

SHEBOYGAN COUNTY RESOLUTION NO. 25 (2010/11)

Re: **Supporting County-owned Nursing Homes in the 2011-2013 State Budget**

WHEREAS, county-owned and operated nursing homes play a unique role in Wisconsin's continuum of care for citizens in need of long-term care services, and

WHEREAS, the majority of county homes care for residents with high acuity levels and intense behavioral needs, and

WHEREAS, Wisconsin county homes have a long history of partnering with the state to maximize federal resources available to the state, and

WHEREAS, under the Supplemental Payment Program, formerly known as the intergovernmental transfer program, federal matching funds are generated based on actual operating losses incurred by governmental nursing homes, and

WHEREAS, all revenue generated from county nursing home losses is deposited in the state of Wisconsin's Medical Assistance (MA) Trust Fund, and

WHEREAS, through the combined efforts of the state and counties, billions of dollars have been brought in over the past decade, most of which was utilized to offset deficits in the Medical Assistance Trust Fund, and

WHEREAS, under current state law, the state may not distribute to counties more than \$39,100,000 of such sums in each fiscal year, and

WHEREAS, all revenue received under the supplemental payment program is derived from certified county nursing home losses, and

WHEREAS, counties depend on revenue received from the supplemental payment program to maintain high-quality services to vulnerable residents, and

WHEREAS, counties utilize revenue from the Supplemental Payment and Certified Public Expenditure Programs to offset property tax dollars utilized to fund the operation of county homes, and

WHEREAS, the 2009-2011 state biennial budget allocates only \$38.1 million annually in payments to counties, although the Department of Health Services estimates that Wisconsin received \$96.2 million in federal matching funds based on county nursing home losses, and

WHEREAS, the nursing home bed assessment (tax) created as part of 1991 Wisconsin Act 269 was a methodology to fund the MA nursing home rate increases that took effect in FY 1992, and

WHEREAS, since that time, the bed tax has increased from \$32 per month per bed to \$170 per licensed bed, and

WHEREAS, in the 2009-2011 state biennial budget, a majority of the funds raised through the increased bed tax was utilized to offset the state's Medicaid deficit, in addition to funding the two percent rate increase in each year of the biennium, and

WHEREAS, in FY 2010, 68% of the federal revenue derived from the bed tax was utilized to offset general fund expenditures; and 51% of the federal revenue will be utilized for non-nursing home expenditures in FY 2011, and

WHEREAS, a bed tax increase of \$14 in FY 2010 and an additional increase of \$33 in FY 2011 is all that was needed to fund the two percent rate increase but instead, over \$66 million of revenue derived from the bed tax was utilized over the biennium to replace GPR base funding for MA benefits, and

WHEREAS, there is no public policy argument to justify increasing taxes paid by nursing homes and their residents to benefit the general fund, and

WHEREAS, returning the revenue generated from the bed tax would fund a rate increase of approximately 3.25 percent in FY 2012 without the need for additional GPR or bed tax dollars, and

WHEREAS, Institutes for Mental Disease (IMDs) with state-only licenses are required to pay the bed tax, even though they do not qualify for Medicaid payments;

NOW, THEREFORE, BE IT RESOLVED that the Sheboygan County Board requests that the following actions be taken by the Governor and State Legislature during 2011-2013 state biennial budget deliberations:

1. Statutory changes to Wis. Stat. § 49.45(6u)(am) such that it reads ***...the department shall distribute to these facilities and to care management organizations at least \$39,100,000 in each fiscal year...***
2. A statutory change requiring the state to share equally the federal match dollars received as a result of county nursing home losses.
3. Nursing home bed assessment funds and the federal matching funds generated being used for nursing home rate increases, and not as supplementation to the MA Trust Fund.
4. County government-owned IMDs and state-only licensed facilities becoming exempt from the provider bed assessment (bed tax).

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BE IT FURTHER RESOLVED that the County Clerk is directed to forward copies of the herein Resolution to the Governor, state and federal legislative representatives having constituencies in Sheboygan County, the Wisconsin Counties Association, and such other public officials as the Clerk may deem appropriate.

Respectfully submitted this 19th day of October, 2010.

HEALTH CARE CENTERS COMMITTEE

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ADOPTED 11.02.2010