



## Issue:

# Ensuring Adequate Reimbursement/ Cost of Living Increases

WALA believes that the 2017-19 state biennial budget must include funding sufficient to provide an increase in Medicaid Waiver and Family Care funding for all providers caring for our state's frail elderly and disabled under Wisconsin's Family Care Program. While we fully appreciate the state's current financial condition, the magnitude and intensity of the needs of Wisconsin citizens who receive and provide long-term care and assisted living services compel immediate attention and investment.

**Our members are the source of employment for tens of thousands of dedicated individuals.** The harsh reality confronting many of Wisconsin's long-term care provider communities is that the level of staffing, wages, and benefits that facilities can offer their employees, as well as the quality of care and life they can provide their residents is predominantly defined by the level of Medicaid funding contained in the state budget. In particular, assisted living facilities allocate approximately 70 to 80 percent of every dollar on labor – our workforce. When assisted living facilities are faced with cuts or stagnated reimbursement rates within the Family Care or legacy Medicaid Waiver long-term care system, facilities have limited choices to absorb any losses.

It is critical that the investment of budget funding we seek be recognized as absolutely essential to preserve citizen access to quality long-term care and assisted living services throughout our state. In addition, it must also be recognized as essential for maintaining the economic health, vitality, and employment in all Wisconsin long-term care communities, where that care is currently provided.

**Therefore, capitated rates and provider rates must see annual cost of living increases.** As insurance, rent, and food costs continue to rise, any increases to capitated rates are not passed through to the provider. In order to best serve residents in assisted living, any increases must be passed to the provider, occur on an annual basis, and tied to an unbiased metric such as the consumer price index.