



Wisconsin Health Care Association

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Wisconsin Ranks Last in Payment for Resident Care Costs *Study Reveals Nursing Facility Medicaid Losses More than Twice the National Average*

MADISON – An independent analysis of states’ Medicaid nursing home payment systems has found that the payment losses experienced by Wisconsin nursing homes are the largest in the nation.

The national study, released last week by the accounting firm of Eljay LLC, evaluated Medicaid payment data from 43 states that involved nearly 90 percent of the nursing home patient days provided in the United States during fiscal year 2008.

“Wisconsin’s ranking depicts the glaring inadequacy of Medicaid payment for nursing home care in this state,” said WHCA Executive Director Tom Moore. “But the numbers do not effectively communicate what impact this underfunding has on the personal lives of those who receive and provide care in Wisconsin nursing homes. Because Medicaid is the source of payment for more than two-thirds of individuals receiving care in Wisconsin nursing facilities, that effect is profound.”

The study found that the difference between the cost of resident care provided by Wisconsin nursing homes and Medicaid reimbursement for that care was \$26.43 per patient per day. Wisconsin facilities’ per diem Medicaid losses were by far the largest in the country and more than twice the national average of \$12.48. Now first in the nation in terms of its cost/ payment disparity, the Wisconsin nursing home payment system previously ranked eighth in terms of total underfunding of resident care (over \$200 million annually) and ninth in terms of lowest rates. Wisconsin was the only state in the country to be listed among the top 10 in all three of the study’s measures of Medicaid payment shortfalls.

“Year in and year out, Wisconsin nursing homes continue to be pushed into a corner financially, primarily due to the lack of Medicaid reimbursement,” said Deb Klatkiewicz, WHCA President and administrator of the employee-owned Park Manor Nursing Home in Park Falls. “Despite the diligent and frugal efforts of the facilities, nursing home residents ultimately stand to pay the price for this unconscionable financial shortfall.”

The same national study conducted two years ago ranked Wisconsin’s payment system third-worst in the nation. Its ranking in this year’s study was propelled by the fact Wisconsin froze Medicaid funding for nursing homes in Medicaid funding in FY08. The report released last week did not note the Wisconsin legislature had approved a five percent funding increase for nursing home rates in FY09; however, even with a five percent increase, Medicaid losses experienced by Wisconsin nursing facilities will remain among the largest in the country and double the national average.

Complete rankings are detailed below:

Top 10 States - Disparity Between Medicaid Payment & Care Costs (FY08)

1. Wisconsin	\$ 26.43
2. New Hampshire	\$ 24.16
3. Delaware	\$ 23.69
4. Minnesota	\$ 23.26

5. New Jersey	\$ 22.70
6. Illinois	\$ 21.78
7. Vermont	\$ 21.47
8. Wyoming	\$ 18.89
9. New York	\$ 18.77
10. Massachusetts	\$ 18.69

Top 10 States - Disparity Between Total Medicaid Payments and Resident Care Costs (FY08)

1. New York	\$ 548.1
2. Illinois	\$ 379.3
3. Ohio	\$ 281.2
4. Pennsylvania	\$ 261.2
5. New Jersey	\$ 241.9
6. Texas	\$ 235.0
7. California	\$ 203.6
8. Wisconsin	\$ 200.0
9. Massachusetts	\$ 197.0
10. Florida	\$ 188.5

Top 10 States – Lowest Medicaid Nursing Home Payment Rates (FY08)

1. Texas	\$ 108.63
2. Illinois	\$ 112.07
3. Iowa	\$ 120.13
4. Missouri	\$ 120.38
5. South Dakota	\$ 122.09
6. Oklahoma	\$ 124.24
7. Kansas	\$ 127.09
8. Georgia	\$ 133.27
9. Wisconsin	\$ 134.70
10. Arkansas	\$ 137.96

A copy of the 2008 Eljay Report is available here:

www.ahcancal.org/research_data/funding/Documents/2008%20Medicaid%20Shortfall%20Report.pdf

WHCA is a non-profit organization dedicated to representing, protecting and advancing the interests of more than 190 Wisconsin nursing facilities, their 28,000 employees and the 27,000 residents they serve. WHCA takes pride in its role as the state's largest and most representative nursing home association.

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