

**STATE OF WISCONSIN**  
**Department of Veterans Affairs**

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Report from Agency

**RULEMAKING REPORT TO LEGISLATURE**

**Clearinghouse Rule 19-144**

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**I. THE PROPOSED RULE:**

The proposed rule, including the analysis and text, is attached.

**II. REFERENCE TO APPLICABLE FORMS:**

N/A

**III. FISCAL ESTIMATE AND EIA:**

The Fiscal Estimate and EIA are attached.

**IV. DETAILED STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES:**

Pursuant to s. 45.51 (7) (b), Stats., members of veterans homes are required to “pay the amount due the state for care and maintenance of the member”. Section VA 6.01 (16) further requires the Department to charge for “actual care and maintenance provided to a member”.

The current rate setting calculation used by the Department is a formula-based process that uses the average census counts, the program costs of member care from appropriations under s. 20.485 (1) (gk), Stats., the bed days for each type of care provided, and the weighted costs of direct and indirect care. The current formula has been used at the King Veterans Home facility without significant deviation since 1999 and at the Union Grove Veterans Home since 2010.

In its 2010 and 2017 reports, the Legislative Audit Bureau (LAB) recommended the Department amend Chapter VA 6 to include a formula for calculating private pay rates for nursing home and assisted living care at the Wisconsin Veterans Homes, to include clear definitions for rate-setting terms such as “costs of care”.

The purpose of the proposed rules is to incorporate the LAB recommendations contained in the report and codify the long standing and consistent rate

calculations used to determine private per diem rates for nursing home care and assisted living care at Wisconsin Veterans Homes.

Additional rule modifications were made to correct outdated references, and improve clarity, consistency, and format in accordance with rulemaking standards.

**V. SUMMARY OF PUBLIC COMMENTS AND THE DEPARTMENT'S RESPONSES, EXPLANATION OF MODIFICATIONS TO PROPOSED RULES PROMPTED BY PUBLIC COMMENTS:**

The Department of Veterans Affairs held a public hearing on December 13, 2019. No public comments were received.

At its meeting on February 22, 2018, the Board of Veterans Affairs reviewed the proposed rules and offered no comments.

**VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:**

In response to recommendation 2.d.:

The Department believes the narrative and the example provided in the appendix thoroughly describe the steps used to calculate the private pay rate. The proposed rule section relating to the formula used to calculate the private pay rate was amended to create a separate section for additional clarity.

All other recommendations in the Clearinghouse Report were accepted and incorporated into the proposed rules.

**VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS:**

N/A

STATE OF WISCONSIN  
Department of Veterans Affairs

Clearinghouse Rule 19-144

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PROPOSED ORDER OF THE STATE OF WISCONSIN  
DEPARTMENT OF VETERANS AFFAIRS ADOPTING PERMANENT RULES

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An order of the Department of Veterans Affairs ***to repeal*** VA 6.01 (17); ***to renumber and amend*** VA 6.01 (16); ***to amend*** VA 6.01 (2) (a), (b), (3) (a) 2., (4), (7), and (8), 6.02 (2) and (5), 6.03 (1), (6), and (9), 6.04 (8) and (14), 6.05 (5) and (9), and 6.06 (2); ***and to create*** VA 6.001, 6.01 (3) (c), 6.015 (1) and (2), and VA 6 Appendix; relating to rate setting at Wisconsin veterans homes.

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Analysis prepared by the Department of Veterans Affairs.

**Statutes interpreted:**

Sections 45.51 (7) (b), (13) (a) and (b), and (14), Stats.

**Statutory authority:**

Section 45.03 (2), Stats.

**Explanation of agency authority:**

Section 45.03 (2), Stats., provides that the Secretary may promulgate rules necessary to carry out the purposes of this chapter and the powers and duties conferred upon it.

**Related statute or rule:**

Sections 45.50, 20.485 (1) (gk), and 49.45 (6m) (bg), Stats.

