor any work experience.
 - 4) When employers are attempting to fill positions with job responsibilities that include caring for extremely frail elderly people, many of whom suffer from dementia or are otherwise behaviorally difficult, at a wage that is comparable to a fast-food restaurant employee or other beginning level jobs, **is it any wonder the UW-Milwaukee study placed the position of CNA at the top of its list of the most difficult positions to fill?**
 - 5) Once again, keeping in mind the wage and the job responsibilities of a CNA, the dilemma facing nursing homes is clearly illustrated in this recent Milwaukee Journal Sentinel quote from John Metcalf, director of human resources policy for Wisconsin Manufacturers and Commerce (WMC), in response to the UW-Milwaukee study: "People can easily walk across the street and find another job for 50 cents more. Workers, for whatever reason, are not staying long in one place. Jobs are plentiful. They can choose when they want to work and when they don't want to."
- **The turnover rate for CNAs in nursing homes is threatening quality care.** According to the most recent data compiled by the DHFS, the turnover rate for full-time nursing home CNAs is 54%; for part-time CNAs, that figure shoots to 76%. And high turnover, according to the DHFS Center for Health Statistics, hurts quality care. In a 1994 report, the Center noted: "One important aspect of quality of care in nursing homes is the continuity of employment among the nursing staff. Low continuity can lead to staff shortages, which in turn allows less time for resident care. A time lag usually occurs between the date an employee leaves a facility and the date a replacement begins to work. Training of new employees also absorbs time. Therefore, it can generally be assumed that the lower the turnover among nursing employees in a nursing home, the better the quality of care will be." It certainly is within reason to argue that a fairly low wage for a difficult job in a tight labor market results in high turnover. In the case of nursing homes, the DHFS itself concludes that high turnover can compromise quality of care.
 - **Can we avoid a reoccurrence of the Mount Carmel situation?** On October 19, 1998, the DHFS moved to delicense Mount Carmel Health and Rehabilitation Center in Greenfield. In Mount Carmel's case, there appears to be a clear link between a shortage of staff and quality of care. Indeed, one of the key reasons Mount Carmel was able to retain its license in early February of this year was because of its efforts to bolster its staff. We submit that in order to avoid future reoccurrences of the Mount Carmel situation,

facilities must be afforded the funds necessary to provide for staffing increases or to boost the wages/benefits of their current employees, where needed.

The Minnesota Legislature last session passed nursing home wage pass-through legislation similar to what we are proposing. In a 3/10/98 editorial in support of that measure, the Minneapolis Star Tribune wrote:

“Every day, someone must feed, bathe and clothe many of the people who live in nursing homes. Someone must help many of them walk, or get into a chair, or move their wheelchairs. Someone should greet them cheerfully, listen sympathetically, and offer the simple comforts of a smile and a tender hand.”

We Need Your Support

We ask members of the Legislature to join members of the Coalition for Quality Nursing Home Care in support of a wage pass-through proposal which seeks to ensure that each nursing home resident will be compassionately served by that “someone” envisioned in the Star Tribune editorial.

We appreciate your consideration and look forward to working with you on this proposal.

March 25, 1999

Dear Governor Thompson:

We are a group of Certified Nursing Assistants at Odd Fellows Nursing Home in Green Bay who are concerned about the proposed Medicaid funding cutbacks. The elderly population in our country is increasing rapidly, not decreasing, as these cutbacks would suggest. Our grandparents, parents and other loved ones will suffer if these cutbacks become a reality. Staffing shortages are already a concern, but these cuts will only increase the problem. Should the main caregivers of our loved ones earn less than door-to-door salespeople or workers in fast-food restaurants?

Don't our loved ones deserve competent workers who will bathe, feed, and clothe them with a smile? Someone who will help them to transfer from their beds and walk the halls using a gentle touch? To encourage them to maintain as much independence as possible. What of the values of dignity and worth? Are these to be cast aside?

Could you answer these questions if you had loved ones in this situation? Wouldn't you be happier knowing that their caregivers were satisfied in their work environment? Studies show that facilities with lower turnover of staff have a better quality of care. And we can assume that lower wages will result in higher turnover rates.

The wages CNAs earn do not do justice to the type of work they perform and they make up more than two-thirds of the employees who provide direct care to the residents. Currently in Wisconsin, there is a critical shortage of CNAs and all one has to do is read the want ads in the paper to determine this shortage in nursing home facilities.

Perhaps more extensive tours of Wisconsin nursing home facilities is warranted. A Certified Nursing Assistant is a potpourri of patience, love, understanding, empathy, and a genuine desire to help others. Our loved ones deserve to have these wonderful individuals at their sides at their most vulnerable time in their lives. Let us allow this.

Patty A. Mott

March 25, 1999

Honorable Governor Thompson
Senator Brian Burke, Co-Chair Joint Finance Committee
Assemblyman John Gard, Co-Chair Joint Finance Committee

Dear Sirs:

Do you realize what will happen to our elderly resident community if your budget cuts in Medicaid passes? Apparently not!

Please take into consideration the following comments from the staff of Odd Fellow Home, Green Bay, Wisconsin.

- Resident care is getting more extensive due to the fact that they are joining us after major surgery from short-term hospital care. These people are human beings and are receiving quality care, which family members are not able to provide. As employees we feel that "quality" needs to improve.
- Having higher wages will hopefully bring in better-qualified applicants, who will devote their time and energy into our elderly community. It will also provide better working conditions for staff and residents. For some residents, we as a staff are all they have.
- The elderly do not like change. They get used to their caregiver on a daily basis. Let these residents keep their dignity—for some, that is all they have left.
- We also feel lower ratios need to be considered so that all of the residents' needs can be met. Some require more than others.
- Single employees with or without dependents need to work past their scheduled 40 hours per week to make ends meet.
- Our medical insurance premiums go up. Do our pay increases cover those increases and the high deductible? No.

We invite you to spend a day with us. You will be able to see first hand what we do as certified nursing professionals.

In closing, reconsider any budget cut in Medicaid funding. Someday you too may be part of an elderly community. Will your needs be met? If so, by whom? Will they be a certified, skilled, caring nursing professional? Think about it.

