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WHA Applauds Supreme Court Decision to Uphold Insurance Help

The Supreme Court's decision to uphold premium subsidies in states that are utilizing the federally-run insurance marketplace was good news for Wisconsin residents.

"We are pleased with this decision, which means 166,000 people in Wisconsin will not lose the tax credits that help them afford health insurance coverage," said WHA President/CEO Eric Borgerding. "The loss of premium assistance would most certainly have triggered a large increase in the number of uninsured. The disruption to our health care system and broader insurance markets would have been substantial."

Borgerding said thousands of people in Wisconsin who were previously uninsured, or who were made ineligible for Medicaid, connected with health insurance coverage on the federal exchange, also known as the health care marketplace. The subsidies reduce
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2015 Rural Health Conference Attracts Rural, Urban Health Care Leaders



WHA Council on Rural Health Chair
Bob Van Meeteren

The relationship between employers and rural hospitals and health systems was one of several important topics explored at the 2015 Wisconsin Rural Health Conference. While the emphasis was on "rural," the ideas and themes that headlined the conference were applicable to even the most urban settings in Wisconsin.

More than 300 attendees gathered in Wisconsin Dells for the 2015 Wisconsin Rural Conference June 18-19. From the opening address to the final "note" of the conference delivered by Irish Tenor Ronan Tynan, hospital administrators, trustees and physicians participated in sessions ranging from reimbursement issues and health care transparency to technology.

The State of Health Care in Wisconsin: WHA and RWHC share rural perspectives on key issues

Population demographics in rural Wisconsin are driving changes not only in how health care is delivered, but also who is paying for it. People living in rural areas tend to be older than their urban counterparts in a state where the retirement age population is quickly increasing. (See WISTAX Facts, page 5) *(continued on page 2)*



New Legislator Profile:

**Sen. Devin LeMahieu
(R-Oostburg)**

A series of interviews with newly-elected legislators, by Mary Kay Grasmick, editor

Sen. LeMahieu: WI Worker's Comp program "is not broken...is on the leading edge"

Sen. Devin LeMahieu made it a point to visit every hospital in his legislative district, and he is impressed with each and every one.



Devin LeMahieu

"It is definitely important to have good health care, and we do in the 9th Senate district," LeMahieu told WHA *Valued Voice* Editor Mary Kay Grasmick. LeMahieu's district includes Calumet, Sheboygan and Manitowoc counties. "Our hospitals are economic development assets. The hospitals and health systems are good community partners, helping our businesses to grow."

In addition, LeMahieu pointed out that Holy Family is the largest employer in Manitowoc, while Aurora is among

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WHA President/CEO Eric Borgerding and Rural Wisconsin Health Cooperative (RWHC) Executive Director Tim Size co-presented in what has become one of the most anticipated keynotes at the Rural Health Conference. Here are some highlights Borgerding shared:



Eric Borgerding, Tim Size

- Government programs are an increasingly growing percent of the rural payer mix. From 2005-2014, Borgerding noted that Medicaid was 33 percent of the payer mix for rural hospitals, while private/commercial payments has decreased nearly 13 percent.
- Outpatient services accounted for 76 percent of the volume in rural hospitals, and it continues to grow.
- Physician shortages, especially psychiatrists, are a statewide issue, but it will be a greater recruitment and retention challenge in rural areas.

“WHA’s advocacy priorities reflect the changing health care environment that is always evolving to meet the needs of our patients, employers and people living in our communities,” Borgerding said. He added that WHA and RWHC partner on many issues, including workforce, reimbursement, coverage and access and advocacy.

Size said he is very proud of the strong and productive relationship between WHA and RWHC. That partnership has helped advance advocacy efforts in both Washington DC and Madison, and it has facilitated quality improvement efforts in all hospitals. In fact, Wisconsin rural hospitals participate in public reporting and quality initiatives that are not taking place in other states.

“Rural hospitals in Wisconsin are well positioned to meet the triple aim: Better care, better health and lower costs,” according to Size.

Political Action Spotlight

50 and 166 - Individuals Step up for Hospitals PAC Campaign

To date, \$150,000 has been raised in the Wisconsin Hospitals Conduit and State PAC annual fundraising campaign. This puts the 2015 campaign over 55 percent of the \$270,000 goal as compared to last year at this same time when the 2014 campaign was at 44 percent of the goal.

