WISCONSIN HOSPITAL ASSOCIATION

The Valued Voice

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DHS Sec. Seemeyer Provides Key Insight on Medicaid Block Grant Debate

Elderly and disabled persons impact on Medicaid costs must be considered in block grant

DHS Secretary Linda Seemeyer

"No state should be punished or rewarded for expanding Medicaid" is a phrase that Wisconsin Department of Health Services Secretary Linda Seemeyer said should define the conversation currently underway in every state and in Washington, D.C. around the subject of Medicaid block grants and equity among the states.

Seemeyer cited the costs of the population served by Medicaid as a major issue that must be considered in any discussions about funding the program through state block grants. By 2040, more than a quarter of the population in Wisconsin will be 65 or older, which drives utilization. Along with that, she noted that children account for 9 percent of the cost in the Medicaid program, adults are about 27 percent of the cost, and the elderly, blind and disabled account for 64 percent of the expenses in the Medicaid program.

"When we talk about getting a block grant, we have to consider that population (elderly/blind/disabled) are expensive to care for; it consumes a lot of the budget," Seemeyer said. "That is a problem."

Wisconsin has had much success with keeping the elderly and disabled out of long-term care, she said, with only 25 percent of that population in long-term care here, compared to 47 percent in other states. "The states are talking…other states have this issue, too," she said. "We think it is critical for us to separate these two Medicaid populations (elderly/disabled/blind from kids/adults)." Seemeyer suggested the elderly/blind/disabled should be "carved out" if Medicaid moves to block grant funding.

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Group Insurance Board Approves Self-Funding State Employee Health Care

On February 8, the state Group Insurance Board (GIB) authorized the Department of Employee Trust Funds (ETF) to enter into contract negotiations with seven possible plan administrators across the state, moving the state employee health care program to a self-funded model. If approved by the Legislature's Joint Finance Committee, the self-funded model will take effect January 1, 2018.

The move to a self-funded model has been under consideration by the state for the past several years. Last summer, ETF released an RFP seeking responses from vendors, with potential vendors asked to bid on a statewide model and/or on a regional basis. After reviewing the results of the RFP, the GIB considered several options for moving forward ranging from contracting with a single statewide vendor on a self-funded basis to maintaining the current competitive structure under a fully-insured model.

In the end, the GIB approved moving forward with self-funding the entire program and authorized ETF to enter into contract negotiations with a mix of statewide and regional administrators, as follows:

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- Statewide Coverage: Compcare Health Services Insurance Corporation (Anthem Blue Cross Blue Shield)
- Northern Region: Security Administrative Services
- Eastern Region: Compcare Health Services Insurance Corporation (Anthem Blue Cross Blue Shield), and Network Health Administrative Services, LLC
- Southern Region: Dean Health Plan and SPWI TPA, Inc. (Quartz)
- Western Region: HealthPartners Administrators, Inc.

Quartz is a third party administrator operated by the merged Unity Health Plan and Gundersen Health Plan organization.

The state Legislature's Joint Committee on Finance has final approval over any contract approved by the GIB. In a paper released in advance of the meeting, ETF indicates that to move forward for January 1, 2018, contract negotiations must be completed by the end of March, and Joint Finance Committee review and approval would have to occur by the end of May.

Governor Walker Introduces Budget Bill with Education Aid Focus

Budget funds Medicaid cost-to-continue, bakes savings from self-funding into budget

Gov. Scott Walker

Gov. Scott Walker introduced his fourth state budget as Governor on February 8, providing a $649 million increase to K-12 education aides and over $100 million in support to the UW System—two of the main focuses of a budget address delivered to a joint session of the Legislature. The Governor also made several changes to Wisconsin's public welfare programs as part of his "Wisconsin Works for Everyone" initiative. This proposal includes requirements and funding for nearly 50,000 childless adults on the Medicaid program to receive employment and workforce support services.

In addition, the Governor fully funded Wisconsin's Medicaid program by providing $279 million in state tax dollars to pay for the programs cost-to-continue—a measure used to determine the future cost of enrollment and utilization in Wisconsin's low-income public health care coverage program. Within the Medicaid budget, Walker provided a 2 percent reimbursement increase in both years of the biennium for Wisconsin's nursing homes at a cost of $51 million over the budget period.

