

Hospital assessment can help solve budget deficit

Wisconsin officials left \$400 million in federal money on the table when they passed the 2007-09 budget bill last year — money that would help pay for health care for the poor while easing a significant burden on businesses.

For more than a decade, state policy makers have failed to increase Medicaid reimbursement. The statewide average of Medicaid reimbursement is 48 cents on the dollar of cost, not charges. Could you run your business on this rate of return?

During this same time, there has been growth in the Medicaid program and uninsured population, especially in metropolitan Milwaukee. Hospitals, especially those serving a disproportionate share of Medicaid patients, have not been able to keep



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their doors open without shifting much of this shortfall on consumers and businesses through increased premiums. The Medicaid shortfall for Wisconsin hospitals has totaled \$2.98 billion over the past 12 years. The Medicaid shortfall for Milwaukee area hospitals alone totaled \$205 million in 2006. Your businesses are picking up a substantial portion of the tab on programs created by government, but not adequately funded by the state.

It's time to do something about this shift. We have an opportunity to leverage additional federal dollars to increase hospital

Medicaid reimbursement.

In recent days, state officials have learned of a looming budget deficit estimated in the \$400 million to \$600 million range that must be corrected to avoid a budget crisis. Special legislation will soon be introduced to deal with the budget shortfall, and the hospital assessment has again emerged as a possible solution.

With the state now facing a multimillion-dollar deficit, the time is right to revisit this proposal. Lawmakers should take advantage of the same opportunity that 23 other states have seized by successfully implementing hospital assessment programs.

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