



## Legislative Issue Brief

---

### Issue: Liability Cap Extension for Long Term Care and Human Services Providers

- Over the past five years, nearly every long term care provider has been affected by the liability insurance crisis. Some community-based providers have experienced a 500% increase in premium costs, while coverage for nursing homes has increased by over 300%. At times, other providers have been unable to gain access to coverage. These increases threaten the existence of essential long term care and human services providers and programs within the State of Wisconsin.
- A coalition of organizations and individuals severely impacted by the liability insurance crisis is seeking legislation to place limits on noneconomic damages for liability claims. It is expected that these caps would result in moderate premium hikes while increasing the number of insurance companies offering liability coverage to providers.
- The coalition has discussed with Senate Majority Leader Dale Schultz (R-Richland Center) the concept of extending the identical statutory cap on noneconomic damages currently in place for other health care providers (hospitals, physicians, ambulatory surgical centers, and clinics) to adult family homes, nursing homes, home health agencies, hospices, community-based residential facilities and residential care apartment complexes. The attached Legislative Reference Bureau draft LRB-0554/1 would accomplish that objective.
- **WAHSA Position:** WAHSA supports the introduction and adoption of LRB-0554/1.

The Wisconsin Association of Homes and Services for the Aging (WAHSA) is a statewide membership association of 200 not-for-profit organizations principally serving the elderly and persons with a disability through programs ranging from nursing home care to assisted living to hospice and homecare. For more information, please contact the WAHSA staff at (608) 255-7060: John Sauer, Executive Director ([jsauer@wahsa.org](mailto:jsauer@wahsa.org)); Tom Ramsey, Director of Government Relations ([tramsey@wahsa.org](mailto:tramsey@wahsa.org)); or Brian Schoeneck, Financial Services Director ([bschoeneck@wahsa.org](mailto:bschoeneck@wahsa.org)).

February 23, 2005