

Wisconsin's home care programs

- Home care¹ provides help to people in their homes rather than nursing homes or other institutions².
- People receiving home care services funded by Medicaid must have institutional level of care needs and meet income/asset limits to qualify for home care programs.
- Medicaid covers³ nearly two-thirds of all home care spending in the United States (2023). Medicare does not cover home care⁴. Most people in Medicaid who need long term care use home care.
- Today, about 120,000 people are in Wisconsin Home Care Medicaid waiver programs. These programs (Family Care, IRIS, and CLTS⁵) keep older adults, children with disabilities, and adults with disabilities out of more costly Medicaid-funded nursing homes and state-run institutions.
- If people in Family Care, IRIS, or CLTS did not get help to stay in their homes, they would be forced into expensive Medicaid funded nursing homes or state-run institutions like State Centers for People with Developmental Disabilities (DD Centers).
- Less than 10,000 people in Medicaid are in nursing homes or state DD Centers.
- Medicaid is the only place where people with disabilities and older adults can get the home care they need to be able to live independently, work, and contribute to their communities.

¹ Home care is also referred to as Home and Community Based Services (HCBS) under Medicaid (<https://www.medicaid.gov/medicaid/home-community-based-services>). People receiving HCBS services funded by Medicaid must meet nursing home level of care criteria and income/asset limits to qualify for home care programs.

² Home care can include many services depending on the individual's care needs. Services may include: home health care, personal care, private duty nursing, occupational or physical therapy, rehabilitative or habilitative services, durable medical equipment, home modifications, day services, employment services, transportation, and other services that are designed to help people live independently in the community.

³ <https://www.kff.org/medicaid/medicaid-home-care-hcbs-in-2025/>

⁴ Medicare doesn't cover personal care or help with activities of daily living needed consistently over time. Some home health care may be covered by Medicaid, and often it is part-time, intermittent, or time-limited care. (<https://www.medicare.gov/coverage/home-health-services>). Many private insurance plans do not cover long term care at all; some may cover rehabilitation or home health but limit the amount and duration of coverage. Some people private pay for home care for a while, however that becomes unfeasible as care needs increase and assets are depleted. Many older adults become eligible for Medicaid after they have already spent all their assets on nursing home care.

⁵ Family Care, IRIS, and CLTS require people to be poor (income 100% of the poverty level, assets limited to \$2,000) and show they meet "institutional level of care" through a "functional screen".

- Over half of Medicaid spending is on care for people ages 65 and older and those with disabilities, the groups who use home care and long-term care.⁶

Home care saves states and the federal government Medicaid dollars

- **Home care costs less than institutional care⁷.**
- Wisconsin's Family Care program is intended to keep people out of expensive nursing homes as long as possible. Gov. Tommy Thompson created it to save the state money.
- Medicaid home care waivers (Family Care, IRIS, and CLTS in Wisconsin) exist because they cost states (and the federal government) so much less.
- All states — with the encouragement of the federal government — have chosen to offer home care and personal care services to reduce Medicaid spending on high-cost institutional settings⁸.
- States must prove that their home care waivers cost less than what it would cost to serve that individual in an institutional setting (nursing home, State DD Center, etc.).
- Home care spending reduces institutional spending and results in long-term cost savings⁹, enables states to help more older adults at a lower cost¹⁰ and means fewer people end up in Medicaid funded institutions¹¹

⁶ <https://www.kff.org/medicaid/medicaid-home-care-hcbs-in-2025/>

⁷ Home and Community-Based Services Improve Outcomes While Reducing Costs
<https://heller.brandeis.edu/community-living-policy/research-policy/publications/pdfs/briefs/hcbs-improve-outcomes-and-reduce-costs.pdf>

⁸ Federal Medicaid law requires states to cover high-cost institutional services (including nursing homes).
<https://www.kff.org/medicaid/medicaid-home-care-hcbs-in-2025/> The federal Medicaid budget benefits when states choose lower cost home care services too.

⁹ State-specific and national studies consistently demonstrated that shifting spending toward home care helps states contain overall Medicaid long term care costs and produce cost savings.
<https://www.tandfonline.com/doi/full/10.1080/01621424.2011.622249>; <https://doi.org/10.1377/hlthaff.28.1.262>;
<https://onlinelibrary.wiley.com/doi/10.1002/heh.3155>; <https://doi.org/10.1377/hlthaff.2011.1237>;
<https://agsjournals.onlinelibrary.wiley.com/doi/10.1111/jgs.18478>;
https://www.aarp.org/content/dam/aarp/research/public_policy_institute/ltc/2013/state-studies-find-hcbs-cost-effective-spotlight-AARP-ppi-ltc.pdf ; <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2850792>

¹⁰ <https://doi.org/10.1111/jgs.18478>

¹¹ <https://doi.org/10.1016/j.dhjo.2025.101973>

If Home care saves money, why does it cost a lot?

- One-fourth of people in Wisconsin Medicaid are 65+ and people with disabilities; they account for more than half of Medicaid spending, including long term care and Badger Care.¹²
- By 2050, nearly 3 in 10 Wisconsinites will be 60 or older, which means more people will need home care or nursing home care.
- People are living longer, which increases the likelihood of having care needs for some part of their lives.
- People with disabilities, who need the most care over the longest period of time, are also living longer.

Home care serves more people than nursing homes.

- Wisconsin's Department of Health Services recently informed the state what it would cost to continue running Medicaid at its current level for the 2027-2029 state budget¹³
- 50% of the increases needed to keep Medicaid running at its current level is for long term care, which includes nursing homes and home care programs.
- Family Care is the highest increase, but it serves 5 times as many people as nursing homes, which have the next biggest increase.
- It is important to remember how many people are being served in each program, and how many people are being kept out of higher-cost institutions because of those programs.
 - About 9,700 people (mostly older adults) are in Medicaid-funded beds in nursing homes¹⁴.
 - About 60,000 people with disabilities and older adults are in Family Care, and another 30,000 are in IRIS; 30,000 children with disabilities are in CLTS.

