

N  
State regulations set the cost of caring for Medicaid patients, but the state pays nursing homes 95 percent of that cost, Deignan said. The average nursing home lost \$11 per day on the average Medicaid resident.

"It's tough to run a business when you don't get to dictate what you get to charge," Deignan said.

In the short-term, Deignan said a reorganization of state funding priorities is the best solution, while working for more federal funds in the long term.

Jim Ignarski, administrator for Lakeside Nursing and Rehab, said Wisconsin leads the country in setting standards for quality care but does an "absolutely horrible job" of providing funds to pay for it.

"I've got a book with 2.5 inches of rules and regulations we need to follow to receive continued certification," Ignarski said. "I have no problem following those, but we've got to have adequate funding."

Deignan said deregulation was an option nursing homes would have difficulty accepting.

"Once you get (standards) so high, it's awfully hard to go backwards," he said. "It might be a tough transition."

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Monday, October 2, 2000



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## Squeeze on nursing homes prompts calling of summit

By Mike Schramm  
Leader-Telegram staff

Nursing home administrators in Wisconsin say shortfalls in state funding for Medicaid patients have led to a crisis in nursing home budgets.

Dove Healthcare administrator Jim Deignan has organized a long-term care summit Wednesday night at Dove Healthcare, 1405 Truax Blvd. The panel discussion is at 7 p.m.

Elected officials slated to attend include Rob Kreibich, R-Eau Claire, who helped organize the meeting, Sen. Dave Zien, R-Eau Claire, Rep. Larry Balow, D-Eau Claire, and Eau Claire County Board Chairman Howard Ludwigson, who is running against Balow.

The long-term care summit is part of a statewide campaign launched by the Wisconsin Health Care Association to inform legislators about what they say is the human cost in health care services caused by the funding shortfall.

Lakeside Nursing and Rehabilitation in Chippewa Falls is sponsoring a separate political forum from 2 to 4 p.m. Thursday at 7490 156th St.

With the elderly population expected to double in the next 20 years, Deignan said the crisis needs to be dealt with as soon as possible, while the numbers still are manageable.

Wisconsin nursing homes lost a collective \$100 million last year providing long-term care for the poor with Medicaid, according to a study released in September by BDO Seidman, a leading accounting firm.

That same study found that 83 percent of the state's Medicaid-certified facilities do not receive a payment rate that meets the daily cost of providing care for their Medicaid recipients.

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nursing homes \$106. The average nursing home lost \$11 a day per Medicaid resident.

The initial goal of the summit is to have state funding priorities re-evaluated to help the nursing home crisis, Deignan said, who also is president of WHCA District 10.

In the two-hour town hall meeting, eight state legislators and candidates heard from nursing home workers and others, like Wagner, who tried to convince them they need to make nursing homes a priority in their work in Madison.

"If we only have one meeting like this in the state, it's not going to work," said state Sen. Dave Zien, R-Eau Claire. "This has to be a prairie fire that sweeps across the state. It's time to rock the boat."

While the summit's initial focus was the shortfall in Medicaid reimbursement, an equally important issue received just as much attention: the pay of certified nursing assistants and others.

Carolyn Rutherford, 47, has worked as a dietary aide and cook at Heritage Manor in Rice Lake for 12 years and makes less than \$9 an hour. At 21, her son recently began an entry level job making 60 cents more an hour than his mother.

Ridiculous, she said. "I love what I do, but I am taking care of human beings and should be paid more than that," she said, frustration in her voice.

State Rep. Kitty Rhoades, R-Hudson, said nursing home workers must be paid a professional wage. As it is now, zookeepers are paid \$15 an hour, compared with nursing home aides' \$8 an hour, she said.

The low pay and the nation's booming job market have led to a shortage of nursing home workers, Deignan said.

So when lawmakers suggested one of the best ways to get noticed is to organize a rallying day of long-term care workers at the state Capitol, Deignan's response was quick: "You guys need to remember that we barely have enough staff to keep things going. If we did that, we'd have to shut down for the day."

The state legislators encouraged audience members to write letters to Gov. Tommy Thompson and state and federal lawmakers about the issue. The state legislators plan to study the issue and reconvene with long-term care workers to discover tangible ways to make changes.

In Wisconsin, 43,000 people are cared for in nursing homes by 57,000 employees, Deignan said.

"So 100,000 lives are at stake in this," he said. "But if you think

about it, it goes beyond that because the residents and employees have families, and they are affected too. We need to show the human cost of this business."

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# The High Cost of Living - and Dying

## Facility owners struggle as state payments fall short

By ANNE E. SCHWARTZ  
Freeman Staff

MILWAUKEE - When the elderly reach the end of their lives, frail and drained of spirit, Debbie Van Straten and Tom Zwicker have a front-row seat.

"It's the hardest thing I've ever done, without hesitation," Van Straten said as she greeted a resident at Lakewood Health & Rehabilitation Center, 2115 E. Woodstock Place. "We're with families when they're so vulnerable."

Van Straten and her husband, Zwicker, own Lakewood, a nursing home on Milwaukee's east side. The couple fears the next death to which they bear witness may be the end of the place 220 elderly and disabled call home.

Wisconsin's nursing homes are in financial trouble, an audit commissioned by nursing home advocates revealed this week. It is a situation which puts in jeopardy the places that often are the last resort for those who make the heart-wrenching decision to place a loved one in a nursing home.

### The hardest decision

When Delores Mason learned her mother's life was ending, her own life began a steep decline. Mason, of Menomonee Falls, was determined to care for her mother when the 86-year-old woman was diagnosed with Alzheimer's more than five years ago.

"I said she could live with me, and then I discovered I had to watch her every minute," Mason said. "There was no life."

Mason's mother, Petrina Fern-

See HOMES, Page 3A



Anne E. Schwartz/Freeman Staff

Delores Mason, of Menomonee Falls, helps her mother, Petrina Fernandez, with her lipstick in Fernandez' room at Lakewood Health and Rehabilitation Center in Milwaukee. Mason's mother has Alzheimer's. She said she is concerned about where her mother will live if Lakewood closes.



Debbie Van Straten and her husband, Tom Zwicker, stand in front of Lakewood Health and Rehabilitation Center in Milwaukee. The couple, who owns the center, said they are in danger of going out of business.

## By the Numbers

### Report on the Financial Condition of Nursing Homes in Wisconsin

Highlights from the 2000 study by BDO Seidman Accountants and Consultants

- Wisconsin's Medicaid program is the source of payment for nearly 70 percent of the 43,000 people living in the state's nursing home facilities.
- In 1999-2000, Medicaid paid facilities \$100 million less than the cost of providing resident care.
- In 1999-2000, 83 percent of the state's Medicaid-certified facilities did not receive Medicaid payments sufficient to meet the cost of providing resident care.
- In 1999-2000, facilities' Medicaid losses averaged nearly \$11 per day for each Medicaid resident. For an average 100-bed facility with 70 percent Medicaid patients, that translates into an annual loss of \$250,000.
- Improving Wisconsin's Medicaid nursing facility payment system to a level where only 40 percent of the state's facilities have Medicaid deficits (the current level is 83 percent), will require additional Medicaid funding of more than \$80 million.

