WISCONSIN HOSPITAL ASSOCIATION

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October 15, 2021

The Honorable Ron Johnson
United States Senate
Washington, DC 20510

The Honorable Tammy Baldwin
United States Senate
Washington, DC 20510

The Honorable Ron Kind
U.S. House of Representatives
Washington, DC 20515

The Honorable Gwen Moore
U.S. House of Representatives
Washington, DC 20515

The Honorable Mark Pocan
U.S. House of Representatives
Washington, DC 20515

The Honorable Glenn Grothman
U.S. House of Representatives
Washington, DC 20515

The Honorable Mike Gallagher
U.S. House of Representatives
Washington, DC 20515

The Honorable Bryan Steil
U.S. House of Representatives
Washington, DC 20515

The Honorable Tom Tiffany
U.S. House of Representatives
Washington, DC 20515

The Honorable Scott Fitzgerald
U.S. House of Representatives
Washington, DC 20515

Dear Members of Wisconsin's Congressional Delegation,

As work carries on with a budget reconciliation package, the Wisconsin Hospital Association asks for continued support for Wisconsin's hospitals and health systems that continue to be stressed by this unprecedented COVID-19 pandemic. WHA and our members were pleased to meet with you all over the summer months to discuss our federal priorities for aiding and sustaining our health care system. Many of those priorities remain unaddressed and we urge you to push your colleagues to address them in the funding package taking shape. Specifically, we ask Congress to:

1. Prioritize ACA plan subsidies over Medicaid lookalike plans that will not benefit Wisconsin.
2. Permanently remove Medicare's statutory barriers to telehealth.
3. Provide one-time flexibility for 340B eligibility due to COVID patient-mix changes.
4. Help ensure the health care workforce can catch up to demand for care.
5. Adequately reimburse new Rural Health Clinics that submit quality metrics.
6. Make hospitals whole for the cost of aiding Operation Allies Welcome.

1. Closing the Medicaid Coverage Gap

WHA has been closely following the discussion on closing the Medicaid coverage gap***. We are very concerned that current proposals,*** *such as the one advanced by the House Committee on Energy and Commerce****, do not recognize the unique situation Wisconsin is in as the only state to have not expanded Medicaid that does not have a coverage gap.***

In the E&C proposal, Congress would allow enhanced ACA subsidies to flow to states from 2022 through 2024 to cover people under 100% of the federal poverty level (FPL), with the goal of reducing the health care coverage gap

for states that have not expanded Medicaid. Then, in 2025, the federal government would administer a Medicaid lookalike program in non-expansion states, presumably including Wisconsin despite Wisconsin already having no coverage gap.

In Wisconsin, everyone under 100% of the federal poverty level is already eligible for Medicaid coverage. Everyone with incomes between 100% and 150% FPL is eligible for no-premium and low cost-sharing commercial health insurance via the federally subsidized ACA marketplace insurance exchange.

This begs the question: what benefit would a federally administered Medicaid lookalike program that covers individuals up to 138% FPL offer Wisconsin? Current enrollment trends suggest it will not increase coverage levels but will shift the cost of caring for those individuals from the federal government and onto health care providers. Consider the following:

- Wisconsin currently enjoys the 8th lowest uninsured rate in the country at 5.7%
- Wisconsin's uninsured rate is lower than more than 80% of states (31 of 38) that accepted the federally funded Medicaid expansion.
- 80,000 Wisconsinites with incomes under 100% FPL remain uninsured despite already being eligible for Medicaid compared to only 25,000 with incomes between 100-138% FPL who are uninsured and eligible for ACA marketplace coverage.[1]
- 125,000 Wisconsinites with incomes above 138% FPL who are eligible for marketplace coverage remain uninsured;[2] this population deserves further study on how coverage gains might be made.
- The E&C proposal includes a provision to transition individuals from marketplace coverage to a Medicaid lookalike plan and it is unclear how many would be required to transition.
- Medicaid pays on average only 66% of what it costs hospitals in Wisconsin to provide medical care, shifting $1.2 billion in unpaid costs annually onto other payors.

For these reasons, WHA strongly opposes the creation of a federally run Medicaid lookalike program. Instead, more effort should be put into understanding why people who are already eligible for affordable insurance coverage are not accessing it, and federal funding should be used to enhance ACA marketplace subsidies that will be most likely to achieve coverage gains. Additionally, lawmakers should allow Wisconsin to be considered an expansion state and receive enhanced federal Medicaid funding, as well as other states that find creative ways to eliminate coverage gaps.

2. Telehealth Expansion

WHA has consistently been a strong supporter of removing federal statutory barriers preventing the delivery of telehealth in Medicare, even predating the COVID-19 pandemic. Specifically, WHA has advocated for removing the geographic and site restrictions that prevent Medicare from reimbursing for telehealth services unless a patient is located in a rural, health professional shortage area. While the public health emergency has allowed these restrictions to be temporarily waived, Congress needs to address them permanently, so patients and health care providers are not forced to go back in time once the COVID-19 pandemic ends.

WHA has been pleased to see the widespread bipartisan support for telehealth that has resulted from its increase in utilization during COVID-19. Telehealth has been proven as a safe and effective way to reach patients and is often more convenient for patients and providers alike. Additionally, concerns about telehealth driving an increase in

[1] Estimates come from U.S. Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation, analyzing U.S. Census Bureau 2019 data, the most recent data available. See https://aspe.hhs.gov/reports/state-county-local-estimates-uninsured-population-prevalence-key-demographic-features (Mar. 2021)

[2] *Id*

Medicare utilization and spending have not panned out, as telehealth has shown to simply be an alternative way of accessing services Medicare beneficiaries are already eligible for and otherwise accessing in person.

