

Wisconsin Hospital Association, Inc. **NEWS**



Contact: Mary Kay Grasmick 608-274-1820 or 608-575-7516 (cell)

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

Attribute this Statement to WHA Executive Vice President Eric Borgerding

February 11, 2009 ---- The Wisconsin Hospital Association applauds the announcement today that Governor Doyle and Legislative Leaders introduced 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 care for 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. These losses are being passed on to everyone else, resulting in higher health care costs. The hospital assessment and the matching federal dollars it will bring will result in higher payments that will begin to reduce that burden. Twenty-two other states use this mechanism to bring federal tax dollars back to their states.

Wisconsin hospitals have been hit hard by the recent economic downturn. Charity care and bad debt increased by 20 percent over the past year (equaling \$85 million at cost), and reports from the field suggest this trend is worsening. Medicaid utilization is also increasing and the combination of these factors, left unaddressed, will jeopardize access to important health care programs in communities all across the state. Importantly, a portion of the assessment will be used to implement statewide health coverage for low-income, uninsured childless adults, a key addition to the Wisconsin health care safety net during these difficult times.

Governor Doyle and Legislative Leaders are taking an important and necessary 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 necessary initiative.

Due to the retroactive nature of the proposal, time is of the essence. *WHA urges passage as soon as possible in February.*

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