Sincerely,

The Staff of Odd Fellow Home
1229 South Jackson Street
Green Bay WI 54301

JM/mg

Jane Mackert CNA
Nancy ~~Butter~~ CNA
Mae Roma CNA
Madone Krause CNA
Dawn L. Bailey CNA
Brenda Lamb H.K.
Bonnie Thiry
Pamela L. Gibson Hskp.
Jill A. Charlier Hskp.
Kimberly Wilson CNA
Jill Wln CNA
Stacy Nla LPN
Maryanne Lindsey CNA
Pat Nelson CNA
Laura Kollros RN-BSN
Barbara Werkheiser RN
Sherie M Stock RN, BSN
Patty Matt CNA
NICOLE MACKERT CNA

TO: Senator Brian Burke, Senate Chair (D) Representative John Gard, Assembly Chair (R)
Senator Russell Decker (D) Representative Cloyd Porter (R)
Senator Robert Jauch (D) Representative Dean Kaufert (R)
Senator Gwendolynne Moore (D) Representative Sheryl Albers (R)
Senator Kevin Shibilski (D) Representative Marc Duff (R)
Senator Kimberly Plache (D) Representative David Ward (R)
Senator Robert Cowles (R) Representative Gregory Huber (D)
Senator Mary Panzer (R) Representative Antonio Riley (D)

FR: Charlene M. Coenen, National Association of Social Workers, 3000 Gilbert Drive, Green Bay, WI

The Wisconsin Chapter of the National Association of Social Workers (NASW WI) represents 2,500 professional trained social workers who provide social services in the state. Many of these social workers help and arrange long term care services.

They feel the current long term care system in Wisconsin needs fixing. Many requiring long term care are being placed in nursing homes, because Medicaid will pay for it. A good number of those living in nursing homes would prefer and are able to live in less restrictive environments. The Community Options Program (COP) has a growing waiting list, because most people requiring long term care prefer to live in their own home and the funding for COP is capped because it is not covered by Medicaid.

NASW WI supports the benefits of the proposed Family Care Program, but oppose the proposed plan for administering Family Care. It is important to provide people a choice of where they may receive long term care and not let the funding decide this.

Wisconsin has a long tradition of successful County administration of statewide human service programs. Some examples of this are COP, the County Developmental Disabilities and County Mental Health Programs. We feel the long term care system which will spend over \$2 billion a year should be publicly administered which provides public accountability. There are barriers to County administration in the Family Care proposal. Requiring the creation of a public authority to administer part of the program is an obstacle. Also giving Counties only two years to organize Family Care before opening it up for bids is too short a time for counties to organize this program. Six years is not too long to give the Counties to establish this major program.

The Family Care pilots provides an opportunity for the demonstration Counties to work out some of the problems of administering the Family Care program.

We are concerned that there will not be adequate funding, in the 62 Counties that will not be pilot Counties, for parts of the programs that will be included in Family Care while the Family Care system is being organized. Expanded funds for COP, Elderly and Disabled Transportation and other programs currently serving the elderly and handicapped are needed to move into the new Family Care program.

In summary:

- ▶ The long term care system needs fixing.
- ▶ NASW WI supports the benefits of the proposed Family Care.
- ▶ NASW WI opposes the proposed management of Family Care.
- ▶ NASW WI supports public administration of Family Care through the Counties.
- ▶ Obstacles to County administration of Family Care should be removed.
- ▶ The pilot projects should be extended up to six years.
- ▶ Funding for programs to be included in Family Care should be expanded.

March 26, 1999

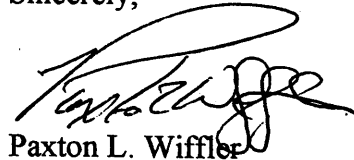
Dear Senator Burke;

I am a second generation long-term care employee. I chose my occupation and this field, because I saw the joy and satisfaction, my mother, a nurse, received from taking care of her patients. For twelve years, I have had this same joy and satisfaction of providing quality care, and a quality life to the residents of my nursing home. However, a potential crisis is on the doorstep of virtually every nursing home in the state; staffing. Telemarketers, fast-food employees, and the like, make more money than the dedicated individuals who care for our parents and grandparents in nursing homes. This problem could potentially have a dramatic impact on the availability and accessibility of patient care.

These staffing problems have hit other states and the impact has been severe. The availability of beds for residents has been severely restricted, and many residents have been placed in facilities hundreds of miles from their homes. Many states waited too long before addressing the problem and improving wages for healthcare workers. The State of Wisconsin should learn from these mistakes. Nursing homes are severely constrained in their ability to provide better wages due to their significant reliance on the Medicaid program. Yet, Governor Thompson and Mr. Chandler, his budget expert, see no reason to increase the reimbursement for long-term care facilities. It is their belief that a nursing facility can provide 24-hour nursing care, medications, meals, and psycho-social intervention for less than \$95.00 per day, regardless of patient acuity. The labor market in Wisconsin is very tight, so tight that the Governor and Mr. Chandler has used 40 million dollars of the State's surplus to increase the salaries of the State's employees in an effort to retain workers and reduce turnover.

I am here requesting a 7% wage pass through for long term care workers. If we as a state do not address this crisis, no longer will we see the joy and satisfaction on the faces of long-term care workers, as there will be no workers to see.

Sincerely,



Paxton L. Wiffler



McCORMICK MEMORIAL HOME

March 26, 1999

Public Hearing

Wisconsin Legislature Joint Finance Committee
Brown County Library
Green Bay, WI 54302

Dear Committee Members:

Please allow me to introduce myself. My name is James Genrich and am the Administrator of McCormick Memorial Home, a 60-bed not-for-profit CBRF located here in Green Bay. I'm also a member of Wisconsin Assisted Living Association (WALA).

McCormick Memorial Home:

- provides housing services to seniors and has been doing so since 1920
- offers a sliding fee scale for individuals in need
- turns no one away because of inability to pay

As an example, one of our current residents pays just 25% of the cost of her care. When making the decision 2 years ago about a place to live, her choices were McCormick Home at \$300 per month or a nursing home at \$3,000+ per month. Medicaid is/was willing to pay \$3,000+ for her care in a nursing home but not willing to contribute anything to her care in a CBRF. In those 2 years she has spent approximately \$7,200 and we have written off \$19,800. Medicaid would have spent at least \$72,000 for that same period.

My concerns are two-fold. My first concern is with regard to a proposed change found in the Governor's budget. That change is to double CBRF licensing fees. We paid \$2,150 last September to renew our license. Doubling that to \$4300 would cause a financial hardship which will have to be passed on to our residents in the form of fee increases.

Secretary Lekan, when asked earlier this week by Senator Moen about the rationale for this increase, was not able to offer one. I have yet to hear the rationale for this. Our level



of service need from DHFS has not changed. They remain available to us but basically act as a licensing agent.