Earlier in the day, the Group Insurance Board (GIB) moved forward with a proposal to change the state employee health insurance program to a self-funded model (see story on page 1 re: Group Insurance Board meeting). The GIB announced that the move was expected to reduce expenditures in the program by $40 million per year, with $60 million realized in the upcoming biennium. Walker announced he would use those funds to support public education in his proposed budget.

The budget bill now heads to the Legislature's budget-writing Joint Finance Committee for deliberation by the Senate and Assembly. WHA will work with members of the state Legislature to improve hospital reimbursement in the Medicaid program and increase investments in the health care workforce as the Legislature amends the Governor's budget bill.

Guest Column

Doc to Doc: Welcome to the Physician Quality Academy

By Robert S. Redwood, MD, MPH
Emergency and Preventive Medicine Physician, Divine Savior Healthcare, Inc., Portage; and Physician Improvement Advisor, Wisconsin Hospital Association (WHA)

Robert Redwood, MD

The WHA Physician Quality Academy is a two-day quality curriculum for physicians with an interest in quality improvement. The academy is co-led by physicians and quality professionals and is geared toward all levels of physician quality engagement, from the general workforce, to medical director, physician champion, or director of quality.

As physicians, I truly feel that it is part of our professional duty to engage in quality improvement activities. In academia, we dedicate our careers to compiling the evidence needed to improve outcomes and create new frontiers in medical science. In clinical care, we spend each day at the bedside, tirelessly delivering quality care to individual patients, effecting real change on the lives of others. In public health, we analyze data and craft policies to keep our communities healthy, stepping up our efforts when health challenges are vast and resources are scarce. Together these physician-led professional endeavors have saved, improved and extended countless human lives. Modern medical practice, however, is not without its challenges—real progress is slow and the translation of scientific evidence into clinical medicine can be clunky, inconsistent and poorly executed. Luckily, we have other professions that support and enhance our work in medicine.

The quality improvement movement has provided powerful tools for making sure evidence-based practices make it to the bedside and are performed consistently. As physicians, quality improvement empowers our profession to use population health data to better inform our individual patient care. Moreover, implementation scientists and quality improvement professionals have recognized our value as experts, innovators and leaders, and are hungry for physician involvement in quality work. At the WHA Physician Quality Academy, physicians are given a candid environment to learn basic and advanced quality improvement methods, explore the expectations of physician quality roles and craft strategies to excel in their collaborations with other quality professionals.

Physicians already involved in quality work will have the chance to network with other physicians in similar roles and explore strategies for high-level project oversight, maintaining credibility and career longevity/advancement. We are not in the business of passive learning here, so come prepared to engage with your colleagues and share your experiences in quality improvement. Whether you are aiming to learn quality improvement methods for the first time, refine your existing toolkit, or take your quality role to the next level, we are confident you will leave the Physician Quality Academy with new perspectives and a broader quality agenda to bring back to your home institution.

Register Now for the 2017 WHA Physician Quality Academy

May 10 and July 21, 2017
Glacier Canyon Lodge at The Wilderness Resort, Wisconsin Dells

**** OR ****

September 29 and November 3, 2017
Glacier Canyon Lodge at The Wilderness Resort, Wisconsin Dells

For more information and to register, visit: www.cvent.com/d/wvq5nm

WHA in DC, Focus on Rural Hospitals

On February 8, the Wisconsin Hospital Association joined the Rural Wisconsin Health Cooperative and over a dozen Wisconsin rural health care leaders in Washington, DC to participate in a day on Capitol Hill highlighting the importance of rural health care.

Multiple hospital leaders discussed protecting the 340B program for small, rural critical access hospitals (CAHs).

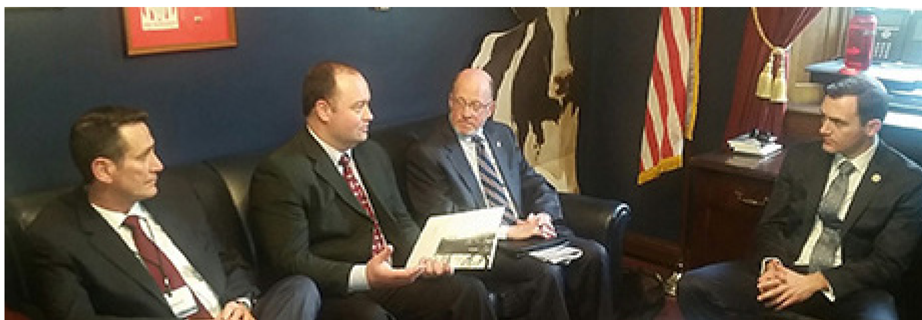
Under language in the Affordable Care Act (ACA), CAHs were allowed to access the 340B program and obtain discounts on pharmaceuticals. Hospital leaders told legislators about how these drug savings were used to provide important pharmaceuticals and services to patients. These leaders urged Congress not to inadvertently harm the program under any changes to the ACA.

