WHCA / WiCAL
Wisconsin Health Care Association Wisconsin Center for Assisted Living

LeadingAge™ Wisconsin

March 13, 2020

Governor Tony Evers
115 East, State Capitol
Madison, WI 53702
Electronically Delivered

Dear Governor Evers:

Long-term care providers in Wisconsin appreciate your attention to the threat of a public health crisis in Wisconsin as a result of the spread of COVID-19. Your declaration of a Public Health Emergency helps to secure necessary funding to help health care providers prepare for the spread of this serious health concern and work to protect vulnerable populations who are most acutely at risk of adverse health outcomes, including death. As associations representing long-term care providers, who work every day to ensure quality care is delivered to our state's frail elderly residents, we are submitting to you a number of requests to ensure proper protections for Wisconsin elders in long-term care facilities.

Reimbursement: On July 3, 2019, you signed into law the 2019-21 biennial state budget, which included a 6.4% increase for skilled nursing facility Medicaid reimbursement, and providers appreciate your support of this important increase. However, as of today, we have learned from the DHS Long-Term Care Rate Setting Division of Medicaid Services that new rates have only been set for 55% of nursing facilities in Wisconsin, with only 45% of these new rates having been approved by facilities. That means that right now, more than half of Wisconsin's nursing facilities have not yet received this critical rate increase. Given the projection of increased operations costs related to COVID-19 – including additional protective equipment, staffing, testing supplies, and other interventions as needed, we request an immediate setting of rates using unaudited cost reports. This measure would help facilities receive reimbursement that the state has already budgeted, but is being held up due to administrative processes that should be set aside given the public health emergency. Once this public health emergency ends, these unaudited rates could be adjusted on a permanent basis as the auditing process resumes.

Personal Protective Equipment (PPE): Providers request that all efforts be made by the Wisconsin DHS to procure an adequate supply of PPE (masks, gowns, gloves, etc.) funded through state or federal dollars. In the event supplies of PPE are severely limited, the state should provide detailed guidance on what facilities should do to maximize the supply available through whatever appropriate methods are necessary. Facilities remain concerned that their current supply of PPE is inadequate and suppliers are rationing their supply. Recently-imposed regulations have already placed a greater than $100,000 cost on some facilities and exacerbated the limited availability of PPE, and with the threat of COVID-19, state officials must consider 1) how to ensure adequate PPE is available to facilities, and 2) how regulators may temporarily adjust current standards and practices so PPE can be utilized in a way that increases efficiency and preserves current supply. It is worth noting that the state has no current available stockpile for facilities to use if they run out, although we understand that a small expired supply exists.

Workforce: Providers request the state to provide/distribute emergency state or federal funding for skilled nursing and assisted living facilities to offer paid sick leave to all staff who have exhausted their sick leave benefits to avoid sick staff interacting with frail, vulnerable residents, and ensure that staff aren't forced to come to work because they have no other financial option to support their families.

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Regulatory Flexibilities: In the interest of ensuring the health and safety of the residents in our facilities, providers request state regulators be as collaborative with providers as possible in the enforcement of state and federal regulations. Whether this is related to CNA training, utilization of PPE, or the visitation of residents – we have significant concerns that facilities are going to deal with regulatory fallout as a result of their efforts to protect the health and safety of their residents, which is and will remain their top priority. Consideration should be given to temporary state authorization for supervised care provided by noncertified nurse aides. Another regulatory concern includes the potential spread of infection should the Division of Quality Assurance continue its current standard procedure for facility survey visits, which could be addressed through the temporary suspension of nursing home surveys. During this public health emergency, we suggest that DQA surveyors who are nurses may be more appropriately utilized as temporary nursing professionals at understaffed long-term care facilities.

Facility Closures: Any time a skilled nursing or assisted living facility closes, it places those residents at risk of infection, adverse mental/physical health reactions due to the stress of relocation, and other heightened risk factors. Providers request immediate planning on how potential facility closures will be addressed, with a central focus on the residents living in these facilities, and what extraordinary financial assistance might be offered to facilities to avoid closures during this public health emergency due to the impact on a facility's admissions, census, staffing and mounting unpaid expenses.

Health Care Considerations of School Closings: Another issue facing long-term care providers across the care spectrum is the question of the cascading effect of school closures due to COVID-19 concerns. With some states opting for state-wide K-12 school closures, Wisconsin providers are raising concerns about the workforce impact in skilled nursing and assisted living facilities. We request consideration by the state and the Department of Public Instruction of the impact that a blanket school closing mandate would have on long-term care providers, and especially the concern that canceled schools will leave many caregivers with no option to continue working because they must care for their school-aged children at home. If the state determines it is necessary to cancel K-12 school statewide, regionally, or on a community-by-community basis, we request the state implement a process to ensure the school closings do not limit availability of health care workers. Potential temporary solutions could include:

- Expanding eligibility for government-funded child care.
- Expedited Medicaid reimbursement for the cost of child care.
- Take your kids to work – which would require available, separate, safe space plus supervision and would necessitate the state waiving regulatory requirements both for health care settings and for child care settings.
- In the event of extraordinary long-term care staffing shortages, mobilizing the Wisconsin National Guard for assistance with necessary operations of long-term care facilities.

Thank you for your consideration. Please do not hesitate to contact us with questions or concerns.

Sincerely,

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Governor Tony Evers
115 East, State Capitol
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Dear Governor Evers:

The purpose of this communication is to provide a companion document to explain the detailed cost estimates that we offered in our letter earlier this afternoon (see attached) as a means of providing an estimate of the relevant costs associated with those requests. What follows is an explanation of the attached calculation and the rationale behind our assumptions on the COVID-19 COSTS SNF and COVID-19 COSTS AL worksheets. We recognize and realize that these assumptions are open for discussion, but in preparing these assumptions both associations collectively consulted over 130 skilled nursing and assisted living providers, as well as CMS data sources and auditing consultants.

