

Wisconsin Hospital Association, Inc.

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Wisconsin Hospitals' Statewide Community Impact Totals \$1.7 Billion

***Hospitals report over \$1 billion in Medicaid losses;
Spent \$177 million on physician education, training***

MADISON (November 22, 2016) ----- Wisconsin hospitals spent \$1.7 billion in 2015 to support programs and services that had a positive impact in the communities they serve. These activities ranged from providing free care for those unable to pay their bills, to sponsoring free clinics and health improvement activities, health education, free screenings and working with local partners on complex socioeconomic issues.

Hospitals reported losing more than \$1 billion caring for patients in the Medicaid program and \$1.6 billion on Medicare, according to the Wisconsin Hospital Association 2016 Community Impact Report. Medicaid pays hospitals only about 65 percent of what it costs to care for this vulnerable, and often medically-complex, patient population. Medicare reimburses hospitals at a rate that is about 78 percent of cost.

WHA surveys its 133 member hospitals and health systems annually and asks them to describe and quantify the programs, services and activities they provide at or below cost, solely because those programs meet an identified health need in the community. (See the WHA 2016 Community Impact report: <http://www.wha.org/pdf/2016cbreport.pdf>).

“Wisconsin hospitals are committing financial and human resources to improve the overall health status of our state by providing essential services in their communities, which, if they were not available, would place a much greater burden on our state and local governments,” according to WHA President/CEO Eric Borgerding. “By doing this, Wisconsin hospitals and health systems support a health care ‘safety net’ across the state and ensure our most vulnerable populations receive the care they need.”

While the amount of charity care hospitals reported was \$176 million in 2015, which was less than the \$278 million in 2014, the number of patient visits that qualified for free care in 2015 increased 21 percent, from 1.3 million in 2014 to 1.6 million in 2015.

“Charity care can vary from year to year, depending on the types of cases that qualify,” according to WHA Senior Vice President/COO Brian Potter. “The fact that there were more cases, and the cost decreased, may reflect the fact that more services are provided in the less costly outpatient setting than in the hospital, which is consistent with what we are seeing with all patient care.”

Another factor that contributes to the decrease in charity care is the uninsured rate in Wisconsin is 5.7 percent, which is the six lowest uninsured rate in the country, tied with Rhode Island. There were 195,000 more people in Wisconsin with insurance coverage in 2015 since the passage of the Affordable Care Act (ACA) in 2013.

“While more people have gained coverage, we still see many patients struggle to meet their co-pays and deductibles,” Potter said. “That continues to be a real concern for hospitals.”

Hospitals Support Clinical and Graduate Medical Education

Building tomorrow’s workforce is a priority for Wisconsin hospitals and health systems. Statewide, hospitals spent \$177 million on graduate medical education for physicians and nearly \$12 million on education and clinical experiences for nurses.

Hospitals Absorb Nearly \$13 Million Loss Operating Nursing Homes

Keeping those who are elderly or in need of rehabilitation services in the community is one of the most valued and necessary services requested by patients and their families. In some communities, hospitals are the sole providers of those services. In 2015, the 14 hospitals that operated nursing homes reported losses totaling nearly \$13 million, a slight decrease from 2015. Hospice care is also becoming increasingly more available because hospitals recognize the value of end-of-life services for their patients and families. Hospitals typically report hospice services are operated at a loss.

Hospitals Identify Community Health Needs, Develop and Implement Plans

In 2013, under a new requirement of the Affordable Care Act, hospitals were required to complete a formal community health needs assessment (CHNA) in partnership with public health and other community partners to assess, address and prioritize community health needs. While the formal process is new to some, the work is not. Improving the health of the entire community is at the heart of every hospital and health system’s mission.

While each hospital conducted a CHNA, the types of problems identified across the state shared some similarities. Most of the hospitals identified several of the following as issues in their community: access to care, mental health, alcohol and drug abuse, nutrition, obesity, physical activity and tobacco. Hospitals reported spending \$65 million on activities and programs aimed at improving community health.

“Hospitals have never allowed the boundaries of their campus to restrict their engagement with the community,” according to Borgerding. “Hospitals use their human and financial resources to focus on factors that improve people’s health while creating a healthier environment that attracts new economic development and makes our state a great place to live and work.”

Visit www.wiServePoint.org to review the 2016 WHA Community Benefits Report. It also has patient stories and descriptions of free and reduced-cost services that hospitals provide in their communities.

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