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## **81 State Legislators Join to Tell Congress -- Protect Rural Hospitals** *WHA praises bipartisan response to misguided federal proposal*

**MADISON (August 29, 2013)** ---- In response to a recommendation released by the federal government that would devastate rural health care across Wisconsin, nearly two-thirds of the state legislature joined together to send a letter to Wisconsin Members of Congress urging opposition. WHA lauded the strong, swift bipartisan commitment to rural hospitals and access to rural health care.

“This level of bipartisan support sends a strong, irrefutable message about the importance of hospitals and health systems in every corner of Wisconsin,” said WHA Executive Vice President Eric Borgerding. “WHA commends the legislators who led this effort and thanks all those – Republicans and Democrats from urban and rural Wisconsin – who signed the letter and are standing with their hospitals today.”

The letter, sent to each of Wisconsin’s 10 Members of Congress, was led by State Senators Sheila Harsdorf (R-River Falls) and Bob Jauch (D-Poplar) and Reps. Kathy Bernier (R-Chippewa Falls) and Chris Danou (D-Trempealeau). The letter expressed strong concern with a proposal from the federal Department of Health & Human Services’ Office of Inspector General (OIG) recommending the removal of a Medicare payment status known as “Critical Access Hospital” (CAH) for hospitals that do not meet certain distance requirements.

“Many of our districts include one or more CAHs, which provide essential and local access to health care, economic security and important jobs in our rural communities,” the state legislators’ letter began. “We ask for your strong support for the CAHs in your district by opposing detrimental and arbitrary mileage changes.”

The letter went on to discuss the importance of having health care available locally. Many CAHs support essential services in their communities, such as nursing homes and dialysis units that would not otherwise be available. The letter highlighted the positive economic impact hospitals have in many rural communities.

“Rural hospitals are often one of the largest local employers, providing family-supporting wages that ripple throughout rural communities and that generate tax revenue to support state and local services,” the letter continued. “A 2009 study, updated in 2011, by the University of Wisconsin-Extension and the Wisconsin Hospital Association revealed that hospitals across the state generate \$28 billion in economic activity and employ over 100,000 people. The study found that hospitals are one of the top ten employers in 44 of Wisconsin’s 72 counties and one of the top five employers in 20 counties.”

Nationally, the OIG recommendation would rescind this status for roughly two-thirds of the nation's CAHs—an estimate the OIG itself called “conservative.” Under these “conservative” estimates, three-fourths of Wisconsin's CAHs could lose their designation. However, it is more likely that the impact will be even higher, placing almost all of Wisconsin's CAHs at risk.

Medicare's CAH status was enacted under the Balanced Budget Act of 1997 as Congress sought to address the closure of hundreds of rural hospitals across the country, which, due to their small size and care for disproportionately older, sicker and poorer patients, could not financially survive under Medicare's traditional payment system. The CAH designation provided an alternative reimbursement structure for these very small, rural hospitals in order to keep their doors open.

Since that time the CAH program has operated efficiently, represents less than five percent of Medicare's total hospital budget, and has provided more than 60 million rural Medicare beneficiaries in the U.S. with access to health care that is close to home.

WHA is actively working with the Rural Wisconsin Health Cooperative to oppose the OIG recommendations.

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