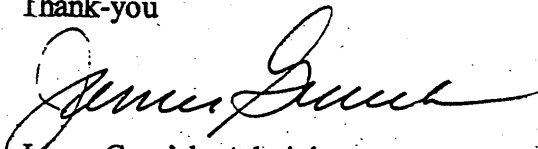
My second concern is with regard to Family Care and the recent (1/1/99), requirement to have all potential admissions to CBRE's, regardless of financial status, complete a financial and functional screening. I agree with the assessment if the need for financial assistance is imminent but feel it is unfair to those potential residents who will pay for their own care.

Presently here in Brown County the waiting period for assessments is approximately 6 weeks. The duration of these assessments can be 2 to 3 hours.

This is an unfair requirement for potential residents and families and it is also an unfair burden on local Human Service agencies who were given no new personnel and no new dollars to complete this task.

In summation I simply ask that you reconsider this part of the budget and the Family Care bill before approving them. Let's continue to concentrate on fixing what's broken and leave alone that which isn't.

Thank-you



James Genrich, Administrator

March 26th, 1999

TO: ALL LEGISLATORS

**FROM: DAWN NORRIS, CERTIFIED NURSING ASSISTANT
GRANCARE NURSING CENTER, GREEN BAY**

My name is Dawn Norris, and I am a Certified Nursing Assistant. I am the primary care giver for your loved ones.

I work 40-50 hours a week. It is not easy work, and it is not a high paying job, but I enjoy it. I'm 42 years old and go home after a hard day and take care of my grandson. I am also a single parent.

When I became a Certified Nursing Assistant in 1991 my starting wage was \$5.00 per hour, now, eight years later the starting wage is between \$7.00 and \$8.00 per hour. On \$8.00 an hour it is extremely difficult to pay rent, maintain a car, buy groceries, and raise a child.

When others call in ill, or simply don't bother to show up for work we can have 14-15 residents under our care. I bathe the residents, toilet them as frequently as possible to maintain continence and dignity, provide range of motion for those who are no longer able to walk, ambulate those who still have this ability so they do not lose it, comfort them when they are sad and lonely, and hold their hand when they are dying. I want to be able to care for my residents, which goes beyond the everyday physical needs. I think this is what we are all talking about when we refer to quality of care. We cannot provide this level of quality with out compassionate, caring, Certified Nursing Assistants.

These are our elderly, the foundation of our community. They may be legislators, lawyers, doctors, or teachers. Everyone one of us in this room today will probably live to be elderly, we will be dependent upon someone to provide us care. I understand that schools and prisons are also important, but we as a society have not provided our elderly with the dignity and respect they deserve, we cannot continue to turn our backs on the elderly.

Earlier this week while I was paying for my gas at a gas station, the clerk noticed my name tag and commented that she always wanted to be a Certified Nursing Assistant. She asked me how much it paid, when I told her, she laughed out loud and said she made more sitting at the gas station. As long as gas station clerks and hamburger makers at Mc Donald's make more than a Certified Nursing Assistant we will continue to have a shortage.

As an independent owner I struggle with the desire to create an environment that will not only provide treatment (bathing, dressing and feeding) but will provide caring to our elderly. An environment that will get rid of the feelings of loneliness and helplessness that plague our elderly. I believe this is what we mean when we talk about quality of care. I believe we as a State want our elderly to be "cared" for and not just treated. I believe that is what each one would want for our parents, grandparents; and for ourselves.

It is becoming increasingly difficult to even provide treatment. The labor market has also changed dramatically in the last 29 years. The ability to recruit and retain Certified Nursing Assistants has reached a crisis. Currently, on our afternoon shift we have 7 openings, advertising has not produced anyone to fill these positions. Our turn over rate in 1998 was a staggering 140%. The primary reason staff left was lack of proper wages and benefits. To counter this we increased benefits to Certified Nursing Assistants and instituted a shift differential of .75 per hour for the afternoon and night shift. These increased costs will not be recognized in our Medicaid rate, which at this time is \$88.48 per day for a skilled level of care. This rate includes room and board, all nursing care, meals, nutritional supplements, medical supplies, many medications, recreation therapy, social services, incontinent products, and the list goes on. Currently, this equates to an approximate loss of \$8.00 per day for each Medicaid resident. With the average number of Medicaid recipients reaching 70% in Nursing Homes it is easy math.

The proposed 1% Medicaid rate increase for Nursing Homes falls short of meeting the costs. I am facing a critical shortage of competent Certified Nursing Assistants at a time when the labor market is extraordinarily tight. The average wage for a Certified Nursing Assistant in Wisconsin is \$8.32 per hour. These individuals must complete a training program of at least 75 hours, pass a competency test, and undergo a criminal back ground check. They care for our parents and grandparents. Companies offer at least \$8.00 an hour for jobs that neither require a high school diploma nor any work experience. A study of job openings by the University of Wisconsin-Milwaukee concluded that the position of Certified Nursing Assistant was at the top of the list of the most difficult position to fill.

I urge the members of the Senate and Assembly to closely evaluate our priorities and send a message to our elderly that we do indeed "care".

Thank you for your time and the opportunity to address you today.

March 26, 1999

Joint Finance Committee
Attn: Representative John G. Gard
481 Aubin Street
P.O. Box 119
Peshtigo, Wi 54157

Dear Members of the Committee,

I am a constituent of the 19th Senate District in Appleton and am a social worker in the Green Bay area. I would like to thank you all for coming up to our area for this hearing and would like to voice my support for some of the health and human service issues in the Governor's Budget Bill for this next year. My grandfather died due to complications relating to Alzheimers Disease and my grandmother took care of him for as long as she could at home. I would like to speak to the issue of the Alzheimers Family and Caregiver Support Program (AFCSP). Here in Brown County it is my understanding that this money goes to ensure the continuation of Alzheimer related adult daycare programs, and in many other counties for various individual respite and emergency care needs. These types of services ensure that the caregiver is allowed the little bit of a break that is necessary to continue the caregiving at home. It is my feeling as a tax payer that this funding source should be increased to assist specifically those with Alzheimer and other dementia related issues, since in Wisconsin alone there are over 100,000 people affected and we need not only to service the victims of this disease but also those who are caring for them. 75% of all caregivers are women and as I think of the sheer amount of responsibility that caregiving entails, I would like to know that should I become one of those women, that there would be assistive services available to me if it were necessary.

