

1 **WASHINGTON COUNTY, WISCONSIN**

2  
3 Date of enactment: 9/14/10

4 Date of publication: 9/24/10

5 **VOTE**

6 **2010 RESOLUTION 26**

7  
8 **Support for Statutory and Procedural Changes to the 2011-2013**  
9 **Budget Process Regarding County Nursing Homes**

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11 **WHEREAS**, Washington County owns and operates a skilled nursing facility that  
12 provides a safety net for a population that has difficulty securing services elsewhere because of  
13 the specialized, expensive care that is required; and

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15 **WHEREAS**, county nursing homes generate significant losses as many county homes  
16 serve individuals with high acuity levels and intense behavioral needs, which require expensive  
17 care; and

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19 **WHEREAS**, the Supplemental Payment Program, formerly known as the  
20 Intergovernmental Transfer Program, generates federal matching funds based on actual operating  
21 losses incurred by certified governmental nursing homes; and

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23 **WHEREAS**, all federal matching fund revenue generated from county nursing home  
24 losses is deposited in the State of Wisconsin’s Medical Assistance Trust Fund; and

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26 **WHEREAS**, through the combined efforts of the state and counties, billions of dollars  
27 have been brought in over the past decade, most of which was utilized to offset deficits in the  
28 Medical Assistance Trust Fund; and

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30 **WHEREAS**, under current state law, total supplemental payments to county and  
31 municipal homes may not exceed \$39.1 million per fiscal year; and

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33 **WHEREAS**, the Medical Assistance rates paid to county nursing homes from the  
34 Supplemental Payment and Certified Public Expenditure Programs to offset property tax dollars  
35 utilized to fund the operation of county homes are insufficient to cover the cost of care for  
36 patients with such significant care needs; and

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38 **WHEREAS**, the 2009-2011 state biennial budget allocates only \$38.1 million annually  
39 in payments to counties, although the Department of Health Services estimates receiving \$96.2  
40 million in federal matching funds based on county nursing home losses; and

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42 **WHEREAS**, the nursing home bed assessment (tax) was created as part of 1991  
43 Wisconsin Act 269 as a methodology to fund the Medical Assistance nursing home rate increases  
44 that took effect in FY 92; and

1           **WHEREAS**, since 1992, the bed tax has increased from \$32 per month per bed to \$170  
2 per month per licensed bed; and

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4           **WHEREAS**, in the 2009-2011 state biennial budget, a majority of the funds raised  
5 through the increased bed tax was utilized to offset the state's Medicaid deficit, in addition to  
6 funding the two percent rate increase in each year of the biennium; and

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8           **WHEREAS**, in FY 10, 68% of the federal revenue derived from the bed tax was utilized  
9 to offset general fund expenditure and in FY 11, 51% of the federal revenue will be utilized for  
10 non-nursing home expenditures; and

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12           **WHEREAS**, over \$66 million of revenue derived from the bed tax was utilized over the  
13 biennium to replace GPR base funding for Medical Assistance benefits; and

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15           **WHEREAS**, there is no public policy argument to justify increasing taxes paid by  
16 nursing homes and nursing home residents to benefit the general fund; and

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18           **WHEREAS**, returning the revenue generated from the bed tax to the nursing homes will  
19 fund a rate increase of approximately 3.25 percent in FY 12 without the need for additional GPR  
20 or bed tax dollars;

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22           **NOW, THEREFORE, BE IT RESOLVED** by the Washington County Board of  
23 Supervisors that this Board supports legislative and procedural changes to the state budget  
24 process regarding certified governmental nursing homes as follows:

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26           1.       Statutory change to §49.45(6u)(am), Wis. Stats., requiring the State to distribute  
27 to certified governmental nursing home facilities at least \$39.1 million each fiscal year.

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29           2.       Statutory change requiring the State to share equally the federal match dollars  
30 received as a result of county nursing home losses.

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32           3.       Procedural change requiring the State to utilize nursing home bed assessment  
33 funds and federal matching funds for nursing home rate increases only, and not for  
34 supplementation to the Medical Assistance Trust Fund.

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36           **BE IT FURTHER RESOLVED** that the Board urges the Wisconsin Counties  
37 Association and the Wisconsin Association of County Homes to work in cooperation with the  
38 Department of Health Services to develop a plan to return all revenue to counties generated from  
39 bed assessment taxes and federal matching funds derived by county nursing home losses.

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41           **BE IT FURTHER RESOLVED** that the County Clerk is directed to send a copy of this  
42 Resolution to the Wisconsin Department of Health Services Secretary, Karen Timberlake;  
43 Department of Administration Secretary, Dan Schooff; Governor James Doyle; Washington  
44 County's State Legislators and the Wisconsin Counties Association.

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47           VOTE REQUIREMENT FOR PASSAGE: Majority

1 RESOLUTION SUMMARY: Advisory resolution seeking statutory changes to funding  
2 allocations to county nursing homes.  
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4 APPROVED: Introduced by members of the SAMARITAN  
5 (signed by **Kimberly A. Nass**) COMMITTEE as filed with the County Clerk.

6 Kimberly A. Nass, County Attorney

7 Dated **9/15/10** (signed by **Ralph Hensel**)  
8 Considered **9/14/10** Ralph Hensel, Vice-Chairperson

9 Adopted **9/14/10**

10 Ayes **26** Noes **2** Absent **2**

11 Voice Vote \_\_\_\_\_

12  
13 (Advisory Resolution.)