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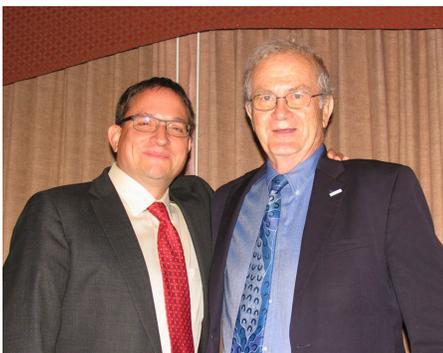
U. S. Senate Delays Vote on Better Care Reconciliation Act *Calls for Medicaid equity growing*

The highly-anticipated vote on the Senate’s Obamacare replacement legislation, “The Better Care Reconciliation Act,” (BCRA) was delayed until after the July 4 recess, a move that WHA hopes will allow senators more time to analyze it and gather feedback from hospitals, patients and their constituents.

Based on WHA’s ongoing review, the bill puts Wisconsin in an even worse situation than the bill passed May 4 by the U.S. House of Representatives.

“Wisconsin remains heavily penalized in both the Senate and House versions of the replacement legislation,” according to WHA President/CEO Eric Borgerding. “The Senate bill takes one step forward by moving more toward income-based premium assistance for health insurance, but it takes about five steps back when it comes to Medicaid.” *(continued on page 6)*

WI Rural Health Conference: WHA, RWHC Committed to Common Goals



Eric Borgerding and Tim Size

The Wisconsin Rural Health Conference is one of the largest health care conferences of its kind in the state. This year’s event was no exception. Nearly 300 Wisconsin health care leaders gathered in Wisconsin Dells June 22-23 to learn more about the issues that impact small and rural hospitals and to hear about innovative delivery models from their peers.

One of the most popular sessions at the Rural Conference continues to be presented by Wisconsin Hospital Association (WHA) President/CEO Eric Borgerding and Rural Wisconsin Health Cooperative (RWHC) Executive Director Tim Size.

Rural Wisconsin hospitals and health systems are fortunate to have two strong advocacy organizations in their corner—WHA and RWHC. The core values of representation and advocacy to ensure

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This op-ed ran in the La Crosse Tribune June 26, 2017.

Tom Still: Wisconsin Faces Health Care Aid Disparity

As the U.S. Senate prepares to vote on a Republican proposal to repeal the Affordable Care Act (ACA), the possibility looms that Wisconsin could lose billions of dollars over time for the very reason the GOP hated Obamacare in the first place.



Tom Still

That reason was the required expansion of Medicaid to more people and services, which Wisconsin rejected after the ACA was passed in 2010 based on calculations it would cost the state more than the federal aid was worth.

Now, some of the same Republicans in Congress who thought Medicaid expansion was a bad idea from the start are poised to pass a bill that would penalize those states that refused to do so.

Confused? So are many experts in the health care community, who are urging Wisconsin’s U.S. senators to find ways to eliminate what the Wisconsin Hospital Association has estimated as a \$36.9 billion loss in federal aid by 2025.

Wisconsin partially expanded its Medicaid health program for the needy known as BadgerCare Plus some years ago. It didn’t do so fully, however, which meant the state has missed out on additional matching dollars from federal taxpayers.

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Political Action Spotlight

Wisconsin Hospitals State PAC & Conduit Fundraising Passes Half Way Mark *Next contributor list to run in July 14 Valued Voice newsletter*

The Wisconsin Hospitals State PAC & Conduit passed the half way mark of its 2017 goal of raising \$312,500. To date, over \$162,000 has been contributed by 161 individuals, putting the campaign at 52 percent of goal. This is an average rate of raising over \$6,200 per week. Of the 161 contributors to date, 56 are contributing at one of three "club levels," which begin at \$1,500 and go up. The average contribution of all givers is approximately \$1,000.

"We are on pace for another record-setting fundraising year, which is excellent. I want to personally thank all 2017 contributors for helping get us to this point," said WHA Advocacy Committee Chair Mike Wallace. "But the work is not done, so please make your 2017 contribution now. When you do so, you join your peers across the state and me in helping keep health care in Wisconsin moving forward."

Contributors who give by July 13 will be listed in the July 14 edition of the WHA *Valued Voice* newsletter and will also receive a Wisconsin Hospitals State PAC/Conduit padfolio.

Contribute today at www.whconduit.com or call WHA's Jenny Boese at 608-268-1816 or Nora Statsick at 608-239-4535 to make a contribution.