The individuals listed on page 7 are each one of the 166 campaign supporters participating in the 2015 fundraising campaign.

“The 166 individuals who have already contributed are responsible for helping the campaign get off to a record start,” said Jodi Bloch, WHA political affairs consultant.

Importantly, 50 of the contributors participate at the Platinum Club leadership level of \$1,500 or more.

All 166 individual contributors including the Platinum Club members are listed in *The Valued Voice* by name and affiliated organization on a regular basis. A special thanks to these individuals who are the earliest contributors to the 2015 Campaign and who are on page 7. Contributors are listed alphabetically by contribution amount category. The next publication of the contributor list will be in the July 10 edition of *The Valued Voice*. For more information, contact Jodi Bloch at 608-217-9508 or Jenny Boese at 608-274-1820.

HRSA Releases Rule on 340B Ceiling Prices, Penalties

The Health Resources and Services Administration (HRSA), which has oversight of the 340B drug discount program, released one of two expected proposed rules on the 340B program. The proposal released this week is relatively narrow and sets the specifics around 340B ceiling prices and penalties by manufacturers for failing to comply with those. This rule was required under the Affordable Care Act. The second, much-anticipated “mega-guidance” is still expected to be released by HRSA in the coming months.

In its proposed rulemaking, HRSA indicates the following:

- Ceiling prices – HRSA sets out the calculation for ceiling prices that manufacturers can charge 340B “covered entities,” including estimating ceiling prices for new drugs. HRSA also addresses how to handle penny drugs.
- Civil monetary penalties – Civil monetary penalties apply if a manufacturer knowingly and intentionally exceeds the ceiling price. The penalty may not exceed \$5,000 per instance. In addition, the proposal indicates the manufacturer is solely responsible for others in its distribution system as well should those fail to provide the appropriate price to covered entities. A caveat to the penalty’s potential application is that the covered entity must, at the time of purchase, identify the drug purchase to the manufacturer as a 340B-eligible drug.

Comments on the proposal will be accepted through August 17, 2015. Read more at www.gpo.gov/fdsys/pkg/FR-2015-06-17/pdf/2015-14648.pdf.

Federal Issues Update

Action on Capitol Hill: IPAB, Observation Notices, Direct Supervision

Multiple pieces of legislation that would impact hospitals and health systems continue to move in Washington, D.C. on both the House and Senate sides. Here is a round-up of several of interest this week:

- **IPAB Repeal (HR 1190)** – the full U.S. House of Representatives voted June 23 to repeal the Independent Payment Advisory Board (IPAB) created under the Affordable Care Act. IPAB was created in the ACA to monitor Medicare spending and make recommendations to cut spending (provider side only) should it increase over spending targets. HR 1190 passed the House by a vote of 244-154. Wisconsin’s House Members voted along party-lines: Republicans voting in favor of IPAB repeal and Democrats voting against. WHA has been opposed to IPAB for multiple reasons, including that it only looks to provider cuts as options and that it is an un-elected body.
- **Observation Notices to Patients (S. 1349)** – dubbed the “NOTICE” Act, S. 1349 passed the U.S. Senate Finance Committee June 24. The legislation is in response to patients unexpectedly running into higher co-pays while in observation status as well as problems with meeting the three-day stay requirement if discharged to a skilled nursing facility. The legislation would apply to hospitals, including critical access hospitals, and would require written notification be given to individuals receiving observation services for more than 24 hours but before 36 hours have expired. The notice would explain observation status, potential cost-sharing differences and implications. Companion legislation has already passed the full U.S. House by a unanimous 395-0 vote March 16.
- **Direct Supervision Enforcement Delay (S. 1461)** – the U.S. Senate Finance Committee voted on S. 1461 which would extend through 2015 the current enforcement delay for Medicare’s direct supervision requirements for outpatient therapeutic services furnished at small rural and critical access hospitals.

If you have questions, contact WHA’s Jenny Boese at jboese@wha.org or 608-268-1816.

