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## **Assembly Health Chair Sanfelippo says Maintaining Coverage is “Priority #1” *Borgerding: WI well positioned to shape “the path forward” and sustain coverage gains***

Health Committee Chair Rep. Joe Sanfelippo said Assembly Republicans are committed to preserving the gains in coverage Wisconsin made when Gov. Scott Walker used a unique approach to expanding Medicaid by lowering eligibility levels to 100 percent of the federal poverty level (FPL) and utilizing the exchanges to provide subsidized coverage to those with income above the FPL.



*Tim Stumm, WHN Editor; Donna Friedsam, Health Policy Programs Director, UW Population Health Institute; Eric Borgerding, WHA President/CEO; Coreen Dicus-Johnson, President/CEO, Network Health; Mike Wallace, President/CEO Fort HealthCare; Rep. Joe Sanfelippo*

“We picked up nearly 200,000 people in coverage here; we don’t want to lose anything or give up any ground we have gained,” Sanfelippo said.

Sanfelippo told the group he believes allocating funds to the states for Medicaid through block grants, which are being discussed at the federal level, could be favorable for Wisconsin. *(continued on page 5)*

## **Walker Celebrates Wisconsin’s High-Quality Health Care in State of State Address**



*Gov. Scott Walker*

In his State of State Address January 10, Gov. Scott Walker focused on Wisconsin’s key strengths as a state, including the fact that “Wisconsin’s health care delivery system is among the best in the nation,” and “Health care systems in our state are ranked in the top three in the country....There is plenty to celebrate in Wisconsin.”

In a statement, WHA President/CEO Eric Borgerding noted, “WHA continues to appreciate the Governor’s recognition of Wisconsin hospitals and health systems and the role they play in strengthening our economy. He has repeatedly recognized high-quality health care as being as important to Wisconsin’s future economic success as good roads, reliable utilities and high-quality education.”

As the Governor also noted in his remarks, Wisconsin has achieved some of the highest insured rates in the country. This has been achieved through our hybrid Wisconsin approach of expanding Medicaid to those in poverty and connecting others with subsidized coverage in the Obamacare exchange.

“Wisconsin’s enviable record of access to high-quality care underscores how much we have achieved and how much we have at stake in the coming months as the nation debates the repeal and replacement of Obamacare,” Borgerding said. “Decisions made in Washington will impact us here, and can be shaped by us here. The Governor and the Legislature will play a key role in this critical discussion, and WHA and our members are committed to working with them to protect and sustain all that has been accomplished.”

## **Medicaid Eligibility Requirements Discussed by Walker, State Lawmakers**

### ***Governor Walker writes to Trump; state legislators write to Walker***

As the incoming Trump Administration prepares to take office and many speculate about federal health care reform, Wisconsin officials are anticipating more flexibility in the Medicaid program and aren't waiting to set down their own policy ideas related to the Medicaid program.

In December, Gov. Scott Walker sent a letter to President-elect Donald Trump outlining principles for more limited and controlled federal involvement in states and asking for help in implementing some policies in a number of areas that have previously been denied by the federal government. Related to Medicaid, Walker asks Trump for approval to implement differential premiums for childless adults "who purposefully increase their health risks while receiving benefits." His idea is just one of a handful of provisions that were included in the state biennial budget in 2015. The language enacted in 2015 Wisconsin Act 55 calls for the state to seek a waiver from the federal government for this and other policies such as drug screening and testing and limiting eligibility to no more than 48 months. Under the Obama administration such policies were not approved.

Subsequently, on January 5, a group of 34 Republican state senators and representatives from across Wisconsin signed onto a letter to Walker requesting changes to public assistance programs and citing the recent election as an opportunity for more state flexibility. Specifically, these legislators seek to allow for a "sliding scale" in public benefits so benefits start to decrease as income rises. Without such a sliding scale, these legislators are concerned that individuals receiving public benefits hit a "fiscal cliff" and may turn down jobs, promotions and raises out of fear of losing their child care, food or health benefits. The letter calls for state agencies to review which programs have "fiscal cliffs" and request waivers to create and implement sliding scales. The exact structure of such a sliding scale for the Medicaid program was not included in the letter.