Jennifer Collins, left, talks to U.S. Senator Tammy Baldwin, far right, about the importance of having enough graduate medical education slots in Wisconsin. Tim Size listens with Bill Sexton in background.

"One of the programs that allows us to maximize our resources and put them to use broadly on behalf of our patients is the '340B' program," said Dan DeGroot, chief operating officer at HSHS St. Clare Memorial Hospital in Oconto Falls. DeGroot said his hospital is able to use these savings to help provide telehealth remote dispensing locations across six communities without pharmacy access.

Jennifer Collins, a second-year University of Wisconsin School of Medicine & Public Health/WARM student (Wisconsin Academy for Rural Medicine), talked with legislators about her desire to practice family medicine in a rural setting in Wisconsin. She and her husband have two children, and she stressed she does not want to move her family out of state for her residency. Her story allowed the group to further discuss workforce issues in Wisconsin, the importance of GME slots as well as fixing the "legacy" cap issue for several Wisconsin hospitals.

When discussing the ACA and Congressional activities surrounding any repeal or replace legislation, hospital leaders urged legislators to ensure equity in Medicaid funding for Wisconsin. Further, they asked legislators to keep rural health care facilities in mind when considering such large-scale health policy changes so these changes do not inadvertently harm rural health care and rural hospitals.



Dan DeGroot, left, and Adam Gingery, center, talk with U.S. Rep. Mike Gallagher, far right, about the importance of the 340B program to their critical access hospitals. Gordy Lewis listens in.

Other issues discussed included fixing the 96-hour rule, addressing share use/mixed use space, direct supervision and additional problematic regulatory issues.

WHA Sponsors WisconsinEye 2017 State Budget Coverage
Gavel-to-gavel coverage includes floor sessions, JFC deliberations

WisconsinEye, a non-profit news network, will provide Wisconsin residents with live, gavel-to-gavel coverage of the 2017-2019 state budget, which included the Governor's budget address February 8 and the upcoming Joint Finance Committee hearings and legislative floor sessions.

To help educate the public on the budget process, WisconsinEye has launched a free video player. WHA is sponsoring WisconsinEye's 2017 State Budget coverage to help support this important public service,

The state budget process is of critical importance to the citizens of Wisconsin and to the future of our state, according to WHA President/CEO Eric Borgerding.

"For nearly 100 years, WHA has been an advocate of high-quality health care in the state of Wisconsin. Our elected officials are making decisions every day about things that affect how many doctors and nurses we will have to take care of us, decisions about public policy that affects access to our high-quality care that we enjoy in our state and about telemedicine that will help us realize the promise of delivering that high-quality care to every corner of Wisconsin, and whether the state will transfer the cost of government health care programs onto families and employers," Borgerding says in a taped introduction posted on the online player. "That is why we are very proud to partner with Wisconsin Eye to bring you coverage of the 2017 state budget process." To watch his introduction, click on the WHA logo on wiseye.org.

Every minute of coverage will be streamed live, whenever possible, on wiseye.org, televised on WisconsinEye's cable networks and immediately catalogued and archived on the WisconsinEye website.

In addition to complete budget coverage, WisconsinEye programming will include weekly recaps of legislative sessions and committee hearings on WisconsinEye's flagship program "Rewind," featuring award-winning senior producer Steve Walters and guest host J.R. Ross from Wispolitics.com.

WHA is one of five sponsors that are underwriting the cost of the live and archived coverage that will be streamed through a digital video player. The other sponsors are Wisconsin Counties Association, League of Wisconsin Municipalities, AT&T and 5 Nines.

WisconsinEye programming can be watched from a desktop or mobile device on wiseye.org, or on cable Charter 995, Time Warner 363.