Gundersen Physician Leader Speaks to National Press Club on Physician Licensure Compact



Humayun J. Chaudhry, DO, MS, MACP, FACOI, President/CEO, Federation of State Medical Boards, with Marilu Bintz, MD, FACS, MBA, Medical Vice President, Gundersen Health System

A Gundersen Health System physician and medical vice president, Marilu Bintz, MD, was one of five panelists from across the country at a National Press Club event to discuss state legislation to implement an interstate physician licensure compact. The panel titled “Expanding Access to Health Care through the Interstate Medical Licensure Compact,” was held June 24 and was sponsored by the Federation of State Medical Boards at the National Press Club offices in Washington, DC.

Hospitals and health care systems from across the Midwest and the rest of the country have been working to adopt legislation to implement this Compact. The Compact would create a voluntary process for expedited licensure for physicians in multiple compact states, while also maintaining state authority to regulate disciplinary processes and the practice of medicine in each individual state. In Wisconsin, legislation drafted to implement the Compact ensures that any cost to the state for implementation of the Compact can only be paid for by those physicians that choose to be licensed through the Compact.

“The interstate Compact carries the potential to streamline licensure to everyone’s benefit,” said

Bintz during the panel discussion. “Member states will be able to transparently share license information. Physicians will get licenses more quickly, perhaps in a matter of days. Patients will have better access to their physicians. And the result will be increased access to care.”

In Wisconsin, WHA-supported Assembly Bill 253 and Senate Bill 196 were recently introduced to implement the provisions of the interstate physician licensure compact in this state. The companion pieces of legislation were introduced by Rep. Nancy VanderMeer (R-Tomah) in the Assembly and Sen. Sheila Harsdorf (R-River Falls) in the Senate. Both bills are currently sitting in their respective health committees awaiting a public hearing.

During WHA’s Advocacy Day in late April, nearly 650 hospital supporters asked their elected officials to co-sponsor the legislation. The legislation now has a bipartisan list of 72 co-sponsors and is expected to receive Committee action later this summer. According to www.licenseportability.org, the Compact has been enacted in nine states and introduced in an additional 10 other states, including Wisconsin.



Dr. Bintz (second from right) speaks of the benefits of the interstate Compact.

Advanced Practice Clinician Hospitalist Programs Focus of WHA Webinar Series

Beginning August 5, WHA will host a three-part webinar series focused on different practical and legal issues that must be considered when implementing an advanced practice clinician (APC) hospitalist program.

The August 5 session will focus on the various legal parameters relevant to an APC hospitalist program and challenges hospitals face when considering use of APCs as hospitalists. The second session September 2 will discuss ways to structure hospitalist programs in critical access hospitals, the limitations of using APCs in PPS hospitals, and the potential risks involved with these programs and viable mitigation strategies. The third and final session October 6 will examine the practical steps hospitals need to take to implement an APC hospitalist program. All programs will be presented by the Health Law Group attorneys of Quarles & Brady.

There is no fee for WHA hospital and corporate members to participate, but pre-registration is required. This WHA Member Forum webinar series is intended for and limited to staff of WHA member hospitals and corporate members only, as a benefit of membership.

Full descriptions of the three sessions, as well as online registration, are available at <http://events.SignUp4.net/2015APHospWebSeries>.

Annual Workshop for Hospital Foundation Leaders Scheduled August 20

Hospital foundation directors, their board members and hospital executives are invited to attend "Prescription for Success: A Workshop for Hospital Foundations," August 20 in Neenah. This year's workshop will focus on moving donors along the continuum of philanthropy, discussing pipeline-building strategies at all levels of giving, including annual giving, major gifts giving and planned giving.

With the partnership and support of the Wisconsin Office of Rural Health (WORH), the Wisconsin Hospital Association (WHA) and the Rural Wisconsin Health Cooperative (RWHC), this annual workshop is available at no cost to hospital and hospital foundation staff; however, pre-registration is required.

The Hospital Foundation Workshop will be held Thursday, August 20 at Riverwalk Hotel in Neenah. A full workshop brochure is in this week's packet. Online registration is now available at <http://events.SignUp4.net/Foundation15>.

