

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

Sherry Gunderson
INITIATED BY



WACH
DRAFTED BY

Health Services Committee
SUBMITTED BY

August 3, 2010
DATE DRAFTED

COUNTY NURSING HOMES AND THE 2011-2013 STATE BIENNIAL BUDGET

1 **WHEREAS**, county homes play a unique role in Wisconsin’s continuum of care for citizens in
2 need of long-term care services; and,

3
4 **WHEREAS**, the majority of county homes care for residents with high acuity levels and intense
5 behavioral needs; and,

6
7 **WHEREAS**, Wisconsin county homes have a long history of partnering with the state to
8 maximize federal resources available to the state; and,

9
10 **WHEREAS**, under the Supplemental Payment Program, formerly known as the
11 intergovernmental transfer program, federal matching funds are generated based on actual
12 operating losses incurred by governmental nursing homes; and,

13
14 **WHEREAS**, all revenue generated from county nursing home losses is deposited in the state of
15 Wisconsin’s Medical Assistance Trust Fund; and,

16
17 **WHEREAS**, through the combined efforts of the state and counties, billions of dollars have been
18 brought in over the past decade, most of which was utilized to offset deficits in the Medical
19 Assistance Trust Fund; and,

20
21 **WHEREAS**, under current state law, the state may not distribute to counties more than
22 \$39,100,000 in each fiscal year; and,

23
24 **WHEREAS**, all revenue received under the supplemental payment program is derived from
25 certified county nursing home losses; and,

26
27 **WHEREAS**, counties depend on revenue received from the supplemental payment program to
28 maintain high-quality services to vulnerable residents; and,

29
30 **WHEREAS**, counties utilize revenue from the Supplemental Payment and Certified Public
31 Expenditure Programs to offset property tax dollars utilized to fund the operation of county
32 homes; and,

33
34 **WHEREAS**, the 2009-2011 state biennial budget allocates only \$38.1 million annually in
35 payments to counties, although the Department of Health Services estimates receiving \$96.2
36 million in federal matching funds based on county nursing home losses; and,

37
38 **WHEREAS**, the nursing home bed assessment (tax) was created as part of 1991 Wisconsin Act
39 269 as a methodology to fund the Medical Assistance nursing home rate increases that took
40 effect in FY 92; and,

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

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

48

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COUNTY NURSING HOMES AND THE 2011-2013 STATE BIENNIAL BUDGET

Page 2

49 **WHEREAS**, in FY 10, 68% of the federal revenue derived from the bed tax was utilized to
 50 offset general fund expenditures; 51% of the federal revenue will be utilized for non-nursing
 51 home expenditures in FY 11; and,

52
 53 **WHEREAS**, a bed tax increase of \$14 in FY 10 and an additional increase of \$33 in FY 11 is
 54 all that was needed to fund the two percent rate increase; instead, over \$66 million of revenue
 55 derived from the bed tax was utilized over the biennium to replace GPR base funding for MA
 56 benefits; and,

57
 58 **WHEREAS**, there is no public policy argument to justify increasing taxes paid by nursing
 59 homes and their residents to benefit the general fund; and,

60
 61 **WHEREAS**, returning the revenue generated from the bed tax will fund a rate increase of
 62 approximately 3.25 percent in FY 12 without the need for additional GPR or bed tax dollars; and,

63
 64 **WHEREAS**, Institutes for Mental Disease (IMDs) with state-only licenses are required to pay
 65 the bed tax, even though they do not qualify for Medicaid payments.

66
 67 **NOW, THEREFORE, BE IT RESOLVED** that the Rock County Board of Supervisors
 68 requests that the following action be taken by the Governor and State Legislature during 2011-
 69 2013 state biennial budget deliberations:

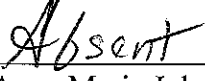
- 70
 71 1. Support a statutory change to Sec. 49.45 (6u)(am) Wis. Stats. such that it reads *...the*
 72 *department shall distribute to these facilities and to care management organizations at*
 73 *least \$39,100,000 in each fiscal year...*
 74 2. Support a statutory change requiring the state to share equally the federal match
 75 dollars received as a result of county nursing home losses.
 76 3. Nursing home bed assessment funds and the federal matching funds generated should
 77 be used for nursing home rate increases, not as supplementation to the MA Trust Fund.
 78 4. County government-owned IMDs and state-only licensed facilities should be exempt
 79 from the provider bed assessment (bed tax).
 80

81 **BE IT FURTHER RESOLVED** that copies of this resolution be sent to Department of Health
 82 Services Secretary Karen Timberlake, Department of Administration Secretary Dan Schooff, all
 83 area legislators and the Wisconsin Counties Association.


Respectfully submitted,

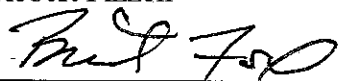
HEALTH SERVICES COMMITTEE


 Betty Jo Bussie, Chair


 Anna Marie Johnson, Vice Chair

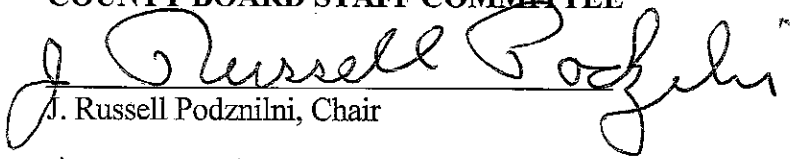

 Katie Kuznacic


 Robert Fizzell


 Brent Fox

COUNTY NURSING HOMES AND THE 2011-2013 STATE BIENNIAL BUDGET
Page 3

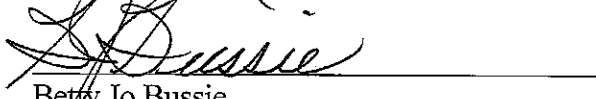
COUNTY BOARD STAFF COMMITTEE

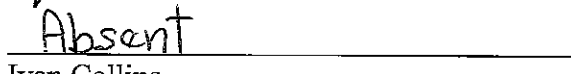

J. Russell Podznilni, Chair



Sandra Kraft, Vice Chair

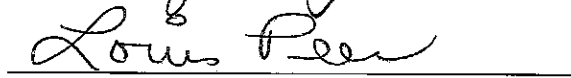

Eva Arnold

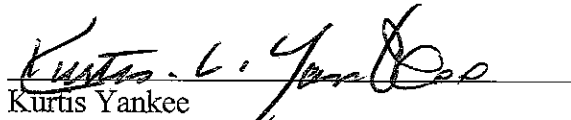

Henry Brill


Betty Jo Bussie


Absent
Ivan Collins

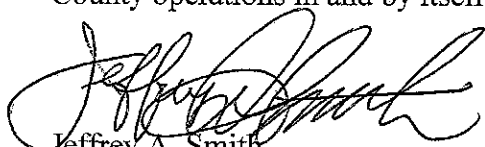

Marlynn Jensen


Louis Peer


Kurtis Yankee

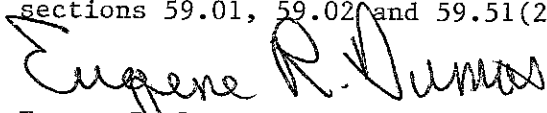
FISCAL NOTE:

This resolution addresses a legislative policy issue and has no direct fiscal impact on Rock County operations in and by itself.


Jeffrey A. Smith
Finance Director

LEGAL NOTE:

The County Board is authorized to take this action by Wisconsin Statutes sections 59.01, 59.02 and 59.51(2).


Eugene R. Dumas
Deputy Corporation Counsel

ADMINISTRATIVE NOTE:

Recommended.


Craig Knutson
County Administrator