**Plain language analysis:**

The proposed rule amends the Department's current policy and procedure for calculating private pay rates by establishing the method and formula for calculating private pay rates for both nursing home care and assisted living care. The proposed rules also include a method for compiling costs separately for each facility, rather than as a single rate across all state-run veterans homes.

The veterans homes administered by the Department are supported by state funds, federal funds, and payments from those residents (members) who pay for their own care, referred to as private pay. Residents of a Wisconsin veterans home whose costs are not covered by Medical Assistance or other funding sources are responsible for paying the cost of their care at the daily private rate. Private pay rate setting for the Wisconsin Veterans Homes is governed by s. VA 6.01 (16).

Current language under s. VA 6.01 (16) provides that “Charges for care and maintenance shall be computed every January for the various categories of care provided by a home. The computations shall be based upon the estimated costs of care to be incurred by the home for the succeeding annual period. The department may update charges in July to reflect changes in costs during the year. Charges shall be made for actual care and maintenance provided to a member.”

The current rate setting calculation used by the Department is a formula-based process that uses the average census counts, the program costs of member care from the appropriations under s. 20.485(1) (gk), Stats., and the bed days for each type of care provided, and the weighted costs of direct and indirect care.

In its 2010 and 2017 reports, the Legislative Audit Bureau (LAB) recommended that the Department amend Chapter VA 6 to include a formula for calculating private pay rates for nursing home and assisted living care at the Wisconsin Veterans Homes, to include clear definitions for rate-setting terms such as “costs of care”.

The proposed rules incorporate the LAB recommendations contained in the report and codify the long standing and consistent rate calculations used to determine private per diem rates by creating a new section, VA 6.015 that includes the formula for calculating the daily private pay rate, and an appendix that contains an example for using the formula.

The proposed rules also include modifications in order to comply with current statutes, drafting procedures, provide clarity, or amend outdated references.

**Summary of, and comparison with, existing or proposed federal regulation:**  
38 CFR 51.40 establishes basic per diem rates in accordance with 38 USC 1741, which establishes the criteria for payment. 38 CFR 51.50 establishes per diem rates for eligible veterans for nursing home care.

**Comparison with rules in adjacent states:**

**Illinois:** Illinois state veterans homes are administered by the Illinois Department of Veterans' Affairs and licensed by the Illinois Department of Public Health. Residents pay a maximum monthly maintenance fee established by the state and based on individual income and ability-to-pay. The cost of care is met through a combination of the maintenance fee paid by each resident, per diem granted by US Department of Veterans Affairs, and appropriated general revenue funds. The monthly cost is based only on the monthly income of the veteran and spouse and does not include other assets. The maximum amount is subject to change on an annual basis, depending on Social Security cost of living adjustments. The methodology for calculating cost of care is not defined in administrative rule.

**Iowa:** Iowa has one state veterans home with oversight provided by the Commission of Veterans Affairs. Cost of care is the aggregate semiannual per diem rate calculation according to the particular level of care as calculated in January and July of each year for the preceding six months and effective March 1 and September 1. The daily per diem

charge is reduced by an amount equal to the appropriate Medicare Part B and Medicare Part D premiums paid by the enrolled member. The rate includes direct costs only.

**Michigan:** Michigan's state veterans homes are overseen by the Michigan Veterans Affairs Agency, within the Department of Military and Veterans Affairs. The Board of Managers annually determines the per diem cost of care based on operational costs. These costs may change annually. The cost to individual members is determined by a monthly assessment based on each member's ability to pay. The methodology for calculating cost of care is not defined in administrative rule.

**Minnesota:** Minnesota state veterans homes are overseen by the commissioner of the Minnesota Department of Veterans Affairs. Minnesota administrative rules provide for the specific method of calculating average daily per resident cost of care. Residents contribute to the cost of their care according to their means. The cost of care used to determine the maintenance charge for a resident is calculated annually and includes both direct and indirect costs. A change in the cost of care becomes effective on July 1 of the rate year following the reporting year used to calculate the cost of care. The cost of care must remain fixed for that rate year and is compiled separately for each facility based on services provided.

