

DEPARTMENT OF WORKFORCE
DEVELOPMENT
Secretary Roberta Gassman
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-7552
FAX: (608) 266-1784
www.dwd.state.wi.us



State of Wisconsin
Governor Jim Doyle

DEPARTMENT OF HEALTH AND
FAMILY SERVICES
Secretary Karen E. Timberlake
1 West Wilson Street
P.O. Box 7850
Madison, WI 53707-7850
Telephone: (608) 266-9622
FAX: (608) 266-7882
www.dhfs.wisconsin.gov

TO: **Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators**

FROM: Amy Mendel-Clemens
Technical Assistance and Training Section
Bureau of Enrollment Management
Division of Health Care Access and
Accountability

BEM/DFS OPERATIONS MEMO					
No:	08-29	Amended		06-26-08	
DATE:	06/11/2008				
FS	<input type="checkbox"/>	MA	<input checked="" type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	FSET	<input type="checkbox"/>
CC	<input type="checkbox"/>	W-2	<input type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>
RAP	<input type="checkbox"/>	WIA	<input type="checkbox"/>	Other	<input type="checkbox"/> ★
				EP	
PRIORITY: HIGH					

SUBJECT: Medicaid Average Nursing Home Private Pay Rate

CROSS REFERENCE: MEH 17.5

EFFECTIVE DATE: July 1, 2008

PURPOSE:

This memo provides the updated average nursing home private pay rate.

BACKGROUND

The average nursing home private pay rate is used to determine the length of the Medicaid divestment penalty period. The divested amount is divided by the average nursing home private pay cost per month; the resulting whole number quotient of that equation is the number of months the individual is penalized for the divestment.

In the past, the average nursing home private pay rate was derived from data presented in the annual report, "Wisconsin Nursing Homes and Facilities for the Developmentally Disabled." The Department of Health and Family Services (DHFS) no longer conducts the annual nursing home survey which served as the basis for this report.

Two different data sources were used to develop the new private pay rate: 1) a survey of eighty-three Wisconsin nursing homes, conducted by the Wisconsin Association of Homes and Services for the Aging (WAHSA), which includes rate information effective January 1, 2008 and 2) a report produced by the Division of Long-Term Care (DLTC) which includes nursing home resident counts by level of care as of June 30, 2007.

CALCULATION

To determine the new average private pay rate for nursing homes in Wisconsin, we considered the private pay daily rate associated with the two most common levels of care, "Skilled Nursing" and "Intensive Skilled Nursing." Ninety-nine and one-half percent (99.5%) of all individuals admitted to Wisconsin nursing homes in 2005 required one of these two levels of care. We took into account the number of residents at each of these care levels as of June 30, 2007 to arrive at a weighted average. The average daily rate was then converted to a monthly amount.

	WAHSA Survey Per Diem Cost	WAHSA Survey Nursing Home Residents on 6/30/07 (from DLTC)	Weighted Average	
Intensive Skilled Nursing	\$210.85	\$1,091	\$ 230,037.35	
Skilled Nursing	\$204.99	\$6,995	\$1,433,905.00	
Totals		\$8,086	\$1,663,942.30	\$205.78
Weighted Average Private Pay Cost/Month				\$6,259

NEW AMOUNT

The new average nursing home private pay rate is \$6,259. Beginning July 1, 2008, use this new amount when determining all new divestment penalty periods.

A revision to the Medicaid Eligibility Handbook will be made in a future release.

CARES

A change to CARES reference table TASP will be made to use the new amount for divestment penalty calculations beginning July 1, 2008.

CONTACTS

BEM CARES Information & Problem Resolution Center

Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DHFS/DHCAA/BEM/SR