



**ANN HRAYCHUCK**  
STATE REPRESENTATIVE

March 2, 2010

**Testimony of Rep. Ann Hraychuck  
Before the Assembly Committee on Rural Economic Development  
Regarding Assembly Bill 770 – The Rural Healthcare Access Act**

Good morning, Chairman Garthwaite and committee members. I appreciate having the opportunity to speak with you about Assembly Bill 770, also known as the Rural Healthcare Access Act.

Critical Access Hospitals (CAH) are small hospitals, with fewer than 25 beds that are the only hospital in service for many miles. These hospitals often fund and maintain access to nursing homes, home health, mental health and other important services. As representatives of rural districts, where services are limited to begin with and medical assistance (MA) claims are already high, you can imagine how crucial these facilities are. There are 59 Critical Access Hospitals located throughout Wisconsin and these hospitals often are some of the largest employers in our rural communities.

As of January 1, 2010, the Department of Health Services began implementing an unprecedented 10 percent reduction in MA payments to Critical Access Hospitals, which ultimately will equal about \$15 million dollars. This funding reduction could not come at a worse time. Approximately 50 percent of Critical Access Hospitals barely broke even or lost money in 2008, while also experiencing a 24 percent increase in charity care over the last year.

This legislation is a win-win proposal that was developed after learning of the devastating cuts our Critical Access Hospitals would be receiving. AB 770 places a modest assessment on Critical Access Hospitals modeled after last year's successful hospital assessment. Revenue generated by this legislation will restore the ten percent cuts to our Critical Access Hospitals and will capture additional federal dollars that will increase MA payments to these hospitals. Assembly Bill 770 also works to improve the overall healthcare system in rural Wisconsin by increasing the number of quality health professionals through funding for rural residencies and loan forgiveness.

I have four Critical Access Hospitals in my district and shortly after learning of these cuts, I met with their administrators to discuss this proposal. The majority were absolutely thrilled to hear that we were working on a solution. However even more so, they were relieved to hear that they would not be forced to make extensive layoffs or eliminate services.

You will be hearing from the Wisconsin Hospital Association shortly and they will be able to address the specific details of this legislation. A special thank you to Representative Ballweg, Chairman Garthwaite, and Senator Miller for their work on Assembly Bill 770. Thank you for your time.