**Summary of factual data and analytical methodologies:**

Pursuant to s. 45.51 (7) (b), Stats., members of veterans homes are required to "pay the amount due the state for care and maintenance of the member". Section VA 6.01 (16) further requires the Department to charge for "actual care and maintenance provided to a member".

The current formula has been used at the King Veterans Home facility without significant deviation since 1999 and at the Union Grove Veterans Home since 2010. In its 2010 and 2017 reports, the Legislative Audit Bureau (LAB) recommended amendments to Chapter VA 6 to include a formula for calculating private pay rates for nursing home and assisted living care at the Wisconsin Veterans Homes, to include clear definitions for rate-setting terms such as "costs of care". Therefore, the proposed rules incorporate the LAB recommendations contained in the report and codify the long standing and consistent rate calculations used to determine private per diem rates.

Pursuant to s. 45.03 (2m), Stats., administrative rules prepared by the Department of Veterans Affairs must be provided to the Board of Veterans Affairs. Pursuant to s. 227.14 (2) (a) 6m., Stats., the Board may prepare a report containing written comments and its opinion regarding the proposed rules. The Board voted unanimously to approve the draft proposed rules and offered no additional comments.

**Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:**

The Fiscal Estimate and Economic Impact Analysis is attached.

**Fiscal Estimate and Economic Impact Analysis:**

The department solicited information and advice from businesses, associations, local governmental units, and individuals in order to prepare the Economic Impact Analysis. No comments were received.

**Effect on small business:**

The proposed rules do not have an anticipated economic impact on small businesses, as defined in s. 227.114 (1), Stats.

**Agency contact:**

Mindy Allen, Administrative Rules Coordinator

Department of Veterans Affairs

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[DVAAdminRules@DVA.Wisconsin.gov](mailto:DVAAdminRules@DVA.Wisconsin.gov)

**Place where comments are to be submitted and deadline for submission:**

The deadline to submit comments was December 13, 2019.

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TEXT OF RULE

SECTION 1. VA 6.001 is created to read:

**VA 6.001 Definitions.** In this chapter, the following terms shall have the designated meanings:

(1) “Bed capacity” means the number of beds that may be filled based on the amount authorized by the USDVA and the department of health services, pursuant to s. 150.31, Stats.

(2) “Case mix weight” means a relative value used to delineate levels of care and may increase based on the level of care provided.

(3) “Cost of care” means an amount established annually by the department that is calculated separately for each home based on services provided. “Cost of care” consists of the calculation of both direct and indirect care costs, as defined in subs. (4) and (6).

(4) “Direct care costs” means a home’s expenses that are incurred and attributable to services that directly benefit the member consisting of items under s. VA 6.01 (11) and (12), subject to approved biennial funding.

(5) “Home” has the meaning given for “veterans home” in s. 45.01 (12m), Stats.

(6) "Indirect care costs" means a home's expenses incurred for common or joint purposes and are services that are provided on behalf of a member. "Indirect care costs" include costs for services such as housekeeping, laundry, administration, food services, debt service, municipal services, and utilities.

(7) "Level of care" means a classification that corresponds to the required services provided to a member based on the member's abilities, physical or mental condition, or medical diagnosis that requires one of the following nursing home levels of care:

- (a) Intermediate care facility, level 2 (ICF-2) denotes lowest needs.
- (b) Intermediate care facility, level 1 (ICF-1) denotes moderate needs.
- (c) Skilled nursing facility (SNF) denotes high needs.
- (d) Intensive skilled nursing services (ISN) denotes highest needs.

(8) "Patient day" means a day that a bed is assigned to a member and includes the day of admission but not the day of discharge. In this subsection, "day" means the 24-hour period ending at midnight.

(9) "Private pay rate" means the amount members pay who have sufficient income and resources to fully reimburse the department for the cost of care and maintenance they received at a home.

(10) "USDVA" means the United States department of veterans affairs.

