



WISCONSIN STATE SENATOR  
**RICHARD GROBSCHMIDT**

7TH SENATE DISTRICT

## Testimony in Support of Senate Bill 363

Chairman Moen and members of the Committee. Thank you for the opportunity to speak in support of Senate Bill 363.

Under current law, in order for adult day care centers to receive reimbursement for services, they must be certified by the Department of Health and Family Services. The Governor, in his state budget proposal introduced an MA certification fee for adult day care centers providing service to COP participants. While the Governor's proposal of \$100 per center and \$20 per client was lowered by the Joint Finance Committee to \$89 per facility and \$17.80 per client, many adult day care centers that are barely making ends meet are finding this fee to be too high.

Senate Bill 363 lower the MA certification fee to \$100 per facility and eliminates the authority for DHFS to increase the fee by rule.

I believe we should be doing all we can to support the efforts of our state's adult day care facilities and the work they do. Adult day care is a more recent innovation in the care of our elderly. Their services help to keep our seniors independent, in the community and out of nursing homes. The negligible loss of revenue to the state means much more to these centers that are operating on shoestring budgets already.

Thank you for your time. I would be glad to answer any questions you or the committee has on this proposal.

# Colonial Club Senior Activity Center

~~February 29, 2000~~ *Quality of life through activities and services*

Senator Rodney Moen  
P.O. Box 7882  
Madison, WI 53707

Dear Senator Rodney Moen,

This letter is in support of Senate Bill # 363, which relates to the flat rate certification fee for the Adult Day Centers in Wisconsin.

When looking at applying the certification fee that is currently in place according to Section 1429 of Wisconsin Act 9 creating Section 49.45(47)(c). This section reads "the biennial fee for the certification of an adult day care is \$89.00, plus a biennial fee of \$17.80 per client, based on the number of clients that the adult day care center is certified to serve. That would mean the Colonial Club would be responsible to pay \$587.40 biennially.

When non-profit dollars are at a minimum and our facility is already running at a deficit, those dollars become very important in providing quality care to our participants. It would be unfortunate to the people we serve that we would have to sacrifice the very activities, programs, health services, and community opportunities that in the long run reduce the expense for our elderly health services in this state and across the country.

Please support the Adult Day Centers across Wisconsin and allow them to keep their funding dollars and the ability to provide the quality of service you expect.

Sincerely,



Melody Riedel  
Director of the Adult Day Center and Transportation



other drug dependency or both. Require DHFS to contract with counties or federally recognized American Indian tribes or bands to implement the demonstration projects. Require DHFS to submit for approval by the Secretary of the federal Department of Health and Human Services any requests for waiver of federal MA laws that are necessary to secure federal financial participation for the demonstration projects. Authorize DHFS to contract for the demonstration projects, regardless of whether a waiver is approved. Federal funding would be available as reimbursement for administrative costs under the MA program.

The bill provides \$50,000 (all funds) in 1999-00 to support costs for the development, collection and analysis of necessary baseline system performance measurements prior to implementation of the demonstration projects. Funding provided in 2000-01 would fund start-up costs for one project that would begin in July, 2000, and a second project that would begin in January, 2001.

Under the projects, services would be provided to MA recipients and individuals currently served through the county mental health and substance abuse system. Either the county or tribe or an organization under contract with the county or tribe would serve as the managed care organization and provide a single-entry point into the system for all clients. Funding from local tax revenue, community aids and MA funds would be combined to provide more flexibility in funding services to meet clients needs.

**Joint Finance:** Provide an additional \$180,000 GPR and \$60,000 FED in 2000-01 to fund start-up costs for four demonstration projects, rather than two projects as recommended by the Governor.

5. **ADULT FACILITIES LICENSING STAFF AND FEES**  
[LFB Paper 551]

**Governor:** Provide -\$25,600 GPR, \$153,700 PR, -0.5 GPR positions and 3.5 PR positions in 1999-00 and -\$25,600 GPR and \$246,000 PR, -0.5 GPR position, and 5.0 PR positions in 2000-01 for licensing and regulation activities for community based residential facilities (CBRFs), adult family homes and adult day care centers. Licensing and regulation activities include facility inspections, investigations of complaints and enforcement actions, as well as processing license applications and renewals. DHFS is currently authorized 17.5 licensing specialists and 2.4 support staff to license and monitor these types of facilities.

