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ACA Repeal/Replace, State Budget, Post-Acute Care Top WHA Board Agenda

An acronym that was unknown a little more than a month ago is now in common usage in health care circles across the country. The American Health Care Act (AHCA) was publicly introduced by House Republicans March 6 to replace the Affordable Care Act (ACA). That effort failed, but since its introduction, the WHA staff has dedicated hundreds of hours analyzing the impact the proposal would have on Wisconsin hospitals and health systems, the state's Medicaid program and on residents of the state who purchase insurance on the exchange, especially those who are now receiving significant subsidies.



From left: WHA Past Chair Mike Wallace, Chair Cathy Jacobson, WHA President/CEO Eric Borgerding, Chair-Elect Bob Van Meeteren and Steve Little

At the WHA Board meeting April 6 in Madison, WHA President/CEO Eric Borgerding said he, along with Wisconsin Medicaid Director Michael Heifetz, who was a guest at the WHA Public Policy

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WHA Testifies on ACA Reform Impact on State's Medicaid Program Borgerding: "Medicaid debate can't just happen in Washington"



WHA President/CEO Eric Borgerding testifies before the Assembly Committee on Federalism and Interstate Relations on the impact of federal policies, including the replacement of the ACA, on Wisconsin's Medicaid program.

At the invitation of the Assembly Committee on Federalism and Interstate Relations, WHA President/CEO Eric Borgerding testified at an April 5 hearing in Madison on the impact health reform could have on the state's Medicaid program. He said the Medicaid debate must occur in both Madison and Washington and he told Committee members the Medicaid issue will land "squarely in your laps."

WHA has been heavily engaged in the health reform debate at both the state and federal level. Borgerding said the outcome of any reform will have significant implications for hospitals and patients in Wisconsin and for state public policy, including the current state budget.

Borgerding explained the "hybrid" approach Wisconsin took to expanding coverage, often referred to as the "Wisconsin Model." It relies on two key programs to substantially expand coverage—Medicaid and subsidized premiums on the Obamacare exchange. In all, the Wisconsin Medicaid program added 130,000 people under 100 percent FPL, all "in poverty," which he said in and of itself is a "significant Medicaid reform." However, because Wisconsin did not expand per the Obamacare definition, the

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state did not receive the enhanced federal funding. It is, according to Borgerding, a classic example of Washington's "our way or the highway" mentality that created a patchwork of haves and have nots that is proving to be one of the biggest snags in the effort to repeal the ACA. (View Borgerding's testimony at www.wha.org/pdf/Testimony-AssemblyFederalismInterstateRelations4-5-17.pdf.)

"Our rough estimate puts the added cost to Wisconsin for not 'expanding' Medicaid the Washington way...at about \$280 million per year," according to Borgerding. "In other words, 31 states receive nearly 100 percent federal funding for the exact population that Wisconsin now spends hundreds of millions to cover."

Those dollars, he said, could be used to expand the health care workforce, train more doctors and nurses and improve access in underserved rural and urban areas, as well as reduce the Medicaid cost shift to employers and their families. And, he said, Wisconsin could have created a low-income insurance pool if Congress eliminates the income-based premium subsidies that were so important to the Wisconsin Model of coverage expansion.

Medicaid Director Michael Heifetz also testified at the hearing. He said the state plans to release a draft of a plan soon that would allow the state to cap eligibility, charge premiums and drug test childless adults in BadgerCare, according to Heifetz.

Borgerding said he was concerned about how co-pays and premiums would be collected.

"I've said for years that if co-pays are a great idea in Medicaid, then maybe we should have them made payable to the state, not collected and payable to providers," he told lawmakers. "Because the truth is most of those simply won't be paid. It's hard to collect those. And we certainly won't be denying care based upon those."

To watch the entire hearing go to WisEye: www.wiseye.org/Video-Archive/Event-Detail/evhdid/11441. WHA is a key sponsor of Wisconsin Eye's JFC and state budget coverage.

WHA Members Advocate for Medicaid Reimbursement at JFC Hearings ***Health care leaders ask JFC to use Medicaid surplus to increase provider rates, support GME***

The Joint Finance Committee (JFC) took to the road this week to gather feedback from residents across the state on the proposed 2017-19 biennial state budget. Several leaders from Wisconsin hospitals and health systems testified at the JFC hearings and asked the Committee to consider increasing its support of the Disproportionate Share Hospital (DSH) program, a program that is designed to offset hospital Medicaid losses.