Wisconsin Workers Comp Premiums Plummet

Wisconsin businesses see largest drop in workers comp rates since 1995

Wisconsin employers will see the second largest decrease in premium rates for worker's compensation in 22 years. This week, the Wisconsin Commissioner of Insurance approved an overall 8.46 percent rate decrease for worker's compensation premiums for business this year following a 3.19 percent decline last year. According to the Department of Workforce Development (DWD) this decrease represents a savings of nearly \$170 million for employers.

"This is the second consecutive year worker's compensation rates have declined in Wisconsin, reaffirming our commitment that Wisconsin is open for business," said Gov. Scott Walker. In a press release, DWD Secretary Ray Allen credited workplace safety efforts, as well as efforts to bring injured workers back to work as soon as possible.

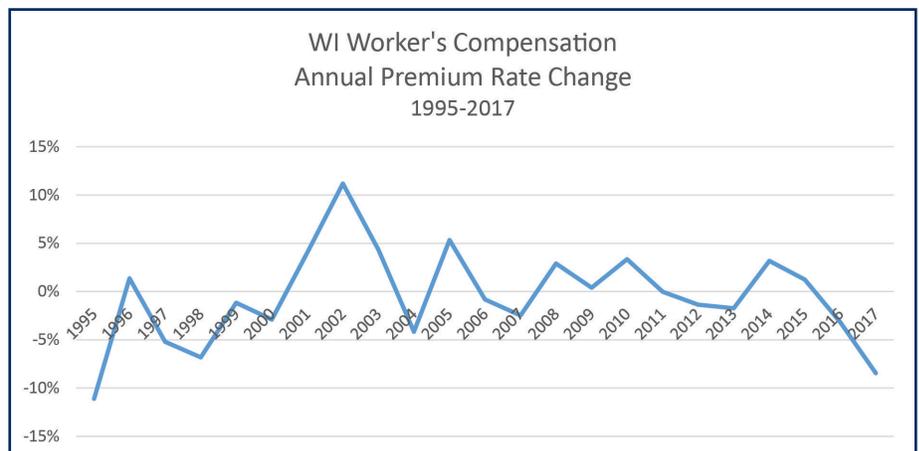
WHA President/CEO Eric

Borgerding commended the work of Wisconsin's health care providers in

getting injured workers back on the job more quickly than nearly every other state in the nation, helping to lower the cost of worker's compensation claims in Wisconsin by reducing an injured worker's time on disability.

"This astounding premium rate decrease is great news for Wisconsin employers," said Borgerding. "It's abundantly clear that injured workers in Wisconsin are getting some of the best care in the country."

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Indeed Wisconsin's health care providers are an important part of the worker's compensation program. The health care component of Wisconsin's worker's compensation program has a strong record of performance, with fast return-to-work rates, low utilization of health care services, high levels of patient satisfaction and overall cost per claim that is among the lowest nationwide, all of which helps lead to positive premium trends for employers and better care for those injured on the job in Wisconsin.

Meanwhile, Wisconsin's employers are making progress on reducing nonfatal workplace injuries, and the DWD continues to focus on safety with the hire of a new safety and risk manager just last year (see previous *Valued Voice* article at www.wha.org/pubarchive/valued_voice/WHA-Newsletter-7-8-2016.htm#7). The most recent data from the State Lab of Hygiene on workplace safety shows Wisconsin's private sector rate of injury at 3.6 per 100 full time equivalent (FTE) workers is still about 20 percent higher than the national rate of 3.0 per 100 FTE. However, both nationally and at the state level, the rate has fallen steadily since 2003.

Borgerding says while health care providers do not control the number of injured workers coming through their doors, health care workers are helping craft programs to improve health and safety.

"The commitment of Wisconsin hospitals and health systems to our state's workforce goes beyond providing exceptional care to those injured on the job and helping them return to work and productivity," Borgerding said. "Our members are working with local employers across the state to design safety and health management programs and partnering to improve overall employee health. Despite the data, despite these partnerships, some in Madison continue pushing controversial worker's compensation policies that increasingly appear to be solutions looking for a problem."

Each year, the Wisconsin Compensation Rating Bureau (WCRB) establishes premium rates for the state's worker's compensation insurance carriers. These rates are developed into premiums, based on claims experience and adjustments for industry sectors. According to DWD, over the last 10 years, premium rates for Wisconsin have remained stable, with a 10-year average annual net premium change of -.37 percent.

