STATE OF WISCONSIN
Department of Health Services
Division of Medicaid Services

201 E. Washington Ave.
PO Box 309
Madison WI 53707-0309

Telephone: 608-266-8922
Fax: 608-266-1096

Date: November 16, 2026

DMS Operations Memo 26-34

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

Affected Programs:
- ☐ BadgerCare Plus
- ☐ Caretaker Supplement
- ☐ FoodShare
- ☐ FoodShare Employment and Training
- ☒ Medicaid
- ☐ SeniorCare

From: Jonelle Brom, Bureau Director
Bureau of Eligibility Operations and Training
Division of Medicaid Services

Autumn Arnold, Bureau Director
Bureau of Eligibility and Enrollment Policy
Division of Medicaid Services

Private Pay Nursing Home and Group B Plus Waivers Rates

CROSS-REFERENCE

- Medicaid Eligibility Handbook, Section 17.3 Penalty Period, Section 28.6.2 Group B and B Plus, and Section 39.4.6 Institutional Cost of Care Values
- 42 U.S.C. § 1396p(c)(1)(E) and Wis. Stat. § 49.453(3)(b)2

EFFECTIVE DATE

January 1, 2027

PURPOSE

This 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. They also include 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 amount of a divestment and "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) (see also Wis. Stat. § 49.453(3)(b)2). Divestment penalty periods are calculated in days.

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 intellectual or 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. The average nursing home private pay rate is calculated based on information from the 2025 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 **$379.41 per day**. Beginning with applications filed on January 1, 2027, this daily rate must be used to calculate divestment penalty periods.

The new monthly average nursing home private pay rate is **$11,540.39 per month**. The new monthly rate for state centers for persons with intellectual or developmental disabilities is **$54,879.27 per month**. For all eligibility determinations made on or after January 1, 2027, these monthly rates must be used 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.

CONTACTS

DHS CARES Problem Resolution Team

DHS/DMS/BEEP/ND
DHS/DMS/BEOT/JN