WISTAX Facts: Wisconsin's Retirement-Age Population Growing Rapidly

The most recent estimates show the population of Wisconsin residents age 65 and over is growing much faster than the population as a whole. The 65-and-up age group grew 9.1 percent from 2010-2013. In that time, the number of Wisconsinites ages 45-64 increased 1.4 percent and the 18-44 population group declined 0.8 percent. The number of residents under the age of 18 fell 2.5 percent from 2010-2013. Overall, Wisconsin's total population increased 0.8 percent to 5.73 million.

The Wisconsin Taxpayers Alliance is a nonpartisan, nonprofit research organization dedicated to good government through citizen education since 1932.

Source: Wisconsin Taxpayers Alliance and the Wisconsin Newspaper Association

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the monthly cost of buying insurance on the exchange to an average of \$125 per month in Wisconsin.

"The *King v. Burwell* case has created much uncertainty for health care providers, insurers and consumers," Borgerding said. "Hospitals and health systems across the state have worked hard to assist individuals in connecting with coverage on the exchange. We are pleased the high court's decision provides a level of assurance to our members and their patients who have access to some of the highest quality patient care in the nation."

Wisconsin was one of 34 states affected by the ruling. Borgerding said he was concerned that if the subsidies were disallowed, it would have been extremely difficult for Congress and the President to find the common ground that would have been necessary to develop a solution that would have prevented the loss of health insurance for thousands in Wisconsin.

Without the premium subsidies, a significant portion of Wisconsin's strategy for reducing the number of uninsured would have been dismantled. Absent a legislative fix at either the federal or state level, thousands of people could have become uninsured. That's the exact opposite of what Gov. Scott Walker and Wisconsin lawmakers intended when they adopted a hybrid approach to coverage expansion in 2013. That plan included expanding Medicaid eligibility for those below 100 percent FPL (\$11,670/year), and eliminating Medicaid eligibility for those above 100 percent FPL. Under Wisconsin's plan, the 60,000 people who lost their Medicaid coverage would be able to purchase low-cost, subsidized health coverage on the exchange. And today, they still can.

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the largest in Sheboygan. The economic impact of the hospitals and health systems in terms of job creation is felt throughout the region.

LeMahieu said he is looking forward to having a good relationship with the hospitals in his district. During his hospital visits, he said he heard concerns about changes that were under consideration in the Wisconsin Worker's Compensation program, especially with the fee schedule.

"The system we have in place now is working well. It is providing a great service, and we are on the leading edge," LeMahieu said, "We don't need to fix something that is not broken."

As a new member of the Senate Health Committee, he is particularly interested in learning more about the challenges providers are facing. One area of concern providers have shared with him is mental health as it relates to barriers to access related to a shortage of psychiatrists in rural areas. LeMahieu said more needs to be done to attract these professionals.

"The Aging and Disability Resource Center in Sheboygan County does a very good job, but I know other communities might not have that support. I think that is one strength in our district," he said. "There is still a lot of need out there (mental health services), and we need to make sure those who need the help can access it."

LeMahieu said he supports the interstate physician licensure compact bill as a "common sense way to cutting the red tape" and expedite the licensure process for those states that participate in the Compact.

