

John Sauer: Wisconsin must address funding shortfall of nursing facilities

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A combination of workforce challenges, inadequate Medicaid rates, and facility closures or downsizings are jeopardizing the future viability of Wisconsin's nursing facilities and access to high quality care and services in Wisconsin.

The effect of these challenges is alarming. Since 2016 there have been 30 nursing facilities that have closed in Wisconsin. Unfortunately, the number of nursing facilities that are closing continues to increase. Since January 1st of this year, 11 nursing facilities have closed. In addition, there are currently 27 nursing facilities in receivership. Moreover, many more nursing facilities have acted to delicense their bed capacities, limiting access to care and services in their communities.

A significant reason for these numbers is the chronic underfunding of the Medicaid program. A recent national study reported that Wisconsin has the 2nd worst Medicaid nursing facility rates in the country when compared to the actual cost of providing care. If left unaddressed, Wisconsin's low Medicaid reimbursement rates for skilled nursing facilities could severely limit access to high quality care and services for our State's most vulnerable citizens.

Nursing homes that serve older adults and people with disabilities rely on Medicaid to cover the cost of nursing care for residents who have often outlived their assets. Medicaid losses are placing a significant financial hardship on nursing facilities where nearly two-thirds of the care provided must be covered by Medicaid.

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The inadequate Medicaid reimbursement has also contributed to the long-term care workforce crisis, where 1 in 5 caregiver positions remain vacant in Wisconsin. In 2018, there were more than 16,500 openings statewide in long-term care facilities. Despite the growing need for additional caregivers in long-term care, fewer people are choosing to enter the caregiving profession, undoubtedly influenced by other employment options offering higher wages.

Without additional Medicaid resources to attract and retain caregivers, more providers will have to limit admissions in order to maintain care quality just as demand begins to rise as the Baby Boomer generation ages and requires more long-term care services. Wisconsin is expected to have 1.1 million residents ages 65 and older in 2020, which will grow to 1.54 million individuals in 2040. Further, from 2010 to 2040, the number persons over the age of 85 in the State of Wisconsin will increase by 140%.

In order to address the severe and growing long-term care challenges facing facilities across the State, Wisconsin's long-term care provider associations are asking the Wisconsin Legislature to prioritize an increase for Wisconsin nursing facilities. The requested investment of \$83 million in the Wisconsin State Budget would enable nursing home providers to better recruit and retain competent and caring staff. Approval of the request would be a major step toward alleviating the long-term care workforce and funding crisis.

Wisconsin can, and **must** do more to provide access and quality care for our aging population. These older adults are our mothers and fathers, grandparents, brothers and sisters. Wisconsin is the leader in so many things, it is time we lead in supporting a generation of people who have done so much to shape our lives, our state, and our country.

— John Sauer is the President and CEO of LeadingAge Wisconsin, which consists of more than 200 non-profit member organizations, including nursing homes, assisted living and independent facilities, and community service agencies. Statewide, LeadingAge Wisconsin members employ over 38,000 people who provide compassionate care to more than 48,000 individuals daily.