

Gov. Evers to send \$258M toward group homes, assisted living centers in plan to raise wages



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Gov. Tony Evers' administration is moving forward with plans to use \$258 million in federal pandemic aid to increase payments to group homes and others who work with low-income adults with disabilities and elderly people, after lawmakers had initially blocked the move.

The Evers administration has been working for more than two years on the proposal, which is intended to bolster long-term care providers, such as group homes and assisted living facilities, and to raise wages for caregivers who work with the elderly and disabled adults enrolled in one of state's Medicaid long-term care programs, the largest being Family Care.

"This is the right thing to do for Wisconsin's long-term care system and the providers who care for our state's most vulnerable," said Kirsten Johnson, the secretary-designee of the Wisconsin Department of Health Services, in a news release last week. "It's a critical investment."

The state's Family Care program and a couple of smaller, related programs serve nearly 57,000 Wisconsin residents and pay for the kind of long-term care those people need to go about their everyday lives and live as independently as possible. That long-term care includes help eating, getting dressed, going to the bathroom and bathing, as well as help going grocery shopping, doing laundry and meal prep. Family Care members might live in their own home or in a shared living situation, such as a group home or assisted living facility.

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Under Evers' plan, the state Department of Health Services has created a list of minimum rates that must be paid to group homes, assisted living facilities and certain others for providing that long-term care.

The hope is that the group homes and other long-term care providers will pass some of the higher rates on to the caregivers whom they employ, making it easier to attract and retain caregivers, for whom demand is only growing.

Work as a caregiver, also called a personal care aide, is one of the fastest-growing jobs in the state, but caregivers in Wisconsin are paid an average of about \$15.40 an hour, according to the U.S. Bureau of Labor Statistics.

In a letter to lawmakers, Johnson acknowledged it is up to the long-term care providers to set the wages for their staff.

"These investments will go a long way toward helping make sure workers receive the support and fair compensation they deserve," Evers said in last week's release.

At least some providers are unsure whether the increased rates will allow them to raise caregiver wages.

"I think that it's really encouraging to see some funding put behind caregivers," said Samantha Hudson, director of personal assistance services at Independence First, which hires caregivers for people living in their own

homes in Milwaukee and surrounding counties. "For us, it's unclear at this point exactly the impact it will have."

She said many agencies like hers are struggling with rising administrative costs and inflation that have strained finances and made it harder to stay in business.

"There's a great deal of unfunded costs at play and rate increases that have been nominal and haven't nearly kept up with the cost of inflation," she said.

Long-term source of funding unclear

The new, minimum rates are set to go into effect Oct. 1, according to a news release issued last week by Evers' office announcing the plans.

Once the rates are in place, DHS estimates most group homes and assisted living facilities would receive a 40.5% rate increase.

It is unclear what will happen with the minimum rates once the federal pandemic aid is spent, which the state must do by mid-2025.

In March, DHS initially asked for approval from the state Legislature's Joint Finance Committee to establish the minimum rates.

But lawmakers on the committee objected to the proposal. Last week, following the governor's announcement that the plans would proceed anyway, DHS filed a letter with the committee, withdrawing its request for approval.

In separate statements, the committee's co-chairs, Rep. Mark Born, R-Beaver Dam, and Sen. Howard Marklein, R-Spring Green, said funding for the minimum rates and the state's ability to pay for it going forward would be discussed during the budget process in the next Legislative session.

"Gov. Evers has apparently not learned that the State of Wisconsin cannot backfill every ARPA-funded program created with federal government printed money," Born said in an emailed statement. "Instead, he is trying to commit

the state to massive funding increases in the next budget at a time when we don't know what our fiscal situation will be for the 2025-27 biennium."

In a separate statement, Marklein called discussions with DHS on the issue "productive" and said he "look(ed) forward to continuing the discussion" during upcoming budget deliberations.

Evers called it "critical" for the investments to continue in the next biennial budget.

Beginning in mid-2025, the annual cost of funding the new minimum rates would be nearly \$155 million in federal Medicaid dollars and a little over \$103 million in state dollars, according to a March letter to the committee from Johnson, the DHS secretary-designee.

Wages, takeovers a concern for Wisconsin long-term care providers

Family Care is the largest of the state's Medicaid long-term care programs and costs more than \$2 billion in state and federal dollars to run each year.

The people in the program include those born with severe physical or cognitive disabilities, those paralyzed by spinal injuries or strokes, and elderly people who need help doing everyday tasks.

Disability rights advocates are encouraged by the move in this direction by the Evers administration, but they say it's only one part of the solution and not a permanent one.

"Unless there's some investment of state dollars, it's not going to last, and we need a long-term commitment," said Kit Kerschensteiner, director of legal and advocacy services at Disability Rights Wisconsin. "We're losing the people in this field, the workers in this field, because they can make more at Burger King."

It's yet to be determined whether and how much of the increased rates will make it to providers and ultimately to caregivers, said Patti Becker, co-chair of the Survival Coalition of Wisconsin, a group that advocates on aging and disability issues.

Evers' announcement comes amid recent changes in the Family Care program. Last year, two national health insurance corporations, Humana and Molina, purchased two of the four Wisconsin-based nonprofits that for many years had run the state's Family Care program.

The state makes set, monthly payments to those companies for each person they serve in Family Care. The companies then use that money to pay assisted living facilities, group homes, caregivers and other contracted groups that provide long-term care to Family Care members.

More: A Wisconsin program allows the disabled and elderly to live in their own homes. Here's why advocates worry that is in jeopardy

The entry of the major health insurers into Wisconsin's long-term care space sparked concerns among disability rights advocates, who feared it would lead to more denials of care and cuts to services for Family Care members. There also were concerns among assisted living homes that the health insurers would slash rates paid to them or cause delays in payments, making it harder for them to stay open.

By establishing the minimum rates, Evers' office said, the state can require that companies like Molina and Humana pass some rate increases on to long-term care providers, giving them more stability and consistency.



DHS plans to monitor the companies to make sure they pay providers at or above the minimums and will have penalties in place if they fail to pay the required amount, according to the statement.

That's a major concern for disability rights advocates.

"How will the department ensure the managed care organizations are spending those dollars to bring benefit to the workforce and most importantly the people who are receiving care?" said Becker, referring to the four companies that run the Family Care program in the state.

The minimum rates apply to the following services:

- Group homes, also called adult family homes;
- Assisted living facilities, also called community-based residential facilities and residential apartment complexes;
- Supportive home care agencies; and
- Self-directed supportive home care.

Supportive home care refers to such care as helping someone go grocery shopping or do meal prep.