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# ROB SUMMERFIELD

STATE REPRESENTATIVE • 67<sup>th</sup> ASSEMBLY DISTRICT

October 23, 2019

Senator Testin, Chair  
Senator Kooyenga, Vice-Chair  
Members of the Senate Committee on Health and Human Services

**Testimony on 2019 Senate Bill 416**  
***Relating to reimbursement rates under the  
Medical Assistance program for home health care services***

Dear Chairman Testin, Vice-Chairman Kooyenga, and Committee Members:

Thank you for providing me with the opportunity to testify at today's Public Hearing on Senate Bill 416. I appreciate your time and consideration of this legislation.

Over this session, I have learned how and why home healthcare is an increasingly popular option in healthcare. Most people prefer to be taken care of in the comfort of their home, and, by doing so, help reduce expensive hospitalizations. Further, those taking care of the individual are nurses and other trained staff – ensuring quality of care.

But home healthcare does not have to stop there. The development of telehealth has grown alongside the rise in popularity of receiving healthcare in the home. Although not addressed in this bill, telehealth reform, in conjunction with enhancements to home healthcare, has the potential to recreate the healthcare landscape. Patients could have a medical professional come to them.

However, there is a lack of discussion around home healthcare. This is apparent from the length of time since home healthcare agencies last received a reimbursement rate increase. To improve Wisconsin's home healthcare industry, this issue will have to be addressed.

Funding home healthcare agencies will lead to happier, healthier individuals and less hospitalizations; which means less cost to the State and taxpayer; which means more money available for other necessary programs.

Home is not only where the heart is, but where healthcare is too.

Again, I appreciate all of your time and attention. Thank you.



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**Luther S. Olsen**  
State Senator  
14th District

**TO:** Senate Committee on Health and Human Services  
**FROM:** Senator Luther Olsen  
**DATE:** October 23, 2019  
**SUBJECT:** Testimony in favor of Senate Bill 416.

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Thank you Chairman Testin and the Senate Committee on Health and Human Services for holding a hearing and allowing me to testify in favor of Senate Bill 416.

Home health care is a convenient, cost-effective option for individuals who need additional assistance for short-term or long-term care. Home health care is available for individuals of all ages recovering from an injury or illness, managing a chronic condition, or coping with a terminal illness. The services are ordered by a physician only when it is determined to be medically appropriate.

While the 2019-21 biennial budget did include reimbursement increases for personal care and direct care workers, it did not increase reimbursement rates for skilled nursing visits. Wisconsin's home health care agencies have not received a Medicaid reimbursement rate increase in over a decade.

Home health agencies in Wisconsin regularly lose highly skilled nurses, typically due to compensation potential in other sectors of the health care industry. Current reimbursement levels make it difficult to operate home health care agencies, retain essential workforce, and adequately serve Wisconsin's home health care patients.

Home health agencies are reimbursed by Medicaid following a visit by a registered nurse to a patient's home. Currently, home health agencies are reimbursed at \$85.54 per visit. This legislation will increase the reimbursement rate by 10% to \$94.09 per visit.

Thank you, members. I ask for your support and would be more than happy to answer any questions.



*Providing quality coverage to nearly 3 million Medicaid and private sector enrollees in Wisconsin.*

To: Members, Senate Committee on Health and Human Services  
From: R.J. Pirlot, Executive Director  
Date: October 23, 2019  
Re: For information only – Senate Bill 416

