



# Care Wisconsin February 2017 Provider Communication

Issue: In a letter dated 2/22/2017, Care Wisconsin notified its providers of their intent to implement the 2016 HUD Room and Board rates for new placements effective 1/1/2017. In addition, they updated admission agreements effective 4/1/2017. The updated admission agreements reflect the new room and board rate, but they deducted the room and board increase from the care and supervision rate. They describe that change as “budget neutral.” Neither negotiation nor acceptance of the change was offered.

## Background

- Room and Board rates are separate and distinct from care and supervision. The member is responsible for the room and board cost while the home and community based waiver pays for care and supervision. Failure of a member to pay the room and board amount can lead to disenrollment.
- Through the 2017 contract between DHS and the MCOs, DHS required the MCOs to adopt one of three potential room and board rate setting methodologies. The selection of the HUD room and board rate is a reasonable decision.
- In Waukesha County, Care Wisconsin established the room and board rate of \$26.86 for both CBRFs and RCACs when it entered the market in 2009. The room and board rate of \$26.86 was a reduction for some providers in 2009. Care Wisconsin has not increased the room and board rate until now in 2017.

## Concerns

- Considering that the Room and Board rate is paid by the member, an increase in the room and board rate should have resulted in an increased rate for the provider.
- Using a room and board increase to offset Care Wisconsin’s liability for care and supervision is, at best, inappropriate.
- In the past, the federal government has been very concerned about mixing “shelter” and “care.”
- This is an obvious example of the MCOs ability to set provider rates based on their business goals: not provider cost, not standardized best practice tables. No link between what is cost to provides care and a provider rate.

## Action

- WALA’s request - on behalf of the care needed by Wisconsin’s most vulnerable adults and residents - is that the legislature directs the Department of Health Services (DHS) to require the Managed Care Organizations (MCOs) **not** to deduct the room and board increase from the care and supervision rate. To continue to do so will require assisted living providers to increase care with reduced total reimbursement.

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