## Nursing homes' financial distress hits home

By ANNE E. SCHWARTZ  
Freeman Staff

When Brown County residents recently voted themselves a tax to give the Green Bay Packers a chance to win, Tom Moore shook his head on behalf of the state's elderly.

It's not that Moore isn't a Packer fan, but as executive director of the Wisconsin

Health Care Association, he is outraged by the lack of support for those too frail to help themselves.

"The nursing home system is broken," Moore said. "I'm not proud of the nursing home industry which has failed to acknowledge the problem. The issues might be dry, but they're important."

Moore, on behalf of the asso-

ciation, along with John Sauer, executive director of the Wisconsin Association of Homes and Services for the Aging, commissioned a study of the condition of Wisconsin's nursing home facilities.

The results, the men agreed, are grim.

The study found that 83 per-

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Waukesha Freeman 9/23/00

# Homes

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andez, would wander from the home, quickly disappearing into the dark. Mason would frantically search for hours, often enlisting the help of police.

Eventually, she made a decision that tore at her core - she would have to put her mother in a nursing home.

"It was a nightmare," Mason said, as she rubbed her mother's back as the older woman stared into space.

"I spent the summer looking at different nursing homes, and some were really bad. There were three or four beds in a room - some people were living in the basement. I thought, 'Where is she going to go?'"

Mason ended up at Lakewood, where her mother has been a resident for five years. The news the facility is in financial trouble was as devastating to Mason as the decision to place her mother in a nursing home.

"It's important to me that Debbie and Tom continue to run this nursing home," Mason said, giving her mother's hand a little squeeze. "She's getting excellent care here."

As determined as Zwicker and Van Straten have been to make Lakewood an innovative facility since they purchased it in 1993, so, too, are they determined to make public that state Medicaid payments do not cover enough of their costs. They said that could put them and scores of other facilities out of business.

## Threats to nursing home care

In one year, Wisconsin's Medicaid program paid the state's nursing homes \$100 million less than the cost of caring for the elderly, according to a study commissioned by the Wisconsin Health Care Association and the Wisconsin Association of Homes and Services for the Aging - two nursing home advocate groups.

The study found that 83 percent of the state's Medicaid-certified facilities do not receive a payment rate that meets the daily cost of providing care to their Medicaid recipients. That translates into a Medicaid loss of \$11 per day per facility - an average of \$250,000 in losses per year per facility.

Lakewood reported a reduction in revenue of \$700,000 between 1999

and 1999. Those losses will put Zwicker and Van Straten out of business, they said, and effectively will cast 220 elderly and frail to the four winds.

The shortage of Medicaid money for nursing homes poses serious questions for the future of long-term care in Wisconsin, nursing home advocates said. Those advocates are imploring the state Legislature and the state Department of Health and Family Services to increase the level of spending for the Medicaid program.

"If the government and the legislature have a better plan in the making, we haven't seen it," said Mike Flaherty, who represents the associations that commissioned the study. "If they don't, it might be a good idea not to let the nursing homes fail. The issue is long-term care. We need to have a serious debate about how we're going to care for our state's neediest people. So far, that debate hasn't occurred."

When nursing homes, like any business, are in trouble, the first thing to go is staff. The staffing crisis in the state's nursing home facilities is well-documented and often criticized. The cuts, Van Straten said, are the unfortunate cost of doing business.

"We don't want to see people become institutionalized," Zwicker said. "Our cause is to bring meaning to their lives."

Lakewood was the first nursing home in Wisconsin to embrace the Eden Alternative - a program that seeks to make the nursing home experience a more humane one. Dogs walk the halls on leashes with smiling residents using walkers or wheelchairs in tow. Children from local schools and Scout troops visit residents and provide entertainment programs. There are community gatherings to combat loneliness, helplessness and boredom.

"I want people to understand we can care for our frail and elderly in human habitats," Van Straten said as she smiled at a resident walking a dog through the lobby. "People in other states want us to come there and transform their facilities the way we've done at Lakewood. But we're determined to stay here," she said, pausing to look at a resident in a wheelchair cuddling a poodle on her lap and petting it with a shaking, frail hand.

Van Straten continued, "We just hope we can."

*(Anne E. Schwartz can be reached at a.schwartz@conleynet.com)*



Sharon Commur be there

By ANI Freema

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## Costs

From Page 1A

cent of the state's Medicaid-certified facilities do not receive a payment rate that meets the daily cost of providing care to their Medicaid recipients. The state's Medicaid program is responsible for paying the long-term care bills for 70 percent of the residents in Wisconsin's nursing homes.

"We are outraged by the level of Medicaid funding that has been committed to serving the needs of the state's poorest and sickest residents," Moore said. "We are expected to provide a home-like environment and the highest quality of care to individuals with complex needs. Yet, the average

Medicaid payment is \$4 per hour — an hourly rate lower than most teen-age baby sitters receive."

The numbers hit home for Sauer. Despite being an industry executive, he said he didn't see the cumulative effect of years of depressing statistics.

"Administrators are calling here and putting a human element to this story," Sauer said. "We are mission-driven organizations, and when we leave for the day, we want to know we've done everything possible to improve the quality of care for our elderly. I do see a sense of this relentless spirit on the part of our members that, 'We are going to battle for our nursing home residents.'"

Arguably, the most devastating

effect of the financial state of the nursing home industry is on its staff.

"I've met people who could make more money elsewhere in the free market and they wouldn't be on the emotional roller coaster of caring for these people," Sauer said. "But they choose to stay."

State Department of Health and Family Services Secretary Joe Leeann said part of the problem is the state has about 8,400 empty beds in nursing homes.

"We already have 47 nursing homes that have filed for bankruptcy, but the vast majority of nursing homes will continue to survive, and we will treat them fairly," Leeann said.

He said the state Legislature has

given nursing homes larger increases in Medicaid reimbursement than other health-care providers. He said the state's Medicaid rates per nursing home resident are among the highest in the nation.

Sauer fired back.

"The state's Medicaid program has been on a decade-long journey of being ratcheted down," Sauer said. "A major infusion of funding is required if facilities are to maintain the quality of care for the state's most elderly and disabled citizens."

*(The Associated Press contributed to this report.)*

*(Anne E. Schwartz can be reached at [aschwartz@conley.net](mailto:aschwartz@conley.net).)*

Waukesha  
Freeman  
9/23/00



Anne E. Schwartz/Freeman Staff

Sharon Ottow, of Mukwonago, puts on an earring for her mother, Mavis Kalashian at Regency Senior Communities in New Berlin. Kalashian said that while she calls Regency home, she never expected to be there.

