



Wisconsin Personal Services Association, Inc.

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WPSA Background Information & Talking Points for the Joint Finance Increase to the Personal Care Budget Reduction in the State Budget

Background:

The Governor's 2005-2007 state budget proposal includes a reduction of 10 million dollars in total state and federal funds for homecare providers. Homecare providers are home health, personal care and private duty/independent nursing services. This budget reduction was not requested in the DHFS budget proposal to the Governor. A description of the budget reduction is in the Legislative Fiscal Bureau's state budget summary p. 254, #5 "Management of Care and Nursing Services".

WPSA was, of course, very concerned with the proposed budget reduction and began to engage the Department immediately in order to understand the cut and work together to minimize any negative effects on personal care providers and the people we serve. Department leaders were receptive to our concerns and stated publicly that the budget reduction would be shared by all three provider groups. The Department also indicated that the incorporation of the functional screen assessment tool into personal care should realize the savings needed to meet this budget reduction for personal care. On May 23, 2005 WPSA board and other WPSA members met with DHFS staff to begin the planning for the functional screen in personal care. We look forward to continuing to work together to make these cuts as palatable as possible.

At that point, WPSA thought that a reasonable resolution to this budget reduction for personal care was in process. But, we were alarmed when the Legislative Fiscal Bureau (LFB) budget paper for this reduction was released.

Dated May 25, 2005, LFB paper #388 describes the homecare reduction and was presented to the Legislature's Joint Committee on Finance. <http://www.legis.state.wi.us/lfb/2005-07budget/BudgetPapers/388.pdf> Some of the alternatives contained in the paper appeared to only target personal care services for the total budget reduction. It also had discussion points about the DHFS authorization procedure for housekeeping hours and travel time reimbursement for personal care that were very disturbing. The paper implied that housekeeping hours were inflated beyond the presenting needs and that travel time reimbursement was not benefiting employees.

Two alternatives that the LFB paper presented for the committee's consideration included increases in the total budget reduction. WPSA responded to paper #388 with a letter to the Joint Finance Committee, which was delivered to each committee office and discussed with legislators and aides. **On May 25, 2005 Joint Finance voted to have each homecare provider group share the budget reduction equally (WPSA requested the budget reduction be shared). But Joint Finance also increased the total budget reduction to 16.8 million dollars total funds for the three homecare provider groups. WPSA opposes this increased budget reduction.**

Talking Points:

- 1. WPSA believes no budget reduction to personal care is warranted.**
 - a. MAPC has not had a reimbursement rate increase since 2002.
 - b. MAPC 2005 average costs are already \$1.92/hr above the current reimbursement rate.
 - c. Health insurance premiums have increased dramatically for 82% of WPSA members on an annual basis.
 - d. Liability insurance rates have increased dramatically for 50% of WPSA members on an annual basis.
(b. through e. data- 2005 WPSA PCW Wage and Benefit Survey)

- 2. WPSA members will need to dramatically increase capacity to serve thousands more consumers in 2005-2007 to meet the community relocation initiatives approved by the Governor and Joint Finance in the budget.**
 - a. CIP II Relocation of 1,440 individuals from nursing homes.
 - b. Continue the CIP 1A ICF-MR relocation of individuals with Developmental Disabilities.
 - c. From 1997-2003 110 home health agencies have closed in Wisconsin sending their clients to other personal care agencies.
 - d. The majority of counties have waiting lists for Medicaid Waiver programs. Personal care and home health are the only Fee-for-Service Medicaid programs available to assist consumers to live at home.

- 3. LFB budget paper #388's discussion of excessive authorizations for personal care housekeeping hours are distortions of the facts known to providers.**
 - a. Since the current homecare assessment form was instituted in 1993 personal care providers have no direct knowledge of any housekeeping hours being approved by DHFS.
 - b. The homecare assessment form does not require or request any housekeeping service documentation that will be provided to individuals.
 - c. There is no procedure to specifically request housekeeping hours in the personal care prior authorization process.

- 4. Suggestions in the LFB budget paper #388 that travel time reimbursement for personal care nurses and workers is not appropriate is also a distortion of the facts known to personal care providers.**
 - a. Travel time reimbursement was included in both home health and personal care until the 1990s when the home health reimbursement process changed. Personal care reimbursement procedures have never changed so travel time remains a legitimate reimbursement.
 - b. Travel time reimbursement is a primary wage enhancer agencies use to retain and recruit nurses and workers especially with gasoline prices over \$2.15/ per gallon.
 - c. Paid mileage between home visits is required by state labor law.
 - d. Many personal care agencies provide service in multiple counties.