"Hospital and health system leaders are testifying at every JFC public hearing to ensure legislators know Wisconsin must make investments in our Medicaid program that improve our provider reimbursement rates and reduce the 'hidden health care tax' on our employers," according to WHA Senior Vice President Kyle O'Brien.

Speaking at the Platteville hearing, David Hartberg, CEO, Gunderson Boscobel Area Hospital and Clinics, told JFC members Wisconsin needs to increase its support of the Medicaid Disproportionate Share Hospital (DSH) program, a program ranked fifth smallest in the country. Hartberg noted the Wisconsin Medicaid program experienced a more than \$300 million surplus in 2017, which is not being used to increase provider reimbursement rates and without action, will be lapsed into the state's general fund.

"As hospitals, we feel we have paid for this surplus because of Medicaid losses resulting from below-cost reimbursement," according to Hartberg. "We respectfully ask that the state invest at least \$30 million of that surplus back into Medicaid payments and health care workforce initiatives. This

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Gundersen Boscobel Area Hospital CEO David Hartberg testifies at the state's budget committee hearing in Platteville to increase Medicaid payment for hospitals and investments in the rural health care workforce.

investment—amounting to less than 1/10th of the surplus—will help offset Wisconsin's Medicaid reimbursement rates that rank 48th in the entire country."

At the hearing in Milwaukee, Steve Francaviglia, president, Aurora Health Care Greater Milwaukee South, testified that insufficient Medicaid funding continues to be a major problem. He said Aurora Health Care's most recent Medicaid shortfall was \$320 million, at cost. Meanwhile, the Medicaid program has experienced a surplus of more than \$300 million.



Hospital leaders from Ascension - St Joseph's Hospital and Aurora Health Care testify at JFC budget hearing in Milwaukee regarding Medicaid funding and the growing Hidden Health Care Tax in Wisconsin.

"While we are happy to see a stable Medicaid budget, the program still just pays 65 cents on the dollar, meaning that the surplus has been paid for by hospitals and their patients. We ask that a portion of those funds be used to improve health care for our state's sickest and poorest citizens," Francaviglia said. "In the past this committee has supported the DSH program, which helps safety net hospitals serve a population like Aurora Sinai that is comprised of 50 percent Medicaid beneficiaries. We ask that you strengthen the DSH program. We appreciate the support that we have received in the past to support hospitals like Sinai."

at Aurora. He said Aurora has decreased ER visits by 39 percent while providing better care at less cost. He also told JFC members there has been a tremendous increase in the demand for outpatient behavioral health services, but they have seen an insufficient investment in mental health that could help the state's more vulnerable patients access care.

In addition, Francaviglia asked the JFC to consider making investments in innovative programs that have proven results, such as the care coordination program

Kevin Kluesner, CAO, Ascension St. Joseph Hospital, Milwaukee, said statewide the Medicaid shortfall tops \$1 billion. Ascension hospitals alone account for nearly \$200 million of that shortfall, while providing \$30 million in free care for people with no ability to pay.

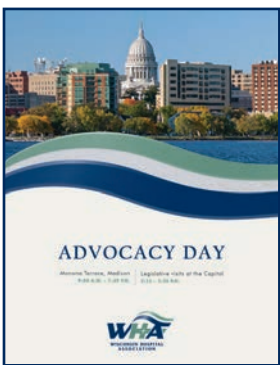
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"For an urban safety net hospital like mine with few commercial payers, there is nowhere to shift those costs, and we have a chronically large number of uninsured. The Wisconsin Medicaid program experienced a more than \$300 million surplus in 2017. Unfortunately that is not being used to increase provider funding but is being pulled into the general fund," Kluesner said. "I ask you to invest \$30 million back into Medicaid payments and into the expansion of graduate medical education. I think it is a small ask that will sustain safety net hospitals and ensure we train enough physicians and other providers to care for our state's residents as our population continues to age."

The JFC will continue to hold hearings, today (April 7) in Berlin, in Spooner April 18, Ellsworth April 19 and Marinette April 21.