SECTION 2. VA 6.01 (2) (a) and (b), and (3) (a) 2. are amended to read:

VA 6.01 (2) (a) Except as provided in par. (b), no person may be admitted to a home unless the person has submitted an application on forms furnished by the home and the application has been approved by the commandant. Each question shall be fully and accurately answered and the completed application shall be properly executed. An applicant shall authorize the department to conduct a criminal background check ~~of his or her criminal record~~. Upon admission of the applicant as a member, the completed application shall be a valid and binding contract by and between the member and the home.

(b) A person may be admitted into a home on a conditional basis pending the completion of the processing of ~~his or her~~ the person's application.

(3) (a) 2. A physician's report of physical examination indicating the applicant's need for nursing home level of care.

SECTION 3. VA 6.01 (3) (c) is created to read:

**VA 6.01 (3) (c)** The department may request documentation required under par. (a) 2. to be resubmitted at least annually to determine the level of care appropriate for the member's needs.

SECTION 4. VA 6.01 (4), (7), and (8) are amended to read:

**VA 6.01 (4) SPOUSE.** In addition to the documents required under sub. (3), an applicant who is a spouse of a veteran shall furnish a certified copy of ~~his or her~~ the ~~applicant's~~ certificate of marriage to the veteran or any other verifiable evidence of marriage that is acceptable to the department.

**(7) ELIGIBILITY, DETERMINATION.** If the applicant or the county veterans service officer assisting the applicant with the application requests a review of a determination of ineligibility, the matter shall be referred to the ~~secretary~~ department for review.

**(8) READMISSION.** A former member may be readmitted to a home only if ~~he or she~~ the former member submits a new application with the documents required under sub. (3) (b) and the application is approved by the commandant on the basis of the commandant's determination that the home is able to provide appropriate care for the applicant. A former member who was given an undesirable or dishonorable discharge may be readmitted only if the commandant is satisfied that the conduct leading to the discharge will not be repeated. The commandant may also require that an applicant for readmission shall ~~have paid~~ pay moneys ~~which~~ that the applicant owed to the home.

SECTION 5. VA 6.01 (16) is renumbered VA 6.015 (1) and amended to read:

**VA 6.015 Charges for care and maintenance.** **(1) ANNUAL COMPUTATION.** Charges for care and maintenance shall be computed every January for the various ~~categories~~ levels of care provided by a home. The computations shall be based upon the estimated costs of care to be incurred by the home for the succeeding annual period. The department may update charges in July to reflect changes in costs during the year. ~~Charges shall be made for actual care and maintenance provided to a member.~~

SECTION 6. VA 6.015 (2) is created to read:

**VA 6.015 (2) COMPOSITION OF CHARGES.** The calculation of the cost of care and maintenance is comprised of direct and indirect costs incurred by a home on behalf of its members.

**(a) Formula for calculating the private pay rate.** The private pay rate shall be based on a formula using the following steps:

1. For each level of care provided to a member, determine the number of patient days.

2. Add together all patient days for each level of care to determine the total number of patient days.
3. For each level of care received, divide the number determined under subd. 1. by the amount determined under subd. 2. Each result equals the percentage of patient days for a level of care.
4. Identify the bed capacity.
5. To determine an occupancy rate, divide the average number of members in a home for the last reported fiscal year by the bed capacity identified under subd. 4.
6. For each level of care, multiply the bed capacity identified under subd. 4. by the amount identified under subd. 5. Multiply that total by 365. Multiply that total by the amount identified under subd. 3. for the corresponding level of care. Each result equals the projected patient days for a level of care.
7. Add together all the projected patient days identified under subd. 6. for each level of care. The result equals the total number of projected patient days.
8. For each level of care, multiply the total number of projected patient days determined under subd. 6. by the corresponding case mix weight provided by the department of health services. Each result equals the weighted patient days for a level of care.
9. Add together all the weighted patient days for each level of care. The result equals the total number of weighted patient days.
10. For each level of care, divide the amount determined under subd. 8. by the amount determined under subd. 9. Each result equals the weighted patient day percentage for a level of care.
11. For each level of care, multiply the amount determined under subd. 10. by the direct care costs. Each result is the allowable direct care cost for a level of care.
12. For each level of care, divide the amount determined under subd. 11. by the amount determined under subd. 8. Then multiply it by the corresponding case mix weight. Each result equals the daily direct care cost for a level of care.
13. Divide the indirect care costs as determined by the department for the home and divide it by the total number of projected patient days determined under subd. 7. Each result equals the daily indirect care cost for a level of care.
14. Add together the amounts calculated under subds. 12. and 13. The result equals the projected private pay rate for a level of care.

