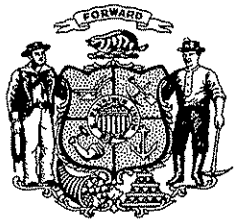
STATE OF WISCONSIN

SENATE CHAIR
MARK MILLER

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-9170



ASSEMBLY CHAIR
MARK POCAN

309 East, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-8570

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: September 16th 2009

Re: Department of Health Services Report on Utilization of Nursing Home Beds by Medical Assistance (MA)

Attached is a report from Department of Health Services (DHS) on Utilization of Nursing Home Beds by Medical Assistance (MA) for fiscal year 2009. Pursuant to s. 49.45 (6v)(c) Stats., DHS is required to submit an annual report to the Joint Committee on Finance on this issue.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachment

MM:MP:jm

State of Wisconsin
Department of Health Services

Jim Doyle, Governor
Karen E. Timberlake, Secretary

RECEIVED
SEP 16 2009
BY: St. Finance

September 14, 2008

The Honorable Mark Miller, Senate Chair
Joint Committee on Finance
317 East State Capitol
Madison, WI 53702

The Honorable Mark Pocan, Assembly Chair
Joint Committee on Finance
309 East State Capitol
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

1997 Wisconsin Act 27 directs the Department of Health Services to submit an annual report to the Joint Committee on Finance on the previous fiscal year's utilization of nursing home beds by Medical Assistance (MA) recipients and also requires a discussion and projection of current fiscal year MA expenditures and likely balances. Section 49.45 (6v)(c) of the statutes requires that if the report shows a decrease in bed utilization by MA recipients at a rate greater than assumed in the budget, then the Department must propose a transfer of funds associated with that decrease from the MA budget to the Community Options Program (COP). However, statutes prohibit the Department from proposing a transfer that would create a deficit in the current year or biennial appropriation.

The number of nursing home patient days budgeted for FY09 in 2007 Act 20, the 07-09 Budget Bill, was 6,283,416. In FY09, MA recipients utilized 6,680,034 nursing home patient days, 396,618 days more than budgeted (Table 1). An analysis of patient days by level of care and the average daily cost for each care level indicates that actual expenses exceeded projections by approximately $43,583,300 AF ($15,328,200 GPR). Because of the higher than budgeted utilization of MA nursing home services, there is no surplus of nursing home funds to transfer to the Community Options Program appropriation.

Thank you for your attention to this report.

Sincerely,

Karen E. Timberlake
Secretary

Attachment

Table 1: Budgeted and Actual Nursing Home Patient Days Excluding ICFs-MR and State Facilities, SFY 09

	Nursing Facility Days ****	Bed Hold and Therapeutic Leave	Traumatic Brain Injury	Total w/o State Facilities
1. SFY 09 Budgeted Patient Days*	6,244,963	27,829	10,624	6,283,416
2. SFY 09 Actual Patient Days**	6,638,802	32,571	8,661	6,680,034
3. SFY 09 Actual Minus Budgeted Patient Days	393,839	4,742	(1,963)	396,618
4. SFY 09 Actual Average Cost per Patient Day ***	$ 109.37	$ 75.24	$ 638.93	$ 109.89
5. Payments over / (under) budget	$ 43,073,013	$ 356,806	$ (1,254,303)	$ 43,583,256

* From 2007 Act 20 Budget Bill MA Base Re-estimate
** From MEDS
*** From MEDS
**** Excludes services to people with developmental disabilities