Last Call for Registrations: Advocacy Day April 19 *Closing in on 950 registrations!*



Advocacy Day 2017 is less than two weeks away, April 19 at the Monona Terrace in Madison. Make sure you have registered everyone in your hospital contingent today at: www.cvent.com/d/svqylc.

You won't want to miss the day's excellent speakers, including morning keynote and well-known political journalist Amy Walter and luncheon keynote, Gov. Scott Walker. The legislative leadership panel includes the Republican and Democratic leaders in both the State Senate and State Assembly: Sen. Scott Fitzgerald (R-Juneau), Sen. Jen Shilling (D-La Crosse), Rep. Robin Vos (R-Rochester) and Rep. Peter Barca (D-Kenosha).

During the luncheon, the Wisconsin Hospital Association will present its Legislator of the Year Award and its hospital Advocacy All-Star Award before sending attendees off to the State Capitol for their scheduled legislative meetings. Some 600 attendees have registered to participate in the afternoon's legislative meetings, which WHA believes are the most important part of the day. To prepare attendees for their meetings, WHA schedules all meetings and provides an issues briefing at Advocacy Day.

Again, make sure you get your final registrations in today at: www.cvent.com/d/svqylc. For Advocacy Day questions, contact Jenny Boese at 608-268-1816 or jboese@wha.org. For registration questions, contact Kayla Chatterton at kchatterton@wha.org or 608-274-1820.

2017 WI Hospitals State PAC & Conduit Kick-off Breakfast, April 19 *Contribute \$250 or more to attend*

The 2017 Wisconsin Hospitals State PAC & Conduit fundraising campaign has already raised \$80,000 from over 80 contributors. There is still a ways to go to reach the 2017 goal of raising \$312,500. Individuals who contribute a minimum of \$250 by April 19 are invited to attend the invite-only, kick-off breakfast the morning of Advocacy Day. A full breakfast will be served and attendees will hear from two special guests. Contribute to either the Wisconsin Hospitals State PAC, Wisconsin Hospitals Conduit or both today by logging onto www.whconduit.com or by calling Jenny Boese directly at 608-268-1816 or Nora Statsick at 608-239-4535.

WHA Announces New Vice President of Workforce and Clinical Practice

Ann Zenk, RN, MHA, has joined the WHA staff as vice president, workforce and clinical practice. Zenk brings more than 30 years of experience to the position, most recently serving as vice president patient care services with Ministry Sacred Heart-Saint Mary's Hospitals--a part of Ascension--since 1991. Zenk will start June 5, 2017.



Ann Zenk

Over her health care career, she has held a variety of roles, starting as a staff nurse and progressing to increasingly responsible roles in nursing leadership, quality improvement, risk management and utilization review.

"We are extremely pleased to have Ann join our team. Her extensive clinical knowledge combined with her nursing leadership and quality improvement experience adds depth to our team that will enhance our ability to develop workforce strategies that address key challenges facing our members," said WHA President/CEO Eric Borgerding. "In addition, Ann's clinical experience will be an asset not only on our public policy work, but also to WHA's quality improvement initiatives."

Zenk has a bachelor's degree in nursing from Viterbo University, and a Masters in Health Administration from Ohio University. She was a Lean Six Sigma Black Belt for Ministry and a Certified Professional in Healthcare Quality.

Contact Zenk at azenk@wha.org or 608-274-1820.

Interstate Medical Licensure Compact Expedited Process Goes Live

On April 5, the Interstate Medical Licensure Compact Commission activated a new online process for expediting the licensure process for qualified physicians from other Compact states who want to practice medicine in Wisconsin and other Compact states. Wisconsin joined the Interstate Medical Licensure Compact through the enactment of legislation in December 2015, which was a key legislative priority for WHA.

To apply for a Wisconsin medical license through the Interstate Medical Licensure Compact expedited process, individuals should go to <https://imlcc.org>. The website also includes information about eligibility, process, cost and other information about the expedited licensure process under the Compact.

In addition, look for an announcement from WHA on an upcoming WHA educational webinar on the new expedited process to receive a Wisconsin medical license through the Compact process.

