

SCOTT SUDER

State Representative • 69th Assembly District

DATE: May 19, 2005
TO: Representative Dean Kaufert
Co-Chairman, Joint Committee on Finance
Senator Scott Fitzgerald
Co-Chairman, Joint Committee on Finance
FROM: Rep. Scott Suder
RE: Wisconsin Hospitals Assoc. "Downpayment Plan" for Medicaid

In 2004, it is estimated that Medicaid paid hospitals just 55 cents for every dollar it cost a hospital to deliver quality care to elderly and disabled participants. This disparity resulted in approximately \$450 million in unpaid Medicaid costs being shifted to employer health care premiums statewide – a situation many are now calling the "Hidden Health Care Tax." Unfortunately this isn't only a Milwaukee problem any more, it is happening statewide.

In order to confront this massive healthcare crisis head on, I am writing to convey my sincere support for the Wisconsin Hospital Association's Medicaid "Downpayment Plan". Specifically, this proposal would appropriate a total of \$25 million GPR per year into three statewide Medicaid hospital reimbursements:

- Outpatient Payments
- Disproportionate Share Hospitals (DSH)
- Graduate Medical Education (GME)

The most noteworthy portion of this plan is the fact that it would allow the state to capture more than \$37 million per year in additional matching revenue from the federal government. These are real dollars, not tricks or raids like those in the Governor's budget that will come back ten fold on the taxpayers of Wisconsin.

In the 69th Assembly District, as all across the state, government's unwillingness and inability to pay for its health care programs is having a negative impact on the cost of quality care and the ability of employers to continue providing health benefits to their employees. Wisconsin's job creating employers are already feeling the impact of this "hidden tax" in the form of higher health insurance premiums.

I believe it is the responsibility of the state to pay for the programs it creates, and not shift hidden costs to employers, employees and their families. I believe we need to make this a priority in the 2005-07 state budget, and I am certain we can do this without raising any taxes. The revenue is there, it is simply a matter of priorities. In 2005-07 we need to make this a priority. If you should have any questions or concerns regarding this proposal, please do not hesitate to contact me at any time.

Cc: Representative David Ward; Representative Scott Jensen; Representative Jeff Stone; Representative Kitty Rhoades; Representative Dan Meyer; Senator Mary Lazich; Senator Alberta Darling; Senator Robert Cowles; Senator Joseph Leibham; Senator Luther Olsen