



Personal Care is the Most Cost-Effective Setting for Taxpayers

Support a 48% increase to the MA Personal Care Rate

Personal care agencies across the state report that the severe shortage of in-home caregivers is forcing older adults and people with disabilities out of their homes and into more expensive settings. **50% of personal care agencies surveyed by WPSA in 2025 say they have clients who have either been unnecessarily hospitalized or could not be discharged** to the community due to a lack of workers.

Real World Example 1: A personal care agency that serves Ozaukee, Waukesha, Kenosha and Racine counties reports that they have a client who was hospitalized for 4 months and then had to go to rehab due to a fall that occurred because of a lack of in-home caregivers.

Real World Example 2: An individual who receives personal care in Milwaukee County was unnecessarily hospitalized for 4 weeks because her personal care agency and others in the area are unable to find enough caregivers for her.

A May 9, 2022, report by the Department of Health Services showed **that care provided in the community is 44.91% cheaper than care provided in nursing homes.**

Cost Comparison Across Settings	
Current Medicaid Personal Care Rate=\$24.52/hour Average personal care hours per day=2.8 hours (\$68.65 per day)	
Ave. Medicaid Hospital Rates ¹	<u>Default Per Diem Rate for Rehabilitation Hospitals: \$1,451 per day*</u> <u>Default Per Diem Rate for Long Term Acute Care: \$1,939 per day*</u> <u>Ave. Inpatient Hospital DRG and Per Diem Rates: \$8,851*</u> <i>*represents facility fee-only--provider/physician services are billed separately</i>
Ave. Medicaid Nursing Home Rate ²	\$345.47 per day
Ave. State Center (institution) Cost ³	\$1,959 per day

¹ <https://www.forwardhealth.wi.gov/WIPortal/content/Provider/medicaid/hospital/drg/drg.htm.spage#>

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https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2025/0046_medical_assistance_and_related_programs_badgercare_plus_ebd_medicaid_family_care_and_senior_care_informational_paper_46.pdf

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https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2025/0052_services_for_persons_with_developmental_disabilities_informational_paper_52.pdf