At a panel discussion sponsored by Wisconsin Health News January 10, WHA President/CEO Eric Borgerding said block grants could make sense on the surface, especially in states like Wisconsin where we have led the way in so many things, however, he believes the devil is in the details and he urged lawmakers to carefully consider the impact that changes in eligibility could have on Medicaid recipients to have access to care.

"There are a lot of things states can do with their Medicaid populations when they are given flexibility related to cost sharing. In the past, there were cost-sharing arrangements tried with populations that had eligibility criteria well above 100 percent FPL," Borgerding said. "So as we talk about copays, premiums and those sort of things through a waiver or block grant process, while it may make a lot of sense to encourage people to have skin in the game, even in the Medicaid population, we cannot lose sight of the fact that in Wisconsin, Medicaid applies to those in poverty and that is below \$11,700 per year. We have to be very cautious when we talk about what that means for that population either staying enrolled in Medicaid or having access to the services they need."

The letter from Governor Walker to President-elect Trump can be found here:  
[www.wha.org/pdf/WalkerLetterTrump12-20-16.pdf](http://www.wha.org/pdf/WalkerLetterTrump12-20-16.pdf)

The letter from Republican Legislators to Governor Walker can be found here:  
[www.wha.org/pdf/darlingletterwalker1-5-17.pdf](http://www.wha.org/pdf/darlingletterwalker1-5-17.pdf)

## **Worker's Comp Rating Bureau: Wisconsin's "Got a Good Thing Going"** ***Rating Bureau president presents to WCAC, discusses work comp rate decrease in 2016***

During a meeting of the state's Worker's Compensation Advisory Council (WCAC) January 10, the president of the Wisconsin Compensation Rating Bureau (WCRB)—the independent agency that establishes rates charged by insurance companies for worker's compensation insurance coverage in Wisconsin—discussed the positive attributes of Wisconsin's worker's compensation system.

According to WCRB President Bernie Rosauer, Wisconsin's "got a good thing going" with its worker's compensation system, noting that other states are aware of Wisconsin's well-functioning system. In a presentation provided to the Council, Rosauer reminded the Council that worker's compensation insurance rates decreased by -3.19 percent in 2016 for all job classifications in aggregate, but decreased even more for manufacturing at -5.00 percent.

Rosauer discussed the rate-setting process for insurers. He said that worker's compensation rates are established by over 400 job classification codes, rating occupations differently based on the risk of injury in that occupation. Rosauer also discussed "experience modifiers" in the worker's compensation system, indicating that employers who reduce losses and injuries in the workplace receive a credit modifier to their rates—lowering the cost of the employer's premium as compared to other similar employers in that job classification code.

"Wisconsin's worker's compensation program and our high-quality, high-value health care system sets Wisconsin apart from the rest of the country—making Wisconsin an attractive place to do business," said WHA President/CEO Eric Borgerding. "We indeed have a good thing going in workers comp, but some continue fixating on things like the unit price of medical services, and obsolete policies like price setting, rather than the high quality of care and its favorable impact on total medical spend in workers comp. This is unfortunate, as it distracts from appreciating, and thus promoting, the program we have in Wisconsin. It's time to see the forest for the trees when it comes to Wisconsin's exemplary workers comp system."

## **WHA Seeks Vice President of Workforce & Clinical Practice**

The Wisconsin Hospital Association announces an opportunity to join its dynamic team of professionals. WHA is seeking an experienced candidate for vice president of workforce & clinical practice.

This position is a key part of WHA's advocacy team, leading a proactive workforce agenda and serving as a resource on clinical care-related policy.

The ideal candidate will have upper-level leadership experience in a clinical and/or workforce role in a health care facility, be a confident writer and public speaker and be able to work effectively on teams. This candidate would be largely self-directed while also working closely with the policy and advocacy team.

If you or someone you know may be a good fit for our highly collaborative, results-oriented, impactful and proactive team, contact Jenna Hanson at 608-274-1820 or [jenna.hanson@wha.org](mailto:jenna.hanson@wha.org).

