WISCONSIN HOSPITAL ASSOCIATION

The Valued Voice

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Legislative Leaders Differ on ACA Positions; Support Increased Medicaid Funding

This is the second article in a two-part series covering the state legislative leader panel discussion that occurred at WHA Advocacy Day, April 19. The first article focused on the important role hospitals have in fostering economic development and the challenges hospitals and health systems face in attracting and retaining an adequate workforce. Read it here: www.wha.org/pubArchive/valued_voice/WHA-Newsletter-4-21-2017.htm#5.

From left: Eric Borgerding, Sen. Scott Fitzgerald, Sen. Jennifer Shilling, Rep. Robin Vos, Rep. Peter Barca

It is one of the most popular sessions at WHA's Advocacy Day and this year the state legislators participating in the panel discussion moderated by WHA President/CEO Eric Borgerding did not disappoint the more than 1,000 in attendance April 19.

Legislators participating on the panel included: Senate Majority Leader Scott Fitzgerald (R-Juneau): Senate Minority Leader Jennifer Shilling (D-La Crosse); Assembly Speaker Robin Vos (R-Rochester); and, Assembly Minority Leader Peter Barca (D-Kenosha).

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WHA Advocacy Day 2017: The Day in Photos

When over 1,000 hospital supporters converge on Madison to attend WHA's Advocacy Day, it is truly a sight to behold. And it was one that was captured in literally hundreds of photographs.

- See the WHA Advocacy Day 2017 In Review in this week's packet and here: www.wha.org/pubArchive/special_reports/2017AdvocacyDayReview.pdf

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Board Chair: Catherine Jacobson, President/CEO, Froedtert Health **Editor:** Mary Kay Grasmick, VP Communications - *mgrasmick@wha.org*
5510 Research Park Drive P.O. Box 259038 Madison, WI 53725-9038 **P** (608.274.1820) **F** (608.274.8554) **www.wha.org**

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- Read *The Valued Voice* full Advocacy Day coverage here: www.wha.org/pubarchive/valued_voice/WHA-Newsletter-4-21-2017.pdf
- Watch a short video that premiered at Advocacy Day here: www.youtube.com/watch?v=KOHKWpXhKSA&feature=youtu.be

Thank you to the hundreds of hospital and health system employees, hospital volunteers and WHA corporate members who supported the very successful WHA 2017 Advocacy Day. We'll see you all at the 2018 Advocacy Day March 21 in Madison!

Political Action Spotlight

Wisconsin Hospitals State PAC & Conduit Top $100,000!

See full contributor list in this issue

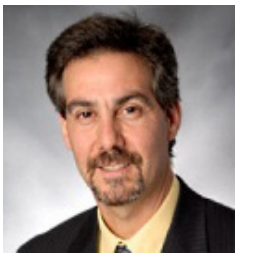
As of April 27, the 2017 Wisconsin Hospitals State PAC & Conduit topped the $100,000 mark with contributions from 95 individuals.

"The Wisconsin Hospitals State PAC & Conduit campaign is off to an excellent start, and I want to thank the 95 individuals who have already contributed $101,000 so far this year," said WHA 2017 Advocacy Committee Chair Mike Wallace. "With the momentum from the campaign kick-off breakfast on April 19, I know we can raise $312,500 in 2017. That is why I am asking every individual who cares about health care in our state to support our industry in this important way."

The 2017 fundraising campaign is based on the calendar year, which means that since the start of this year an average of almost $6,000 is contributed each week. **Take a look at the first 2017 contributor list on page 8 to see who is on the list and who helped the campaign raise $101,000 already this year!**

To make sure your name is on future contributor lists, make your personal contribution today at www.whconduit.com or by contacting WHA's Jenny Boese at 608-268-1816 or *jboese@wha.org* or Nora Statsick at 608-239-4535 or *nstatsick@wha.org*.

WHA Post-Acute Care Work Group Dives into Population Health, Other Issues



Jonathan Jaffery, MD

Hospitals and health systems can improve patient experiences post-discharge in part by paying attention to population health management, according to Jonathan Jaffery, MD, senior vice president and chief population health officer, UW Health. Jaffery met with WHA's Post-Acute Work Group at its third meeting April 21 to provide some insights into managing post-acute care.

