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Editorial: Seeing the light on tax

Increasing support by businesses, including WMC, for the proposed hospital tax should convince Assembly Republicans that this tax is good for business.

From the Journal Sentinel

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Whether it's called a hospital tax, assessment or fee, the idea makes good fiscal sense, which is why no one should be terribly surprised to see that support for the idea is gathering momentum among businesspeople in Wisconsin.

Last week, a coalition of health care groups and businesses trying to win support for the proposed hospital tax scored a major victory. That happened when Wisconsin Manufacturers & Commerce, the state's largest business lobby and one that usually opposes any new tax, threw its support behind the proposal.

WMC is not part of the coalition. But its support should persuade Republican legislators, who have been skeptical of the tax proposed by Gov. Jim Doyle, to give it their approval.

The idea has won the support of the Wisconsin Hospital Association, the very group whose members will pay it. And the reason boils down to simple arithmetic.

The tax would allow the state to leverage more federal money, which would in turn permit the state to increase the rate at which it currently reimburses hospitals that care for patients in state health programs under Medicaid, such as BadgerCare.

Because that rate is now so low, hospitals are forced to pass on the unreimbursed cost of that care to private patients, most of whom receive health coverage from their employers.

The tax would help in another big way. Because the state and federal governments jointly fund Medicaid programs, the more money the state spends on health care, the more it gets from the feds. The additional revenue from the hospital tax would allow the state to help cover a projected state budget shortfall.

"Current underfunding of Medicaid is driving up health care costs for employers," the WMC said in a news release.

WMC clearly gets it. Maybe when Assembly Republicans take another look at the proposal, they'll get it, too.

Should the state Legislature approve the hospital tax? Why or why not? Send a letter to: [Journal Sentinel editorial department](#)

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