WCMEW Announces Fall Workforce Conference

On September 27, the Wisconsin Council on Medical Education and Workforce (WCMEW) will host a conference focused on Wisconsin health care workforce issues. At the full-day event held in Wisconsin Dells, participants will engage in topics ranging from public policy to provider retention and training clinicians for evolving models of care delivery. The conference is designed to bring stakeholders from across Wisconsin's business, government and non-profit areas together to recognize the urgent demand for creative and cross-sector solutions to health care workforce challenges.



Panels and breakout sessions will feature discussions by Wisconsin leaders including Ann Zenk, WHA vice president, workforce and clinical practice; Bruce Palzkill, deputy administrator, Department of Workforce Development; Jim Wood, Competitive Wisconsin; Rep. Mike Rohrkaste (R-Neenah); Peter Sanderson, medical director, informatics and ambulatory regulation, Ascension Wisconsin; and Nancy Nankivil, director, practice transformation and professional satisfaction, American Medical Association.

Registration for the conference will open in mid-July. Contact George Quinn, executive director, WCMEW, at gquinn@wcmew.org or 608-516-5189 for more information or visit www.wcmew.org/wp-content/uploads/2017/06/9-2017ConferenceFlyer.pdf.

Hrenak Joins WHA Government Relations Team

Christine Hrenak has joined WHA's government relations team as the organization's new government relations administrative assistant. This position's primary functions include day-to-day administration of the Wisconsin Hospitals Conduit & PAC along with administrative support for the government relations team, including assistance for the Physician Leaders, Public Policy and Workforce Councils.



Christine Hrenak

Prior to coming to WHA, Christine served in several different administrative support capacities at the University of Wisconsin-Madison, including financial administration and program management of Institutional Conflicts of Interest.

Christine also has experience in health care, serving as a mental health specialist and hospital unit coordinator for Meriter Hospital's Child & Adolescent Psychiatry Unit as well as a position within the recreation department at Central Wisconsin Center.

To contact Christine, email chrenak@wha.org or call 608-274-1820.

Grassroots Spotlight

HSHS St. Joseph's Hospital Hosts Rep. Rob Summerfield



Recently Hospital Sisters Health System's St. Joseph's Hospital in Chippewa Falls hosted Rep. Rob Summerfield for a visit. As a freshman legislator elected in November 2016, the visit was Summerfield's first at the hospital.

During the visit, President/CEO Joan Coffman and other hospital leaders discussed key health care issues with Summerfield, including thanking him for his support for Medicaid Disproportionate Share Hospital funding. Since HSHS St. Joseph's has a long history of providing AODA and mental health services, the group was able to describe in detail current challenges related to funding and provider shortages for these services. Also highlighted were issues related to the Rural Wisconsin Initiative, such as broadband access, as well as network adequacy and physician shortages.

Summerfield also toured the hospital.



HSHS St. Joseph's President/CEO Joan Coffman, second from left, with Rep. Summerfield to her left and hospital leaders.

WHA Encourages Response to Important AHA Survey on Lean Implementation

WHA encourages members to complete a survey being carried out by the Center for Lean Engagement and Research in Healthcare (CLEAR) and the American Hospital Association (AHA). The survey, entitled “National Survey of Lean/Transformational Performance Improvement in Hospitals” collects information related to hospital implementation of lean, lean + Six Sigma, and Robust Process Improvement.

AHA sent a letter to all member and non-member hospitals in late April with a request to forward the survey to the CMO or equivalent position. The data will contribute to knowledge of lean implementation and assist in developing further guidance on its use in health care.

To obtain your username and password to complete the survey, contact Tammy Hribar at WHA at thribar@wha.org. Hospitals are encouraged to respond even if they are not involved in lean activities.

Registration Open for Fall Cohort of WHA Physician Quality Academy

Physicians are often assigned a role with a hospital or health system’s quality department or committee, or they are asked to lead a quality improvement project. Knowledge about quality improvement tools and principles can increase the likelihood that a physician will be more engaged in, successful in and comfortable with his/her leadership role.



To ensure physicians have access to the training and resources necessary to lead quality improvement initiatives, WHA is offering a fall cohort of the WHA Physician Quality Academy. The Academy offers two non-consecutive days of in-person training and access to supporting resources both between and after the live sessions. Participants will learn to design and conduct quality improvement projects utilizing proven improvement models; interpret data correctly; facilitate physician colleague engagement in quality improvement and measurement; and, discuss quality requirements, medical staff functions and their link to quality improvement.