Secondarily, there is the issue of the Community Options Program. At this point, as I am sure you are all aware, there are enormous waiting lists for people who have been determined to be eligible for services, but no funding is available in their individual counties for them to receive the benefit of the program. COP has been proven to be a cost effective method for keeping people out of nursing homes and in the community. It

is my feeling and since the Family Care proposal only has the pilot projects operating at this time, that your committee look into additional moneys for new placements on the COP program. The upcoming tobacco settlement moneys might be utilized for this purpose, but overall the most important point is that Wisconsin is one of the leaders in home and community based care primarily due to the Community Options Program. I would like to think that we are proud of that fact, and would continue to support the ongoing services that we have provided as a community to those who are elderly and disabled.

Please examine these two issues very closely and take them into serious consideration when you are deciding what is the best thing to do for our community and its' people. Thank you for both your time and consideration regarding these issues.

Sincerely,

A handwritten signature in cursive script that reads "Diane Bezella". The signature is written in black ink and has a long, sweeping tail that extends to the right.

Diane Bezella
W3979 Highview Drive
Appleton, Wisconsin 54915

March 26th, 1999

TO: JOINT FINANCE COMMITTEE

FROM: DONNA ZUNKER,
CERTIFIED NURSING ASSISTANT, OWNER/OPERATOR
GRANCARE NURSING CENTER
1555 DOUSMAN ST.
GREEN BAY, WISCONSIN 54303
TELEPHONE: 920-494-4525

I began my career as a Certified Nursing Assistant in a Nursing Home in 1970, as I worked my way through college. Following graduation I continued my career in the Nursing Home. I have held various positions through out the years, and today along with my husband, own and operate Grancare Nursing Center, a 75 bed facility here in Green Bay.

Nursing Homes have changed dramatically in those 29 years since I began in this profession. In 1970 we cared for residents who required assistance with bathing, dressing, they're cognitive status was for the most part intact. Through out the years, I have steadily watched the level of care increase. Today those living in my Nursing Home are older, frailer, and sicker than those we cared for just five years ago are. We are caring for residents in need of highly skilled nursing care. We have become a step down from the hospital. We provide rehabilitation for those who are just 3 and 4 days post surgery; it is common place for I.V.'s, total parenteral nutrition, and deep wound care to be provided in a Nursing Home. 85% of these residents are discharged back to their home.

For those whose medical, physical, and cognitive needs require on-going skilled nursing care I see our Certified Nursing Assistants, bathe, dress, toilet, and care for all of our residents very personal needs. Many residents have severe cognitive impairments; many require special lifts to move them from bed to chair.

I am still a Certified Nursing Assistant, and although I hold degrees in other areas and am the owner of the facility, I would much rather spend my time working as a Certified Nursing Assistant. This position is much more rewarding than shuffling through the copious amounts of paper work required to participate in the Medicaid and Medicare programs, and to meet the myriad of regulations.

When I work as a Certified Nursing Assistant I not only meet the residents physical needs, but for those able to relate, find great joy in listening to they're fantastic stories about the lives they lived, and the tremendous contributions they have made to this community and this state. They are wise, and we need to listen to them.

As an independent owner I struggle with the desire to create an environment that will not only provide treatment (bathing, dressing and feeding) but will provide caring to our elderly. An environment that will get rid of the feelings of loneliness and helplessness that plague our elderly. I believe this is what we mean when we talk about quality of care. I believe we as a State want our elderly to be "cared" for and not just treated. I believe that is what each one would want for our parents, grandparents, and for ourselves.

It is becoming increasingly difficult to even provide treatment. The labor market has also changed dramatically in the last 29 years. The ability to recruit and retain Certified Nursing Assistants has reached a crisis. Currently, on our afternoon shift we have 7 openings, advertising has not produced anyone to fill these positions. Our turn over rate in 1998 was a staggering 140%. The primary reason staff left was lack of proper wages and benefits. To counter this we increased benefits to Certified Nursing Assistants and instituted a shift differential of .75 per hour for the afternoon and night shift. These increased costs will not be recognized in our Medicaid rate, which at this time is \$88.48 per day for a skilled level of care. This rate includes room and board, all nursing care, meals, nutritional supplements, medical supplies, many medications, recreation therapy, social services, incontinent products, and the list goes on. Currently, this equates to an approximate loss of \$8.00 per day for each Medicaid resident. With the average number of Medicaid recipients reaching 70% in Nursing Homes it is easy math.

The proposed 1% Medicaid rate increase for Nursing Homes falls short of meeting the costs. I am facing a critical shortage of competent Certified Nursing Assistants at a time when the labor market is extraordinarily tight. The average wage for a Certified Nursing Assistant in Wisconsin is \$8.32 per hour. These individuals must complete a training program of at least 75 hours, pass a competency test, and undergo a criminal back ground check. They care for our parents and grandparents. Companies offer at least \$8.00 an hour for jobs that neither require a high school diploma nor any work experience. A study of job openings by the University of Wisconsin-Milwaukee concluded that the position of Certified Nursing Assistant was at the top of the list of the most difficult position to fill.

I urge the members of the Senate and Assembly to closely evaluate our priorities and send a message to our elderly that we do indeed "care".

Thank you for your time and the opportunity to address you today.

MARCH 26, 1999

TO: ALL LEGISLATORS

**FROM: SARAH ERICKSON, CERTIFIED NURSING ASSISTANT
GRANCARE NURSING CENTER, GREEN BAY**

My name is Sarah Erickson and I have been a Certified Nursing Assistant for over 9 years. I love what I do, but I feel the compensation a cna gets is totally disproportionate to out responsibilities. We work every other weekend ^{for straight time} and every other holiday for 1 1/2 time and a half. If we don't work the holiday we don't get paid for it. The cost of health insurance is astronomical because we are considered a high risk group. This is due to the number of back injuries and health conditions contracted from close personal contact and heavy lifting.

It seems to me that this field is still largely considered a woman's profession. Therefore it is assumed that this is a second salary for a family, but all too often now it is the only support for a single parent family.

I have spent the last six years saving what I could to provide a home for myself and my 12 year old daughter. My parents deeded 2 acres to me and I went to get a building loan from my local bank. I was told sorry! you have the down payment but not the hourly wage.

I do love my job which includes the bathing, toileting, and feeding, but also emotional support-encouragement comfort and a show of respect which is often forgotten by the community and general public. These people have led amazing lives, fought in wars, and helped forge the foundation of our communities, state and country. I'm sure they never planned on becoming this dependent on anyone again. I help them with therapy now that medicare payments are done differently. I need to know when exercise is being done properly so they don't further injure themselves. I also have to be aware of hip precautions, what to do in case of falls, the signs of skin breakdown, and signs of choking as well as state regulations. It is hard to describe all that I do in a day but I challenge anyone of you to come and shadow me for a day, so you can become more aware of the challenges and rewards of being a cna.

