

# NEWS



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## Hospitals Hail Medicaid Agreement

**MADISON (February 25, 2004)** ----- The Wisconsin Hospital Association (WHA) today praised legislative leaders and the Governor for reaching an agreement to partially address the state's growing Medicaid crisis. The proposal will restructure a portion of existing state debt to provide \$123 million in much needed revenue for the bleeding program.

"The Governor and legislative leaders understood the immediacy of this situation and stepped up to the plate," said WHA President Steve Brenton. "This is a good day for Wisconsin."

Without the immediate infusion of cash, access to health care programs for Wisconsin's neediest citizens would be jeopardized.

"Is this the greatest fiscal policy, maybe not. But it is the best idea among a host of worse alternatives," said Brenton. "Making these tough decisions is what leadership is about, and Speaker Gard, Majority Leader Panzer and Governor Doyle were very strong leaders today."

The money will be used to partially address a projected \$400 million deficit in the Medicaid program. Coupled with the matching federal dollars this funding attracts, the potential shortfall in Medicaid could actually be closer to \$1 billion.

"This is good news for Wisconsin business too," said WHA's Eric Borgerding. "When Medicaid doesn't pay its bills, those costs are shifted to employers and employees through higher health insurance rates. This proposal will go a long way towards keeping that situation from getting worse—that should not be overlooked."

In 2002, Wisconsin business paid \$270 million more for health care due to Medicaid underfunding of hospital services alone – causing some business leaders to dub cost-shifting "Medicaid's Hidden Tax."

"For a number of reasons, this was not an easy issue to address," said Borgerding. "Speaker Gard and Majority Leader Panzer deserve a lot of credit for resolving to find a solution to this immediate crisis."

"We also know this is a short-term solution, and that costs driving the Medicaid program must be addressed more fundamentally," said Brenton. "We look forward to working with the Legislature and Governor to find ways of addressing health care costs for the public and private sector."

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