



Date: June 13, 2018

DMS Operations Memo 18-18

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

Affected Programs:	
<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, 2018

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.

HCBW 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 2017 nursing home cost reports on record with DHS.

MONTHLY RATE FOR THE STATE CENTERS FOR INTELLECTUAL/ DEVELOPMENTAL DISABILITIES

The monthly rate for the State Centers for Intellectual/Developmental Disabilities (DD Centers) is calculated based on the average daily rate that Family Care MCOs pay for long-term care services for a member across the short-term care units and intensive treatment programs at the DD Centers. 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 **\$286.15 per day**. Beginning with applications filed on July 1, 2018, 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 **\$8,703.73 per month**. The new monthly rate for state centers for persons with developmental disabilities is **\$25,329.48 per month**. For all eligibility determinations made on or after July 1, 2018, 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.

DMS Operations Memo 18-18

June 13, 2018

Page 3 of 3

CARES

CARES reference tables TASP, TCCI, and TNHR will be updated June 30, 2018, to reflect the new values, which will be effective July 1, 2018. CARES will use the new values for divestment penalty period and HCBW Group B Plus income limit calculations beginning July 1, 2018.

CONTACTS

BEPS CARES Information and Problem Resolution Center

DHS/DMS/BEPS/NH