Although alternative payment models and readmission penalties are driving hospitals and health systems to pay attention to post-acute care, focusing on population health can provide necessary information to improve post-discharge patient outcomes and control costs across the care continuum, according to Jaffery. Incorporating a population health perspective into post-acute care starts with examining data on the patient population served by hospital or health system, including where patients live, analyzing the social determinants of health for the overall patient population, and how those factors may affect length of stay, readmission rates, and successful post-acute care outcomes.

Work Group members located in rural areas of Wisconsin noted it is more difficult to examine population health because they lack a critical mass of people in their area on which to gather data. This, coupled

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with a scarcity of post-acute providers, creates unique issues for some rural providers in managing post-acute care. In many rural areas, improving the social determinants of health is an important factor for successful post-discharge patient outcomes.

Jaffery also emphasized the need to create good post-acute care partnerships, both formal and informal, to improve patient outcomes when discharged to a post-acute setting. Systems of care are still evolving and are not currently optimized to provide patients with the best support. Jaffery noted that both large and small hospitals and health systems are still figuring out the best ways to provide this care and create good handoffs of patients to post-acute settings.

Another issue that affects transition planning for post-acute care is the interoperability of electronic health records (EHR). Not all hospitals, systems and post-acute care providers have the resources to implement an EHR platform that enables universal sharing of information on patients that could enhance transition planning. The Work Group agreed on the importance of developing cost-effective alternatives for sharing essential patient information in real time, which will improve planning for post-acute care. Some patients may remain in the hospital long after they are ready to be discharged because of the difficulty in locating a post-acute provider that can meet the patient's needs. The Work Group discussed the need to develop specialized post-acute care options for these patients. Because not all post-acute providers can meet every specialized care need, it may be necessary to create regional, specialized post-acute options to care for complex patients.

The Work Group will meet again in June and continue to identify areas that can improve post-acute care.

Include Your Hospital Trustees at This Year's Rural Health Conference

Each year, the Wisconsin Rural Health Conference attracts nearly 100 hospital trustees from rural communities throughout the state, many of whom attend year after year. Those who attend find a wide range of education topics, as well as several targeted specifically at governance issues they address in their own organizations.

The 2017 Wisconsin Rural Health Conference, June 21-23, will include the governance-specific topics of succession planning and onboarding for a new senior leader; a trustee's role in physician recruitment and retention; and understanding CMS and state surveys. New to the 2017 agenda is a luncheon specifically for hospital trustees, as a venue to network with other trustees and to learn more about WHA.

As you register yourself and your senior staff for this year's conference, consider inviting your board of trustee members to come along. It's a great way to expose them to national speakers, provide them targeted education, and spend time with them away from your hospital, all at a reasonable cost.

This year's conference is centrally located at Glacier Canyon Lodge at The Wilderness Resort in Wisconsin Dells. Online registration and a full conference agenda are now available at: www.cvent.com/d/w5qpcq.

Joint Finance Co-Chair Nygren Meets with Local Hospital Leaders

Hospital leaders continue testifying at Joint Finance hearings

Rep. John Nygren (R-Marinette), co-chair of the Legislature's budget-writing committee, the Joint Finance Committee (JFC), met with local hospital leaders at Bay Area Medical Center, Marinette, recently to discuss Medicaid funding.

Dan Meyer of Aurora BayCare, John Hofer and Ed Harding of Bay Area Medical Center meet with Budget Co-Chairman Rep. John Nygren (second from left) in Marinette to discuss Medicaid.

During their meeting, participants stressed the importance of improving Wisconsin's inadequate Medicaid reimbursement rates, which resulted in over $1 billion statewide that went unpaid to Wisconsin hospitals for treating Medicaid patients. Hospital leaders from the area also discussed their concerns with Congress' recent actions to repeal and replace the Affordable Care Act, commending Nygren for two recent public statements he made encouraging Congress to embrace the "Wisconsin model" for coverage expansion and not disadvantage Wisconsin's Medicaid reform plan in the process.

Ed Harding, president/CEO of Bay Area Medical Center reiterated the same concerns during his public testimony before the Joint Finance Committee's budget hearing held April 21 in Marinette.

"The main tool that states can use to offset these Medicaid losses is the Medicaid Disproportionate Share Hospital (DSH) program," Harding's testimony stated. "As you create your priorities for this budget, we ask that you make health care a top priority by improving Medicaid reimbursement."

Mike Schafer, president/CEO of Spooner Health, testified April 18 at the JFC's public hearing held in Spooner. During his testimony, Schafer also stressed Medicaid reimbursement as well as the circumstances rural communities and hospitals face, especially related to their health care workforce. Schafer also testified about the need to support hospitals that are ineligible for DSH but still serve a high number of low-income patients on Medicaid in rural communities.

