



**State of Wisconsin**  
**Department of Health Services**

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**Jim Doyle, Governor**  
**Karen E. Timberlake, Secretary**

March 26, 2009

**For Immediate Release**

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## **Wisconsin Chosen for National Nursing Home Demonstration Project**

*Initiative Will Focus on Lowering Medicare Costs Through Improved Care*

The Wisconsin Department of Health Services (DHS) announces today that Wisconsin has been selected to participate in a national demonstration project designed to improve care and quality of life for residents of nursing homes, as well as reduce Medicare costs. The Medicare Nursing Home Value Based Purchasing Demonstration, run by the Center for Medicare and Medicaid Services, is designed to include one hundred Wisconsin nursing homes that will participate on a volunteer basis.

“The decision of the federal government to include Wisconsin in this new initiative is just another indication that our state is seen as a national leader in the area of health care reform,” said DHS Secretary Karen Timberlake. “This demonstration project focuses on nursing home practices that increase quality of care and reduce costs by avoiding more expensive procedures.”

The demonstration project will measure quality performance in a number of clinical areas, as well as measure staffing ratios, which have been correlated with better clinical outcomes for residents and higher satisfaction levels among residents and their families. By improving quality performance in these areas, fewer residents will require episodes of care in hospitals, which will in turn save Medicare dollars. These Medicare savings will be paid out to demonstration nursing homes with fewer hospital days when compared to other like nursing homes that are not part of the demonstration.

“Nursing home pay-for-performance initiatives like this demonstration project could be a key component in our continual efforts to improve quality for residents and reduce health care costs. We are hopeful that the lessons we learn in the Medicare demonstration project can be used in our state Medicaid program to allow us to continue to improve care and cut costs for Wisconsin taxpayers,” said Timberlake.

The four demonstration states chosen are Arizona, Mississippi, New York and Wisconsin. DHS will work with the nursing home trade associations, Wisconsin Health Care Association, and Wisconsin Homes and Services for the Aging to make the demonstration a success in Wisconsin.

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