## Member News: Coffman Chair-elect of AHA's Section for Small or Rural Hospitals Council



Joan Coffman

Joan Coffman, president/CEO, St. Joseph's Hospital in Chippewa Falls, will serve as chair-elect of the AHA Section for Small or Rural Hospitals Council. She will assume the role of chair in 2018. The small or rural council advises the AHA on federal policy issues and it represents small or rural hospitals in the AHA's policy process and member services initiatives.

Rachelle Schultz, president/CEO, Winona Health in Winona, MN, will lead the American Hospital Association's (AHA) Section for Small or Rural Hospitals in 2017.

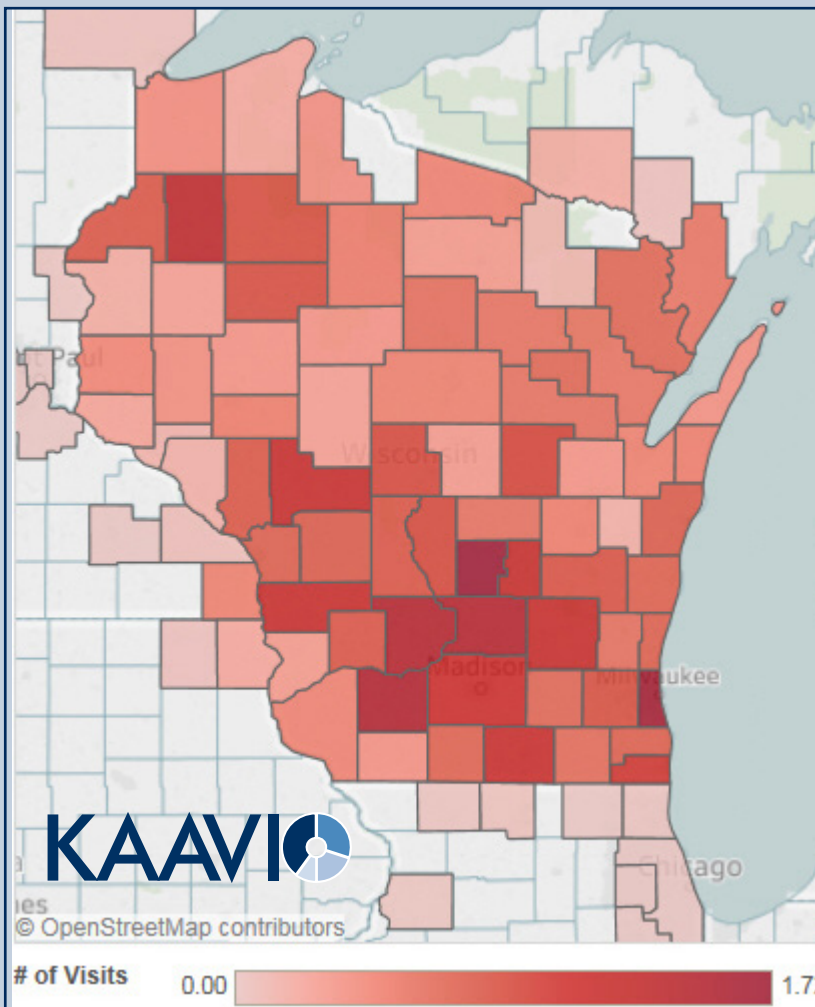
### Fast Facts from the WHA Information Center

#### January 23-29 is National Drug and Alcohol Facts Week

This national health observance for teens promotes local events that use National Institute on Drug Abuse (NIDA) science to counteract the myths about drugs and alcohol that teens get from the internet, social media, TV, movies, music or friends. For more information on local educational events and activities, check out the NIDA website at <https://teens.drugabuse.gov/national-drug-alcohol-facts-week>.

In looking at all ages for Wisconsin, there has been an increase in drug overdoses over the past three years. WHA Information Center reported 5,224 ER visits related to overdoses by opiates, heroin or methadone from July 2013 through June 2016, about a 44 percent increase within that timeframe. The map provides the rate of ER visits per 1,000 population of the counties within this time period for overdoses.