Political Action Fundraising Campaign Contributors

Contributors Ranging from \$1 - \$499

Anderson, Phil Sacred Heart Hospital
 Appleby, Jane Aurora Health Care
 Ballentine, Anne Wheaton Franciscan Healthcare
 Bayer, Tom St. Vincent Hospital
 Bard, Jeffrey Aurora Medical Center - Oshkosh
 Brenny, Terrence Stoughton Hospital
 Cardinal, Lori Agnesian HealthCare
 Carter, Shane Aurora Medical Center - Oshkosh
 Clark, Renee Fort HealthCare
 Collins, Sherry Wisconsin Hospital Association
 Colman, Gerard Aurora Health Care
 Coopman, Dianne St. Mary's Janesville Hospital
 Cormier, Laura Bellin Hospital
 Culotta, Jennifer St. Clare Hospital & Health Svcs
 Davidson, Lisa Wisconsin Primary Health Care Association
 Froedtert & MCW Community Mem. Hosp
 Feeney, John Community Health Network, Inc.
 Fielding, Laura Holy Family Memorial
 Freitag, Vanessa Our Lady of Victory Hospital
 Hafeman, Paul St. Vincent Hospital
 Hamilton, Mark UW Hospitals and Clinics
 Harrington, Kathleen Mayo Health System - Eau Claire
 Jelle, Laura St. Clare Hospital & Health Services
 Klay, Chris St. Joseph's Hospital
 Knutzen, Barbara Agnesian HealthCare
 Lampman, Sandra St. Mary's Hospital
 Leschke, John Mercy Medical Center
 Lynch, Sue Mayo Health System - Franciscan HC
 McArdle, PeggyAnn Agnesian HealthCare
 McMeans, Scott Holy Family Memorial
 Mercer, Carla Reedsburg Area Medical Center
 O'Hara, Tiffanie Sundial Software
 Olson, Bonnie Sacred Heart Hospital
 Peiffer, Susan Sacred Heart Hospital
 Riddle, Roberta Rusk County Memorial Hospital
 Roundy, Ann Columbus Community Hospital
 Schubring, Randy Mayo Health System - Eau Claire
 Selle, Ginger St. Clare Hospital & Health Services
 Statz, Darrell Rural Wisconsin Health Cooperative
 Swanson, Kaitlin HSHS-Eastern WI Division
 Tapper, Joy Milwaukee Health Care Partnership
 Theiler, Brian Gundersen Tri-County Hospitals & Clinics
 Van Abel, Lois Bellin Hospital
 Walker, Troy St. Clare Hospital & Health Services
 Werkheiser, Cindy Monroe Clinic
 Wheeler, Susan St. Nicholas Hospital
 Whiting, Margaret Agnesian HealthCare
 Wold, Gwen Amery Regional Medical Center

Contributors Ranging from \$500 - \$999

Bagnall, Andrew St. Nicholas Hospital
 Baitel, Jeffrey Aurora Health Care
 Dexter, Donn Mayo Health System - Eau Claire
 Dicus-Johnson, Coreen Wheaton Franciscan Healthcare
 Dolohanty, Naomi Aurora Health Care
 Ericson, Allen Froedtert & MCW St. Joseph's Hospital Campus
 Frangesch, Wayne Wheaton Franciscan Healthcare
 Furlong, Marian Hudson Hospital & Clinics

Golanowski, Marie Aurora St. Luke's Medical Center
 Graul, Mark Children's Hospital of Wisconsin
 Gustafson, Andy SSM Health Care-Wisconsin
 Halida, Cheryl St. Joseph's Hospital
 Hanson, Gail Aurora Health Care
 Heaney, Dwight Fort HealthCare
 Jacobson, Terry St. Mary's Hospital of Superior
 Jensema, Christine HSHS-Eastern Wisconsin Division
 Kingston, Mary Beth Aurora Health Care
 Kirsch, Jennifer Gundersen Health System
 Lange, George Westgate Medical Group, CSMCP
 Larson, Margaret Mercy Medical Center
 Latta, Richard Godfrey & Kahn, SC
 Lindberg, Steve Mayo Clinic Health System - Red Cedar
 Mohorek, Ronald Ministry Health Care
 Mulder, Doris Beloit Health System
 Nelson, James Froedtert & MCW
 O'Day, Thomas Godfrey & Kahn, SC
 Oland, Charisse Rusk County Memorial Hospital
 Ose, Peggy Riverview Hospital Association
 Peterson, Douglas Chippewa Valley Hospital
 Quinn, George Wisconsin Hospital Association
 Reardon, Brian Hospital Sisters Health System
 Roesler, Bruce The Richland Hospital
 Rozenfeld, Jon St. Mary's Hospital - Madison
 Rude, Nels The Kammer Group
 Seitz, Verna ProHealth Care, Inc.
 Selberg, Heidi HSHS-Eastern Wisconsin Division
 Shabino, Charles Wisconsin Hospital Association
 Shorter, Tom Godfrey & Kahn, SC
 Simaras, Jim Wheaton Franciscan Healthcare
 Sisney, Mary Children's Hospital of Wisconsin
 Stuart, Philip Tomah Memorial Hospital
 Taigt, Seth St. Mary's Hospital
 Thurmer, DeAnn Waupun Memorial Hospital
 Van Meeteren, Bob Reedsburg Area Medical Center
 Yaron, Rachel Ministry St. Clare's Hospital
 Zenk, Ann Ministry St. Mary's Hospital