Note: See Appendix for illustration depicting the formula used to calculate the private pay rate.

(b) *Rate reduction*. The department shall, when applicable, reduce a member's daily rate of pay by the amount of the per diem reimbursement paid on behalf of a member by the USDVA.

SECTION 7. VA 6.01 (17) is repealed.

SECTION 8. VA 6.02 (2) and (5) are amended to read:

VA 6.02 (2) Keep a record of each member of the home ~~which will include that includes~~ information establishing eligibility for admission, date of admission, personal and financial data, and period of membership.

(5) Designate ~~as deputies such~~ employees as may be necessary to assist in enforcing ~~upon the grounds of the home the laws of the state of Wisconsin and the rules and regulations governing the home, and for such purposes, the~~. ~~The commandant and the deputies shall have all the powers of constables authority to evict and ban persons within or upon the grounds of a veteran home who behave in a disorderly manner or pose a safety risk.~~

SECTION 9. VA 6.03 (1), (6), and (9) are amended to read:

VA 6.03 (1) DRIVER'S LICENSE REQUIRED. No person may operate any motor vehicle on any roadway or driveway or in any parking lot of a home unless the person holds a valid and current operator's license or unless ~~he or she the person~~ is exempt from the requirement that an operator's license be held in order to operate a motor vehicle on the highways of this state. No person may operate a motor vehicle, other than an authorized maintenance motor vehicle, anywhere on the grounds of a home except on a roadway or driveway or in a parking lot. Members using power wheelchairs are exempt from the requirements of this subsection.

(6) WILDLIFE ~~MOLESTATION DISTURBANCE~~ PROHIBITED. The removal, destruction, ~~disturbance, or molestation harassment~~ of any wildlife within the boundaries of the grounds of a home is prohibited except as may be authorized by the commandant.

(9) CANVASSING, PEDDLING, AND SOLICITING. Canvassing, peddling, or soliciting is prohibited on the grounds or in the buildings of a home, except that the commandant may authorize home posts, ~~and chapters, and auxiliaries of veterans organizations and their auxiliaries~~ to conduct fundraising activities at designated times and places, and to solicit membership. A commandant of a home may authorize and establish conditions for solicitations at the home by other charitable organizations.

SECTION 10. VA 6.04 (8) and (14) are amended to read:

**VA 6.04 (8) BORROWING PROHIBITED.** A member ~~shall~~ may not borrow from nor loan money to another member.

**(14) GIFT OF PROPERTY BY A MEMBER.** A gift of property by a member of a home shall be invalid unless physical possession of the property is transferred to the ~~donee~~ recipient at the time the gift is made and the property is removed from the premises of the home before the death of the member. A gift of property by a member during the member's lifetime with the understanding that the member may retain physical possession of the property until the member's death or a gift of property ~~which~~ that is to take effect upon the death of the member donor is invalid.

SECTION 11. VA 6.05 (5) and (9) are amended to read:

**VA 6.05 (5) HONORABLE DISCHARGE.** A member of a home may receive an honorable discharge from membership at the home upon application, provided that ~~he or she~~ the member has paid all money due the home and has accounted for all property issued that is not suitable for reissue, that no disciplinary action has been currently imposed or is pending against the member, and that ~~he or she~~ the member is able to exercise sound judgment in planning and providing for ~~his or her~~ the member's own physical welfare. When a member requires special living or travel facilities or is unable to exercise sound judgment in planning for ~~his or her~~ the member's own physical welfare, the commandant of the home may refer the request for discharge to the county veterans service officer in the member's home county for assistance and may delay granting an honorable discharge until proper facilities for ~~his or her~~ the member's care and travel are assured.