	Funding Positions	
PR-REV	\$694,800	
GPR	-\$51,200	- 0.50
PR	<u>399,700</u>	<u>5.00</u>
Total	\$348,500	4.50

Increase the biennial license fees for CBRFs and adult family homes and establish an MA certification fee for adult day care centers, effective on the bill's general effective date. Require that an adult day care center be MA-certified in order to receive reimbursement for services provided to participants of the community options waiver program. The recommended fee changes are summarized below.

<u>Facility Type</u>	<u>Current Biennial Fee</u>	<u>Governor's Recommended Biennial Fee</u>
CBRFs	\$170 + \$22 per resident	\$323 + \$41.80 per resident
Adult Family Homes	\$75	\$142.50
Adult Day Care	\$0	\$100 + \$20 per client

DHFS estimates that the fee increases would generate an additional \$306,200 in 1999-00 and \$388,600 in 2000-01 to support its licensing activities.

**Joint Finance:** Modify the Governor's recommendation by establishing the fees at the following levels:

<u>Facility Type</u>	<u>JFC Biennial Fee</u>
CBRFs	\$306 + \$39.60 per resident
Adult Family Homes	\$135
Adult Day Care	\$89 + \$17.80 per client

The projected PR revenue would not be reduced due to a reestimate of the revenues that would be generated by these fee increases.

## 6. HOME HEALTH AGENCY LICENSING FEE

**Governor/Joint Finance:** Repeal the requirement that DHFS impose a licensing fee on home health agencies that is based on annual net income. This change would permit DHFS to establish, by rule, a license fee that is based on other criteria, such as gross income. Under the current administrative rule, home health agencies are assessed a licensing fee of 3% of net annual income, with a minimum fee of \$500 and a maximum fee of \$2,500.

## 7. DRIVER IMPROVEMENT SURCHARGE

**Governor/Joint Finance:** Reduce funding by \$150,000 annually to reflect a reestimate of the amount of funding needed to supplement counties' intoxicated driver treatment programs. The program is supported from revenues collected from the driver improvement surcharge, which is paid by individuals convicted of operating a vehicle while intoxicated. The bill would provide \$1,000,000 annually to supplement county intoxicated driver treatment programs. Further, require DHFS to lapse \$850,000 of driver improvement surcharge revenue to the general fund on June 30, 2000.

GPR Lapse	\$850,000
PR	- \$300,000

### **Bill 363 and How it affects our Adult Day Services**

1. We are a self-funded program that uses just the fees we collect to provide our services. We are a non-profit agency(county government) and receive no grants or county funds in our program.
2. We have a sliding fee scale which at the lower end of the scale is \$10.80 for a full day and \$8.40 for a ½ day and that includes lunch. At the top of the scale, it is \$36.00/28. For a couple, it is even less.  
There are no guarantees that I have more clients at the top.
3. We are certified for 55 people because of the square footage but I would never accept that many as it would mean that we could not give the attention to the clients with the number of staff we have. We need a 1:4 for more difficult clients. To hire more staff would be more expensive for a self-funded program if the clients are not paying the top of the scale.
4. Our fee is \$1,068 for two years which is still quite a bit with what we have in our budget. When our budget gets tight, I have to cut services. If we have to cut services our caregivers and clients.

