



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

DHS OPERATIONS MEMO

No: **DHS 14-35**

DATE: **12/01/2014**

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"/>

FROM: Shawn Smith, Bureau Director
Bureau of Enrollment Policy & Systems
Division of Health Care Access and Accountability

SUBJECT: Private Pay Nursing Home Rate

CROSS REFERENCE: MEH 17.5

EFFECTIVE DATE: July 1, 2014

PURPOSE:

This memo provides the update to the Nursing Home Private Pay daily rate used to determine a divestment penalty period.

BACKGROUND:

When Medicaid applicants or members are found to have transferred assets for less than fair market value, they must serve a 'divestment penalty period' during which they are ineligible to receive Medicaid-funded long term care services. The calculation of this penalty period is based on "the average monthly cost to a private patient of nursing facility services in the State (or, at the option of the State, in the community in which the individual is institutionalized) at the time of application."¹

The Federal Deficit Reduction Act of 2005 (DRA) requires that for all divestments that occur on or after January 1, 2009, the penalty periods are to be calculated in days and the daily rate determined by multiplying the average monthly rate by 12 and dividing by 365.

¹ 42 USC §1396p(c)(1)(E) See also Wis. Stat. §49.453(3)(b)2

METHODOLOGY:

The average nursing home private rate is calculated based on nursing home rate information from the 2014 Genworth Cost of Care Survey, conducted during January through March 2014. Nursing homes in the following regions (some comprised of multiple counties) were polled: Appleton, Eau Claire, Fond du Lac, Green Bay, Janesville, LaCrosse, Madison, Milwaukee, Oshkosh, Racine, Sheboygan, Wausau, and the balance of the state.

CALCULATION

The weighted calculation takes into account the median regional private pay daily rate for a semi-private room and the number of Institutional Medicaid members in the counties that comprise each region as of the end of April 2014.

Region	Counties	Median cost	Institutional MA pop.
Appleton	Calumet, Outagamie	\$237	489
Eau Claire	Chippewa, Eau Claire	\$216	495
Fond du Lac	Fond du Lac	\$215	323
Green Bay	Brown, Kewaunee, Oconto	\$235	839
Janesville-Beloit	Rock	\$260	456
La Crosse-Onalaska	La Crosse	\$227	1,307
Madison	Columbia, Dane, Iowa	\$234	1,165
Milwaukee-Waukesha-West Allis	Milwaukee, Ozaukee, Washington, Waukesha	\$278	3,704
Oshkosh-Neenah	Winnebago	\$259	475
Racine	Racine	\$262	495
Sheboygan	Sheboygan	\$254	383
Wausau	Marathon	\$262	354
(Balance)	(Remaining Counties)	\$226	7,262

The new average nursing home private pay rate is **\$241.78 per day**. Beginning July 1, 2014, use this daily rate to calculate penalties for divestments occurring on or after January 1, 2009. 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, 2014.

CONTACTS:

BEPS CARES Information & Problem Resolution Center

*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – SeniorCare, CTS – Caretaker Supplement, FSET – FoodShare Employment and Training.