*Data provided by the WHA Information Center (WHAIC). WHAIC ([www.whainfocenter.com](http://www.whainfocenter.com)) is dedicated to collecting, analyzing and disseminating complete, accurate and timely data and reports about charges, utilization, quality and efficiency provided by Wisconsin hospitals, ambulatory surgery centers and other health care providers.*





## **Continued from page 1 . . . Assembly Health Chair Sanfelippo says Maintaining Coverage is “Priority #1”**

“There are a lot of good ideas that states are trying around the country and right now, you have to apply for waivers and it is hit or miss and it is cumbersome,” Sanfelippo said. “If you switch to block grants... the strings and waivers are gone, and it gives us the ability to put programs in place and adjust them once they are in place so they do what we want them to do.”

Sanfelippo emphasized the importance of state legislators working with the Wisconsin congressional delegation to ensure decisions made in Washington do not have an adverse impact “back home.”

Joining Sanfelippo at a panel discussion on “Trumpcare: What’s in Store,” sponsored by Wisconsin Health News (WHN) January 10 were WHA President/CEO Eric Borgerding; Coreen Dicus-Johnson, president/CEO, Network Health; Donna Friedsam, health policy programs director, UW Population Health Institute; and, Mike Wallace, president/CEO Fort HealthCare. WHN Editor Tim Stumm moderated.

Borgerding reiterated the important role that the Governor, who now leads the Republican Governors Association, and Speaker Paul Ryan could have in determining “what’s next.”

Borgerding said the achievements in coverage in Wisconsin have relied on the exchanges and the fact that those premiums are heavily subsidized. He said 67 percent of the coverage in the individual market comes through the exchange and well over half of those who get subsidies are under 200 percent FPL.

“The exchange has been a key tool in achieving the reductions in uninsured in Wisconsin,” Borgerding said. “We have to communicate that back to DC. If something changes, such as subsidies being based on age instead of income as is being discussed, what happens to those in Wisconsin who get premium subsidies who are 100-200 percent of FPL?”

Borgerding said state lawmakers have a critical role to play in shaping what is ahead.

“Wisconsin could be a model and join some of the other states that have used federal funds to expand Medicaid and get funding for what we did in Wisconsin,” he said. “Wisconsin is very well positioned to influence the path forward.”

Structural issues embedded in the ACA have created financial stress for insurers and providers alike. Dicus-Johnson pointed out the problems with allowing young adults to stay on their parent’s insurance and the impact that has on rates when they do not sign up for coverage.

“The individual mandate has not been effective. When you look at the penalty compared to cost associated with the plans, they say ‘I will just pay the penalty’,” according to Dicus-Johnson. “The issue is how do we have policies that require continuous care so they have access to affordable care? We tied an entitlement to a private market, and that just doesn’t work.”

Wallace said one of the greatest weaknesses of the ACA is the cost.

“We see what has happened with payers in the exchanges. We have more people covered but we are not covering the cost of caring for those people,” Wallace said. “We did a good thing, but it is not sustainable in its current form.”

Friedsam said the biggest success that came out of the ACA was it changed the national dialogue on insurance to a theme of how to make coverage affordable and accessible.

“Prior to the ACA, there was understanding about the lack of insurance coverage, but it is not clear we had agreement on the need for reform,” she said. “People now have access to some form of affordable insurance. The failure was in the inability to explain the benefits of it and some design flaws...some people did not buy in; we didn’t have balanced risk pools.”

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## **Continued from page 5 . . . Assembly Health Chair Sanfelippo says Maintaining Coverage is “Priority #1”**

In a sea of uncertainty, Borgerding said the biggest question is not whether the current law sunsets or disappears, but what happens in between. That is the crucial question, he said.

“Our position is they tend to recognize there needs to be a stable smooth transition and we think that is very positive. When you look at what is at stake in Wisconsin, we have about 250,000 covered by Obamacare. When you grasp those numbers, this is not something that can be unwound overnight,” according to Borgerding.

Watch the full discussion here: [www.wiseeye.org](http://www.wiseeye.org). See press coverage here: [www.wha.org/pdf/whnlunch1-12-17news.pdf](http://www.wha.org/pdf/whnlunch1-12-17news.pdf)