Mike Schafer testifies before the Joint Finance Committee at a public hearing April 18 in Spooner.

"Wisconsin's rural hospitals face unique challenges, the most significant of which is an aging patient mix and an aging workforce," read a letter submitted to the JFC by Schafer and 16 other hospital leaders from the region. "This problem impacts health care delivery on both the supply and demand side of the equation, as demand for services increases and the labor market (supply of care) shrinks due to retirements. We applaud the work of the Rural Wisconsin Initiative to help address these significant challenges we face in rural Wisconsin." ***(continued on page 5)***

Continued from page 4 . . . Joint Finance Co-Chair Nygren Meets with Local Hospital Leaders

The Joint Finance Committee has now completed its round of six public hearings. Close to 10 Wisconsin hospital leaders testified at these JFC hearings statewide. An additional 50 hospital leaders from across the state submitted joint letters to the Committee, which urged JFC to make Medicaid funding a priority through increased DSH program funding, mental health funding and targeted rural and workforce initiatives.

Hospital leaders from Ascension - St Joseph's Hospital and Aurora Health Care testify at the JFC budget hearing in Milwaukee April 5.

Tammy Bending, VP Critical Access Operations, ThedaCare, testifies to the JFC in Berlin, WI April 7.

Gundersen Boscobel Area Hospital CEO David Hartberg testifies at the state's budget committee hearing in Platteville April 3.

WHA Provides Medicare PPS Rule Summaries and Hospital-Specific Analysis on Medicare Reimbursement

Recently, the Centers for Medicare & Medicaid Services issued proposed prospective payment system rules for hospital inpatient and long-term care hospitals. They also issued an inpatient psychiatric facility quality reporting proposed rule.

These are the first of many proposed and final Medicare payment rules that are generally released from now through October of each year.

WHA has excellent resources on its website to help members understand these important Medicare payment rules, by providing detailed rule summaries and hospital-specific analysis on the financial impact of the changing rules.

All completed PPS rule summaries can be found on the WHA website at www.wha.org/medicare.aspx. Once there, see the left hand side of the webpage for a specific PPS topic.

The hospital-specific fiscal analysis of the Medicare PPS payment rules are posted on the WHA member portal at http://members.wha.org/Home.aspx. The first PPS analyses should be completed and posted sometime the first week of May.

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Borgerding started the Medicaid discussion by asking the panelists to consider whether a portion of the $330 million Medicaid surplus should be used to improve hospital reimbursement. He said hospitals have helped to create the surplus from reimbursement rates that "subsidize" the program but do not cover the cost of care provided to Wisconsin's Medicaid enrollees. He asked each panelist for their thoughts about using the additional revenue to increase Medicaid payments to hospitals.

"I look at the Disproportionate Share Hospital (DSH) payment as a way to deal with the fact that we are not taking Medicaid federal dollars here, and it's a way to compensate hospitals for low payments," Shilling said. "As we look at how we can help with uncompensated care costs, as we think about the $330 million surplus, I would support adding that to the DSH proposal in the budget."

The Medicaid program in Wisconsin is the worst payer in the United States, according to Vos.

"Medicaid…is a one-size-fits-all, Washington-dictated program…then we beg for waivers," Vos said. "A program like DSH makes sense. It is why on a bipartisan basis, Republicans and Democrats said we are going to make sure we direct funds toward the hospitals that deal with the poorest folks in the most challenging communities. I agree we should continue to put more funding into DSH. The difficulty we have with that, when a budget is put together, all the pieces are already allocated—so if we choose to put money into DSH, it means taking it from the university or school districts—neither of which I relish doing. I am more than willing to take a look at it as the finance process goes through, but it is not an easy problem to solve. The fact that we have it in the budget is a major advantage; it is something we could grow over time."

Borgerding said it is important to note that since Wisconsin rejected Medicaid expansion, in every one of the budgets since, the Governor and the state Legislature have increased Medicaid funding. So while we rejected those federal dollars, Wisconsin has replaced those with state dollars and has kept its commitment to the Medicaid program, which is greatly appreciated.

