

December 10, 2004

TO: The Wisconsin Legislature

FROM: Eric Borgerding, Sr. Vice President
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RE: Recent Supreme Court Decision



On December 7, 2004, the Wisconsin Supreme Court rendered a far-reaching decision that should be of concern to anyone paying for health insurance in this state. The ruling essentially allows Dane County, and perhaps other counties statewide, to walk away from significant medical bills incurred by their prisoners.

A brief background: A prisoner in the custody of the Dane County Sheriff became extremely ill, causing the prisoner to be taken Meriter Hospital for treatment. While receiving care in the hospital, the individual was released from custody three days into an eventual 34-day hospital stay. Curiously, even though the charges were dropped against the prisoner/patient, Meriter was asked to notify the Sheriff upon the patient's discharge and the prisoner was eventually re-apprehended.

The Supreme Court ruled that since the charges were dropped after just 3 days in the hospital, the County was liable for just a small fraction of the prisoner's total treatment costs.

The case is significant not just because of the surrounding, perhaps precedent setting, circumstances, but because it illustrates the growing problem of cost shifting from government health care programs. When government pays hospitals and other health care providers little or nothing for health care services, unpaid costs must be shifted to private sector employers and employees. Given the statewide ramifications of the eventual decision, WHA filed an amicus brief supporting Meriter in the case.

In the decision, Justice Crooks wrote, "If the result in this case seems harsh, redress should come from the legislature, not from this courtIf a statute fails to cover a particular situation, and the omission should be cured, the remedy lies with the legislature, not the courts."

The Supreme Court believes a permanent remedy for this situation lies with the legislature. While WHA disagrees with the Court's ruling, we are anxious to work with the legislature to assure that what happened in Dane County does not become a common practice, further exacerbating the problem of government shifting its health care costs to the private sector.