Thank you for giving me this opportunity.

My name is Linn Cornelius from the Anna John Nursing Home. I am here to request you, as legislators, to increase the dollar amount under the Medicaid program for the Wage Pass Through. This will enable nursing homes to increase the wages for nursing home employees.

I work at the Anna John Nursing Home, a 46 skilled nursing bed facility. We are operating at 91% of the residents are under the Medicaid Program. In the past few months, we have experience the loss of 6 CNAs. Below are the reasons these CNAs left our facility:

Two 32 hours per week day CNAs resigned to work for AMS. They left the CNA area. One reason they left, is they could work at AMS for the same amount with weekends and holidays off.

One 32 hours per week evening CNA resigned to work at another nursing home for \$10.65/hour.

One on-call CNA is on her last semester in school to become a registered nurse. She will be taking her exam this June. She will be looking for a RN position starting in May.

In addition, we have one full time CNA working as a waitress at a local restaurant, one 32 hours per week evening and night CNA working 24 hours per week at another nursing home and one full time CNA working as a CNA for a temporary agency. These three CNAs are working other jobs to pay their bills. Everything else in their lifes' has gone up, and their wage has stayed the same. So to make ends meet, they had to look for another job. This has hurt the nursing home because we have three less CNAs to call in, work other shifts or cover vacation requests.

Our starting wage for CNAs is \$8.77 per hour. But it is hard to compete with other organizations starting at this wage or higher that doesn't require working evenings, weekends or holidays.

The Medicaid program is our main financial support and with no increase in dollars in this program only hurts our residents in this facility. We believe in providing the best quality of care to each and every resident. So how do we do this with no increase in monies? Especially with all the increased paper regulations you are requiring of nursing homes to provide to the State and Federal people with no increase monies to do this.

The State is requesting a salary increase for state employees. And if Medicaid is a State funded program, wouldn't nursing home employees be considered a state employee, also.

This type of petition must allege that: (a) the inmate is mentally ill, is a proper subject for treatment and is in need of treatment; (b) the inmate has been fully informed about, and has had the opportunity to discuss, his or her treatment needs and the mental health services available to him or her; and (b) appropriate, less restrictive forms of treatment have been attempted and have been unsuccessful. These changes would only apply to inmates of state prisons; the bill would not modify current time restrictions that apply for involuntary civil commitments of inmates from county jails and houses of corrections.

[Bill Sections: 1549, 1551 thru 1554 and 9323(1)]

Children and Family Services

1. MILWAUKEE CHILD WELFARE

Governor: Modify funding budgeted for Milwaukee child welfare services by \$29,134,600 (-\$8,676,900 GPR, \$16,394,100 FED and \$21,417,400 PR) in 1999-00 and \$28,688,900 (-\$3,975,200 GPR, \$11,867,300 FED and \$20,796,800 PR) in 2000-01 and provide 14.55 GPR positions and delete 14.55 FED positions annually to reflect a reestimate of the costs to administer child welfare services for Milwaukee County and to fund the development and implementation of an automated case management information system.

| Funding Positions | | |
|-------------------|---------------------|-------------|
| GPR | -\$12,652,100 | 14.55 |
| FED | 28,261,400 | -14.55 |
| PR | <u>42,214,200</u> | <u>0.00</u> |
| Total | \$57,823,500 | 0.00 |

The following table identifies the changes to Milwaukee child welfare funding included in the bill.

Milwaukee Child Welfare Governor's Recommendations

| | 1999-00 | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | <u>GPR</u> | <u>FED</u> | <u>PR</u> | <u>Total</u> |
| Service and placement costs | -\$10,331,500 | -\$2,522,800 | | -\$12,854,300 |
| MA targeted case management | | 19,889,100 | \$19,889,100 | 39,778,200 |
| Third-party collections | | | -2,239,500 | -2,239,500 |
| Child care administrative costs | | | 182,200 | 182,200 |
| Automated case management information system | 1,704,800 | 1,456,700 | 3,585,600 | 6,747,100 |
| Miscellaneous operations | <u>-50,200</u> | <u>-2,428,900</u> | | <u>-2,479,100</u> |
| Total | -\$8,676,900 | \$16,394,100 | \$21,417,400 | \$29,134,600 |

| | 2000-01 | | | |
|--|----------------|-------------------|--------------|------------------|
| | GPR | FED | PR | Total |
| Service and placement costs | -\$5,890,500 | -\$6,157,600 | | -\$12,048,100 |
| MA targeted case management | | 18,735,900 | \$18,735,900 | 37,471,800 |
| Third-party collections | | | -2,239,500 | -2,239,500 |
| Child care administrative costs | | | 182,200 | 182,200 |
| Automated case management information system | 1,965,300 | 1,717,300 | 4,118,200 | 7,800,800 |
| Miscellaneous operations | <u>-50,000</u> | <u>-2,428,300</u> | | <u>2,478,300</u> |
| Total | -\$3,975,200 | \$11,867,300 | \$20,796,800 | \$28,688,900 |

Service and Placement Costs. Reduce funding by \$10,331,500 GPR and \$2,522,800 FED in 1999-00 and \$5,890,500 GPR and \$6,157,600 FED in 2000-01 to reflect reestimates of the cost for: (a) out-of-home placements; (b) safety services; and (c) ongoing services for cases in out-of-home care.

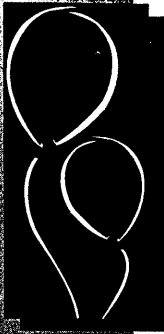
MA Targeted Case Management. Increase federal MA benefits by \$19,889,100 FED in 1999-00 and \$18,735,900 FED in 2000-01 due to DHFS claims for targeted case management services provided to MA-eligible children in out-of-home care in Milwaukee. The bill would provide a corresponding amount of PR expenditure authority to reflect the transfer of these funds to the Division of Children and Family Services (DCFS) from the federal MA benefits appropriation.

Third-Party Collections. Reduce funding by \$2,239,500 PR annually to reflect reestimates of the amount of revenue available from third-parties for children in out-of-home care. Third-party revenue includes SSI and child support payments for children in out-of-home care, which are used to offset placement costs for these children.

Child Care Administrative Costs. Provide \$182,200 PR annually for administrative costs relating to child care provided for foster parents. PR funding would be available from federal TANF block grant funds transferred from DWD.