"This Compact will streamline the licensure process for many physicians who have been successfully recruited by our members to serve people in communities across Wisconsin," said WHA President/CEO Eric Borgerding when the Compact legislation was signed into law. "Wisconsin's high-value, high-quality health care system is well served by the caring professionals who take care of patients each and every day. As hospitals and health systems employ nearly 80 percent of the physicians licensed in Wisconsin, hospitals have a vested interest in ensuring that access to care is not burdened by regulatory red tape and paperwork."

Presently, 18 states are members of the Interstate Medical Licensure Compact.

If you have any questions about the Interstate Medical Licensure Compact and the new expedited licensure process that it provides, contact Matthew Stanford, WHA general counsel, at mstanford@wha.org or 608-274-1820.

WHA Physician Engagement and Retention Toolkit Presented at Summit

The Wisconsin Hospital Association's Physician Engagement and Retention Toolkit was presented by Charles Shabino, MD, WHA chief medical officer, at the Wisconsin Medical Society's "Leadership Summit to Improve Physicians' Experience," March 30.

The Toolkit, published in December 2016, was created by the WHA Physician Leaders Council in recognition that given the high level of integration of physicians into Wisconsin's health systems and thus the strategic importance of retention of a cadre of engaged, energized, resilient and committed physicians, an ongoing assessment and evaluation of potential ideas, strategies and resources is worthwhile. The Toolkit provides a series of 140 questions and considerations to help hospitals and health systems review and refine their unique physician retention strategies.

The Toolkit is available to member administrative and physician leaders upon request. Email your request to Kim Drone, WHA government relations coordinator, at kdrone@wha.org.

Fast Facts from the WHA Information Center

April is Donate Life Month

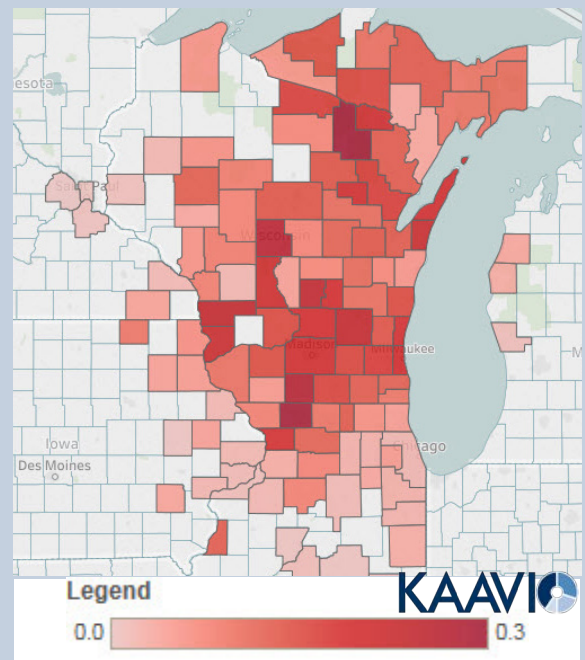
The WHA Information Center (WHAIC) reported 1,184 kidney transplants and 162 heart transplants performed over the past three years in Wisconsin hospitals. The map provides the rate of visits per 1,000 population of the counties within this timeframe for transplants performed.

National Donate Life Month was instituted by Donate Life America (www.donatelife.net) and its partnering organizations in 2003. It features an entire month of local, regional and national activities to help encourage Americans to register as organ, eye and tissue donors, and to celebrate those who have saved lives through the gift of donation.

According to the U.S. Department of Health & Human Services, as of April 5, 2017, there were 118,098 people waiting for lifesaving organ transplants in the U.S. Of these, 97,828 await kidney transplants and 3,968 await heart transplants.

Think about registering to be an organ donor. One donor could save up to eight lives.

Data provided by the WHA Information Center (WHAIC). WHAIC (www.whainfocenter.com) is dedicated to collecting, analyzing and disseminating complete, accurate and timely data and reports about charges, utilization, quality and efficiency provided by Wisconsin hospitals, ambulatory surgery centers and other health care providers.



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Council meeting March 30 (See *Valued Voice* article at www.wha.org/pubArchive/valued_voice/WHA-Newsletter-3-31-2017.htm#1), were invited to testify March 5 before the Assembly Committee on Federalism and Interstate Relations. Borgerding said his testimony focused on the impact health reform, including the potential repeal and replacement of the Affordable Care Act (ACA), would have on Wisconsin's Medicaid program, the insurance exchange and on the "Wisconsin Model" of coverage expansion.