¹² <https://files.kff.org/attachment/fact-sheet-medicaid-state-WI>

¹³ <https://doa.wi.gov/budget/SBO/2027-29%20435%20DHS%20Budget%20Request.pdf>

¹⁴ Wisconsin has about 25,000 nursing home beds, however the occupancy rate is lower than the number of beds and there are people who paying private pay rates for beds (i.e. not all beds are occupied and not all beds are paid for by Medicaid)

Nursing homes and State DD Centers cost a lot to serve very few people

- Medicaid spending is higher for individuals receiving institutional care¹⁵.
 - In 2023, average annual Medicaid home care spending was \$17,298 per person. It was \$54,462 for people in nursing home settings¹⁶.
 - In Wisconsin, it costs an average of \$10 to \$11,000 per month in a nursing home. In contrast, home care in the Family Care program is at least 50% less at an average of \$5000 per month.
- People with I/DD (intellectual and developmental disabilities) need the most help over the longest time, often their entire lifespan.¹⁷.
 - Today there are 30,000 children in CLTS and 90,000 adults in Family Care/IRIS, roughly 30% of which are people with I/DD.
- That's 60,000 people with I/DD with institutional level of care who are living at home in our communities.¹⁸.
- State-run institutions for individuals with intellectual and developmental disabilities (I/DD) cost significantly more per person per year—ranging from roughly \$146,000 to over \$358,000—compared to an average of \$46,600 to \$51,835 per year for Medicaid-funded Home and Community-Based Services (HCBS)¹⁹.
- In 1970, there were 3,690 people²⁰ with I/DD in Wisconsin's State DD Centers²¹. In 2023, there were 257²².

¹⁵ <https://files.kff.org/attachment/fact-sheet-medicaid-state-WI>

¹⁶ <https://www.medicaid.gov/medicaid/long-term-services-supports/downloads/ltss-rebalancing-brief-2023.pdf>

¹⁷ <https://www.kff.org/medicaid/5-key-facts-about-medicaid-coverage-for-people-with-intellectual-and-developmental-disabilities-idd/>

¹⁸ If the state wanted to institutionalize just the I/DD population currently in home care programs at today's daily rate it would be it would be \$119 M per day or \$43 B per year.

¹⁹ <https://ihdd.org/2025/10/15/state-of-the-states-in-i-dd-releases-2025-update/>;

²⁰ <https://mn.gov/mnddc/parallels2/pdf/80s/83/83-COM-WCD.pdf>

²¹ The [percentage of institutionalized adults peaked](#) in 1967, with 29% of the total I/DD population in institutions. Now it's 0.7%. Even at its peak, states were never paying anywhere close to the cost it would have been to institutionalize 100% of the I/DD population. In 1982, there were 140,000 K people with I/DD in institutions because it was the only way for them to get services. In 1982, the federal government created the Home and Community Based waiver system (Family Care, IRIS, and CLTS are Wisconsin's waivers) as a way to move people out of institutions and drive costs down as well as prevent people from going into institutions. Now, 19 states have no state institutions for people with I/DD <https://risp.umn.edu/>.

²² https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2025/0052_services_for_persons_with_developmental_disabilities_informational_paper_52.pdf

- In 2023, Wisconsin's daily rate for the 257 people in the state centers, was \$1,985. The total annual cost of operating centers was \$180 million per year and required 1,400 full-time employees²³.
- At 2023's daily rate, it would cost Wisconsin \$7.3 million per day or \$2.6 billion per year (\$5 billion for the biennium) to house the 3,690 people who were in Wisconsin's state centers in 1971²⁴.
- Shifting even a small number of people from their homes into nursing homes, State DD Centers or other institutions will mean big increases in costs for the state²⁵²⁶.
- People with disabilities and older adults don't want to be in institutions²⁷. They do not want facility rules or staff to limit their opportunities to work, visit family, maintain relationships, go places, get out of bed or be clean. They don't want to jeopardize their health or suffer abuse and neglect that occur in institutions²⁸.

²³https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2025/0052_services_for_persons_with_developmental_disabilities_informational_paper_52.pdf Capital improvements are a separate and expensive line item, and are included in the State's Capital Improvement budget.

²⁴ Of course, you would also have to do major capital improvements because the centers do not have the facilities to meet that increased capacity, and it would also increase operational and staffing costs.

²⁵ A recent economic analysis of California estimated that if just 3% of current HCBS beneficiaries ended up in nursing homes, it would result in a net spending increase of \$57 million in the first year and \$1.17 billion over the next five years. (<https://www.chcf.org/wp-content/uploads/2025/10/HowCutsMediCalHomeCommunityBasedServicesImpactCA.pdf>)

²⁶ Currently, Wisconsin nursing homes cannot get the staffing needed to operate the beds they have. DD Centers have high staff turnover and would need significant capital investments/additional staffing in addition to current operating costs to increase the number of people they keep. Increased capital expenditures, staffing, and higher operational costs would

²⁷ <https://www.usatoday.com/story/news/investigations/2026/09/07/disability-rights-undermined-by-trump-doj-as-georgia-man-seeks-freedom-under-olmstead/91584075007/>

²⁸ <https://mn.gov/mnddc/parallels/3.html>; <https://hiddenhistoriesut.org/exhibits/show/locked-away/physical-disabilities>; <https://pmc.ncbi.nlm.nih.gov/articles/PMC8110289/>