## Tough choices

Nursing home decision made doubly hard  
by cost of services

By ANNE E. SCHWARTZ  
Freeman Staff

NEW BERLIN — With gentle hands, Sharon Ottow painstakingly styled her mother's hair, gathering the white shocks between her fingers to add volume.

Ottow bent to tie her mother's sneakers then helped her out of her recliner.

Her mother, Mavis Kalashian, said she is grateful. But she never imagined her life this way.

"I never thought I'd be in a place like this," Kalashian said from her perch at the window of her room at the Regency Senior Communities in New Berlin. "My husband and I planned on going into a condo."

Plans went horribly awry when Kalashian suffered a stroke in July of 1998. Less than a year later, Kalashian's husband of 50 years, Charlie, died in May of 1999.

Her quaint West Allis home, which was long since paid for, went on the market. Many of her possessions were sold at an estate sale and she needed help to do the smallest tasks.

In the span of a year, she had lost her husband, her home and

her independence. For the first time in her life, Kalashian was alone.

"That was a pretty hard one," Kalashian said of her move to the Regency last year. "I had everything at my fingertips at the house."

Ottow, of Mukwonago, said she agonized with her two brothers over the prospect of moving her mother into a nursing home.

"It was awful," she said, clipping an earring onto her mother's earlobe. "You come to the realization that one parent is gone and one is alone. You feel very helpless. Your parent wants to be independent, but independence can be lonely."

Lonely, Kalashian said, and frustrating.

"I have to wait and ask my children to do things for me," she said. "I think of this as home, but nobody ever came into my house and told me what to do."

Ottow toured scores of facilities, checking for "colors, smells, and sounds — tones in voices of the employees," she said.

"I would look into the eyes of the people sitting in the hallways," Ottow said. "You can

look into people's eyes and see if they're happy some place."

Kalashian is a private-paying patient — the golden goose of the nursing home industry. News of the industry is rife with the devastating financial condition of the state's nursing homes, but Ottow has a hard time buying it.

"It's hard to understand when you're paying this much money to these places, how they can be in trouble," Ottow said.

The price tag for assisted living and for nursing home care is steep. Kalashian pays \$2,400 a month, not including incidental charges that could drive that number up 175 percent, a review of Kalashian's bills showed.

"We talk a lot here about what happens when the money runs out," Kalashian said of her conversations with other elderly residents. "It almost blew my mind when they told me how much it was going to cost."

But Kalashian also talks of other nursing homes that couldn't stay afloat and closed. She looked out her window and said in almost a whisper, "If I had to get out of here, I don't know where I'd go. I just don't know."

(Anne E. Schwartz can be reached at [schwartz@waukesha.com](mailto:schwartz@waukesha.com))





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**THURSDAY/FRIDAY**  
September 21-22, 2000

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Chippewa Falls, WI

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## Nursing homes fight for fairness

**Medicaid payments that don't cover costs lead area facilities to initiate petition drive.**

**BY LEO FITZMA  
REPORTER**

Saying it and other nursing homes are being squeezed by a state Medicaid reimbursement that doesn't cover costs, a Chippewa Falls nursing home has launched a petition drive.

Lakeside Nursing and Rehabilitation, 7490 156th St., is also scheduling a candidates forum on long-term health care from 2-4 p.m. Thursday, Oct. 5. The forum with various Assembly candidates and state Sen. David Zien (R-Town of Wheaton) will be held in the facility's Mae Rowan Ecumenical Center.

And the owner of the Eagleton Life Skills Home plans to invite legislative candidates to tour the home and hear about the fund-

ing situation first-hand.

"Wisconsin is not real high on the (Medicaid) reimbursement list," said Martin Merten, executive vice president and chief operations officer for Heyde Health System based in Chippewa Falls. Besides the Eagleton home the system owns Family Heritage Home in Black River Falls and manages The Clairmont in Eau Claire.

Merten said the Black River Falls facility is losing \$10.89 per day, or \$140,000 annually, because of the reimbursement formula. The Clairmont is losing \$13 a day or \$500,000 a year, he said.

And the state's reimbursement proposal for the 2000-2001 fiscal year may make the situation worse, Merten said.

Medicare is a federal program designed for extended care. What the nursing homes are concerned about is the Medicaid Program, designed to help people with limited assets. Medic-

aid receives state and federal funding.

An audit commissioned by nursing home advocates this week said the state's nursing homes are in financial trouble.

According to that audit:

■ Medicaid pays for 70 percent of the 43,000 people who live in Wisconsin's nursing homes.

■ About 83 percent of state nursing homes are being reimbursed less than their daily care costs for Medicaid patients, and 47 of the homes declared bankruptcy.

■ Nursing home profits in 1999 fell an average about 4.8 percent.

■ In the 1999-2000 payment year, total Medicaid payments to nursing facilities were \$100 million less than the allowable costs facilities (had) in providing that care," a press release from Lakeside said.

Medicaid system. Our goal is to assure that every elected official is committed to providing financial support adequate to the level of staffing and quality care that our nursing facility residents demand and deserve."

State nursing homes have about 8,400 empty beds, state Health and Family Services Secretary Joe Leean told The Associated Press this week.

While some nursing homes filed for bankruptcy, Leean said the "vast majority" will survive. He said nursing homes have received larger increases in Medicaid reimbursements than other health care providers.

The political forum is being co-sponsored by Lakeside, the Chippewa Manor and the Ruppelge Home, both in Chippewa Falls; The Correll Area Care Center, the Eagleton home; and Hetzel's Care Center in Bloomer.

→ Rach Rod Steyer at [trickster@chippewa.com](mailto:trickster@chippewa.com).

ATTENTION: CONNIE FEODOR

The Daily Press, Ashland, WI Sept. 19, 2000

# Medicaid blamed for nursing homes woes

MADISON (AP) — A multimillion-dollar gap between operating costs of Wisconsin nursing homes and Medicaid payments threatens to drive scores of nonprofit and for-profit homes out of business, an industry study released Monday said.

Closing the gap next year would cost \$67 million in federal and state funds, the study indicated. Under the current Medicaid formula, in which the state pays 40 percent of Medicaid costs, that would require \$27 million in new state money.

The study said state Medicaid payments do not cover enough of the costs. "I believe Wisconsin has among the worst payment systems of any in this country," said

Joseph Lubarsky, a partner in the national accounting firm of BDO Seidman and another of the study.

Tom Moore executive director of the Wisconsin Health Association, said Wisconsin has twice the average number of nursing home bankruptcies among Midwestern states.

Moore's group and the Wisconsin Association of Homes and Services commissioned the audit.

"This study validated our worst fears, and this is documented proof of what our fears were," Moore said. "This system has coded to the point where we are in a major crisis."

Health and Family Services Secretary Joe Levan said part of the problem is the state has about 8,400 empty beds in nursing homes.

"We already have 47 nursing homes that have filed for bankruptcy, but the vast majority of nursing homes will continue to survive, and we will treat them fairly," Levan said.

