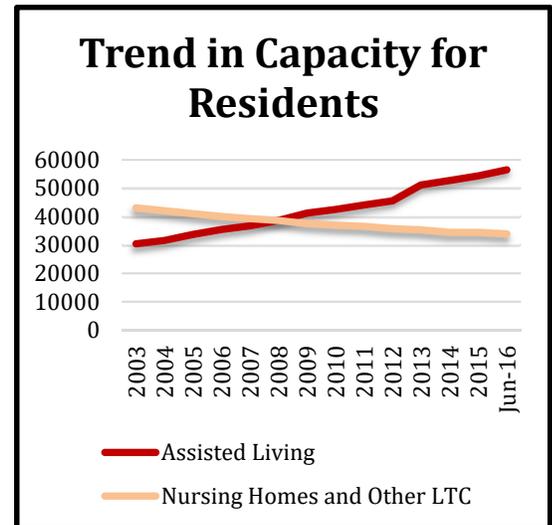




# Assisted Living Facts and Statistics

According to *The Long-Term Care Workforce Crisis: A 2016 Report*, the following key findings highlight the crisis for assisted living providers:

- Approximately **52,000** Wisconsin residents live in **3,854** assisted living facilities.
- Based upon data provided by the Wisconsin Department of Health Service, Bureau of Assisted Living, about 2,300 of these facilities, or **60%**, have residents who **accept public funding** – programs like Family Care program or IRIS.
- The number of Wisconsin residents residing in assisted living facilities has **grown 62%** since 2003.
- According to the Wisconsin Compensation Rating Bureau, the payroll for caregivers has **increased by 16%** from 2010 -2014 but providers have not received any increased reimbursement to match this added expense. Total wages in assisted living including food service, caregivers, group homes, and other staff have increased by **89% since 2005**.
- Wisconsin’s providers are facing major problems finding applicants and qualified caregivers. For example, according to a survey we conducted, more than **30%** of providers felt they were unable to compete with other employers; nearly **50%** had no applicants for vacant caregiver positions; **70%** said there were no qualified applicants for caregiver openings; and **18%** have been forced to deny admissions due to the lack of caregivers.
- The median hourly starting wage for a caregiver is **\$10.27** in assisted living compared to **\$12.00** for local, non-health care employers seeking unskilled, entry-level workers.
- **4 out of 5 caregivers** who took jobs outside of health care left for better pay, better benefits and/or better work schedules.
- Wisconsin is experiencing high levels of caregiver vacancy rates in assisted living which **are upwards of 23%**.





# Why \$40.4 Million for Family Care?

**Investing \$40.4 million General Purpose Revenue (GPR) in the 2017-19 biennial budget will allow us to put money where it is needed, to our caregivers. This increase in funding will have the enormous effect on the workforce crisis for assisted living providers. Here are some testimonials:**

*"As a small business owner, I feel it would help tremendously in hiring and keeping qualified staff. I cannot afford to offer insurance benefits to my staff and am not able financially to offer many benefits to reduce my staff turnover. I feel an increase would drastically reduce staff turnover in my AFH (Adult Family Home) as I would be able to offer a higher starting wage and more benefits to staff."*

WALA Provider Member

**As of June 2016, there are 1,943 Adult Family Homes (AFHs) in Wisconsin and most are small businesses who serve only 3 to 4 residents.**

*"Staff turnover would be greatly affected. Higher wages would allow the recruitment and retention of quality staff which directly improves resident outcomes and care. It's a shame when employees working a cash register at Walmart are paid the same as [my] employees... whether by the passing of medications, feeding, toileting, attending to life threatening wounds, etc."*

WALA Provider Member

**Unskilled workers average wage is \$12.00 per hour. This is \$3,640.00 more per year than the average assisted living skilled caregiver.**

*"The increase would drastically improve the quality care [for] our senior residents, as retention of qualified staff would improve and would also result in bringing more caregivers into the industry."*

WALA Provider Member

**There has been an exodus of caregivers to jobs outside of healthcare - providers report widespread use of overtime, double shifts and other strategies to deal with scheduling gaps.**

*"Not being able to pay our direct caregivers a higher wage, has put us into a hiring crisis. We have seen a high need for assisted living facilities, and receive calls every day for placement. Our hiring status has made it so that we are not able to expand as much as we have desired, or take on residents with more difficult and time-consuming cares, as we are not able to provide the proper staffing for them."*

WALA Provider Member

**The Long-Term Care Workforce Crisis: A 2016 Report, found that 1 in 7 caregiver staff positions in Wisconsin are vacant. This has forced providers to reduce the number of residents they can admit into their assisted living facility.**

WALA – Wisconsin Assisted Living Association

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STATE PARTNER



# Public Policy

We are asking for:

An investment of **\$40.4 million GPR in the 2017-19 biennial budget** to increase the *direct care and services* portion of the “capitation rate” payment arrangement for Family Care managed care organizations (MCOs) in order to allocate dollars directly to providers. This portion of the MCO’s monthly capitation rate would be increased by approximately \$65 per enrollee and would require MCOs to increase reimbursement payments for each provider type (e.g., CBRFs, RCACs, AFHs, SNFs) by, on average, 2.5% in each year of the 2017-19 biennium. This investment should not be funded by reallocating dollars that would otherwise be available to other Medicaid LTC providers.

In other words:

**We are asking for an investment of an additional \$40.4 Million per year in the budget to fund increases in Family Care – which will target critically needed increases to address the caregiver workforce crisis.**

We are asking for:

The Joint Legislative Audit Committee to conduct an audit of the Family Care program. Components of the audit review should include: disclosure of the MCO’s rate-setting methodology; whether the MCOs are adhering to the managed care medical loss ratio; report on the projected increases assumed by the Family Care program’s actuaries in projecting enrollee acuity and provider rates, and to assess whether the cost of care is being accurately reflected in provider rates.

In other words:

**We are asking you to support our request for the Joint Legislative Audit Committee to conduct an audit of the Family Care program. We believe there needs to be more transparency on rate development and whether reimbursement is accurate to the actual cost of care.**