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**To: Members of the Wisconsin State Legislature**

**From: Eric Borgerding, President and CEO  
Wisconsin Hospital Association**

**Date: March 31, 2020**

**Re: COVID-19**

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While our state has not yet faced the surge of COVID-19 cases witnessed in parts of the world and the United States, Wisconsin's hospitals and health care systems must prepare for all scenarios. Those range from a slower, more manageable trend of COVID-19 patients to a dramatic surge that could overwhelm parts of our health care system. This situation is constantly changing, and it is impacted by our actions and must be informed by the latest data available. While much remains uncertain about COVID-19 in Wisconsin over the next weeks and months, we do know this: *the time is now to both prepare for and prevent a worsening situation.*

This memo and the accompanying infographic address priority aspects of the pandemic, including what is known, unknown and what hospitals need to simultaneously prepare for and help prevent a crisis. Our hospitals and health systems are working tirelessly to be there for their patients, families and staff. They are some of the best in the country and are making extraordinary commitments of resources to answer the call.

As you now consider legislation responding to COVID-19, below are some of the most pressing challenges and needs facing Wisconsin's hospitals and health systems right now:

- **Personal Protective Equipment (PPE):** Wisconsin hospitals are facing significant shortages in PPE (masks, gloves, gowns), which are critical for preventing the spread of COVID-19 among the population and our health care workforce. While we have received a portion of the state's allotment of PPE from the federal Strategic National Stockpile – about 105,000 N95 respirators, 261,000 surgical masks, 48,000 face shields, 40,500 surgical gowns, 200 coveralls and 70,000 pairs of gloves – much more is needed to best protect healthcare workers, patients and the public. It has been gratifying to see how some businesses have responded to WHA's call to donate unused PPE to their local hospitals. We also appreciate the new state website created to acquire more PPE ***This is appreciated and helps, but we need much more.*** The lack of PPE endangers our health care providers, prolongs this pandemic, and thus worsens the debilitating effects on the health care and non-health care sectors of Wisconsin's economy.
- **Testing Capabilities:** You are now certainly aware of the significant lack of supplies necessary to both test for COVID-19 and process tests into positive or negative results. *Testing is critical* – it allows us to identify and quarantine those who are positive and contagious, communicate with personal contacts and thus mitigate spread. Testing is also our "eyes and ears," providing data to track how quickly COVID-19 is spreading and where and assess if actions to mitigate spread are working and if or how they should be adjusted.

Because of the shortage of supplies, the state's Department of Health Services has issued testing [guidance](#) (last updated March 27) prioritizing tests for those with the most serious health conditions, health care workers exhibiting symptoms, post-mortem scenarios and essential staff in high consequence congregate settings such as corrections officers with symptoms. While guidance is necessary at this time, it means we are not identifying those with COVID-19 as soon as possible and many who are infected and contagious are not being tested. It also leaves a large blind spot that hampers the ability to acquire useful data.

The state's labs in Madison and Milwaukee have expanded test processing capacity and we appreciate their hard work, but their capacity is limited and variable. Many of Wisconsin's health systems, including Ascension Wisconsin, Aspirus Health Care, Froedtert Health, Gundersen Health System, HSHS Wisconsin, Marshfield Clinic Health System, Mayo Clinic and UW Health, have shifted resources to stand up testing capacity as rapidly as possible. We are encouraged by the great work and partnerships these WHA members are creating around testing capacity. However, even this new capacity cannot be fully utilized until significant and ongoing shortages of testing supplies are addressed. Several of Wisconsin's drive-up and mobile testing facilities have shut down due to these shortages and the resulting testing guidelines.

- **COVID-19 Data:** As noted above, statewide and regional data is critical to gauge the size and growth of COVID-19 spread and efficacy of mitigation strategies. The more we can do to collect and disseminate data on infection rate and growth, impact on the health care system, PPE supply and other key indicators of preparedness and impact the better positioned Wisconsin hospitals, caregivers and policymakers will be to make prudent decisions and choices going forward.
- **Temporary Regulatory Waivers:** Health care is regulated at both the state and federal level, and WHA has sought waivers from both DHS and CMS. At the federal level, WHA itself has sought and received temporary waivers of federal regulations for health care providers in Wisconsin. WHA has also asked DHS to *temporarily* waive several state licensure and state Medicaid payment regulations that could unnecessarily delay access to care in this critical time. But in some cases, DHS itself needs 1135 waiver approval by CMS to make changes to state policy – thus we strongly support certain elements of the state's 1135 waiver submission and request its expedited approval.

Department of Health and Human Services Secretary Alex Azar on March 13 authorized CMS to grant 1135 waivers for health care providers and state Medicaid programs to ensure that sufficient health care services are available. Since then, CMS has granted multiple waivers of federal requirements including WHA's request, as well as Medicaid waivers to 34 state Medicaid programs as of March 27. DHS' 1135 waiver submission adopts and acknowledges waivers already granted by CMS, as well as other waiver requests made by states and health care providers still pending at CMS. As WHA has previously emphasized in many public policy issues, the alignment between federal and state payment requirements creates regulatory consistency and operations efficiency. That alignment is probably more important than ever right now, and we agree with DHS' direction.

We also support DHS' waiver request to suspend all Medicaid cost-sharing requirements during the public health crisis. This will allow the state to access approximately \$450 million in additional Medicaid funding over the next three quarters, consistent with the intent of the COVID-19 legislation advocated for and signed into law by President Trump on March 27.

In addition to needed waivers of federal law, regulatory flexibility is also needed for state law, particularly regarding professional licensure. WHA has also requested broad regulatory flexibility from the Department of Safety and Professional Services (DPS) for health care providers looking to treat

Wisconsin patients during this public health emergency, especially those licensed in good standing in other states or who have recently retired or let their license lapse.

- **The Double-Edged Impact of COVID-19 on Wisconsin Hospitals:** Wisconsin's hospitals and health systems are doing everything they can to prepare for and manage the potential effects of COVID-19. This includes complying with the U.S. Surgeon General's guidance on March 14 and CMS directives issued March 18 to stop performing elective and scheduled non-emergency procedures. This is being done to conserve scarce PPE, minimize COVID-19 spread and create capacity for a potential surge of patients. These actions, while important to continue, are resulting in growing operating revenue shortfalls and mounting cash flow challenges, if not emergencies, for some hospitals. For every week elective and scheduled non-emergency procedures are halted, some \$170 million in revenue is not realized by Wisconsin hospitals. At the same time, expenses for frontline workers and other infrastructure are certainly not going down commensurately. Per the Bureau of Labor Statistics, the payroll for Wisconsin's frontline health care workforce is roughly \$275 million per week.

This situation will become worse with each day; some of our smaller and more vulnerable hospitals are grappling with serious problems right now. Stability assistance for increasingly vulnerable hospitals, some of which are the single-largest employers in their communities, is needed to maintain their readiness and preserve accessibility today and tomorrow.

This generational pandemic requires all entities to closely collaborate and communicate, even more so as rapidly developing events affect every community in the state. WHA pledges to continue its collaboration with the State Legislature, Governor Evers and state agencies on the priorities outlined in this memo, other issues as they arise and as related public policy is crafted, enacted and implemented.

***We thank you*** for your many contacts, inquiries and expressions of support to WHA and to our members during these challenging times. We also greatly appreciate all you and your staff are doing to help protect our dedicated health care workforce and the citizens of Wisconsin.

Finally, we can't thank enough the dedicated women and men who work in our hospitals, clinics and all throughout Wisconsin health care. They are always there, especially now when we rely on them the most, and deserve our unwavering gratitude and support.