

Wisconsin Hospital Association, Inc. **NEWS**



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Wisconsin Hospital Association: Hospital Assessment Proposal Brings Federal Tax Dollars Back to Wisconsin, Provides Essential Funding for Vulnerable Health Care Programs

Attribute this Statement to WHA President Steve Brenton

January 14, 2009 ---- The Wisconsin Hospital Association applauds Governor Doyle's announcement today that he will introduce a hospital assessment initiative aimed at bringing more federal dollars back to Wisconsin, improving Medicaid payments to hospitals and providing funding for essential health care programs during one of the most challenging times in Wisconsin history.

It has been more than a decade since hospitals received an increase in what they are paid to take care of Medicaid patients. As a result, hospitals are paid less than half of what it costs to serve Medicaid patients. That has fueled a **\$600+ million** annual shortfall between what it costs to treat patients and what the Medicaid program pays hospitals. Those losses are being passed on to everyone else. The hospital assessment and the matching federal dollars will result in higher payments that will reduce that burden. Twenty-two other states use this mechanism to bring federal tax dollars back to their states, and more are planning to do so.

Wisconsin hospitals have been hit hard by the recent economic downturn with both charity care and bad debt increasing by 20 percent over the past year, and these numbers will get worse. Medicaid utilization is also increasing and the combination of those factors, left unaddressed, could jeopardize access to important health care programs in communities all across the state.

Governor Doyle is taking an important step forward with this proposal. It will bring Wisconsin's fair share of federal health care dollars back to the state and use them to better fund necessary health services for hundreds of thousands of patients and families. The Wisconsin Hospital Association is committed to working with the Doyle Administration and the Legislature to advance this important initiative.

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