“Attending the Quality Academy was an enlightening experience. [The Academy] helped me develop a broader framework of systems thinking in health care and the importance of critically defining metrics involved,” said Paul Bekx, MD, chief of staff and medical director of quality and regulation for Monroe Clinic, an attendee of the 2017 spring cohort of the Physician Quality Academy. “The quality improvement model tools that were presented helped guide us to define the problem at hand, the critical questions to ask, the proper metrics to measure and how the answers to these items can help in the next cycle of improvement in quality. The conference was very helpful.”

The fall cohort of the Academy will be offered September 29 and November 3, at Glacier Canyon Lodge at The Wilderness Resort in Wisconsin Dells. By enrolling, participating physicians are committing to and expected to attend both days of their enrolled cohort. The full event agenda and online registration are available at www.cvent.com/d/wvq5nm, and a brochure is included in this week’s packet. Attendance is limited, so register your physicians today.

The Academy is jointly provided by AXIS Medical Education and WHA. AXIS Medical Education is accredited by the Accreditation Council for Continuing Medical Education (ACCME) to provide continuing education for physicians. AXIS Medical Education designates this live activity for a maximum of 10 *AMA PRA Category 1 Credit(s)*[™]. Physicians should claim only the credit commensurate with the extent of their participation in the activity.

Fast Facts from the WHA Information Center

Play it Safe with Fireworks

With the July 4 weekend coming up, a lot of people are getting ready to celebrate with fireworks. Fireworks are fun to watch, but they can also be dangerous.

Last July, there were 95 emergency room visits and five inpatient admissions to Wisconsin hospitals due to fireworks, according to the WHA Information Center. Enjoy the holiday, but be safe if you are using fireworks.

For more safety tips, visit the U.S. Consumer Product Safety Commission website:
www.cpsc.gov/Safety-Education/Safety-Education-Centers/Fireworks

Data provided by the WHA Information Center (WHAIC). WHAIC (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.



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The Congressional Budget Office estimated the BCRA would result in 22 million more people uninsured in 2026 and cut \$772 billion in federal spending from the Medicaid program from 2017-2026 (www.cbo.gov/publication/52849). The bill raises a number of concerns, not the least of which is billions in lost federal Medicaid funding in Wisconsin by perpetuating inequities among states, according to Borgerding.

The Senate made deeper cuts to the Medicaid program than the House bill in part by tying future increases beyond 2025 to the CPI for all urban consumers as opposed to the medical CPI. With respect to tax credits to help consumers buy coverage, the Senate ties them to age, income and geography. The House version would provide a fixed amount based on age only, leading to many concerns about affordability for lower income individuals compared to the Affordable Care Act. However, the Senate eliminates tax credits for people with income between 350 and 400 percent of the federal poverty level (FPL). It eliminates the requirement that everyone must purchase health insurance, and cost-sharing subsidies would end after 2019.

Wisconsin is not considered an "expansion state." Wisconsin did add about 130,000 childless adults with income below the poverty line to Medicaid beginning in April 2014. However, this was considered a "partial expansion," and thus not eligible for the enhanced federal matching funds. As a result, the 31 expansion states have been receiving 100 percent federal funding for the same population that Wisconsin is spending \$280 million in state dollars to cover.

Even more, a recent analysis by the Missouri Hospital Association estimated that non-expansion states will have collectively foregone \$683.9 billion in federal Medicaid spending under the American Health Care Act by 2025, with Wisconsin's share estimated at \$37 billion. By changing the indexing, under the BCRA Wisconsin would forego an additional \$1.7 billion through 2025 compared to the House bill, for a total reduction of \$3 billion. These are dollars that instead could be used to expand our diminishing health care workforce, train more primary care doctors, improve access in underserved rural and urban areas, boost reimbursement and reduce Medicaid cost shifting to employers and families—right here in Wisconsin.

"It's really a one-two punch being thrown at Wisconsin," Borgerding said. "The Senate bill adds nearly \$1.7 billion in additional Medicaid funding reductions to what the House already cut, putting the total

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hit to Wisconsin at about \$3 billion. On top of that, Wisconsin will continue receiving billions less in Medicaid funding because we are a so-called nonexpansion state, despite adding 130,000 people in poverty to our Medicaid program at a cost of \$280 million to Wisconsin every year. It makes absolutely no sense, and regardless of what anyone thinks about repealing Obamacare, these are glaring inequities that continue and at a minimum our entire congressional delegation should be demanding fairness for Wisconsin.”

