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WCHSA: The Future of Long Term Care

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Agenda

- ▶ Doom & Gloom
- ▶ Wisconsin Long Term Care SWOT, from a provider perspective
- ▶ Current Hot Topics
 - Family Care Waiver Renewal
 - Family Care Minimum Fee Schedule
 - New Rule - Minimum Staffing Requirements in Nursing Homes
 - New Rule - Medicaid Access Rule (80/20 rule)
 - Should Counties be involved in Nursing Homes?

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Doom & Gloom

SIZE & DEMOGRAPHICS

- The United States has more older adults. (Source) 58 million in 2012 → 82 million in 2050
- Older adults are a growing part of the population. (Source) 17% in 2020 → 23% in 2050
- Older adults outnumber children. (Source) For the first time in 100 years, adults 65+ total more than children under 10.
- Americans 65+ are growing more diverse. (Source) 1 in 4 were a minority race/ethnicity in 2020.

EDUCATION & WORK

- The educational level of the older population is increasing. (Source) 28% completed high school in 1990 → 89% completed high school in 2021
- About one-fifth of older adults work. (Source) 10.6 million Americans 65+ were working, or actively seeking work, in 2021.
- Older consumers support the economy. (Source) Americans 65+ are projected to spend just under \$9 trillion, up from \$8.7 trillion in 2020.

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ECONOMICS & PERSONAL FINANCES

- Most older adults own their home. (Source) 77% of 65+ households owned a home in 2019.
- More than 5 million adults 60+ faced food insecurity in 2021. (Source) 1 in 14 OR 7.1%
- Older adults are carrying more debt. (Source) 1989 vs 2016, 3 times higher
- Nearly half of older adults have no retirement savings. (Source) 48% of adults 55+ lack some form of retirement savings.
- Older adults make up a large and growing portion of the people experiencing homelessness. (Source) 50% of the homeless population is now made up of single adults 50+.
- Older adult household income is dropping faster than the general population. (Source) -3.3% median income among older adults, 2019-2020 vs -2.9% median income overall, 2019-2020

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IMPLICATIONS FOR AGING SERVICES

An aging country will impact all parts of society—including whether older adults and families can access care and support. Aging services providers are adapting rapidly. But we need expanded community and government support to ensure that tomorrow's older adults—in all their growing diversity—age equitably with health and safety.

- Many older adults will run out of money for long-term care. (Source) UP TO 60% of older Americans couldn't afford more than 4 years or 2 years in an assisted living community.
- There will not be enough caregivers. (Source) The caregiver support ratio is expected to drop between 2020 and 2050 from 12 to just 12 people of working age for every adult 85+.
- Ongoing workforce shortages will impact long-term care. (Source) 9.3 million total jobs will need to be filled—only in direct care—between 2021 and 2031.
- The popular programs that support retired and older adults are not ready for a doubling of eligible older, more diverse, less-resourced adults. (Source) The cost of Social Security, Medicare and Medicaid is projected to more than double from 2.075 billion in 2018 to 4.075 billion in 2039, accounting for more than half of mandatory federal spending by 2039.
- The Old Age & Survivors' Social Security Trust Fund is forecast to run out in calendar year 2033. (Source)
- The Medicare Part A Trust Fund is forecast to run out in 2028. (Source)

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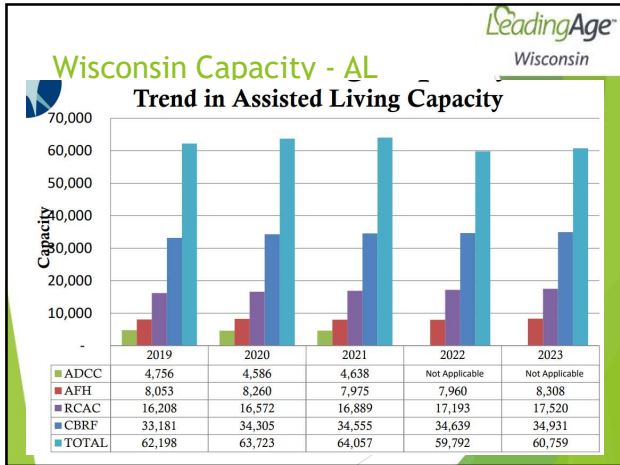
Wisconsin Capacity - AL

Trend in Number of Facilities

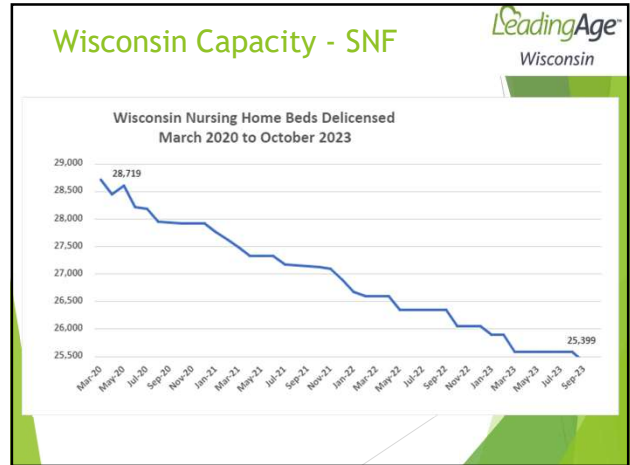
Number of Communities

Year	ADCC	RCAC	CBRF	AFH	TOTAL
2019	124	348	1,617	2,101	4,190
2020	122	348	1,653	2,139	4,262
2021	121	357	1,633	2,064	4,175
2022	Not Applicable	362	1,601	2,061	4,024
2023	Not Applicable	366	1,558	2,081	4,005