Levan disputed the criticism of Wisconsin support for the homes. Levan said Wisconsin's Medicaid rates per person for nursing homes "are some of the highest in the country and have resulted in top-quality care. Clearly, the high-cost homes do not receive full cost reimbursement."



Paul Claire Reader Telegram

7-19-00

# Audit: System fails nursing homes

MADISON (AP) — Wisconsin's nursing homes are in financial trouble because state Medicaid payments do not cover enough of their costs, according to an audit commissioned by nursing home advocates.

Wisconsin's Medicaid reimbursement rates to nursing homes as a percentage of actual costs were among the lowest in the nation, according to the audit released today.

"I believe Wisconsin has among the worst payment systems of any in this country," said Joseph Lubarsky, a partner in the national accounting firm of BDO Seidman and author of the study.

Tom Moore, executive director of the Wisconsin Health Association, said Wisconsin has twice the average number of nursing home bankruptcies among Midwestern states.

Moore's group and the Wisconsin Association of Homes and Services commissioned the audit.

"This study validated our worst fears, and this is documented proof of what our fears were," Moore said. "This system has eroded to the point where we are in a major, major crisis."

Health and Family Services Secretary Joe Leman said part of the problem is the

state has about 8,400 empty beds in nursing homes.

"We already have 47 nursing homes that have filed for bankruptcy, but the vast majority of nursing homes will continue to survive, and we will treat them fairly," Leman said.

The audit also reported:

- About 83 percent of nursing homes are reimbursed less than their daily care costs for Medicaid patients.

- Medicaid pays for nearly 70 percent of nursing home residents.

- Profits for nursing homes in 1999 dropped an average of about 4.8 percent.

# Nursing home industry seeks \$80 million

State cool to request as it questions facilities' use of caregivers subsidy

9-19-02

By STEVEN WALTERS  
AND DAVE UMHOEFER  
of the Journal Sentinel staff

Madison — Leaders of Wisconsin's nursing home industry said Monday they need an \$80 million-a-year transfusion of tax money to make up the shortfall between what they spend caring for Medicaid recipients and how much they're reimbursed by the

state.

The request comes at the same time the industry is facing questions about how nursing homes spent last year's \$20 million state subsidy, which was supposed to go to caregivers.

Democratic lawmakers have received complaints from the Service Employees International Union, which says few of the 5,000 Wisconsin nursing home employees it represents received an extra wage or benefit increase from the subsidy.

That is causing Sen. Brian Burke (D-Milwaukee), joint

Finance Committee co-chairman, among others, to look skeptically on the industry's contention that it is vastly underfunded.

"People from the industry promised to make (the wage subsidy) work," Burke said. "They better have some hard evidence they kept their word if they're coming back for more assistance."

Burke said he was not happy, given the wage subsidy approved by the Legislature last year, that industry officials were citing high labor costs as a major cause of financial woes in the industry.

Nursing homes in Wisconsin lose about \$11 per day for every Medicaid recipient they care for.

In addition, Rep. Peggy Krusick and Sen. Gary George, both Democrats from Milwaukee, have asked state Health and Family Services Secretary Joe Lean to aggressively audit nursing homes' use of the wage subsidy money. A report is expected this fall.

Industry officials and nursing home administrators said in interviews that dire financial straits and the state's tight

labor market had made it difficult for homes to use the subsidy to boost wages beyond normal increases or hire new staff.

Industry officials released an accounting of the industry's financial health Monday. It said Wisconsin, by one measure, was the worst state in the nation for reimbursing homes for their costs in caring for patients covered by Medicaid.

Gov. Tommy G. Thompson said Monday that he has supported the nursing home in-

Please see HOMES page 5

## Homes/State resistant to funding request

From page 1

dustry throughout his 33-year career as a state official, but that it will not get the additional \$80 million in tax funds requested Monday.

"I can assure you there will not be \$80 million available," the governor said. "I will work with them, but \$80 million (more) just is not possible."

When a 5% cost-of-living adjustment is added to what the state now pays the industry, the one-year funding boost being sought by nursing homes is more than \$120 million — more

He said the state now pays nursing homes about \$903 million a year, with state taxes making up about 41% of that and federal money providing the rest.

Lean said nursing homes are not the only part of the Medicaid program that needs more tax money when Thompson and the Legislature write the 2001-'03 budget next year. Medicaid provides nursing care for the poor, disabled and elderly.

Medicaid pharmacy costs alone are running \$40 million higher — another problem that must be addressed in the next

aides will make a final decision on what Medicaid spending increases to recommend.

Nursing home industry official John Sauer said the \$80 million in additional state funds is actually needed this year, but the Legislature won't be back in session until January.

Unless a special legislative session is held on the funding crisis of nursing homes, "the Legislature is not going to approve \$80 million (more) this year," said Sauer, executive director of the Wisconsin Association of Homes and Services for the Aging.

Medicaid recipient they care for, industry officials said. That means the average Wisconsin nursing home, with 100 beds, and 70% Medicaid patients, lost about \$250,000 last year, and that loss is expected to grow to \$300,000, they added.

Sauer and Tom Moore, another industry leader, said the \$80 million amounts to \$57 million to raise Wisconsin reimbursement rates to a level comparable to other states, and more than \$22 million to offset new cuts in the state's reimbursement rate.

# Wausau Daily Herald

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Monday, September 10, 2000

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## Medicaid funding

# State nursing homes face financial crisis

### Study: Many facilities not able to meet daily expenses

By Nikki Kallio  
Wausau Daily Herald

Wisconsin's Medicaid program paid nursing homes \$100 million less than the cost of caring for their residents in the 1999-2000 fiscal year, accord-

ing to study results released today.

Health officials say the study illustrates the desperate financial situation many nursing homes are facing, and warn that something needs to change to prevent the system from collapsing.

Lawmakers and citizens need to fight for more Medicaid funding in the state budget, said Stan Jones, administrator of Wausau Manor, a nursing facility.

"Basically, we're being very much underfunded," Jones said. "It just seems wrong on the part of the government to treat anyone that they have a contractual relationship with as poorly as we are."

Federal and state funding shortages have a profound effect on the ability of nursing homes to provide quality care and competitive wages to staff, said Tom Moore, executive director of the Wisconsin Health Care Association.

"The issue is, how long can this go on?" Moore said.

The Health Care Association initiated the study with the Wisconsin Association of Homes and Services for the Aging to do an in-depth analysis of the financial condition of nursing homes in the state. It was conducted by BDO Seidman, a national accounting and business consulting firm. The study found:

- Eighty-three percent of the See HOMES/2A



Wausau Daily Herald photo  
Certified nursing assistant Amy Gallenberg helps a resident with her morning walk June 22 at Mount View Care Center in Wausau.

(over)

# Homes: Many state facilities can't meet daily expense

From Page 1A

state's Medicaid-certified facilities don't receive payments that meet the daily cost of providing care to Medicaid recipients.

Medicaid is a federal health program for low-income people. The state pays 40 percent of the program and the federal government pays the rest.

