

# Sauk County

## Health Care Center *(Nursing Home)*

### Frequently Asked Questions *(FAQs)*



**Q. Why is Sauk County selling the Health Care Center?**

A. Sauk County is not required by law to own or operate a health care center (aka “nursing home.”)

Nursing homes that are operated by either private entities, or not-for-profit entities, are required, at a minimum, to break even to remain sustainable. The Sauk County home has been averaging losses of more than \$1.7 million per year.

With a legislated “zero based budget” and an aging population, Sauk County has state required programs for seniors and veterans that need additional funding. Freeing up close to \$2 million in resources that are not required by law to be spent, will help increase access to mandatory programs for EVERYONE in the County and allow staff to meet the needs of Sauk’s aging population more effectively.

**Q. If the Sauk County nursing home is sold, will there be fewer beds for the elderly?**

A. No, there will be the same number of beds licensed by the state of Wisconsin in Sauk County. If the County’s nursing home is sold, the 82 beds licensed through that facility will remain. The new owner/operator would be able to offer 82 spots (beds).

**Q. What happens to all the people who cannot afford to stay in a private nursing home?**

A. Nursing home care has evolved since the days of the old “county farms” and all homes in Wisconsin accept Medicare/Medicaid patients.

Nursing home placement is predominately determined by family and bed availability, rather than ability to pay. Patients who cannot afford healthcare are automatically eligible for Medicaid. Bed space has not been an issue in the County since 2020. Most of the six total Sauk County facilities routinely have bed space.

The issue of bed availability has only been restricted by staffing shortages that have been persistent here and everywhere since the pandemic. The Sauk County nursing home has an entire wing that has been closed since 2020, largely due to staffing shortages. It has been operating approximately 53 beds out of 82 available for the past several years.

**Q. Isn’t the Sauk County nursing home a less expensive option for seniors?**

A. No. The daily bed rate (cost) is second highest in the county according to a recent national rate study.

**Q. What about our Sauk County veterans? Where will they go?**

A. The Sauk County nursing home accepts veterans. However, the nursing home does not have a contract with Veterans Affairs (V.A.) to accept V.A. benefits as a payment source for veteran’s care at the facility. Veterans with other payment sources, such as Medicare/Medicaid or other insurances, are accepted as residents. A new owner/operation may accept V.A. benefits for care at the center.

**Q. Why is Sauk County in such a “rush” to sell the nursing home?**

A. There is no rush. The County Board of Supervisors have been dealing with this item for over 19 months. The Property Committee saw the nursing home as an agenda item on October 6, 2022 and again on March 2, 2023; the Health Care Center Committee dealt with this agenda item on April 13, 2023 and all subsequent monthly meetings through March 2024, their most current meeting.

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The Personnel Committee had this on the agenda on July 10, 2023, while the Finance Committee discussed the item on October 11, 2023 and on November 2, 2023. Finally, the full County Board of Supervisors were given details per published agendas on October 17, 2023, November 14, 2023 and again on Dec.19, 2023.

**Q. If the nursing home fills up again, won't that help make the home viable?**

A. Prior to the pandemic, the nursing home was operating at full capacity. In 2018, the County subsidized the facility with \$3,389,809 in property tax and sales tax revenue; or an annual cost of \$41,339 per bed. The cost to subsidize the facility is higher as bed count goes up.

**Q. A recent increase in Medicare/Medicaid nursing home reimbursement fees shows that with a similar mix of patients as in 2023, the Sauk County home income could be at least \$1.5 million higher in 2024, than in 2023?**

A. The expected rate increase in Medicare/Medicaid was included in the 2024 Sauk County nursing home budget and the facility, even with the new rate increase, is still operating at a budget deficit.

**Q. Won't quality of care suffer under a private company?**

A. Nothing is guaranteed; yet there are five (5) other nursing homes in the county that are all privately owned and have been providing high quality care for Sauk County residents. It is easy to look online and find examples, and statistics, on where care has been an issue. However, Sauk County's existing private nursing homes do not model those studies. To remain competitive, a provider must be positioned to compete with the other homes in Sauk County and will have to maintain similar standards.

**Q. If the County cannot "break even" or make a profit, how will a private provider make a profit without diminishing quality of care?**

A. A private provider will save costs through volume purchasing and centralized administrative expenses such as human resources, payroll and medical invoicing as examples. A private company is also more likely to set up a system to handle complex care which means more people can be served here in the County rather than having to look to Madison or other areas for complex health care.

**Q. Why would the sale of the nursing home to a private provider who is part of a continuum of care be valuable?**

A. A continuum of care provides individuals with the care they need at each stage of their life. A private nursing home provider often works within a continuum of care partnership to allow for the transition of care to move seamlessly from one type of care to the next, in line with changing health care needs.

Access to a continuum of care facilitates regular check-ups, screenings and access to medical professionals who can help prevent or manage chronic conditions effectively and are often more cost efficient.

**Q. Why is the Board selling the nursing home PRIOR to completion of a continuum of care study?**

A. During a Sauk County Board debate, supervisors in favor of the study argued that a continuum of care study *is not related to the nursing home* but would be intended to assist the board in determining future needs of our aging for the purposes of understanding county program needs moving forward.

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**Q. How does someone pay for the huge cost of nursing home care?**

A. Whether a senior is placed in a private home, a non-for-profit, or a government owned facility, there are two basic ways nursing home expense is paid:

1. **Private Pay:** Most people will pay with a mix of Medicare and private health insurance. When a person needs long term care and Medicare runs out, people are then required to pay “out of pocket” any expenses no longer covered by Medicare. There are protections in place to protect assets for the spouse or other dependents.
2. **Medicaid:** When a person does not have the ability to afford care they enter the facility as a Medicaid patient or they transition from “private pay” to Medicaid. The person is allowed to have a minimum amount of cash for living expenses (such as hair care or other sundries) and again, there are protections in place to protect assets for the spouse or other dependents.

**Q. How do I learn more about how Medicare works with Medicaid?**

A. Please watch this approximately 2-minute third-party video:

[https://www.youtube.com/watch?v=ZQh4\\_ZhPki8](https://www.youtube.com/watch?v=ZQh4_ZhPki8) (there is an ad on the front, which you can skip to view the Medicare / Medicaid video)

**Q. What is the Fund Balance and what comprises it?**

A. The nursing home is an Enterprise Fund which means it is a separate business and the operational funds are segregated for accounting purposes. Here is the breakdown of the fund balance **as of 2022** audited:

Property / Equipment Assets:	\$6,484,700 (not cash)
WRS Retirement Contributions:	\$2,166,375 (belongs to the employees)
Operational / Fund Balance:	\$2,024,833 (actual cash)
<b>Total Fund Balance</b>	<b>\$10,675,908 (audited balance as of 2022)</b>

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