




LEAH VUKMIR

STATE REPRESENTATIVE

DATE: June 2, 2005

TO: Representative Kitty Rhoades, Member
Joint Committee on Finance

FROM: Representative Leah Vukmir
14th Assembly District 

RE: Medicaid "Down-Payment Plan"

As the Joint Finance Committee continues working on the 2005-07 Biennial Budget, I want to draw your attention to a vital issue facing Wisconsin's hospitals regarding Medicaid.

Last session Wisconsin's hospitals received a cut in their Medicaid payments amounting to \$80 million, in addition to the fact that hospitals barely received .50 cents on the dollar in reimbursement for costs in providing care. Moreover, unpaid costs to hospitals for Medicaid totaled \$450 million in 2004.

I understand the difficult task you and the Committee face as budget priorities are set. I fully support the plan proposed by the Wisconsin Hospital Association that calls for allocating roughly **\$25 million in General Purpose Revenue (GPR)** in the following three crucial health care areas: Disproportionate Share Hospitals (\$11.3 million GPR & \$15.4 million Federal); Outpatient Payment Rates (\$10 million GPR & \$13.6 million Federal); and Graduate Medical Education/GME (\$3.7 million GPR & \$5 million Federal). In addition, the GPR dollars allocated in this manner would translate into approximately **\$34 million in federal money**. In short, this plan allows Wisconsin's hospitals to function in a relatively stable manner with Medicaid over the next biennium.

I respectfully urge you and the other members of the Joint Finance Committee to consider supporting this plan to ensure that hospitals across Wisconsin are able to continue providing the necessary care for Medicaid participants; this is NOT a regional issue, it affects our entire state.

Thank you very much for your attention concerning this important Wisconsin health care issue.