



January 4, 2010

The Honorable Herb Kohl  
330 Senate Hart Office Building  
United States Senate  
Washington, DC 20510

Dear Senator Kohl:

The Wisconsin Hospital Association (WHA) and the Rural Wisconsin Health Cooperative (RWHC) have learned of a provision in recently passed Senate health reform legislation, H.R. 3590, which could provide important Medicare payment increases for up to one dozen Wisconsin hospitals. As negotiations between the Senate and the House continue, we urge your support for this Medicare add-on payment.

The provision – Sec. 3125, Temporary Improvements to the Medicare Inpatient Hospital Payment Adjustment for Low-Volume Hospitals – would provide an estimated **\$4.7 million** in additional Medicare payments to Wisconsin hospitals.

Under the provision, impacted hospitals with fewer than 1,600 annual Medicare discharges and at least 15 miles from the next nearest hospital are provided these payments on a sliding scale percentage add-on up to 25%. The additional payments would be for fiscal years 2011 and 2012. Our estimates show that anywhere between eight and 12 hospitals could qualify for this payment.

**WHA and RWHC estimate this provision would impact Wisconsin hospitals in the following ways:**

- Beaver Dam Community Hospitals (Beaver Dam) = add-on payment of \$393,000
- Divine Savior Healthcare (Portage) = add-on payment of \$670,000
- Mile Bluff Medical Center (Mauston) = add-on payment of \$500,000
- Lakeview Medical Center (Rice Lake) = add-on payment of \$510,000
- Riverview Hospital Association (Wisconsin Rapids) = add-on payment of \$427,500
- Sauk Prairie Memorial Hospital (Prairie du Sac) = add-on payment of \$682,000
- St. Clare Hospital & Health System (Baraboo) = add-on payment of \$600,000
- St. Joseph's Hospital (Chippewa Falls) = add-on payment of \$950,000.

Once again, we thank you for your continued work on Medicare payment improvements. As negotiations continue please contact either of us regarding this or other provisions pending in health care reform legislation.

Sincerely,

Stephen Brenton, President  
Wisconsin Hospital Association

Tim Size, Executive Director  
Rural Wisconsin Health Cooperative