Contributors Ranging from \$1,000 - \$1,499

Ashenhurst, Karla Ministry Health Care
 Bedwell, Elizabeth Children's Hospital of Wisconsin
 Bloch, Jodi Wisconsin Hospital Association
 Brenton, Andrew Wisconsin Hospital Association
 Connors, Larry St. Mary's & St. Vincent Hospital
 Cullen-Schultz, Jeannie JP Cullen & Sons
 Geboy, Scott Hall, Render, Killian, Heath & Lyman
 Just, Lisa Aurora Health Care-South Region
 Kerwin, George Bellin Hospital
 Killoran, Carrie Aurora Health Care
 Lewis, Jonathan St. Mary's Hospital
 McCawley, Thomas Beloit Health System
 Punzenberger, Lindsay Children's Hospital of Wisconsin
 Rickelman, Debbie WHA Information Center
 Robertstad, John ProHealth Care - Oconomowoc Memorial Hospital
 Roller, Rachel Aurora Health Care
 Rush, Steven Wisconsin Hospital Association
 Sato, Thomas Children's Hospital of Wisconsin
 Schafer, Michael Spooner Health System
 Swanson, Kerry St. Mary's Janesville Hospital
 White-Jacobs, Mary Beth Black River Memorial Hospital
 Wolf, Edward Lakeview Medical Center

Contributors Ranging from \$1,500 - \$1,999

Boese, Jennifer Wisconsin Hospital Association
 Clapp, Nicole Grant Regional Health Center
 Coffman, Joan St. Joseph's Hospital
 Court, Kelly Wisconsin Hospital Association
 Decker, Michael Divine Savior Healthcare
 Dotson, Jason Beloit Health System
 Frank, Jennifer Wisconsin Hospital Association
 Grasmick, Mary Kay Wisconsin Hospital Association
 Harding, Edward Bay Area Medical Center
 Kammer, Peter The Kammer Group
 McKeveitt, Timothy Beloit Health System
 Natzke, Ryan Marshfield Clinic
 Nauman, Michael Children's Hospital of Wisconsin
 Olson, David Froedtert & The Medical College of WI
 Russell, John Columbus Community Hospital
 Schulze, Connie Ministry Health Care
 Sexton, William Crossing Rivers Health Medical Center
 Sheehan, John UW Hospitals and Clinics
 Wallace, Michael Fort HealthCare

Contributors Ranging from \$2,000 - \$2,999

Alig, Joanne Wisconsin Hospital Association
 Anderson, Sandy St. Clare Hospital & Health Svcs
 Duncan, Robert Children's Hospital & Health System
 Herzog, Mark Holy Family Memorial
 Hilt, Monica St. Elizabeth Hospital
 Kachelski, Joe WI Statewide Health Information Network
 Leitch, Laura Hall Render
 Levin, Jeremy Rural Wisconsin Health Cooperative
 Lewis, Gordon Burnett Medical Center
 Mettner, Michelle Children's Hospital of Wisconsin
 Pandl, Therese HSHS-Eastern Wisconsin Division
 Meyer, Daniel Aurora BayCare Medical Ctr Green Bay
 Potter, Brian Wisconsin Hospital Association
 Potts, Dennis Aurora St. Luke's Medical Center
 Sanders, Michael Monroe Clinic
 Sliwinski, Ron UW Hospitals and Clinics
 Stanford, Matthew Wisconsin Hospital Association
 Troy, Peggy Children's Hospital of Wisconsin

Contributors Ranging from \$3,000 - \$4,999

Boatwright, Damond SSM Health Care-Wisconsin
 Jacobson, Catherine Froedtert & The MCW
 Little, Steve Agnesian Health Care
 Neufelder, Dan Ministry Health Care
 Normington, Jeremy Mercy Medical Center
 O'Brien, Kyle Wisconsin Hospital Association
 Size, Tim Rural Wisconsin Health Cooperative
 Standridge, Deb Wheaton Franciscan Healthcare
 Starmann-Harrison, Mary Hospital Sisters Health System
 Turkal, Nick Aurora Health Care

Contributors Ranging from \$5,000+

Borgerding, Eric & Dana Wisconsin Hospital Association
 Brenton, Stephen Wisconsin Hospital Association
 Tyre, Scott Capitol Navigators, Inc.