It differs from Medicare, which is health care assistance for the elderly. Medicare is available to anyone who paid Social Security or whose spouse paid Social Security, regardless of income.

■ In the 1999-2000 fiscal year, nursing homes lost almost \$11

each day per Medicaid resident. For an average 100-bed home with 70 percent Medicaid residents, that means an annual loss of \$250,000.

■ Inadequate Medicaid payments had the single greatest impact on the decline of financial and operational conditions at Wisconsin nursing homes.

■ A Medicaid payment ceiling has failed to keep up with the increasing cost of care.

■ Wisconsin's Medicaid program is the source of payment for almost 70 percent of the 49,000 people living in the state's nursing homes.

■ "You can't spread that kind of a loss over the remaining 30 percent of

the resident population," Moore said. Nursing homes have been struggling for years.

Health and Family Services Secretary Joe Leean said part of the problem is the state has about 8,400 empty beds in nursing homes.

"We already have 47 nursing homes that have filed for bankruptcy, but the vast majority of nursing homes will continue to survive, and we will treat them fairly," Leean said.

Colonial Manor in Wausau and Kennedy Park in the village of Weston, both owned by the Vencor chain, are among the 10 percent of Wisconsin nursing homes that are in some stage of bankruptcy.

"It is a crisis situation. ... The reason we're bringing this up is we want to make it an issue in the debates this fall and in the next session of legislation next year," Moore said. "Hopefully, people will listen."

Leean said the Legislature has given nursing homes larger increases in Medicaid reimbursement than it has given other health care providers. He said the state's Medicaid rates per nursing home resident are among the highest in the nation.

But the audit reported that the state's Medicaid reimbursement rates to nursing homes — as a percentage of actual costs — were among the lowest in the nation.

"I believe Wisconsin has the worst payment system in this country," said Lubarsky, a partner in Saidman and author of the study. Wausau Manor's rate of 61 percent funded residents is less than the average 70 percent, but the facility also has more staff a more than the average — so more to lose, Jones said.

If nothing changes within the term, the results could be devastating to the industry, he said. "There will be a day of reckoning as far as their ability to operate," Jones said.

— The Associated Press contributed to this report.

Chippewa Herald 9/18/00

## Nursing homes in distress over Medicaid repayments

MADISON (AP) — Wisconsin's nursing homes are in financial trouble because state Medicaid payments do not cover enough of their costs, according to an audit commissioned by nursing home advocates.

Wisconsin's Medicaid reimbursement rates to nursing homes as a percentage of actual costs were among the lowest in the nation, according to the audit released Monday.

"I believe Wisconsin has among the worst payment systems of any in this country," said Joseph Lubarsky, a partner in the national accounting firm of BDO Seidman and author of the study.

Tom Moore, executive director of the Wisconsin Health Association, said Wisconsin has twice the average number of nursing home bankruptcies among Midwestern states.

Moore's group and the Wisconsin Association of Homes and Services commissioned the audit.

"This study validated our worst fears, and this is documented proof of what our fears were," Moore said. "This system

has eroded to the point where we are in a major, major crisis."

Health and Family Services Secretary Joe Leraan said part of the problem is the state has about 8,400 empty beds in nursing homes.

"We already have 47 nursing homes that have filed for bankruptcy, but the vast majority of nursing homes will continue to survive, and we will treat them fairly," Leraan said.

The audit also reported:

- About 83 percent of nursing homes are reimbursed less than their daily care costs for Medicaid patients.

- Medicaid pays for nearly 70 percent of nursing home residents.

- Profits for nursing homes in 1999 dropped an average of about 4.8 percent.

Leraan said the Legislature has given nursing homes larger increases in Medicaid reimbursement than other health care providers.

He said the state's Medicaid rates per nursing home resident are among the highest in the nation.



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## Nursing homes in poor financial health

### Audit: State payments failing to cover costs

Associated Press and Gazette Staff

Wisconsin's nursing homes are in financial trouble because state Medicaid payments do not cover enough of their costs, according to an audit commissioned by nursing home advocates.

Wisconsin's Medicaid reimbursement rates to nursing homes as a percentage of

actual costs were among the lowest in the nation, according to the audit released today.

"I believe Wisconsin has among the worst payment systems of any in this country," said Joseph Loharsky, a partner in the national accounting firm of BDO Seidman and author of the study.

The problem is a big part of the financial troubles at the Rock County Health Care Center, said Rich Gruber, assistant county administrator.

Gruber said this morning that the latest study appears to echo the findings of a

state Legislative Audit Bureau study released in January.

Pressures on the local property tax are so severe from the Rock County facility that officials are considering a phase-out of traditional nursing home patients and increase care payments.

Private facilities also are having problems.

Tom Moore, executive director of the Wisconsin Health Association, said Wisconsin has twice the average number of nursing home bankruptcies among Midwestern states.

Moore's group and the Wisconsin Association of Homes and Services commissioned the audit.

"This study validated our worst fears, and this is documented proof of what our fears were," Moore said. "This system has eroded to the point where we are in a major, major crisis."

Joe Loran, health and family services secretary, said part of the problem is the state has about 6,400 empty beds in nursing homes.

**"T**his system has eroded to the point where we are in a major, major crisis

—Tom  
Wisconsin Health As

Turn to HOMES/8A

## Homes/Many of state's nursing homes in poor financial health

Continued from 1A

"We already have 47 nursing homes that have filed for bankruptcy, but the vast majority of nursing homes will continue to survive, and we will treat them fairly," Loran said.

The audit also reported:

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- Medicaid pays for nearly 70 percent

of nursing home residents.

- Profits for nursing homes in 1999 dropped an average of about 4.8 percent.

Gruber said public nursing homes suffer because the state receives federal dollars based on 150 percent of documented patient-care losses at public nursing homes but gives counties only about 50 cents for each dollar of reimbursement.

The remainder of the money is used to help the state pay its share of Medicaid payments to all nursing homes, including

private ones, which reduces the state's need for state tax dollars, Gruber said.

The county's only recourse to make up the difference is the local property tax, Gruber said. He said the situation is Rock County's No. 1 legislative priority, and he hopes it can be changed in the Legislature's upcoming session.

The Legislature has given nursing homes larger increases in Medicaid reimbursement than other health care providers, Loran said.



Milo Jin Sent Sept 18 2000

# Nursing home leaders blast state system

By DAVE UMHOEFER  
of the Journal Sentinel staff

## Payments lag as costs rise, officials charge

Wisconsin nursing home officials say a \$100 million shortfall in state Medicaid payments is blowing up their bottom line and imperiling the quality of care for the poorest and sickest residents.

The industry, in fact, is going even further, calling Wisconsin's Medicaid payment system — the lifeblood of nursing home

revenue — one of the worst in America.

"We're letting budget decisions drive policy instead of health decisions," said Tom Moore, executive director of an industry trade association that includes for-profit facilities.

"You get what you pay for," added John Sauer, leader of a group of county-owned and non-profit nursing homes.