WHA strongly supports Congress removing Medicare's geographic and site restrictions for telehealth as called for in legislation with overwhelming bipartisan support, such as the Connect for Health Act of 2021, the Protecting Access to Post-Covid-19 Telehealth Act of 2021, and the Telehealth Modernization Act.

3. Flexibility for 340B

As we all have seen for too long now, the COVID-19 pandemic has led to changes in the health care landscape. Health care providers have seen different waves of consumer behavior, some with patients being reluctant to access care they normally would. Additionally, hospitals have had to alter their operations in response to patient surges largely driven by COVID surges in late fall of 2020 and late summer of 2021.

For certain 340B hospitals, including some in Wisconsin, this has led to very real concerns that changes in patient mixes will make them lose their eligibility for the 340B prescription drug discount program, given that 340B Disproportionate Share (DSH) Hospitals must meet a certain threshold of Medicaid inpatient days to maintain eligibility. This would have severe consequences for such hospitals at a time when they can least afford it, as the 340B program is one of the few tools hospitals can use to partially offset large increases in outpatient prescription drug expenses.

WHA strongly supports adding S.773 authored by Senator Baldwin to the reconciliation package. This legislation temporarily waives the Medicaid inpatient day threshold to ensure DSH hospitals do not have to worry about losing their 340B eligibility due to the care they provided in this pandemic.

4. Supporting the Health Care Workforce

Hospitals and health systems have faced an unprecedented, sustained surge in demand for patient care over the last few months. While the COVID surge has not been as dynamic as the COVID surge in late 2020, it has still been significant, especially in the number of people who require ICU care. Additionally, hospitals have seen a surge in demand for care from other viruses that did not circulate when people did not travel as much as well as demand for care patients delayed during COVID.

At the same time, burnout from the pandemic and aging demographics have accelerated retirements among Wisconsin's health care workers, from nurses and doctors, to nursing assistants, techs, and other vital patient care staff. With the worker shortage projected to persist, ***it is critical that temporary flexibilities granted during COVID are made permanent, in order to give our health care system every tool in its toolbox to respond to patient demand for care.***

Additionally, WHA and our members are extremely grateful for the additional 1,000 Medicare graduate medical education (GME) slots that will be provided over the next five years thanks to the bipartisan Consolidated Appropriations Act, 2021. However, considering this averages out to only 4 additional slots per state per year, it is clear that will not be enough to keep up with demand for care as more physicians in the baby-boom generation retire and transition from providers to consumers of medical care. While the State of Wisconsin has been doing its part, by funding its own GME program with matching funding from hospitals, more federal support is needed. ***WHA urges Congress to consider additional slots, such as called for in the Resident Physician Shortage Reduction Act of 2021, which would average out to an additional 40 GME slots per state, per year***.

5. Sustaining care in rural communities

The Consolidated Appropriations Act, 2021 and American Rescue Plan Act included a provision designed to decrease

payments for provider-based rural health clinics (RHCs) that were not in operation as of January 1, 2021. While the provision within this omnibus legislation was designed to narrow the gap in payment between provider-based and free-standing RHCs, it was not done in consultation with entities impacted by the funding change.

A number of provider-based RHCs in Wisconsin had already been in the planning stages as of December 2020 when this legislation originally took effect, but unfortunately were taken by complete surprise when this legislation passed. Provider-based RHCs have historically received Medicare reimbursement similar to Critical Access Hospitals, or at close to break-even rates. This has been vital in keeping care, such as OB care, in rural communities since RHCs typically do not have the volumes of private-pay patients to offset losses they receive from government payors like Medicare and Medicaid.

WHA supports a fix to this issue, possibly by allowing RHCs that report certain quality metrics to obtain the same level of Medicare reimbursement they would have been eligible for in the past.

6. Supporting Hospitals Who Have Aided Operation Allies Welcome

In late August and early September, nearly 13,000 Afghans were flown to Fort McCoy near Tomah, WI after fleeing from the sudden fall of the Afghan government at the hands of the Taliban. Nearly overnight, local hospitals that were already dealing with a new COVID surge had a city (second in population size only to the size of La Crosse) built in their backyard with residents that would need hospital care.

Fortunately, local hospitals answered the call, providing the same high-quality care they have been called on to provide time and again. The supporting hospitals and health systems have worked tirelessly on this effort, navigating a complex new maze of coordination with the army base and figuring out how to provide acute and follow-up care to patients that speak a different language and have a different culture and customs. Hospitals also provided a bevy of needed equipment, such as baby scales and syringes to support basic medical care at the base. Additionally, many had to find creative ways to keep their hospitals safe as a measles outbreak meant that many patients would need to be treated with specific infectious disease protocols.

While hospitals have proudly partnered to make this mission a success, it has not been without expense on their part. ***WHA supports Congress appropriating a small fund, similar to the successful COVID Provider Relief Fund, where hospitals that have aided this effort and have unreimbursed costs can have their losses and expenses covered.*** While the recent continuing resolution included additional funding to support this mission, unfortunately, hospitals were not included in the funding.

Additionally, Congress should authorize immediate federal support to resolve the post-acute care staffing crisis that has severely strained hospital capacity. For example, the hospitals supporting Fort McCoy have routinely had 50 to 60 patients who have completed their hospital stay that continue to occupy hospital beds because no post-acute care setting (typically, a nursing home) will accept these patients. Resolving this crisis would immediately free up hospital beds and expand our ability to care for more critically ill patients.

Thank you for your continued support that helps make Wisconsin a high quality and high value state for health care.

Sincerely,

Eric Borgerding
WHA President & CEO