



Survival Coalition

of Wisconsin Disability Organizations

P.O. Box 7222, Madison, Wisconsin 53707

DATE: 7-7-15

TO: Members, Wisconsin State Legislature
FROM: The Survival Coalition of Wisconsin Disability Organizations

RE: Survival Coalition Asks for Changes to Personal Care

Thousands of older adults and people with disabilities rely on direct care workers to remain independent. Every day in Wisconsin, direct care workers help our families, friends, and neighbors get dressed, bathe, prepare meals and complete other tasks essential for daily living. Yet the industry is facing significant challenges which threaten the future of this 90,000 person workforce and the people they care for. High turnover, stagnant reimbursement rates and increased regulations make the cost of staying in business and providing care increasingly difficult.

Personal Care agencies throughout the state report concerns related to state funding for these services. Some agencies are considering closure while others are contemplating laying off staff or reducing hours. Four personal care agencies have already decided to close their doors this year due to inadequate funding, resulting in the loss of hundreds of Wisconsin jobs.

The proposed state budget creates additional uncertainty for the direct care workforce. Survival Coalition recommends the following changes to the state budget bill.

- **Remove the Independent Assessment and \$27 million cut to the Personal Care Budget**

The proposed 2015-17 state budget includes a provision which would require an independent assessment for personal care services, which is estimated to result in a \$27 million reduction to the personal care budget.

The state already uses frequent audits and a prior authorization process to control for personal care fraud and abuse. In fact, according to the Legislative Fiscal Bureau, over 90% of personal care recipients are already subject to a prior authorization process overseen by DHS. Not only will the new independent assessment result in a decrease to the personal care budget, it will also needlessly increase administrative costs.

- **Increase Stagnant Medicaid Personal Care (MAPC) Fee-For Service Rates (currently not included in the budget)**

Most home care providers estimate that their MAPC service costs are at least 15% to 20% above the current reimbursement rate of \$16.08 per hour. The MAPC rate has only increased by \$0.24 over the past 10 years, and there have been no rate increases since July 1, 2008.

The current stagnant reimbursement rate makes it incredibly difficult to find and retain quality workers at a time when the occupation is projected to grow by 26% between now and 2022. Personal Care agencies also report challenges with high employee turnover. One Wisconsin agency reported a home care aid turnover rate of 67% in 2014.

Thank you.

Sincerely,

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