The allegations, timed to get legislators' attention during the fall campaigns, drew a sharp response from the state's top health official.

Joe Leean said 8,000 nursing home beds were empty statewide, because more people want to live in community settings. He attributed industry financial losses in part to merger mania that saddled corporate-

owned homes with huge debts.

"We have not seen a decrease in quality of care," said Leean, the secretary of the state's Health and Family Services Department. "The nursing home industry here gives better quality than any other state."

He added: "We have way too many beds and probably too many nursing homes. It's difficult for them to be as efficient as they should because of vacan-

Please see CARE page 7

# Care/Nursing home leaders decry state system

From page 1

cies."

Leean said he had no figures that would dispute industry-provided figures showing that no state reimburses a smaller share of direct-care costs incurred by nursing homes on behalf of indigent patients.

Conversely, industry officials do not dispute the fact that Wisconsin still pays out more, per patient, than many states. They attribute that to higher standards of care here and higher labor costs than, for example, in many Southern states.

The industry, which has seen several mega-companies declare bankruptcy in the last year, is not saying that Wisconsin is cheap in paying for nursing home care. Between state and federal dollars, Wisconsin reimbursed nursing homes \$903 million last year under Medicaid, about \$30,000 per patient.

What the nursing homes are saying is this: That their costs, for various reasons, are continuing to rise and that state budgeters have not nearly kept pace.

Industry officials today released an accounting firm's study, based on the state's own data, charging that 83% of nursing facilities are reimbursed less

than their daily care costs for the Medicaid patients who fill most of their beds.

The dispute on one level is a rerun of the nursing home industry's biennial funding push. But the collision of several significant trends has increased the urgency of its complaints.

■ Several nursing homes have been closed for financial or regulatory reasons in the last two years, forcing relocation of hundreds of residents.

■ The state's tight labor market has prompted the industry to increase wages and benefits to recruit — with mixed success.

■ The state, under the experimental Family Care system, is slowly drifting away from its historically heavy reliance on nursing homes to provide long-term care. That is increasing tension between the state and the industry.

■ Patients in nursing homes are much sicker than residents were even 10 years ago. That requires more skilled care, the industry notes.

The nursing home industry, Leean noted, consistently has received greater increases in Medicaid reimbursement than all other health care providers.

"I'm not sure what they hope to gain by bashing the state or the Medicaid program," he said.

But the increases approved by the Legislature have not kept up with rising costs, the industry says.

"Policy-makers are prudent to try to contain health care costs," Sauer said, "but not if it produces a system that dictates the erosion of quality, limits access and provides inadequate wages to 57,000 caregivers (in nursing homes)."

Sauer said 40 of his 123 member-homes report they have stopped taking new residents in the last six months because of staffing shortages. Eighteen currently have such moratoriums.

Sauer said nursing homes increasingly were being asked to provide more specialized care, including for thousands of chronically mentally ill patients. In years past, many of those patients would have been in mental hospitals.

He and Moore, who met with aides to Gov. Tommy G. Thompson on Friday, said last year's \$19.4 million wage supplement for nurse aides only marginally helped recruiting and retention.

The two trade associations hired BDO Seidman, a national accounting firm, to study the financial condition of Wisconsin nursing homes.

Additional findings of the firm's study:

■ The average operating margin for all Wisconsin nursing facilities in 1999 was minus 4.79%.

■ Facilities' Medicaid losses averaged nearly \$11 per day for each resident subsidized by Medicaid.

Moore said homes used to be able to balance their books by charging higher rates to private-pay residents to make up for Medicaid losses. That strategy no longer is enough, he said.

Sauer said the nursing home industry doesn't stand in the way of the trend toward trying to care for more people at home. But the industry says its "safety net" role will always be needed. And Sauer said it would be wrong if current nursing home patients suffer while the state shifted its philosophy.

"This ratcheting down the level of payments is saying, 'We're all going to have to incur some pain here while we contribute to the demise of a significant portion of the long-term care system (nursing homes),' " Sauer said.

# It's a crisis, nursing homes say

## Medicaid payment rates blamed for red ink

By Patricia Simms  
 Health reporter

Wisconsin nursing homes are close to financial ruin, buffered by state Medicaid payments that don't cover costs, says a new audit commissioned by nursing home advocates.

In fact, Wisconsin's current Medicaid reimbursement rates, as a percentage of actual costs, are among the lowest in the nation.

"Wisconsin's nursing facilities are in serious financial distress," said Joseph Lombrosky, a partner in the national accounting firm of RBO Seidman and author of the study. "I believe Wisconsin has among the worst payment systems of any in this country."

The result? Nursing home beds may not be available to those who need them, advocates say.

Tom Moore, executive director of the Wisconsin Health Association, said Wisconsin has twice the average number of nursing home bankruptcies among Midwestern states.

"This study validated our worst fears," Moore said, "and this is documented proof of what our fears were. This system has eroded to the point where we are in a major crisis."

The audit, released today, was commissioned by Moore's group and the Wisconsin Association of Homes and Services for the Aging.

■ Medicaid doesn't cover resident costs in 83 percent of the state Medicaid-certified nursing homes. Facilities cannot afford to lose \$11 per day on each Medicaid for nursing homes in financial distress and still remain financially solvent," the study said.

■ Medicaid pays for almost 70 percent of Wisconsin's nursing home residents. Medicare and private payments cover most of the rest.

■ The average profit margin for Wisconsin nursing homes in 1999 was a minus 4.79 percent.

■ Reduced Medicare payments and competition for private-pay residents have made it impossible for nursing homes to find ways to

## Nursing

Continued from Page 1A

homes have already received greater increases in Medicaid reimbursement from the Legislature than all other health care providers.

"Wisconsin's Medicaid rates per person for nursing homes are some of the highest in the country and have resulted in top quality care," Leean said.

Medicaid is a federal insurance program for the poor. The state contributes 40 percent of the dollars, the federal govern-

ment 60 percent. The state generally makes decisions on how the money is spent.

Medicare is a federal insurance program for the elderly.

The audit is the first major salvo in the battle to sway Wisconsin legislators, who set new two-year rates in the spring.

"There's no question that there are some nursing homes that are financially struggling and I don't know that any of them are making lots of money," Leean said.

But this governor and his secretary (Leean) have been supportive of the nursing home industry. I'm not sure who they are speaking to politically who will help them.

Representatives of the nursing home industry in Wisconsin met Friday with gubernatorial staff members to explain the crisis.

John Sauer, executive director of the Wisconsin Association of Homes and Services for the Aging, said nursing homes are being asked to "provide additional staffing and more individual care for residents who are older and sicker."

"That cannot be accomplished without a significant infusion of dollars," Sauer said. "That cannot happen without improvements in the Medicaid reimbursement formula."

