

Gov. Evers, Dept. of Health Services: Announce rate increase to help support healthcare workforce in the midst of COVID-19 case surge

Posted on Tuesday, Jan 11, 2022

>> WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)

MADISON — Gov. Tony Evers and the Department of Health Services (DHS) announced today that Wisconsin has increased reimbursement rates by five percent for several types of home and community-based services (HCBS) provided to members of Wisconsin's Medicaid programs. The announcement from Gov. Evers and DHS today comes as the state continues to face healthcare workforce challenges in the midst of surging COVID-19 cases across Wisconsin. Last week, the Evers Administration announced the state has worked to recruit nearly 600 temporary staff to support the state's healthcare workforce.

HCBS providers serve Wisconsin's older adults, as well as adults and children with disabilities, enabling them to live independently in the community. The rates were increased by using funds provided through the American Rescue Plan Act (ARPA). The increases took effect as of Jan. 1, 2022, and will run through March 31, 2024.

"As our state continues to face some of the worst case increases we've seen during this pandemic, we're working to ensure our state's hospitals and long-term care facilities have the resources and support to retain and recruit workers and continue providing care to folks across our state," said Gov. Evers. "The pandemic has put a significant strain on our healthcare workforce, and we're making critical investments so providers can better keep pace with rising costs and maintain access to care for Wisconsinites."

"It is essential that we invest in our long-term care infrastructure so Wisconsinites who are elderly or who have a disability are able to access the services and support

they need to live as independently as possible in their community,” said DHS Secretary-designee Karen Timberlake. “These rate increases are needed now more than ever as providers of care and services for our elders and adults and children living with disabilities are also being affected by the current surge in COVID-19 cases.”

Increasing Rates for Nursing Homes and Hospitals

Gov. Evers and DHS have increased rates and provided additional support to Wisconsin’s nursing homes and hospitals, so they have the resources and support to continue providing high-quality care. Wisconsin hospitals and nursing homes provide care that is essential to the well-being of people across the state. COVID-19 has added more financial pressure due to supply and equipment costs, testing, and disruptions in admissions and discharges. Increasing funding for nursing homes and hospitals is a key part of supporting our most vulnerable residents.

Over the period from July 1, 2019 through June 30, 2023, Wisconsin will invest more than \$500 million in payments and incentives to nursing homes, and nearly \$460 million in payments and incentives to hospitals. These payments are summarized below. They reflect increased reimbursement rates for nursing homes, increased payments made to hospitals that provide a higher amount of care to Medicaid members and people who are uninsured or underinsured, increased payments to rural hospitals, and additional funding provided to hospitals and nursing homes to offset the losses and expenditures providers have experienced due to the COVID-19 pandemic.

Nursing Homes

The rate increases for nursing homes were provided through the 2019-21 and 2021-23 biennial budgets. Payments to offset losses and expenditures experienced due to the COVID-19 pandemic were provided through one-time federal Coronavirus Aid, Relief, and Economic Stability (CARES) Act funding.

- Rate increases in the 2019-21 biennial budget: \$148,157,800 (Reflects budgeted amounts for fiscal year 2020 through fiscal year 2023, The rate increase is ongoing.)
- Rate increases in the 2021-23 biennial budget: \$252,409,700 (Reflects budgeted amounts for fiscal year 2022 through fiscal year 2023. The rate increase is ongoing.)
- CARES Act [Direct Provider Payments to Nursing Homes](#): \$75,640,729
- CARES Act [Admissions Incentive Program](#): \$30,000,000

Hospitals

Increased payments for hospitals were provided through the 2019-21 and 2021-23 biennial budgets. Payments to offset losses and expenditures experienced due to the COVID-19 pandemic were provided through one-time federal CARES Act funding.

- Increased disproportionate share hospital payments in the 2019-21 and 2021-23 biennial budgets: \$399,830,600
- Increased rural critical care supplement for rural hospitals in the 2019-21 and 2021-23 biennial budgets: \$19,748,200
- CARES Act [Direct Provider Payments to Hospitals](#): \$40,000,000

Increasing Rates for HCBS

Wisconsin projects that the demand for long-term care services will rise faster than the workforce will grow in the coming years. According to the [Governor's Taskforce on Caregiving](#), the state's population aged 65 and older is expected to grow by 72 percent between 2015 and 2040. The rate is six times higher than the overall Wisconsin population growth project of 12 percent for the same period.

HCBS are essential to meeting the daily needs of the members of Wisconsin's long-term care programs, allowing them to avoid unnecessary institutionalization. Examples of HCBS include care received at an assisted living facility, personal care, home health, residential substance use disorder treatment, respiratory care, and in-home nursing, physical therapy, and occupational therapy. These services have been shown to be a cost-effective alternative to higher-cost institutional services, such as nursing home placements or hospital services. Higher rates help providers recruit staff and maintain the important system that delivers such critical care. The rate increase is part of DHS' broader plan to [reinvest resources provided through ARPA into home and community-based services](#).

The ARPA rate increase for HCBS is being made in addition to the investments in support of the Medicaid HCBS workforce provided through the 2021-23 biennial budget. This included funding to increase the hourly rate for personal care services, increases for behavioral treatment services for individuals with autism and other disorders, increases for home health, therapeutic services, and Family Care providers, as well as funding increases for the direct care workforce funding program for Family Care. These investments will be significant to support individuals in their homes. As one example, when the workforce investments in the 2021-23 biennial budget are combined with this five percent rate increase, the hourly reimbursement rate for personal care services will be increased by 14 percent from \$19.16 per hour and \$21.84 per hour.