Automated Case Management Information System. Provide \$1,704,800 GPR, \$1,456,700 FED and \$3,585,600 PR in 1999-00 and \$1,965,300 GPR, \$1,717,300 FED and \$4,118,200 PR in 2000-01 to fund the development and implementation of an automated case management information system for Milwaukee child welfare activities. PR funding reflects the transfer of GPR and federal funds from DCFS to the Division of Management and Technology, which will be responsible for development and implementation of the information system.

Miscellaneous Operations. Reduce funding by \$50,200 GPR and \$2,428,900 FED in 1999-00 and \$50,000 GPR and \$2,428,300 in 2000-01 FED to reflect reestimates of miscellaneous state operations costs budgeted for the Bureau of Milwaukee Child Welfare. This reestimate includes the transfer of 14.55 positions from federal funding to GPR funding to reflect a reestimate of the amount of federal funds available for reimbursement of child welfare staff costs.



Family Services

Everyone is Family

Thomas E. Martin
President

March 19, 1999

POSITION STATEMENT RE: STATE BUDGET

FROM: FAMILY SERVICES OF NORTHEAST WISCONSIN, INC.

Brown County has been receiving funding from the youth gang diversion grant program through the Wisconsin Department of Corrections since March of last year. Funding for Brown County is at a \$75,000 level and is referenced in Section 301.265, subparagraph 3 of the Wisconsin Statutes. The grant is being used to provide gang prevention and early intervention programming through the Boys and Girls Club and the Coming Home Project of Family Services. The numbers of youth who are at risk for gang activity and other serious at risk behaviors are growing faster than service providers are able to manage. Many of our youth "in trouble" are Southeast Asian or Hispanic, and need the outreach efforts and creativity of alternative programs for us to reach them, and make a difference in their lives before it's too late.

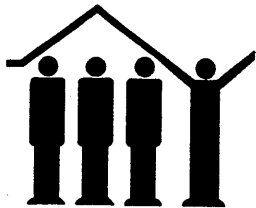
We would propose that the Wisconsin Legislature seriously consider funding Brown County at the same \$150,000 level that they are providing for Racine and Kenosha Counties. This county's funding level is seriously inadequate for the work that needs to be done to keep our youth violence free, and to help them make the appropriate decisions that will impact all of our lives in the future.

Sue Cohen
Senior Vice President

- Adolescent Day Treatment
- Alcohol & Drug Abuse Treatment
- At-Risk Truancy
- Coming Home
- Comprehensive Integrated Service Network (C.I.S.N.)
- Counseling Services
- Crisis Center
- Elementary Day Treatment
- Employee Assistance/Managed Care
- Families & Schools Together
- Healthy Families
- In-Home Counseling Services
- Juvenile Restitution
- Kids Can
- Learnfare Case Management
- Residential Treatment
- Runaway Project
- Sexual Assault Services
- Silvercrest Group Home
- Student Assistance
- Teen Court
- Treatment Foster Care
- V.I.P. (Volunteers In Probation)
- Visiting Nurses
- Youth Outreach Connection

100 Years of Strengthening Children & Families • 1899 - 1999

Family Services of Northeast Wisconsin, Inc.



VILLA HOPE CSP

OF BROWN COUNTY

2673 Humboldt Rd. ❖ Green Bay, WI 54311-7142 ❖ (920) 469-7030 ❖ Fax (920) 469-5599

Villa Hope Community Support Program

2673 Humboldt Road

Green Bay, Wi. 54311

Dear Joint Finance Committee:

Subject : Title 19

Villa Hope Community Support Program serves chronically mentally ill clients who reside throughout the community of Green Bay. We provide psychiatric and psychological services, case management, and medication monitoring to enable our clients to live independently.

We strongly oppose legislature to discontinue Medical Assistance reimbursement to pharmacies. Without reimbursement pharmacies would not be able to provide blisterpaks for medications. Currently 75% of our clientele utilize blisterpaks. These have a vital role in enhancing medication compliance. Should this service be discontinued clients would receive medications in bottle form, many having 6-10 or more bottles of medications. Certain clients would no longer be able to self-medicate resulting in increased billing of case management services to Medical Assistance. Without the convenience of blisterpaks, some clients will likely forget to take medications and decompensate, resulting in an increase in hospitalizations. Clients who are currently seen daily or twice daily for medication monitoring would have to sort through multiple bottles and determine which medications are to be taken at certain times (case managers may not dispense medications, may only observe medications). Without blisterpaks time billed to Medical Assistance for medication monitoring would increase two to three fold.

Many clients have frequent medication dose adjustments or medication changes. If bottles are used many medications would have to be thrown away (pharmacies can not take back opened bottles). Blisterpaks save a great deal of money because they are packed in individual weekly doses. They can be brought back to the pharmacy to add or remove pills.

In conclusion, pharmacies would not be able to provide blisterpaks or make deliveries without reimbursement from Medical Assistance. This would have a devastating effect on our clientele. Case Manager billing would increase substantially and clients who do not receive daily services will likely have difficulty self-medicating, resulting in additional costly services. These costs could be staggering. Please act now to keep Medical Assistance reimbursement to pharmacies intact.

Sincerely,

Nancy Butler, MS

Nancy Butler
Clinical Coordinator/ Director
Villa Hope Community Support Program

Paul R. Francour BA

Lynne R. Rotzberg, B.S.

Aure Nyberg Ed.

Nydia Estora

Marcia Baeten

Ju Fioramonti

Becky Devine, B.S.

Bill Lyttleton, BA

March 25, 1999

Honorable Governor Tommy Thompson
And State Legislators

I am writing in regards to the proposal for a Wage Pass-Through for nursing home employees. I strongly feel this proposal is certainly necessary to prevent a "state of emergency" to our health care facilities. Without assistance, such as this, it will become increasingly difficult for us to properly staff our skilled nursing facilities. Many of our nursing homes are in jeopardy already with the budget cuts in Medicaid.

We, at Odd Fellow Home, strive to provide the finest quality of health care services to the elderly who are entrusted to our care. The nursing assistants, nurses, housekeepers, activity and dietary aides are just a few of the personnel who are a part of the resident's lives each and every day. It is because of their hard work and dedication that we have been able to meet the needs of the residents.

By hard work, I mean the nursing assistants who help bathe, dress, and feed the resident and then add a touch of make-up to lift their spirits or mend the residents clothes because they don't have family members to do it. The dietary aide who goes out of her way to pass out nourishments to the residents to assure they do not have weight loss. Even the activity aides who add quality of life to our residents by taking them to the bowling alley or to a restaurant.