## Midwest nursing home bankruptcies

Percent of nursing home facilities that have filed for bankruptcy/debt restructuring from Jan. 1, 1999 to May 4, 2000

Wis.	10.18%
Nebr.	9.58%
Mich.	8.50%
Ohio	7.14%
Kan.	6.27%
Ill.	6.13%
Mo.	4.12%
Iowa	1.71%
N.D.	1.14%
Minn.	0.58%
S.D.	0%

SOURCE: American Care Association, WSU paper

## Homes/ Leean says rules should be eased

From page 1

built too many nursing homes in the 1960s and 1970s, Leean said.

Wisconsin has about twice the number of bankrupt for-profit nursing homes — at least 43 — that other Midwest states have, an industry spokesman said.

Vacant nursing home beds aren't where they are most needed, and the maze of regulations offers no incentives for nursing home owners to relocate those beds.

For example, seven counties — including Milwaukee and Jefferson — had the lowest occupancy rates — 75% or less — in March. But homes in 12 other counties — including Waukesha, which borders Milwaukee and Jefferson counties — were more than 90% full, the highest in the state.

The law that "capped" the number of nursing home beds is the symbolic center of the debate, although groups that represent nursing home owners say the issue is much more complex.

"Ultimately, (the cap) has got to go away," said Leean, who is scheduled to personally plead his case this week before directors of a group made up of for-profit nursing home operators. He said the formulas and rules that now surround it "have just been piled on, and don't make much sense."

Leean said reforms are long overdue, because "you have thousands of empty beds, nursing homes that ought to be remodeled, double- and triple-occupancy rooms that should go to single occupancy for people that belong in a nursing home, and a Family Care program that no longer is going to entitle people to be in a nursing home and nowhere else."

Under Family Care, which allows relatives and social workers to sort through and find the best care options, Leean said, state government will "pay for (services) wherever they can best be served."

Leean wants the Legislature and Gov. Tommy G. Thompson to end the cap on the number of nursing home beds statewide July 1, when the next state budget starts.

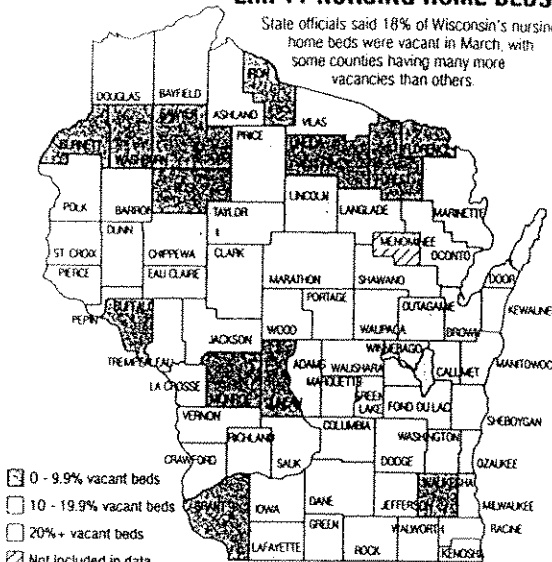
If the cap were abolished, the health care "marketplace" would determine how many nursing home beds are in Wisconsin and where they are located, and how many single- and double-occupancy rooms there would be, Leean predicted.

But the Coalition of Wisconsin Aging Groups, an umbrella organization for 650 senior citizens organizations, wants the cap to stay in place.

"We don't need any more nursing home beds," said Executive Director Tom Frazier. "We've got waiting lists for home (health) care; we don't

## HEALTH CARE EMPTY NURSING HOME BEDS

State officials said 18% of Wisconsin's nursing home beds were vacant in March, with some counties having many more vacancies than others.



Source: Wisconsin Department of Health and Family Services

JOEY MITOR/Journal Sentinel

# Health chief wants to ease nursing home regulations

By STEVEN WALTERS  
of the Journal Sentinel staff

Madison — A top state official wants to chop down what he says is a choking regulatory thicket of rules and regulations over occupancy and location of Wisconsin's nursing homes, and end the "no new beds" policy that has been law since 1982.

Joe Leean, secretary of the state Department of Health and Family Services, wants to junk rules that penalize nursing homes whose occupancy drops below 91% and that allow nursing home operators to close — or "bank" — unused beds for prolonged periods. He's also seeking an end to other rules he says are a nightmare to administer.

In return, Leean wants special-interest groups that own and operate nursing homes to join him in lobbying the Legislature and governor next year for the reforms, including lifting — finally — the 1982 law that froze, or "capped," the number of nursing home beds statewide.

Wisconsin's nursing home industry, which increasingly offers short-term care for patients recovering from surgery as well as long-term care, is sick itself.

In March, 8,400 nursing home beds — or almost one out of five — were empty. Wisconsin

Please see HOMES page 2

Doing  
away with  
'no new  
beds' rule  
high on  
agenda

have any waiting lists for nursing home beds."

Leean wants to make his package of reforms part of the 2001-03 agency budget request he must soon give Thompson. But he won't fold the reforms into his budget request if the industry's two largest special-interest groups refuse to go along with his plans.

"I don't want to fight the industry, if in fact they don't want (the change). I've got other things to do," Leean said.

Refusal of the industry's two chief groups, the Wisconsin Association of Homes and Services for the Aging and the Wisconsin Health Care Association, to go along with Leean would probably doom his request in the Legislature.

Last week, the Association of Homes and Services for the Aging gave Leean's reforms a qualified endorsement, said John Sauer, executive director of the group that represents only non-profit owners of nursing homes.

Sauer said his group wants changes in Leean's package: Delaying the end of the cap and ending the rule that penalizes homes with less than 91% occupancy in mid-2003, two years later than suggested. Also, Sauer said his group wants a promise that Medicaid reimbursements to nursing homes won't be cut.

Overall, Leean's proposals make sense because of the number of empty nursing home beds statewide and because of the "poor financial" condition of the industry, Sauer said.

Leean is "running (the changes) up the flagpole to see if anybody salutes," observed Tom Moore, executive director of the Wisconsin Health Care Association, whose members include for-profit nursing homes. His group is scheduled to vote Tuesday on whether to go along with Leean.

Abolishing the cap on nursing home beds is a "non-issue," Moore said. If it were to end, he added, "most facilities would not be expanding. If anything, they would be downsizing."

Moore said Leean's offer to end financial penalties on homes that have less than 91% occupancy and to do away with other complex rules "seems to be the carrot" to get industry groups to go along with the rest of his proposed reforms.

The Legislature and governor froze the number of nursing home beds in 1982 as part of the national debate over what regulatory controls were needed before costly new medical equipment was bought by hospitals, or before expensive new health care sites, including nursing homes, were built or remodeled.

That debate led to passage of so-called certificate of need laws, which required state or local officials to approve new health care projects. In Wisconsin, one result was the cap on nursing home beds.

But Leean and other state regulators offer these reasons why the cap should be abolished:

**Obsolete:** "The bed cap was created in an era of few alternatives to institutional long-term care," regulators said, but home care programs have been expanded and personal care programs have started since then.