On June 2, more than a dozen of Wisconsin’s leading business and health care groups, including WHA, sent a letter (www.wha.org/pdf/JohnsonGroupLetter6-2-17.pdf) to Sen. Ron Johnson urging him to obtain fair Medicaid funding for Wisconsin. In the letter, the group expressed its concern about the eventual impact on state finances, noting, “Th[e] funding inequity would grow over time, not only exacerbating inequities among states but also placing increasing stress on Wisconsin taxpayers and ultimately the state budget.”

The issue of Medicaid equity is also receiving attention nationally. As reported by *Modern Healthcare* June 29, several state hospital associations—including those in Texas and Florida that are expected to receive the bulk of the funding for nonexpansion states included in the BCRA—believe the funding is not enough to offset the overall caps and adjustments that would be imposed on the Medicaid program. According to the report, “There are widespread concerns about whether the caps and the adjustments would give states enough financial flexibility to address emerging public health issues, new medical innovations, and demographic changes such as the projected increase in the population of elderly people with long-term care needs.”

Borgerding again pointed to a proposal floated by the governors from four expansion states (Arizona, Arkansas, Michigan and Ohio) as one way to achieve fairness for, as Borgerding put it, “the non-Obamacare compliant Medicaid expansion Wisconsin has clearly undertaken and is paying for.”

In a March 16, 2017 letter to Speaker Ryan and Majority Leader McConnell, the four expansion state governors called on Congress to allow states like Wisconsin that expanded Medicaid outside of Obamacare to receive the same enhanced federal matching dollars as those states that expanded Medicaid within Obamacare.

“For a state that has expanded eligibility to childless adults with incomes less than 138 percent FPL, but has not received the enhanced match, federal funding would be adjusted to be equitable with expansion states. Nonexpansion states may choose to expand eligibility for adults at any income level at or below 138 percent FPL, with enhanced federal participation to create funding equity.”

WHA has been working closely with Sen. Johnson, meeting with him in Washington, D.C. and communicating WHA’s position on and voicing concerns with potential repeal and replace legislation. Johnson and three other conservative senators released a statement shortly after the release of the Senate bill expressing their opposition, but remaining opened to discussions. In an earlier press statement, Borgerding commended Johnson for taking a circumspect approach, including “advocating for market stabilization first, while wanting time to understand the broader ramifications of the bill through his stated desire to obtain constituents’ reaction and input.” (See WHA’s statement at www.wha.org/whastatement6-22-17bhca.aspx.)

WHA will continue to work with Johnson to ensure any legislation produced by the Senate protects hospitals and the patients they serve.

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By 2025, the 19 states that didn't expand Medicaid will lose out on \$684 billion in additional federal money, an amount that would translate into \$37 billion for Wisconsin alone, based on a report from the Missouri Hospital Association.

To date, Wisconsin taxpayers have spent \$679 million more than they would have under a full expansion of Medicaid, the Legislature's non-partisan budget office has estimated.

The Senate measure, like the House bill, would phase out the extra money the federal government has provided to states as an incentive to expand eligibility for Medicaid. That phase-out would begin in 2021 and be nearly complete by 2024. Like the House bill, the Senate measure it would put the entire Medicaid program on a diet, ending the open-ended entitlement that now exists.

In both bills, however, the Medicaid phase-out is delayed—which is why Wisconsin health care organizations are concerned.

"It locks in a massive [health care] funding disparity between expansion and non-expansion states," said Eric Borgerding, chief executive officer of the Wisconsin Hospital Association. "It's really sort of astounding that you have states that rejected Obamacare, and now in the bill they're being penalized for rejecting it."

That may be a reason why U.S. Sen. Ron Johnson, R-WI, has signaled his misgivings about the Senate Republican proposal.

"When you take a look at the money spent in Medicaid expansion, it's a lot of money, and if we lock in that disparity that's a disadvantage to states like Wisconsin. So yeah, I'm concerned about that," he told Congressional Quarterly's Roll Call.

What's the solution? It's complicated and even a bit arcane—like much of health care policy—but the options include:

Repeal Obamacare's ongoing hospital Medicare reimbursement cuts in non-expansion states. Doing so would help restore fairness as the non-expansion states continue to pay for expansion in other states. The cuts in Medicare reimbursement, which goes primarily for health care for the elderly, were used to fund the Medicaid expansion under Obamacare.