DHS Report Highlights Opioid Overdose and Death Rates in Wisconsin

The rate of opioid overdose deaths in Wisconsin has nearly doubled over the last decade, according to a new Department of Health Services (DHS) report released February 10, "Select Opioid-Related Morbidity and Mortality Data for Wisconsin" (https://www.dhs.wisconsin.gov/publications/p01690.pdf).

The report provides statewide and county-level data on opioid-related deaths and hospital visits; neonatal abstinence syndrome (NAS), in which an infant is born with withdrawal symptoms from substances taken by the mother; and data on ambulance runs in which naloxone, a medication used to reverse opioid overdose, was administered.

"The misuse of opioids in Wisconsin is a critical public health issue, and this report offers key data to inform our work with local health departments, organizations, and coalitions to reduce opioid misuse, overdose and other related health problems," said State Health Officer Karen McKeown.

CMS Extends 2016 EHR Attestation Deadline

On February 6, the Centers for Medicare & Medicaid Services (CMS) extended to March 13, 2017, the deadline for hospitals and physicians to attest to the meaningful use reporting requirements of the Medicare EHR Incentive Program for the 2016 reporting period. Previously, the deadline was February 28, 2017.

Hospitals and physicians participating in the Medicare EHR Incentive Program must use CMS's Registration and Attestation System to attest to the 2016 meaningful use reporting requirements in order to avoid a Medicare reimbursement penalty in 2018. The 2016 EHR reporting period for hospitals and physicians is any continuous 90-day period between January 1 and December 31, 2016.

Hospitals and physicians participating in the *Medicaid* EHR Incentive Program have until March 31, 2017, to complete their meaningful use attestation for Program Year 2016. The 2016 EHR reporting period for hospitals and physicians is any continuous 90-day period between January 1 and December 31, 2016.

For additional information, contact Andrew Brenton, WHA assistant general counsel, at *abrenton@wha.org* or 608-274-1820.

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Seemeyer said the Governor is interested in reform and welcomes the idea of a state block grant program. However, she said DHS has made the Governor aware of the unique issues in Wisconsin, and he is very interested in equity among the states in terms of resources, echoing one of WHA's key concerns.

2017 WHA Chair-elect Bob Van Meeteren, WHA President/CEO Eric Borgerding, 2017 WHA Chair Cathy Jacobson and 2017 WHA Past Chair Mike Wallace listen to discussion during the WHA Board meeting February 9.

"There is a lot at stake. They will set parameters that will last a long time," according to Seemeyer. "Wisconsin is an aging population, and we have one of the lowest rates of uninsured in the country. I think the Governor wants to keep the quality of health care high and cut a deal that does not disadvantage us."

WHA President/CEO Eric Borgerding commented that the low uninsured rate is due to the subsidies on the exchange and the decisions that Wisconsin made to add over 130,000 people below 100 percent of the federal poverty level to Medicaid.

"Wisconsin providers and taxpayers are paying a disproportionate share of funding for our Medicaid program," Borgerding said. "There is absolutely no reason why Wisconsin should not be recognized for the expansion of Medicaid, the so-called "partial expansion" of Medicaid that we did. We added 130,000 people who are in poverty to Medicaid—that's probably more than some states that are getting full federal funding added, but for Wisconsin it is costing us $280 million a year. We took the federal Medicare cuts to pay for coverage expansion, but are receiving less of a benefit because of a line that was arbitrarily drawn by the Obama Administration that defines 'expansion' at 133 percent of the federal poverty level."

Seemeyer provided a high-level overview of the Governor's state budget, which was released February 8. (See related article on page 2). She said from her perspective, "it's a good one" because it "takes care of long-standing goals and urgent and future issues."

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The Governor's budget maintained funding levels for the Disproportionate Share Hospital (DSH) program and included $200,000 in funding for the Rural Residency Assistance Program.

Seemeyer briefly discussed the Medicaid co-payments or premiums and work requirements. Borgerding said WHA members are concerned about the logistics of collecting a co-pay. He suggested that the State take responsibility for collecting the co-pays, rather than put the onus on providers.

"Collecting a co-pay is a cost to us, and in reality, it's a cut to our already low Medicaid reimbursement," Borgerding said. "If it is a good idea, we should think about how the State can assume this risk instead of providers who are receiving 65 percent of the cost to treat Medicaid patients."

DHS is in the process of talking to the Governor's office on how co-pays, premiums and work requirements for Medicaid recipients might work.

