



Date: June 22, 2017

DMS Operations Memo 17-28

To: Income Maintenance Supervisors  
Income Maintenance Lead Workers  
Income Maintenance Staff

<b>Affected Programs:</b>	
<input type="checkbox"/> BadgerCare Plus	<input type="checkbox"/> Caretaker Supplement
<input type="checkbox"/> FoodShare	<input type="checkbox"/> FoodShare Employment and Training
<input checked="" type="checkbox"/> Medicaid	
<input type="checkbox"/> SeniorCare	

From: Rebecca McAtee, Bureau Director  
Bureau of Enrollment Policy and Systems  
Division of Medicaid Services

**Private Pay Nursing Home and Group B Plus Waivers Rates**

**CROSS REFERENCE**

Medicaid Eligibility Handbook, [Section 17.5 Penalty Period](#), [Section 28.8.3 Group B and B Plus](#), and [Section 39.4.3 Institutional Cost of Care Values](#)

**EFFECTIVE DATE**

July 1, 2017

**PURPOSE**

This Operations Memo provides updates to the institutional cost of care values. These values include the daily average private pay nursing home rate used to determine a divestment penalty period, the monthly average private pay nursing home rate, and monthly rate for state centers for persons with developmental disabilities, which are used to calculate income limits for Home and Community-Based Waiver (HCBW) Group B Plus eligibility.

**BACKGROUND**

***DIVESTMENT PENALTY PERIOD***

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,” according to 42 U.S.C. § 1396p(c)(1)(E)(II) (see also Wis. Stat. § 49.453(3)(b)2.).

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

### ***HOME AND COMMUNITY-BASED WAIVER GROUP B PLUS ELIGIBILITY***

The private pay nursing home rate is also used to calculate income limits for HCBW Group B Plus eligibility. Group B Plus applicants and members are those who have gross income above the nursing home institutions categorically needy income limit, but whose income does not exceed the cost of the appropriate institutional care by more than the medically needy income limit. The cost of institutional care deducted for calculating Group B Plus eligibility is based on the applicant's or member's developmental disability target group results from the Functional Screen Information Access.

If an applicant or member does not have an intellectual or developmental disability, the cost of institutional care deducted is the average monthly private pay nursing home rate. If an applicant or member has an intellectual or developmental disability, the cost of institutional care deducted is the average monthly rate that Family Care managed care organizations (MCOs) pay for long-term care services for a member at the state centers for persons with developmental disabilities.

### **METHODOLOGY**

#### ***AVERAGE PRIVATE PAY NURSING HOME RATE***

Wisconsin nursing homes submit their annual private pay revenue, patient day, and rate information to the Wisconsin Department of Health Services (DHS) on annual cost reports by March 31 of each year. The average nursing home private pay rate is calculated based on information from the 2016 nursing home cost reports on record with DHS.

#### ***MONTHLY RATE FOR STATE CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES***

The monthly rate for state centers for persons with developmental disabilities is calculated based on the average daily rate that Family Care MCOs pay for long-term care services for a member across the four developmental disability center units. The average daily rate is converted to a monthly rate by multiplying the daily rate by 365 and dividing by 12.

### **POLICY**

The new daily average nursing home private pay rate is **\$278.05 per day**. Beginning with applications filed on July 1, 2017, workers must use this daily rate to calculate penalties for divestments occurring on or after January 1, 2009.

The new monthly average nursing home private pay rate is **\$8,457.35 per month**. The new monthly rate for state centers for persons with developmental disabilities is **\$23,124.27 per month**. For all eligibility determinations made on or after July 1, 2017, workers must use these monthly rates to calculate income limits for HCBW Group B Plus eligibility.

The Medicaid Eligibility Handbook will be updated in a future release to reflect these changes.

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## **CARES**

CARES reference tables TASP and TCCI will be updated June 30, 2017, to reflect the new values, which will be effective July 1, 2017. CARES will use the new values for divestment penalty period and HCBW Group B Plus income limit calculations beginning July 1, 2017.

## **CONTACTS**

BEPS CARES Information and Problem Resolution Center

DHS/DMS/BEPS/NH