By dedication, I mean the aides and nurses who fill in extra hours because we have been unsuccessful in hiring new employees, even though they have families of their own to care for.

Due to the low unemployment level, this leaves nursing facilities with very little resources to recruit from. In addition to this, Medicaid funding has been cut. The nursing home formula was cut nearly \$47 million in 1997-99. Medicaid funding is the primary source of payment for the nearly 60% of residents in our facility. Medicare payments to skilled nursing homes are also expected to be reduced by 17% over the next five years.

Add this with the recent increase in staffing levels for skilled nursing homes and it creates a very precarious position. Unfortunately, this has a direct effect on the wages we provide to our employees.

I am proud to say the average wage for nursing assistants in our facility is one of the highest in this area. However, many employees are single parents. The average \$9.15 an hour does not go far in obtaining the necessities for them and their families. Do you really feel the average certified nursing assistant (CNA) wage in the State of \$8.32/hour is sufficient for the difficult work they do?

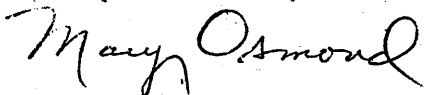
Again, due to the low unemployment level, we are competing with fast food chains and retail stores, not only for new hires but for keeping the current staff as well. We continue to try other means of obtaining staff by offering a unique benefit package. Such as bonus pay for extra weekend hours worked, state-of-the-art equipment to make their job a little easier and safer, year end bonuses for good attendance. However, these creative enhancements are not enough to obtain the staffing level we would really like.

We currently have several nursing positions and four CNA positions available for over a year. The wage pass-through would have significant benefits in attracting employees to the health care arena. It would be advantageous to be able to increase the wages and also enhance their benefits so they could receive health insurance, which many of them feel they currently can't afford.

The reduced funding provided through the Medicaid and Medicare programs are not sufficient to allow for recruitment and retaining competent staff. This certainly will impact the quality of care.

I ask you to support the wage pass-through so that Odd Fellow Home, along with many other skilled nursing homes, can ensure that our residents, perhaps your parent or grandparent, will be cared for by competent, compassionate employees.

Sincerely,

A handwritten signature in cursive script that reads "Mary Osmond".

Mary Osmond
Administrator

My name is Lou Williamson and I am the fourth generation of funeral directors to serve Amery and the surrounding area. I thank you for the opportunity to call your attention to two areas that are not addressed by the present budget.

First – let me speak about the need of raising the reimbursement for medical assistance funerals from its present level of \$1000 to \$2500. In 1998 we provided 19 of these types of services. My service cost is \$2721 for a complete funeral and \$2571 if they choose to have no visitation. The State of Wisconsin reimburses the counties \$1,000, which they in-turn, pay out to funeral directors like me to provide these services. The state of Wisconsin last saw fit to increase this amount in 1990. For the past 9 years there have been no inflationary increases of any kind. The \$1000 amount for which we must also provide a casket which costs us \$249.00 means we must provide our services and staff at a cost of 751.00 nearly \$2000 below our service charge for the typical traditional funeral service. There will always be a moral obligation to provide these services, even though we lose money on medical assistance funerals, but we will continue to perform them as a community service. Ours is a very labor-intensive business, much like hospitals and nursing homes. The state of Wisconsin reimburses those facilities at a 70 – 80% rate, while we are currently reimbursed at less than 25%. I would ask that you look strongly at making budget provisions to raise the medical assistance funeral allowance to \$2500, so that we can at least cover a larger portion of our costs in providing these services.

The second issue I would like to address is to raise the irrevocable funeral trust limit, which is presently at \$2000 to \$3500. This amount was raised in the 1991-93 budget from \$1500 to the present \$2000. I would anticipate that the cost to the state of Wisconsin would be minimal. First, by raising this limit, you would eliminate much of the need for medical assistance in taking care of funeral expense. Of the 19 medical assistance funerals we provided in 1998, 10 of those would have required no medical assistance monies had the people been able to set aside a larger amount in their irrevocable funeral trust accounts. By being able to set up trust accounts to take care of final expenses provides incredible peace of mind to our elderly citizens. At the present level people fall short by over \$700 in being able to provide monies for their funeral services. According to the National Funeral Directors Association data in 1997 the average cost of providing services was between \$3000 and \$3500. Let me point out that presently our service charges are less than these amounts, however, excess monies not used in the trust are turned back to the state for those who are on medical assistance. ~~Recently~~ the state of Illinois raised the allowable limit on their funeral trusts to \$4000. ~~Lastly~~, let me point out that in my mind funeral trusts are getting unfair treatment. While funeral trusts are limited in the amounts that can be set aside, funeral that are funded with insurance have no limits at all. On a funeral trust 100% of the money must be set aside in a state chartered bank meaning the money stays in Wisconsin. By raising the limit you would be encouraging the money to remain here. ~~Allowing~~ people to plan and adequately fund their final expenses is very important, especially among our senior citizens. Would you please give strong consideration to these two very important issues? ~~Thank~~ you very much for your time here today.

The Arc of Kenosha Co., Inc.

Advocating for the Rights of People with Disabilities

April 8, 1999

Dear Joint Finance Committee;

As parents/guardians of a Developmentally Disabled person, we have grave concerns about the 1999-01 Biennial Budget as well as the "Family Care" proposal underway in the State of Wisconsin.

***Is the reduction in COMMUNITY AIDS per county and the lack of increases for the COMMUNITY INTEGRATION PROGRAM-1B going to reduce the kind and amount of care my Developmentally Disabled person is receiving at the moment or in the future?**

***Will the "FAMILY CARE" proposal be able to adequately fund the services which my Developmentally Disabled family member will need or is receiving now?**

***Will the funding under the umbrella of a CARE MANAGEMENT ORGANIZATION (CMO) be adequate to care for the choices of service that will be needed to be made in the future?**

***Will the waiting lists in the State of Wisconsin for services be eliminated so that everyone can access the services that are needed to give them the least-restrictive environment?**

***Will the choices that a Developmentally Disabled person makes be 'SELF-DETERMINED' or will they be placed wherever the Care Management Organization finds it is the cheapest for them to live and work?**

The funding for the Developmentally Disabled must be available for each individual to be able to access whatever services are needed to enhance the ability for them to live as COMMUNITY-BASED residents and for them to be able to participate and have access to COMMUNITY-BASED services.

