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additional resources available at [www.wha.org](http://www.wha.org)

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## Uncompensated Care

### Background

Wisconsin's not-for-profit hospitals have a long tradition of providing the necessary care to the people of their communities- without regard to the patient's ability to pay. Through community care policies, charity care practices and bad debt, Wisconsin hospitals provided \$367 million in charity care and \$413 million in bad debt in 2006. In addition to these proactive uncompensated care amounts, Wisconsin's hospitals also absorbed over \$1.6 billion in under funded care as a result of payment shortfalls from Medicare, Medicaid and other government programs.

### Issues

- Wisconsin's hospitals are committed to continuing their commitment to absorb costs for patients who are unable to pay for their care. However, Wisconsin's Medicaid program has continued to intentionally under fund their program, resulting in the Medicaid program reimbursing hospitals at \$0.50 on the dollar. The Medicare program reimburses hospital costs at a rate of \$0.77 on the dollar. WHA believes that government programs must increase their reimbursement for their patient base, and relieve the hospitals of an additional, avoidable increase in uncompensated care which results in a "hidden tax" on the private sector through cost shifting to the private payers.

### WHA Position

- Uncompensated care costs do not just "go away". They need to be absorbed within the budget of the community hospital and either reduces the hospital's already thin margin or is cost shifted to the community's insured patients/payers.
- Health care is not a "right" for community citizens that can be ordered and used without attention to the responsibility to pay for needed care.
- Consumers concerned about the cost of care are encouraged to contact their community hospital to determine the approximate cost of care and work with hospitals in developing an appropriate payment plan for care provided.



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Wisconsin Hospital Association, Inc.

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- Government programs need to step up and be responsible to pay for a larger portion of the care their health care safety net programs promise.
- Government programs must stop the “hidden tax” system of not paying for benefits promised, which resulted in an additional burden of \$565 million in charges to Wisconsin’s private paying sector for the Wisconsin Medicaid program in 2006.
- Government budget deficits and program deficits should not be resolved by intentionally over promising and under funding the care paid for by the programs.
- Government must make funding their medical programs a priority and commit to pay for the benefits promised, and not leave providers to determine how best to close the under funding gap.

### WHA Staff Contact

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### Related Resources

- WHA Billing and Collection Guidelines:  
<http://www.wha.org/financeAndData/Billingcollection.aspx>
- Uncompensated Care in Wisconsin Hospitals (WHAIC Report):  
<http://www.whainfocenter.org/dataresources.htm>

### Localize The Message

Be prepared to talk about:

- Your hospital’s charity care and uncompensated care statistics