Borgerding told the Committee Wisconsin has a "proud tradition of high-quality, high-value and high access to health care."

"We are proud to represent hospitals and health systems that, together, have helped to build this reputation that is envied across the nation," Borgerding said. "Our strong interest is in working with you to support and sustain access to this high-quality care." (Read article on WHA's testimony on page 1.)



WHA Board meeting, April 6, 2017

Good Progress Noted on WHA 2017 Goals

Several new initiatives were introduced in the WHA 2017 Goals, and Borgerding said solid progress is being made on those as well as the perennial issues, such as Medicaid, workforce and quality.

One newer initiative in the goals that Borgerding said is rising in importance is engaging physician leaders in WHA's advocacy and clinical improvement agenda. Borgerding said the WHA Physician Leaders Council (PLC) has been a valuable resource in guiding the development of a stronger tie between the Association and physicians employed by WHA members.

Borgerding also previewed the Board Planning Session. He said for the past several years the Board has had a high level and ongoing discussion about who WHA is now and what, as an organization, it will be in the future. The perception of WHA's brand continues to evolve, as evidenced by the Association's ongoing work on an integrated physician agenda and its more recent post-acute care strategy. He said WHA is working with a well-known national branding expert who will be conducting research over the next two months, which will include surveying and interviewing Board members and others that will help inform a deeper discussion at the Board Planning Session in July.

American Health Care Act – what's next?

Joanne Alig, WHA senior vice president, policy & research, provided an in-depth review of the process and policies contained in the American Health Care Act (AHCA). Alig said there is still uncertainty about the timing of any legislation, and while talks continue in Washington, WHA will continue to be engaged.

Alig said Wisconsin experienced a 38 percent decline in the uninsured rate. That, coupled with reductions in uncompensated care have been positive for Wisconsin. Although Medicaid and Medicare shortfalls increased during the same time, more than 195,000 people gained coverage from 2013 through 2015 in Wisconsin.

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WHA has advocated any bill that includes changes to Medicaid financing must ensure equity among expansion and non-expansion states. Wisconsin expanded coverage to childless adults without receiving higher federal funding like many other states. At the same time, Wisconsin reduced Medicaid eligibility for about 60,000 adults in 2014, relying on income-based subsidies being available for low-income Wisconsinites to obtain private coverage.

Under the AHCA, Wisconsin could have received an estimated \$70 million in “safety net” funding. But under Wisconsin’s Model for coverage, Wisconsin is spending about \$280 million in state dollars for a population group for which other states get full federal funding. In short, the bill continued to create inequities for states like Wisconsin because it still did not recognize Wisconsin’s coverage expansion as a “full expansion.”

WHA members have identified several concerns with the AHCA as it was structured, including that the level of the tax credits would be insufficient to ensure affordable coverage for low-income Wisconsinites. Wisconsin relied on the income-based subsidies available under the ACA to ensure access to coverage. Overall, Alig reported, the long-term viability of the insurance exchanges continues to be of concern nationwide, as evidenced this week with reports of Wellmark in Iowa announcing it will no longer participate in the insurance exchange. Wisconsin is fortunate to have more robust competition in its insurance markets, yet must continue to focus on the stability of the overall market. Alig reviewed the insurance market policies currently under consideration at the federal level.

WHA will continue to assess the developments in Washington and Madison to help shape the path to come.

Wisconsin State Budget & 2017-18 Legislative Session

Kyle O’Brien, WHA senior vice president, government relations, briefed the Board on the Governor’s proposed state budget and on the work WHA is doing to advocate for additional investments in the state Medicaid program through the legislative process. O’Brien provided an update on the Association’s advocacy work, including testimony being prepared for the Joint Finance Committee’s statewide public hearings that asks the Committee to use a portion of the \$300 million lapse from the Medicaid program to fund several WHA budget priorities.

O’Brien reported WHA is working to increase the Medicaid Disproportionate Share Hospital (DSH) program, fund elements of the Rural Wisconsin Initiative related to health care, provide additional resources for outpatient mental health care and create a payment methodology for provider care coordination for the state’s Medicaid program.