**Discourages single rooms:** State officials and the nursing home industry "are attempting to encourage single-occupancy rooms to improve the quality of life for nursing home residents," state regulators said. Leean said he would be willing to have a higher Medicaid reimbursement rate for single-occupancy rooms.

**Older homes not updated:** Many Wisconsin nursing homes were built 20 to 40 years ago, but their owners are reluctant to invest in those improvements because of financial uncertainties.

# Nursing homes understaffed, patients in danger, report says

Milw Jm Sent 7/25/00

Government recommends strict new rules requiring more nurses, health aides

By ROBERT PEAR  
New York Times

Washington — Federal health officials have concluded that most nursing homes are understaffed to the point that patients may be endangered. For the first time, the government is recommending strict new rules that would require thousands of the homes to hire more nurses and health aides.

In a report to Congress based on eight years of exhaustive research, the Clinton administration says that understaffing has contributed to an increase in the incidence of severe bedsores, malnutrition and abnormal weight loss among nursing home residents. Many of the patients end up hospitalized for life-threatening infections, dehydration, congestive heart failure and other problems that could probably have been prevented if the homes had more employees, the report says.

"Nursing homes with a low ratio of employees to patients are significantly more likely to have quality-of-care problems," the study says, and "substantial increases" in

## GUIDELINES

A report to Congress by the Clinton administration recommends:

■ Nursing home patients receive an average of two hours of care each day from nurse's aides. It says that 54% of nursing homes fall below this "proposed minimum standard."

■ Nursing homes have enough registered nurses to provide at least 12 minutes a day of care to each resident, on the average. It says 31% of nursing homes do not meet that standard.

staff may be required to ensure that homes do not endanger the safety or health of patients. The 200,000-word report is to be sent to Congress this month.

It recommends new federal standards to guarantee, for example, that patients receive an average of two hours of care each day from nurse's aides. It says that 54% of nursing homes fall below this "proposed minimum standard."

The quality of care depends not only on the number of nurse's aides, the lowest-skilled workers, who help feed and bathe patients, but also on the number of registered nurses and licensed practical nurses, who supervise the aides, the study says.

Accordingly, the report says that nursing homes should have enough registered nurses to provide at least 12 minutes a day of care to each resident, on the average. But, it says, 31% of nursing homes do not meet that standard.

The government emphasized that the proposed levels of staff were not the optimal levels but the minimum needed to prevent patients from being exposed to "a substantially increased risk" of poor-quality care.

The report, from the Department of Health and Human Services, was required by a 1990 law and was originally supposed to be completed by Jan. 1, 1992. But health officials experienced many delays, and the scope of the project grew as they conducted more research and analyzed huge amounts of data from nursing homes around the country.

Federal researchers said they found that staffing levels were much higher at non-profit nursing homes than at for-profit homes. Large nursing home chains that experienced financial difficulties in the last two years, including chains that filed for protection under bankruptcy laws, have cut staff to control costs, the report said.

The cuts come at a time when nursing home residents are typically sicker than in the past, with more serious disabilities. Hospitals have reduced the length of stays, releasing patients "quicker and sicker." Many people with less severe conditions, who might have gone to nursing homes 15 years ago, now receive care in their own homes from visiting nurses and aides.

Nursing homes responded that it was unrealistic for the

government to specify minimum levels of staff when it was providing what they called inadequate payments under Medicaid and Medicare, the programs for low-income people, seniors and those who are disabled.

In addition, nursing home executives said it was hard to attract and retain good workers in a booming economy, when the unemployment rate is at a 30-year low and other industries offer less demanding, better-paying jobs. Nurse's aides provide more than 70% of the hours

of care given to nursing home residents.

The American Health Care Association, a trade group for the industry, said it could not support "minimum staffing ratios" unless the government agreed to help pay the additional cost, which could total several billion dollars a year.

About 1.6 million people receive care in 17,000 nursing homes nationwide. Ninety-five percent of the homes participate in Medicaid or Medicare and are therefore subject to federal standards.

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NURSING HOMES

System abuse hurts residents who pay

An article on nursing home reimbursement struck a chord with me, but for another reason ("Nursing home leaders blast state system," Sept. 18).

A relative of mine has been a nursing home resident for more than four years. She has paid more than double the \$30,000 per year the state reimburses homes for indigent residents. The homes have no recourse but to balance their books by overcharging their private-pay residents.

The nursing homes wouldn't be in such a bind if unscrupulous people did not divest their parents' estates before they entered the homes and unscrupulous lawyers did not aid and abet them.

I have spoken to many families who have done this, and their rationalization is that their parents paid taxes all their lives and therefore they are entitled to free care as much as any other citizen.

As with all well-meaning entitlement programs, there are people who will find a way to abuse them and citizens with integrity who will unfairly pay the price.

Editorial Column

# Wisconsin Rapids Daily Tribune - Story - 9/19/00

## State nursing home workers meet here

Tribune Staff Writer

Low pay, long hours and staff shortages were topics of discussion at a state nursing home employees' conference Sunday through today at Hotel Mead.

The American Federation of State, County and Municipal Employees Council 40 Institutions Conference presentations and discussions started Monday.

"The focus is teamwork and how to improve working conditions in nursing homes," said Nancy Becker, president of the conference. "We're looking to develop ideas and take them back to our (nursing) homes."

One of the biggest concerns is pay. Average starting pay in Wisconsin's nursing homes is about \$9 per hour, Becker said.

"We're talking about people who are out there taking care of other human beings," she said. "You can make \$7 per hour flipping hamburgers, but only \$9 per hour taking care of loved ones."

The pay scale has not kept pace with the increasing demands of nursing home positions. Due to the rise of assisted-living centers and community-based residential facilities, nursing homes today cater mostly to those with acute medical or mental disabilities who require high levels of care.

"Nursing-home employees focus on meeting residents' needs," Becker said. "And that becomes more stressful when there are fewer people out there to do that."

For example, there are 29 staff vacancies at the Manitowoc Health Care Center, where Becker works as a certified activities assistant. She said job seekers today have other employment options which involve higher pay and more regular hours.

"Nursing home employees are often required to work more than eight hours a day due to staff shortages," Becker said.

The heart of the problem lies not with nursing home administration, but with government, Becker said. Wisconsin's Medicaid reimbursements are among the lowest in the nation. The inequities between the reimbursements and the actual cost of patient care is putting many homes in dire financial straits.

"The homes wind up paying the difference which is why you're seeing such large deficits," Becker said. "And I've heard we're getting .5 percent less (reimbursements) in 2001."

"This (poor working conditions) is all because of reimbursements," she said. "If the homes had the money, we (staff) would certainly get it."

Discussions at the AFSCME conference are focusing on finding ways for nursing home staff to deal more effectively with staffing shortages, work-related stress and low pay.

(over)

"We're all here because we want to take care of our residents and meet their needs," she said. "The bottom line is we need more reimbursement - more money from the state and federal governments to cover the cost of care."

- MELISSA LAKE

(END)