Only then will we have a State of Wisconsin which can pride itself on a LONG TERM FAMILY CARE that is caring, easily accessible and adequately funded.

Sincerely yours;

Marbeth and Kenneth Knoff

16616 - 12th Street

Kenosha, Wisconsin 53144-7600

WARF



Wisconsin Association of Residential Facilities

AN ORGANIZATION FOR PROVIDERS OF COMMUNITY LIVING FACILITIES

JOINT COMMITTEE ON FINANCE PRESENTATION

April 8, 1999

WARF represents the owner/operators and elderly and disabled residents in Wisconsin's Assisted Living Facilities which include Community Based Residential Facilities (CBRFs), Adult Family Homes (AFHs) and Residential Care Apartment Complexes (RCACs). Most of WARF's 160 members are small businesses and they are located throughout Wisconsin.

There are three budget issues that WARF wishes to comment on; **Base Community Aids**, the Governor's **Family Care** proposal, and **wages for personal care workers** in nursing homes, CBRFs, home health agencies etc.

BASE COMMUNITY AIDS FOR WISCONSIN'S COUNTIES:

They are called **base** community aids for a reason – these shared revenues are the foundation for support to people with disabilities who are trying to cope with their disabilities and live in the community instead of being confined to hospitals, nursing homes, and other institutions. BCA funds **real services to real people with real needs**. These funds get cut, and more people will be back in institutions or homeless on the streets.

It is absolutely essential that the \$8.0 M dollar cut in BCA funds is restored and that a 3% inflationary increase (\$8.5 M) be approved for the first year of the biennium. For the second year of the biennial budget the restoration figure is \$10.6 M and the inflationary increase is \$17.2 M.

Rationale:

1. In the last biennial budget the Governor supplanted GPR funds with federal TANF (Temporary Assistance to Needy Families) funds. Now that TANF funds are being "recalled", the GPR dollars must be replaced.
2. While it is true that the federal social services block grant was cut to Wisconsin, the mental health block grant will increase in the coming fiscal year.
3. Increasingly, courts are mandating that people with disabilities are entitled to services that allow them to live independently in the community. Base Community Aids are the mechanism to fund these decisions.
4. The legislature has put a property tax levy cap on the counties, so counties cannot raise property taxes to cover the shortfalls in Base Community Aids.

GOVERNOR'S FAMILY CARE PROPOSAL:

Reform of long term care for Wisconsin's elderly and disabled populations is **needed!** Reform of long term care is **desired!** Reform of long term care is **supported by WARF**. What is **not** needed, desired or supported is to jump into a Family Care program with both feet until that program is **pilot tested in five to nine counties** where valid data on cost and utilization can be collected and analyzed by independent contractors prior to statewide implementation. WARF also wants to test in a couple of pilot counties an alternative plan (to the HMO type managed care plan being proposed by the administration) for long term care that makes better use of the existing structure and decreases administrative costs and high levels of risk to county taxpayers.

Secretary Leraan says that the alternative plan would require \$100 M of new funds. Yet he proposes \$12 M to cover 25% of Wisconsin Counties with the Family Care proposal. $\$12 \text{ M} \times 4 = \48 M and when the T-19 match is added, the price tag comes to more than the \$100 M it would take for the alternative plan to be implemented statewide.

WAGES FOR PERSONAL CARE WORKERS:

Whether it be in nursing homes, community based residential facilities, community support programs, or home health agencies, all of us are competing to find qualified and compassionate personal care workers to provide care to the elderly and disabled people we are responsible for. Because these industries are forced to pay low wages for Personal Care Workers (PCWs) due to low reimbursement rates from Medicaid, we are constantly losing people to other industries and experience inordinately high turnover. It is high time that the legislature enact legislation that allows for the passthrough of increased Medicaid or GPR funds for wage increases in all facilities and agencies that have responsibility for caring for elderly and disabled people.

SUMMATION:

Wisconsin is experiencing unprecedented prosperity, yet the Governor's budget proposes cutting funds and services to our most vulnerable people – the disabled; and to implement in 25% of the counties a program that is untested and undocumented. The consequence of higher than projected costs and/or utilization of Family Care in these counties will "suck" even more dollars away from care of the disabled. WARF feels as though this is unconscionable. It's up to you, the Joint Committee on Finance, to restore the cuts in Base Community Aids and adequately test Family Care in a few pilot counties.

Thank you for your consideration of these comments.

Dennis A. Detlef, President
WI Assn. of Residential Facilities

TESTIMONY TO JOINT FINANCE - APRIL 8TH, 1999

Increase for Personal Care Services

Imagine yourself waking up one morning and not being able to dress yourself, take a shower or being able to help yourself to get undressed for bed. Well, this is the reality for thousands of us in Wisconsin. This could be the reality for any of us someday, or for an elderly parent or child.

Personal Care Services, which began in 1988, is a necessary, life saving, program for the thousands of us who need it; it is not a luxury. Yet, the program is inadequately funded. From 1990 to 1997, there were no increases in reimbursements to fund the program, not even cost of living increases. The program has reached a crisis level, unable to keep up with competitive industries; such as, fast food or other service and health industries. Employees can go to fast food employers and earn a higher wage and often with benefits. Few, very few, personal care agencies can provide health care benefits. In fact, most of our employees would be eligible for Badger Care.

For the sake of example, I'll use my own situation. I need a personal care provider to assist me with dressing, showering, etc. several evenings a week. I also need someone early mornings in order for me to be ready in time to allow me to be able to work. My regular worker of five years left the agency's employment for another position at a hospital where her wage is much higher and she receives excellent benefits. Since November the agency has been unable to find a replacement worker that can provide service before 8:00 A.M. They have gone so far as to call all the agencies in the Milwaukee phone book, approximately 73 agencies, twice to see if they might have staff available. The reaction has been a unanimous NO. Some have even laughed. The situation is not unique. Most are struggling to locate staff. Many agencies are even refusing to consider taking any more personal care clients. None of this helps my situation as I continue to seek a regular worker.

As the President of Wisconsin Personal Services Alternatives (W.P.S.A.) the organization of providers of personal care, I can tell you that Milwaukee's situation is not unique. The crisis is a state-wide problem. Low unemployment rates and lack of incentives to compete in this labor market is putting us all at risk. Most importantly it puts the clients at risk. This, at a time when the state is looking at redesigning our long-term care system. We need to look at who will provide the service to our elderly and disabled safely and comfortably in their homes. Our consumers very independence is at risk.

Please support the increase to Personal Care Services.

Thank you.

Michelle Martini
President - W.P.S.A.