**COMMISSION ON AGING  
ADULT DAY SERVICES**

**FULL DAY (4 1/2 HOURS OR MORE) \$36.00**  
**1/2 DAY (4 HOURS OR LESS) \$28.00**

**PESONS UNDER AGE 60 MUST PAY FULL FEE.**

**ANNUAL INCOME SLIDING FEE SCALE**

1 MEMBER FAMILY    2 MEMBER FAMILY

\$ 0 - \$ 8,713	F 1/2	30% \$10.80 \$ 8.40	25% \$9.00 \$7.00
\$ 8,714 - \$11,173	F 1/2	45% \$16.20 \$12.60	40% \$14.40 \$11.20
\$11,174 - \$13,633	F 1/2	60% \$21.60 \$16.80	55% \$19.80 \$15.40
\$13,634 - \$16,093	F 1/2	75% \$27.00 \$21.00	70% \$25.20 \$19.60
\$16,094 - \$18,553	F 1/2	85% \$30.60 \$23.80	80% \$28.80 \$22.40
\$18,554 - \$21,012	F 1/2	95% \$34.20 \$26.60	90% \$32.40 \$25.20
\$21,013 - \$23,472	F 1/2	100% \$36.00 \$28.00	95% \$34.20 \$26.60



N.E.W.  
**Curative**  
Rehabilitation, Inc.

2900 Curry Lane • P.O. Box 8027  
Green Bay, WI 54308-8027 • Voice/TTY (920) 468-1161  
1-800-636-1161 • FAX: (920) 468-7851  
[www.NEWCurative.org](http://www.NEWCurative.org)

March 1, 2000

Dear Senator and Committee Members,

I am asking for support of Senate Bill #363, reducing the certification fee of adult day centers to a flat rate of \$100.00 per site. Adult day care providers through out the state have embraced the certification process as a means of quality assurance and waiver program monitoring. In fact, the certification process legitimizes the role of adult day centers in the continuum of long term care. We understand the field is growing and the demand for licensing staff is great, however, the biennial cost of certification is to high for centers to meet. Nearly all adult day centers have budgets that either break even or are losing money. We have found that families desire an affordable alternative to the costly fees of profit making CBRF's and Adult Family Homes. In general, Adult Day centers are not for profit, community based services that save billions of state tax dollars by delaying nursing home placements. Please consider a more reasonable flat rate of \$100.00 .

Sincerely,

Mary Jirak  
Wisconsin Adult Day Services President



N.E.W.  
**Curative**  
Rehabilitation, Inc.

2900 Curry Lane • P.O. Box 8027  
Green Bay, WI 54308-8027 • Voice/TTY (920) 468-1161  
1-800-636-1161 • FAX: (920) 468-7851  
[www.NEWCurative.org](http://www.NEWCurative.org)

February 28, 2000

Regarding Senate Bill 363

Dear Committee Members,

I am writing this to urge you to support Senate Bill 363 in order to reduce the certification fee for Adult Day Centers. These fees also apply to CBRF's and Adult Family Homes. I don't feel that day centers are in the same financial situation as CBRF's. I also don't think that the day centers are taking up much of the surveyors time. The rationale for the fee is to help to pay for more surveyor time to do biyearly rechecks, initial certification and to investigate complaints. The growth of new centers has been relatively slow compared to the growth of CBRF's. A surveyor recently told me that all of his time is spent in dealing with complaints within the CBRF's industry and that he had never heard of a complaint in Day Care. We pride ourselves on the professionalism of our providers as a group. We oppose this new fee.

My agency runs a small social adult day care program in Shawano that operates two days per week. We get around \$9,000 per year from the United Way of Shawano County and the rest comes from client fees. We struggle year to year to keep the program afloat financially. I just received our certification renewal and it now has the new fee request. Our fee to renew our certification will be \$374. This certification allows us to collect fees from the MA Waiver Program clients. This past year we collected \$767 for these clients. The small amounts of money we get from the waiver, are now reduced by almost half for the certification fee.

We estimate that there are 120 Adult Day Centers in Wisconsin. Of these centers, most are operating at break even or are in a deficit. Many are asking their communities for additional support through the local United Way, through the counties, and with grant money. There is not adequate public funding to support these programs. Financially most centers are not able to take on additional expenses. We are very different from CBRF's and Adult Family Homes. I am not aware of any adult day centers in Wisconsin who are making a profit. We provide these services because they are needed within our communities and we ask for community support to maintain them. *Please don't ask us to ask for more community money to pay the State for certification fees.*

Sincerely,

Diana Brown, Vice President for Adult Services  
N.E.W. Curative Rehabilitation Inc.