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Wisconsin SWOT Analysis

- Strengths
 - Strong history of HCBS, early adopter of in lieu of services
 - No waiting lists for HCBS
 - Medicaid NF Payment Reform - Government owned per patient day losses fully covered up to federal limits
 - WisCaregiver Careers [About Us | WisCaregiver_Careers \(wiscaregivercareers.com\)](https://www.wiscaregivercareers.com)
- Weaknesses
 - MCO Accountability
- Opportunities
 - Medicaid/Medicare integration possibilities
 - Technological advancements, telehealth, remote patient monitoring
- Threats
 - Difficulty maintaining access in rural areas
 - Persistent inflation & ability of government payments to respond

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Family Care Waiver

- Waiver Renewal (5 year ability to authorize program)
- Possible changes: new services; mental/behavioral health target group; role of ADCRCs

What's the timeline?

The renewed waivers will be in effect January 1, 2025. Here's what will happen between now and then:

- June 2023:** Partners give input in an online survey
- July 2023:** Partners give input during online public input sessions
- January 2024:** DHS finalizes proposed changes and internal approvals begin
- March 2024:** DHS sends a notice to the state Joint Finance Committee about our intent to renew the waivers
- June 2024:** 30-day public comment and tribal consultation begins
- September 2024:** DHS submits proposed changes to CMS
- January 2025:** The renewed waivers are in effect

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Family Care Minimum Fee Schedule

- Current state: rates are "negotiated"
- DHS sent a proposal to JFC in March to set a proposed Minimum Fee Schedule based on a cost buildup presuming direct caregiver wages of \$15.75/hr (below the provider survey-supported average of \$20/hr)

The estimated annual cost of the HCBS minimum fee schedule is \$258.0 million All Funds, which will be supported through the current biennium with federal funding for Medicaid HCBS provided through the federal American Rescue Plan Act of 2021 (ARPA). After FY 25, the annual ongoing cost will need to be funded with an estimated \$154.8 million in federal Medicaid funds and \$103.2 million GPR.

Under the proposal, an estimated 75.6% of supportive home care service providers would see a 16.2% rate increase, and 64.1% of monthly residential providers would see a 40.5% rate increase.

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New Final Rule: Minimum Staffing Requirements in Nursing Homes

- Full implementation: May 2026- May 2028 depending on urban/rural status and specific requirement
- 24/7 RN in building
 - Potential exemption for up to 8 hours a day in facilities in RN shortage area to have available for consult (still sounds hard to get)
- Hours per resident day standards
 - 0.55 hprd RN
 - 2.45 hprd Nurse Aide
 - 3.48 hprd Total (RN/LPN/NA)

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Where do WI nursing homes stand in terms of meeting staffing ratios?

- ▶ Total Nursing Homes (331)
 - ▶ RN: Met 84.9%, Not Met 13.0%, Missing 2.1%
 - ▶ CNA: Met 37.8%, Not Met 60.1%, Missing 2.1%
- ▶ Non-profit Nursing Homes (101)
 - ▶ RN: Met 88.1%, Not Met 9.9%, Missing 2.0%
 - ▶ CNA: Met 54.5%, Not Met 43.6%, Missing 2.0%
- ▶ Government Nursing Homes (45)
 - ▶ RN: Met 95.6%, Not Met 0.0%, Missing 4.4%
 - ▶ CNA: Met 75.6%, Not Met 20.0%, Missing 4.4%
- ▶ For Profit Nursing Homes (185)
 - ▶ RN: Met 80.5%, Not Met 17.8%, Missing 1.6%
 - ▶ CNA: Met 19.5%, Not Met 78.9%, Missing 1.6%

Source: Skilled Nursing Facility Staffing PBJ Data Q1 2023; Currently, the publicly reported PBJ numbers do not include actual time values as it only includes total hours worked by day. This means that currently there is no way from the PBJ data to determine how SNFs are meeting the proposed requirement of an RN working 24 hours a day/7 days a week.

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New Final Rule: Medicaid Access Rule (80/20 rule)

- ▶ In 3-4 years, states will have to develop reporting on how much of home care services rates are paid to direct care workers.
- ▶ In 6 years, states will have to ensure that >80% of rates go to the direct care workers and regularly report on HCBS payment adequacy.

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Should Counties be involved in Nursing Homes?

- ▶ Ability to ensure quality / access to care
- ▶ Ability to access supplemental payments
- ▶ Risk to finances

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