**(9) LEAVES OF ABSENCE, MEDICAL.** Leaves of absence from a home will be granted to veteran members while undergoing treatment in a ~~veterans administration~~ USDVA hospital or in another authorized hospital and to non-veteran members while in any hospital or sanatorium away from the home. This leave ~~shall~~ may not be charged to the 60-day annual allowance.

SECTION 12. VA 6.06 (2) is amended to read:

**VA 6.06 (2) MEMBER TREATMENT.** In case of alleged neglect or ill treatment of a member by an employee other than the commandant, a complaint shall be made in writing to the commandant. If against the commandant, the complaint shall be made in writing to the secretary.

SECTION 13. Chapter VA 6 Appendix is created to read:

## Chapter VA 6

## Appendix

A-6.015 (2) (a) *Formula for calculating the private pay rate.* The information contained in this appendix is for illustration purposes only. The arrowed illustrations correspond to the numbering under s. VA 6.015 (2) (a) 1. to 14.

### Wisconsin Veterans Home Private Pay Rate Calculation Example

[Note to LRB: See appendix for full illustration.]

SECTION 14. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

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(END OF RULE TEXT)

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This Proposed Order of the Department of Veteran Affairs is approved for submission to the Governor and Legislature.

Dated \_\_\_\_\_

Agency \_\_\_\_\_

Mary M. Kolar, Secretary  
Department of Veterans Affairs

## Chapter VA 6 Appendix

**A-6.015 (2) (a)** Formula for calculating the private pay rate. The information contained in this appendix is for illustration purposes only. The arrowed illustrations correspond to the numbering under s. VA 6.015 (2) (a) 1. to 14.

### Wisconsin Veterans Home Private Pay Rate Calculation Example

PRIVATE PAY RATE CALCULATION - Chippewa Falls

10/1/20XX

**FYXX**

Projected Rates - Would be effective January 1 , 20XX  
Based on WI Act 9, plus Reserves, & Debt Service Est

**ENTER VARIABLES INTO AREAS IN BOLD**

Bed Capacity	72	4. 
Occupancy Rate	99.00%	5. 
Bed hold Adj Factor (12 mo. basis)	100%	
Days In Projection Period	366	

Census Used to project Patient Day Mix	PD's	Ratio of PD's		Direct Care (HDG Contract)	\$ 7,554,700
		1. 	to Total	Indirect Care Costs	\$ 750,764
FYXX	0		0.0000	Wage increases	included above
IS-SNF	24,731		0.9505		
SNF	0		0.0000		
ICF-1	0		0.0000		
ICF-2	0		0.0000	Debt Service	\$ 507,645
ICF-3	0		0.0000	Utilities (part of HDG contract)	\$ -
ICF-4	0		0.0000	Medicare Part D credit	\$ -
HOSPICE	1,288		0.0495	Total cost	\$ 8,813,109
Totals	26,019	2. 	1.0000		

	IS-SNF	SNF	6. 	ICF-1	ICF-2	ICF-3	ICF-4	HOSPICE	TOTALS
Projected Patient Days	-	24,797		-	-	-	-	1,291	26,088 7. 
Case Mix Weight	1.30	1.00		0.70	0.50	0.25	0.25	1.00	26,088 9. 
Weighted Patient Days	-	24,797	8. 	-	-	-	-	1,291	
Weighted Patient Days Ratio	0.00000	0.95050	10. 	0.00000	0.00000	0.00000	0.00000	0.04950	\$7,554,700
Allowable Direct Care Costs	\$0.00	\$7,180,725.07	11. 	\$0.00	\$0.00	\$0.00	\$0.00	\$373,974.93	\$7,554,700
Direct Care Expense PPD	\$0.00	\$289.58	12. 	\$0.00	\$0.00	\$0.00	\$0.00	\$289.58	\$7,554,700
Indirect Care Expense PPD	\$0.00	\$28.78	13. 	\$0.00	\$0.00	\$0.00	\$0.00	\$28.78	\$750,764
Debt Service PPD		\$19.46	14. 	\$0.00	\$0.00	\$0.00	\$0.00	\$19.46	\$507,645
<b>Projected Daily Rate as of January 1, 2020</b>	<b>\$0.00</b>	<b>\$338.00</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$338.00</b>	<b>\$8,813.109</b>
	IS-SNF	SNF		ICF-1	ICF-2	ICF-3	ICF-4	HOSPICE	
Previous Rate Effective July 1, 2019		\$ 327.00						\$ 324.00	
\$ Increase/(Decrease)		\$ 11.00						\$ 14.00	
									\$0