Put more money into the federal "Safety Net Fund," which was created to smooth some of the disparities between expansion and non-expansion states. That would net Wisconsin about \$70 million a year.

Ensure that Medicaid per capita spending caps do not disadvantage non-expansion states. On average, expansion states will see \$1,936 per beneficiary compared to \$1,158 per Medicaid beneficiary in non-expansion states.

U.S. Sen. Tammy Baldwin, D-WI, has said she opposes the Senate Republican plan for many reasons—starting with the fact it "has no heart"—and has expressed concerns about Medicaid cuts in general. Unraveling Obamacare has proven much harder than expected for Republicans, who now face an uphill fight within their own party to do so. Some conservatives think current plans don't go far enough; others say those plans will hurt many of the people they represent.

With one-sixth of the U.S. economy tied up in health care, the next move by Congress and the White House should be taken with great care.

Tom Still is President of the Wisconsin Technology Council. Still is the former associate editor of the Wisconsin State Journal in Madison. He serves on the advisory boards for the UW-Madison College of Engineering, the WiSys Technology Foundation, the Waisman Biomanufacturing Center, the Governor's Council on Workforce Investment and other corporate, civic and business groups.

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The crowd at the 2017 Wisconsin Rural Health Conference

their members can continue to provide high-quality, high-value health care in their communities bring the two organizations together.

In his presentation, Size said rural network adequacy tops the list of non-federal priorities for his members. The work being done by WHA with RWHC on this topic is, according to Size, a “great example of the collaboration we have between our organizations.”

Size noted that rural is older, poorer and sicker, and it is taking rural areas longer to recover from the 2008 recession than it has in more urban areas. He is also concerned at what he sees as a focus on racial equity because equity goes much deeper than just race.

He indicated how important racial equity is for our state but strongly added that our understanding of health disparities needs to go further. Equity issues also impact poor, white people in rural areas, according to Size. “We need to have a conversation about equity on multiple levels, and look at where the problems are in all parts of our state and country,” he said.

Borgerding opened his remarks by affirming RWHC is WHA’s strongest partner.

“We are similar organizations, but also very different,” according to Borgerding. “We support and strengthen one another.”

Borgerding described the challenges he sees in health care, most of which are cross-cutting to impact both rural and urban hospitals. The top issues identified by WHA members in a recent survey were reimbursement, coverage for the uninsured, workforce, behavioral health, and in a tie—physician payment and narrow networks.

A top WHA priority is maintaining the coverage gains achieved through Wisconsin’s version of Medicaid expansion coupled with income-based subsidies in the exchange. That has helped reduce uncompensated care in rural hospitals by \$34 million, an 18 percent reduction since the first year of Obamacare.

“If you look at exchange coverage, you can see how significant the premium supports in the exchange have been for rural Wisconsin,” Borgerding said. “When most people think of Medicaid they think of urban, but Medicaid plays a critical role in strengthening the rural safety net.”

Borgerding said WHA has strongly advocated with both Speaker Paul Ryan and U.S. Sen. Ron Johnson to maintain the income-based subsidies in the exchange.

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Reimbursement is another big issue for WHA's members. The continuing support in the state Legislature for the Disproportionate Share Hospital (DSH) program has led to a \$60 million increase in DSH. And, Borgerding noted that it benefits not just urban, inner-city hospitals, it also benefits rural hospitals.

"Just two budgets ago, the DSH payment was zero," he added. "These increases are important because 14 of the 22 general med-surgical hospitals that lost money in 2016 were rural. Not all hospitals qualify for DSH, so WHA advocated for another supplement of \$1.2 million, and we did it with bipartisan support."

Workforce is a huge issue for all hospitals and health systems, and WHA and RWHC are working on many levels to create and support the resources necessary to address the issue. Recruiting and retaining physicians has been a focus for several years and much progress has been made on that front, according to Borgerding.

"WHA has been working closely with the RWHC, the medical schools and our members to create new residency programs and expand existing programs using state dollars," Borgerding said. "It is one of the best examples I have seen of a public/private partnership delivering results."

Efforts continue to create opportunities for physicians to complete their training in Wisconsin. That successful model is now being used to address shortages in other professions, such as advanced practice nurses and other allied health professionals.

"It's more than just the supply of health care professionals. WHA is working on legislation that not only addresses the number of employees; we work to remove the impediments that hinder evolving our health care delivery models and clinician capabilities," Borgerding said.