



of Wisconsin Disability Organizations

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Voice: 608/266-7826 Fax: 608/267-3906

Kitty Rhoades, Secretary
Department of Health Services
1 W. Wilson Street.
Madison, WI 53703

Dear Secretary Rhoades:

We write to urge you to support the National Association of Medicaid Directors' (NAMD) request to take a public stand in support of H.R. 5098, the bill introduced by Representative Steve Daines (R-Montana) that would delay the Affordable Care Act's employer mandate for an additional year for Medicaid and Medicare dependent long-term care service providers.

Medicaid dependent home and community-based providers play a critical role in our long-term care system by making it possible for our most vulnerable citizens to live in their own homes or other community settings. These providers employ direct care workers who assist hundreds of thousands of people with their daily living needs such as getting out of bed, eating, and bathing, among other important services. Without access to these services, long-term care participants would be unable to live independently in their communities and would be forced to seek care in more costly institutional settings.

The challenging economic conditions and tight budget environment have placed significant strain on state Medicaid programs in recent years. In Wisconsin, the Medicaid Reimbursement for Personal Care has only increased by \$0.24 over the past 10 years, and there have been no rate increases since July 1, 2008. While we understand the state's difficult fiscal situation, this has had a significant impact on Medicaid dependent home and community-based providers, which already operate on small margins. Currently, Personal Care Agencies in Wisconsin that depend on Medicaid reimbursements as their principal funding source, receive \$16.08 for one hour of care. This rate is used to pay for employee wages, payroll taxes, travel pay, overtime, medical supplies, and other direct care costs such as intake and referral specialists, as well as administrative and indirect operating costs. As such, these providers struggle with providing employer health coverage for their direct care workers and caregiver employees, many of whom qualify for premiums tax credits or other public assistance.

We believe that it is necessary for the U.S. Department of Health and Human Services to fully explore options to support Medicaid dependent home and community-based providers in complying with the ACA's employer responsibility requirements. Therefore, we support temporarily exempting Medicaid and Medicare dependent long-term care providers that receive 60 percent or more of their revenue from Medicare and Medicaid from the employer mandate, and ask that you join the National Association of Medicaid Directors in signing on to a formal letter of support for H.R. 5098.

Thank you for your consideration of this important issue.

Sincerely,

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Survival Coalition Issue Teams: education, employment, housing, long term care for Adults, long term care for children, mental health, transportation, workforce, voting, Medicaid and health care.

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