Alig discussed what WHA knows about the Department’s Medicaid waiver request requiring premiums for able-bodied adults on the Medicaid program, along with additional co-pays and drug screening requirements for Medicaid enrollees. Alig said WHA would review the requirements once official documentation is made public and will comment to both the Walker Administration and members of the Legislature regarding the impact of these provisions on Wisconsin’s hospitals.

Along with the budget, O’Brien said WHA is working alongside a coalition of providers to advocate for Assembly Bill 146—legislation that allows dental hygienists to practice in additional settings without supervision by a dentist. The legislation passed the Assembly Health Committee March 29 with unanimous support from the Committee. WHA expects the legislation will be approved by the full Assembly next week.

WHA Post-Acute Care Work Group sets aggressive, achievable goals

Laura Rose, WHA vice president, policy development, described to the Board WHA’s work on issues related to post-acute care. Rose noted post-acute care is one aspect of WHA’s expanded policy agenda

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that looks beyond the walls of the hospital to include the continuum of care. The post-acute agenda is increasingly important to hospitals and health systems due to expanded application of alternative payment models such as bundled payments under which hospitals are responsible for patient outcomes over an episode of care. Further, integrated health systems are seeking partnerships with post-acute providers and are aware of the need to increase communication and collaboration between these providers and hospitals.

WHA formed a Post-Acute Care Work Group (P-AC) earlier this year. Rose said the Work Group will explore how WHA can help hospitals and health systems address their post-discharge challenges and opportunities. Their goal is to develop a package of achievable policy initiatives aimed at improving the ability of hospitals and health systems to provide or locate post-acute care for their patients.

The Work Group is focusing on post-acute care provided during the first 90 days (with special focus on the first 30 days) following discharge from an acute care hospital. Other areas of focus for the Work Group include improving access to appropriate, timely, high-quality and patient-focused post-acute care, especially for challenging patients; ensuring access, to the extent possible, to post-acute care in the patient's community, or, for more specialized care, in their region; improving communication and collaboration between hospitals and post-acute care providers; educating hospitals on the importance of engaging with post-acute care providers and how they can affect post-acute care choices; and, removing non value-added regulatory barriers to post-acute care.

Charisse Oland, CEO, Rusk County Memorial Hospital, who is a member of the P-AC Work Group, noted rural hospitals are experiencing a decline in swing bed usage that may be attributable to bundled payment initiatives. She said hospital patients may be discharged to the home before they are ready, without receiving appropriate post-acute services. This can lead to readmissions. Sandy Anderson, regional vice president, Ascension/Ministry Health Care, noted a similar decline in swing bed usage and said it is important to gather data on the types of patients who are using swing beds.

Mark Thompson, MD, chief medical officer, Monroe Clinic, emphasized the importance of establishing training and education programs for skilled nursing facilities (SNFs) so they can become effective post-acute partners. He added that better data on SNFs is needed to assess their quality of care and other factors that are important to hospitals when selecting post-acute care partners. Kelly Court, WHA chief quality officer, said she has been invited to present on post-acute care quality at LeadingAge Wisconsin's annual conference in May, where she will discuss many of the issues raised by Thompson.

Lange recognized for Board service

During his President's Report, Borgerding recognized George Lange, MD, for nearly 15 years of service on the WHA Board. Lange, who has served as an ex-officio representative for the Wisconsin Medical Society, was an engaged participant not just at the Board level, according to Borgerding, but also on the WHA Physician Leaders Council and in educational programming.

"I looked through my emails from George over the past years and noticed the many times he complimented the WHA team and our Board for the work we do here," Borgerding said. "That is nice to hear from such a dedicated, committed member of our Board for so many years."

AHA Regional Policy Board 5 Report

AHA Regional Policy Board (RPB5) representative Sandy Anderson reported that at the last meeting, AHA President Rick Pollack discussed the national impact of the AHCA and described AHA's advocacy roadmap. Anderson said AHA is developing an integrated physician agenda, as are other hospital associations around the country.

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Borgerding said hospital associations are looking at the next generation of physician leadership and aligning their resources to meet the needs of physician partners.

"As health care changes, so do the relationships between the hospital/health system and the physician and between the hospital association and physicians," Borgerding said. "Everyone is talking about our changing role. In Wisconsin, we have had integrated systems for a long time so we have more experience and are further along the continuum than some other states."