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input type="checkbox"/> Original <input checked="" type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date 1/06/2020
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) VA 6 - Wisconsin Veterans Homes	
4. Subject Rate Setting for Wisconsin Veterans Homes	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected 20.485 (1) (gk)
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> <b>Small Businesses (if checked, complete Attachment A)</b>	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0.00	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule Current rules lack a codified formula for calculating private pay rates or corresponding definitions of rate setting terms. The proposed rule will include the methodology for setting rates for the veterans homes.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The proposed rule is not expected to impact businesses, local governmental units, or individuals. The rule was posted for 14 days on the Department of Veterans Affairs' website for economic impact comments. No comments were received.	
13. Identify the Local Governmental Units that Participated in the Development of this EIA. No local government units participated in the development of the EIA.	
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) This rule will not have an economic or fiscal impact on specific businesses, business sectors, public utility rate payers, local governmental units, or the State's economy as a whole.	
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefits of implementing the proposed rules is to define the rate setting terms and codify the methodology and procedures to calculate the private pay rate for members of Wisconsin Veterans Homes. If the agency does not implement the rule, current administrative rules would not include the recommendations included in LAB Report, which is to clarify and codify the department's methodology for setting private pay rates for veterans homes.	
16. Long Range Implications of Implementing the Rule The long range implications will bring the agency's rules into conformity with the LAB report by codifying the Department's methodology for setting private pay rates at Wisconsin's Veterans Homes.	
17. Compare With Approaches Being Used by Federal Government The federal government does not have a similar approach as rates are set by the state for state-operated veterans homes.	

**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

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18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)
- Illinois charges a monthly fee set by the state and does not establish the methodology in rule.
  - Iowa bases its rates on direct costs only and does not establish the methodology in rule.
  - Michigan's board of managers determines the per diem expenses for services and does not establish the methodology in rule.
  - Minnesota calculates the cost of care using direct and indirect costs in which the methodology is established in rule.

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19. Contact Name

Mindy Allen, Administrative Rules Coordinator

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20. Contact Phone Number

(608) 264-6085

This document can be made available in alternate formats to individuals with disabilities upon request.



## Wisconsin Department of Veterans Affairs

Scott Walker, Governor | Daniel J. Zimmerman, Secretary

February 22, 2018

Secretary Daniel J. Zimmerman  
Department of Veterans Affairs  
201 W. Washington Avenue  
Madison, WI 53707

RE: VA 6 – Wisconsin Veterans Homes Rate Setting

Dear Secretary Zimmerman:

Pursuant to s. 45.03 (2m), Stats., the Secretary shall provide the Board with a copy of any rule that the department is preparing as a proposed rule under s. 227.14 (1) and the Board may prepare a report containing written comments and its opinion regarding the proposed rule.

The draft proposed rule to amend Chapter VA 6.01 (16), charges for care and maintenance at the Wisconsin Veterans Homes, was provided to the Board in preparation for its meeting on February 22, 2018, at which the Board discussed the draft.

The Board subsequently voted unanimously to approve the draft proposed rule order and offered no comments.

Sincerely,

WISCONSIN BOARD OF VETERANS AFFAIRS

Larry Kutschma  
Chair