



FOR IMMEDIATE RELEASE
Tuesday, June 4, 2019

FOR MORE INFORMATION, CONTACT
Michael Pochowski, CEO
Wisconsin Assisted Living Association
(608) 288-0246

Joint Committee on Finance Prioritizes Caregivers
Doubles Wage Benefit Initiative for Direct Caregivers
Helps to Address Long-Term Caregiver Shortage Crisis

The Wisconsin Assisted Living Association (WALA) is extremely grateful to the members of the Wisconsin Legislature's Joint Committee on Finance. Today, the Committee voted to more than double what was recommended in the biennial state budget, which in effect also doubles the size of the overall funding for the Direct Care Workforce Funding Initiative in the Family Care program. The Committee provided \$66,537,400 for Family Care Direct Funding (Paper #368) [\$27,000,000 GPR, \$39,537,400 FED]. This builds upon a \$60.7 million increase from the 2017-19 budget, for a total of \$127.2 million in the two most recent state budgets.

The Initiative funds increases for the direct care and services component of the Family Care program capitation rates to provide much needed wage increases for long-term care caregivers. Family Care is a state Medicaid waiver program that provides and pays for long-term care services for Wisconsin's most vulnerable populations of frail elderly and individuals with disabilities.

Michael Pochowski, CEO of the Wisconsin Assisted Living Association stated:

- *"This action will target critically needed increases to address the long-term care workforce crisis."*
- *"We are truly grateful to the members of the Joint Committee on Finance, Assembly and Senate leadership, and the many state legislators who heard our calls for help."*
- *"Thank you for helping to address the workforce crisis our profession is facing and fighting to bring additional funding to the actual caregivers."*

About the Wisconsin Assisted Living Association (WALA)

ewala.org

WALA – Wisconsin Assisted Living Association is the premier statewide association for Wisconsin's assisted living profession. WALA represents the majority of Wisconsin's assisted living providers and their residents, with over 1,500 members. WALA promotes standards of quality care and provides valuable member services to organizations providing assisted living services. WALA leads the profession with educational programs, professional products and tools, and other member quality resources.

Wisconsin Assisted Living Association's mission is to support providers in enhancing the best quality of life for residents in assisted living in Wisconsin through advocacy, education, communication, and quality initiatives.

Background

Family Care is a long-term care program that helps frail elders and adults with disabilities. As of March 1, 2019, there were nearly 50,000 individuals who rely on Family Care for care and services.

(<https://www.dhs.wisconsin.gov/publications/p02370-19mar.pdf>)

Wisconsin continues to face a crisis in the shortage of available frontline caregivers. This serious shortage directly impacts all Wisconsin care and service organizations serving Family Care members. Some of the factors causing this serious shortage are:

- Wisconsin continues to experience high levels of caregiver vacancy rates in long-term care programs: average caregiver vacancy rates are 19%, with 1 in 5 providers experiencing vacancy rates of 30% and higher. There are an estimated 16,500 vacant caregiver positions in Wisconsin assisted living and nursing facilities.
- On average, nearly 80% of a long-term care provider's operating budget is focused on workforce expenses. Providers have limited options to absorb reimbursement reductions and/or the lack of reimbursement increases.
- While providers are thankful for the Direct Care Workforce funding increases included in the 2017- 19 state budget, those increases do not offset the rate cuts or freezes that providers have experienced over the past five years. According to findings of a survey of Wisconsin providers, 95.3% of respondents reported receiving either Family Care rate freezes (84%) and/or cuts (11.3%) over the past five years. A 2018 survey of long-term care providers confirmed our members' plight and provided a sense of how grave the caregiver worker crisis is. The report found that the **workforce crisis has worsened** since a similar survey was conducted in 2016. *The Long-Term Care Workforce Crisis: A 2018 Report* included the following key findings:
 - Approximately 91,000 Wisconsin residents live in 4,440 long-term care facilities. Residents living in these facilities rely on an estimated 84,000 caregivers. The number of Wisconsin residents living in long-term care facilities has grown 23% in the past 15 years.
 - In addition to finding that facility vacancy rates have reached 19% and there are more than 16,500 vacant caregiver positions, the same report found that 1 in 7 respondents said their employees had to go on BadgerCare Plus, the state's Medicaid health insurance program for low-income persons.
 - Wisconsin's providers are facing major problems finding applicants and qualified caregivers: more than 50% of providers felt they were unable to compete with other employers; 54% had no applicants for vacant caregiver positions; 83% said there were no qualified applicants for caregiver openings; and 25% have been forced to deny admissions due to the lack of caregivers. The crisis is not a few years away – it is here... now. Current caregivers are feeling the brunt – with overtime, stagnant wages, benefits reductions, and greater burnout. We hear too often from our provider members that many are having to take drastic actions of accepting fewer residents, suspending admissions or closing facilities and programs because they cannot find the caregivers to provide the hands-on care.