

This is a printer friendly version of an article from the **Appleton Post-Crescent**

[Back](#)

Editorial: Hospital tax needed to ease budget crunch

Advertisement

February 28, 2008

One of the late casualties of the state budget negotiations has resurfaced as a way to help fill a projected deficit.

A 0.8 percent tax on hospitals' gross revenue would bring in about \$400 million over the two-year budget, but it would also bring in more than \$400 million more in matching federal money for the state's Medicaid programs.

And it would help Wisconsin close the gap on a budget deficit estimated at \$650 million because of lower-than-expected revenue.

The hospital tax was a good idea last fall during the budget talks. It's an even better idea now, in this time of fiscal crisis.

Even the Wisconsin Hospital Association thinks so. The WHA initially opposed the tax because it didn't believe enough of the money would be used to deal with the dismal Medicaid reimbursement rate its hospitals get.

It was also opposed to the tax because many of its hospitals that don't treat a lot of Medicaid patients would lose financially in the reimbursement plan.

But the formula was adjusted and assurances were made, so the hospital association dropped its opposition.

Republican legislators in the Assembly remained opposed, however, and the tax was eliminated in the final budget compromise.

Now, with a big financial hole to fill, Gov. Jim Doyle and Senate Majority Leader Russ Decker, D-Weston, have renewed the proposal.

It may even end up reducing costs for those with private insurance, too, since hospitals have said they make up for the poor Medicaid reimbursements by charging the insured more. With better reimbursement, they wouldn't have to.

The hospital tax is favored by hospitals and will bring in more money. The state can't afford to let the hundreds of millions of dollars slip away a second time.