"We have no desire to see our waiver result in more uncompensated care," she said. She encouraged the Board and WHA members to discuss their concerns with the requirements with the Department.

President's Report: Board Approves 2017 WHA Goals

In presenting the 2017 WHA goals, Borgerding noted that the complexity of the health care industry is reflected in the diversity, depth and details included in the document. The goals are based on the WHA Strategic Plan 2014-2018, and also the dialogue and takeaways from the 2016 Board Planning Session.

"We have adopted a very transparent and extremely accountable approach to our annual goals," Borgerding said. "There is not a lot in our goals that is not accomplished, even though sometimes it is difficult to translate accountability measures into an advocacy agenda. Advocacy is not just lobbying. It is everything else we are doing in so many other spaces."

The policy leadership that WHA provides, according to Borgerding, is not confined to the four walls of the hospital any longer. It is constantly expanding to include other aspects of the continuum of care.

"Our members cite advocacy as the core deliverable they expert from WHA, and to be a leader in setting that agenda," Borgerding said.

WHA Advocacy Efforts Target Federal Health Care Reform

WHA Senior Vice President Joanne Alig said WHA has had an internal "Repeal and Replace" team focused on federal health reform. Alig said there are three components to the reform issue: ACA repeal and replace; Restructure Medicaid through block grants based on per enrollee cap or other policies; and, Medicare premium supports or other changes.

Alig said the top issue coming out of the election continues to be maintaining coverage expansion while taking into account millions of people are now covered either through the insurance exchange or by Medicaid expansion. At the same time, providers are concerned that any change in coverage could increase uncompensated care and cost shifting.

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"We know uncompensated care is down at the same time those gains are being offset by Medicare and Medicaid shortfalls," according to Alig.

Alig said 195,000 people in Wisconsin are covered since the ACA went into effect, with a 38 percent reduction in Wisconsin's uninsured rate, which is now tied for the seventh lowest in the nation at 5.7 percent. It is better than 25 of the 31 states that expanded Medicaid. Alig added that 242,863 signed up for coverage through the insurance exchange marketplace for 2017, and Wisconsin has gained 130,000 childless adults with income less than 100 percent of FPL who are now enrolled in BadgerCare.

Alig summarized the actions that can be taken through regulatory actions made possible by President Donald Trump's Executive Order, which includes the ability to change requirements around special enrollment periods, create additional exemptions to the individual mandate, extend the availability of ACA-noncompliant health plans, and modify the details of how insurers meet network adequacy. ACA replacement is complicated, and there are now a few plans that have been released and that give an indication of the themes and policies being considered at the national level. Alig reviewed these plans, including the GOP, "A Better Way."

WHA has been fully engaged in the federal reform issue, making several trips to Washington to meet with Wisconsin's congressional delegation (see latest news on this front on page 4). WHA staff has also delivered several letters and white papers to the congressional and state delegation along with state agency leaders to keep them fully informed on the impact reforms would have on their constituents. In addition, Borgerding participated on an expert panel discussion on reform hosted by Wisconsin Health News and authored an op-ed that was picked up statewide and ran in *USA Today's* online edition.

WHA Board Chair Cathy Jacobson recently appointed a subcommittee on health care reform to proactively engage and react to health care reforms as Congress and the President move toward repealing and replacing the ACA.

"ACA repeal 'rocketed' onto the WHA agenda, and our members expect the Association to be a leading source of information to both federal and state lawmakers," Borgerding said during his President's Report. "Never before have we seen federal and state issues come together as they are now."

WHA Launches State Budget Agenda

WHA Senior Vice President Kyle O'Brien led the Board through WHA's advocacy agenda related to the state budget process. The Medicaid cost-to-continue of $279 million is much lower than in the past and the state budget maintains, does not increase, DSH funding.

O'Brien said WHA will continue a comprehensive advocacy strategy to improve Medicaid reimbursement for Wisconsin hospitals in the state budget and closely monitor policies regarding work and employment training program requirements for certain childless adults enrolled in Medicaid. (See related article on page 1.)

State Budget Timeline

February 8 – Gov's Budget Address, Introduction of Bill to JFC

Early- March – Agency Briefings on Budget Bill

Late - March - Public Hearings on Budget Bill

Mid-April – JFC Begins Voting on Budget

Late-May – JFC Finishes Executive Action

June – Full Assembly and Senate Debate & Vote, Governor Walker Delivers Veto Message