"The heartburn came with the requirement that states expand eligibility to 138 percent FPL," Borgerding said. "There was no alternative. You either expanded the way Washington said to expand, or you were out of luck. The fact is, Wisconsin did expand and put 130,000 more people into Medicaid below 100 percent FPL. The difference between Wisconsin and Illinois is Illinois gets 100 percent, ramping down to 90 percent of federal dollars to pay for that same exact population that Wisconsin is spending $280 million to cover. My hope is in 2017 there is a way to not necessarily refight the Medicaid expansion battle, but instead come together in a bipartisan way that we can petition the Administration, maybe under a waiver, to recognize the expansion Wisconsin did and the fact that we added 130,000 people. Why should we not be recognized for doing that with the enhanced federal match? What is the difference between the traditional federal match at 60 percent and the enhanced federal match at 90 percent? They are both a federal match. Unless we're proposing to take less money from the federal government and take that match down from 60 to 40, which I don't think we are doing. My sense is it's a discussion about what should the match rate be and how should Wisconsin be recognized for the commitment we did make. I think we could find some bipartisan common ground on that."

In his last question to the panel, Borgerding asked for their opinion on what the goals should be as Congress debates the repeal and replacement of the ACA. He asked them to keep in mind that the "Wisconsin model" for Medicaid expansion relied heavily on covering those below 100 percent FPL and moving those above the poverty line into the exchanges.

Fitzgerald led off by emphasizing the importance of allowing states the flexibility to design their own programs to meet the needs of their own state. A one-size-fits-all program does not work, even within a state. When the ACA was rolled out, he said it was that concern that led some states to be reluctant to expand Medicaid and accept the federal dollars. *(continued on page 7)*

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"I think all legislative leaders, no matter what state they are from, know if they come up with a system that allows those dollars to go into their state coffers, so we can design or redesign what we think is the most effective way to implement that in our state, that is what they are looking for," Fitzgerald said. "We are fortunate to have Speaker Ryan's ear. I will tell you what I tell him: Don't penalize states no matter where they landed on whether they created a state or used the federal exchange, and second make sure the dollars come directly to us so we can design our own program."

Barca said he wants to maximize the dollars coming back to Wisconsin. While waivers are vitally important, he cautioned that he believes the worst thing would be block grants for medical assistance.

"If their goal in the block grants is to make sure states have more resources available to accomplish their goal, I would say fantastic. But normally when Congress uses block grants, it is their way to cut the resources coming back. The cost of serving people with disabilities is expensive; frail elderly people who need the quality care you provide is expensive," he said. "I don't want to see block grants at the expense of the fact that we get waivers we want, but not at the expense of getting only 2/3rds of the funds we need to serve people with disabilities. That worries me."

If we are stuck with the ACA, Barca said, make it the best that it can possibly be. Medicare wasn't perfect when it was passed, he said, but I don't hear people saying let's get rid of Medicare. If they can't get the votes at the end of the day, then at least let's tweak it and make it the best program it can possibly be so citizens have coverage and providers have the kind of reimbursement so you can do the job right.

States need more flexibility, according to Vos, without the federal government dictating how to do it. "When I look at Medicaid, all we (the states) ask is to give us a block grant so we can be the innovators that the framers of our Constitution imagined that every state would be," Vos said. "What happens in Georgia or Florida is not the exact same as what happens in Minnesota or Wisconsin…so the American people can see which one works better. Our current system takes well-meaning unelected bureaucrats, who impose a one-size-fits all system on everybody, and then we have to request a waiver from someone who has never ran for office and has never set foot in your hospital.

"I want Wisconsin government to have control. You can bring us into your hospital and educate us. You do not have the same access to members of Congress that you have to your state legislators as far as making decisions in the interest of your organizations. As we look at where we are going forward with health care, that's my vision. More power going to us…we can put cost controls in place and innovate," according to Vos.

The federal government could learn a lot from the health care delivery systems in Wisconsin. Shilling believes that story should be told broadly about Wisconsin's outcome based, patient-centered, evidence-based care.

"Great things are happening here in our health care models. If we look at changes to the ACA, we need to cover preexisting conditions," according to Shilling. "There are people across the country that the idea of taking away insurance and access is frightening to them. Is health care a right or a privilege? What is the right way to access care? I think we should talk about wellness incentives. I know you are doing bold things…You in health care have known this feeling of uncertainty. Are we tweaking the ACA or blowing it up? That uncertainty exists for us as policymakers, but you are on the front lines of this uncertainty."

Borgerding thanked the legislators for the excellent discussion and closed by acknowledging the dedication of our state legislators.

"What we should all take away from this discussion is the substantive grasp and understanding that our legislative leaders have on health care in Wisconsin," Borgerding said.

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