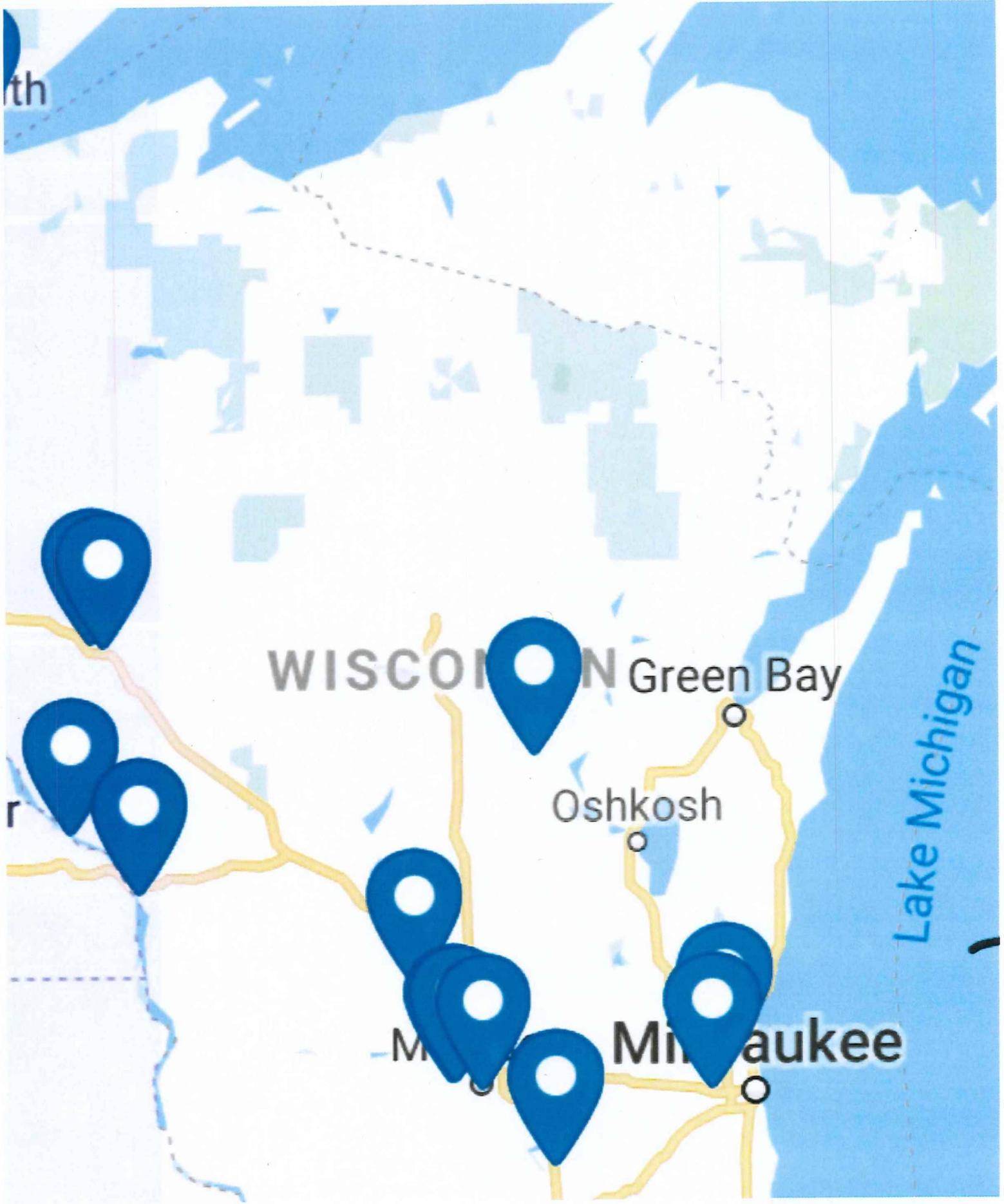
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The Alliance of Health Insurers (AHI) is a nonprofit state advocacy organization created to preserve and improve upon consumer access to affordable health insurance in Wisconsin, both via the private sector and public programs. Our members provide managed care to approximately 65 percent in Wisconsin's Medical Assistance program (BadgerCare and SSI program participants). AHI members are dedicated to delivering affordable, high-value care to the state's Medicaid population.

SB 416 provides a 10 percent rate increase for home health services in the Medicaid program in the first year of the 2019-20 biennium and maintains the rate increase in the second year. AHI members recognize the reason and potential need for a rate increase for home-based skilled nursing services. However, to ensure the Medicaid program is adequately funded, **AHI requests funding be appropriated in the bill to cover the cost of the rate increase.** DHS projects that SB 416 will increase spending by an additional \$290,00 GPR in fiscal year 2020 and \$300,000 in fiscal year 2021.

Overall, AHI members support appropriate levels of Medicaid funding and encourage reform that will appropriately manage the cost, accessibly and quality of care. Increasing rates without appropriating funds will further increase the projected deficit in the Medicaid budget. While it is early in the biennium, the Department of Health Services estimates the Medicaid expenditures will exceed the budget by \$21.4 GPR at the end of the 2019-2021 biennium.

Thank you for your consideration of this request.



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