STAFFING

For the staffing ratios section, we consulted CMS data for the average per patient day staffing levels experienced in Wisconsin. For the Hourly Wage and Benefits amounts a 25% fringe factor was applied to wage levels pulled from Association staffing surveys and consultants' client experience. These staffing ratio levels were multiplied by the wage and benefits to come up with a cost per resident day based on the average staffing level and wage amounts. This amount is shown on line 12 of the spreadsheet.

The paid leave cost estimates assume that half of direct care staff would incur a missed 14-day work period, either because of COVID-19 infection to themselves, or because of having to care for children that are no longer able to attend school during the day. This is imperative as many caregivers are single parents and access to daycare was already a challenge when children were able to attend school.

Because of this staffing shortage, other staff will have to deliver more care by working more hours and providers will incur overtime costs. On line 16 we estimate the cost per patient day of 1/3 of staff incurring these overtime costs of 1.5 times their normal ppd rate.

SUPPLY COST ESTIMATES

In the Supply Cost Estimates worksheet, line 18 shows the estimated increase in supply costs also known as personal protective equipment (PPE) for caring for a resident that is receiving enhanced barrier precautions. Based on data gathered by providers, PPE distributers, Associations and consultants; we concluded the average amount of PPE (gloves, N-95 masks, gowns and face shields) required to care for a COVID-19 infected resident would be $231 per patient day.

When a resident needs to receive precautions associated with COVID-19, staff is required to continue to provide care and services, including activities of daily living, medications, psychosocial needs, and increased care needs associated with the virus. PPE is required for each interaction with a resident on precautions. Often during enhanced precautions, a minimum of two staff are required to care for sick and compromised residents, which drastically increases the amount of PPE required to provide necessary care. On average, nursing staff will need to interact with a resident every 1-2 hours depending on other comorbidities.

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Line 20 totals the increased staffing and supply costs.

The period a facility may have to incur these additional costs is unknown. In our estimate, we use what we believe to be an optimistic clinical estimate for recovery time of 30 days. The result is the cost that each facility will likely encounter for each resident under their care during a 30-day experience with COVID-19.

After the cost displayed on our spreadsheet, we calculate the total beds and occupancy in the state currently, to arrive at total residents per day in the state. The total number on line 30 assumes that each resident in the state were to experience these increased expenses, and what funding would be needed to weather these turbulent times. It bears mentioning that these assumptions only consider a very narrow scope of the costs that will be incurred by providers. The spreadsheets do not look at increases in maintenance staffing costs, dietary staffing costs, and the potential cost hikes for other supplies and services that providers may experience due to circumstances outside of the provider's control.

CONCLUSION

We have strived to provide a clear and reasonable representation of the costs that providers are likely to incur in battling the COVID-19 crisis. Please know that we stand ready to engage in more detailed conversations about the attached calculations and our greater request as contained in our previous letter sent to you earlier today.

These are extraordinary times and we look forward to addressing these challenges together. Thank you for your consideration. Please do not hesitate to contact us with questions.

Sincerely,

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Staffing Ratios		
RN	1.03	Derived from CMS data, averages for Wisconsin
LPN	0.58	
Aide	2.37	

Hourly Wages and Benefits		
RN	$38.76	Information was derived from staffing survey and consultant provided information.
LPN	$29.95	
Aide	$19.00	

Cost per resident day	$102.33	Staffing ratio*wage rate for RN, LPN, Aide
Leave costs (half of staff)	$51	Assumes 1/2 of staff will be home for a 14 day paid time off quarantine period.
Extra Staffing Costs (a third of staff at a 50% premium)	$51	Assumes 1/3 of staff having to work overtime to cover for the missing staff.
Additional Supply Costs ($231 per day)	$231	See "Supplies Cost estimate" tab
Per Resident Day increased costs	$333	Staffing costs plus PPE costs.
Quarantine Period in days	60	Assumes a resident causes the facility to incur the cost for x amount of days
Total Projected Added Staffing and PPE costs for the period for each resident	**$19,969**	Incurred cost per resident for the period identified in cell B21

Total Beds	28,185
Occupancy	75%
Total Residents Per day	21,167
	$422,680,082

Staffing Ratios		
RN	0.49	Derived from consultant and provider information
LPN	0.487	
Aide	1.50	

Hourly Wages and Benefits		
RN	$37.29	Information was derived from staffing survey and consultant provided information.
LPN	$27.79	
Aide	$18.23	

Item	Value	Note
Cost per resident day	$59.14	Staffing ratio*wage rate for RN, +LPN, +Aide
Leave costs (half of staff)	$30	Assumes 1/2 of staff will be home for a 14 day paid time off quarantine period.
Extra Staffing Costs (a third of staff at a 50% premium)	$29	Assumes 1/3 of staff having to work overtime to cover for the missing staff.
Additional Supply Costs ($231 per day)	$231	See "Supplies Cost estimate" tab
Per Resident Day increased costs	$290	Staffing costs plus PPE costs.
Quarantine Period in days	60	Assumes a resident causes the facility to incurs the cost for x amount of days
Total Projected Added Staffing and PPE costs for the period for each resident	**$17,391**	Incurred cost per resident for the period identified in cell B21

Item	Value
Total Beds	59,718
Occupancy	85%
Total Residents Per day	50,760
	$882,757,707

	Needed		cost/each	low end	high end
	low	high			
Masks	24	48	$1.10	$26.40	$52.80
Gowns	24	48	$0.94	$22.56	$45.12
Face Shields (disposable)	24	48	$2.72	$65.28	$130.56
Gloves	48	100	$0.03	$1.28	$2.67
				$115.52	$231.15