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## **WHA Analysis: Insurer Exits Likely to Leave Fewer Choices on WI's Exchange WHA CEO calls on Congress to act now to stabilize insurance markets and preserve Wisconsin coverage gains**

As uncertainty grips health insurance markets throughout the country, people across Wisconsin who buy their insurance through the exchange marketplace could see fewer choices in 2018.

That's according to a new Wisconsin Hospital Association (WHA) analysis which provides a synopsis of expected changes for the 2018 benefit year based on announcements to date. Insurers are expected to enter into final agreements with the Centers for Medicare & Medicaid Services (CMS) for offering exchange coverage by the end of September, so additional changes could still happen.

The analysis accounts for the decisions by Molina Healthcare, Anthem, and Health Tradition Health Plan to exit the Wisconsin exchange, as well as the merger of Gundersen and Unity health plans. WHA's analysis also factors in the July announcement by Minnesota-based insurer Medica that it will expand into eight new counties in Wisconsin for 2018, increasing its Wisconsin footprint from 13 to 21 counties.

Maps and a chart developed by WHA depict a trend of fewer choices across Wisconsin. In 2017, all but one county had a choice of two or more insurers offering plans in the exchange. By 2018, WHA projects 10 counties in Wisconsin could have just one insurer, and one county—Menominee—will have no insurers participating in the exchange in 2018. (See the maps at [www.wha.org/pdf/WHAmaps-InsurerExchangeParticipation-2017v2018.pdf](http://www.wha.org/pdf/WHAmaps-InsurerExchangeParticipation-2017v2018.pdf) and the chart at [www.wha.org/pdf/Exchangeparticipationbycounty8-3-17.pdf](http://www.wha.org/pdf/Exchangeparticipationbycounty8-3-17.pdf).) *(continued on page 6)*

## **WHA Letter to Delegation: Stabilize the Exchange Market Wisconsin counties impacted by exchange instability**

Even though the U.S. Senate failed to move legislation on repealing and replacing the Affordable Care Act, Wisconsin Hospital Association President/CEO Eric Borgerding wrote Wisconsin's federal delegation about growing market instability in Wisconsin and that Congressional work is not done.

"WHA and our members have relayed to you and your staff repeatedly in 2017 that affordable coverage on the exchange for lower-income individuals has been a key component of Wisconsin's highly successful model of coverage expansion," said Borgerding. "The vast majority of individuals (83 percent) on the exchange in Wisconsin for 2017 are eligible to receive premium assistance, with 51 percent, or 110,000 of 216,000 people also eligible to receive [Cost Sharing Reductions] CSRs. In other words, as go the exchanges, so goes the viability of Wisconsin's coverage model."

This past week California-based health insurance company Molina Healthcare announced it would abandon Wisconsin's insurance exchange market, following Anthem and Health Tradition Health Plan that made similar announcements earlier this year. With the departure of these three insurers, 10 Wisconsin counties in 2018 will now only have one remaining insurer option and one county—Menominee—will have no option at all on the exchange. Included with the letter were three WHA-developed statewide maps reflecting county-by-county coverage changes to date. (See WHA's August 4 article at [www.wha.org/pubarchive/valued\\_voice/WHA-Newsletter-8-4-2017.htm#1](http://www.wha.org/pubarchive/valued_voice/WHA-Newsletter-8-4-2017.htm#1) for more details.) *(continued on page 2)*

## Continued from page 1 , , WHA Letter to Delegation: Stabilize the Exchange Market

Instability in the market is increasing, in part, due to the uncertainty about CSRs, as those have been integral in making coverage affordable. WHA continues to advocate that Congress and the administration fund the CSRs.

“The National Governors Association Health Committee statement put it well when it urged the administration to ‘fully fund CSRs for the remainder of calendar year 2017 through 2018.’ Congress should support this action as a necessary step to ‘stabilize the individual marketplaces in the short term as Congress and the administration address long-term reform efforts.’ WHA agrees,” said Borgerding.

“Wisconsin has much at stake in what comes next, and something must come next in order to protect people and stabilize the markets. Inaction is not an option nor is intentionally allowing failure of insurance markets an acceptable strategy or outcome.”

## U.S. Rep. Grothman Hears About Market Instability, 340B, HOPD and Medicare Extenders



Close to a dozen hospital and health system leaders met with U.S. Rep. Glenn Grothman for a roundtable discussion on health care issues. Aurora Sheboygan Memorial Medical Center hosted the meeting.

Attendees discussed recent U.S. Senate inaction on the Affordable

Care Act (ACA) and how that continues to impact communities, hospitals and patients in Grothman’s district. The group urged Grothman to support market stability through funding of the ACA’s Cost Sharing Reductions.

Further, the group spent considerable time briefing Grothman on the importance of the 340B drug discount program to many rural and urban safety-net hospitals, including in his district. The 340B program allows qualifying safety-net hospitals to address the increasing cost of pharmaceuticals while putting those savings directly to use in local communities. Participants provided multiple real-life examples of how their hospitals were using 340B savings throughout Rep. Grothman’s district and providing much-needed access to services and pharmaceuticals, including for behavioral health care.



Another component of the 340B discussion was how a poorly crafted 2015 law on certain hospital outpatient departments (HOPDs) was negatively impacting the payment for these very behavioral health services. The statutory provision is Section 603 of the 2015 Bipartisan Budget Act. Under this provision, a subset of HOPDs were excluded from using the very Medicare reimbursement schedule under which they were designed to be reimbursed. In its place, these impacted HOPDs now receive only half of their previous reimbursements and potentially face an additional 50 percent reduction in those payments. Attendees urged Grothman to support a fix for these impacted HOPDs.

In closing, the group reminded Rep. Grothman that Congress still has important issues to address in the fall, including funding the Children’s Health Insurance Program (CHIP) and Medicare Dependent Hospitals (MDH) and Low Volume Adjustment hospital payments. *(continued on page 3)*

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Individuals participating in this meeting included: David Graebner, Aurora Sheboygan Memorial Medical Center; Andy Bagnall, HSHS St. Nicholas Hospital; William Hart, Columbia St. Mary's; Mary Maurer, Holy Family Memorial; Mike Binder, Mercy Medical Center; Reggie Newson and Elizabeth Cliffe, Ascension Wisconsin; Tony Curry, Aurora Health Care; and Jenny Boese, Wisconsin Hospital Association.

### Political Action Spotlight

#### Why Contribute to the WI Hospitals PAC/Conduit in a Non-Election Year?

**By: Mike Wallace, Chair, WHA Advocacy Committee**

While hundreds of individuals contribute every year to the Wisconsin Hospitals State PAC & Conduit fundraising campaign, there may be some who think doing so is not important in a non-election year.

Consider this: As a health care leader, I prepare for the future by making plans now. So, too, do campaign committees who are already laying the groundwork for next year's elections. This is an ongoing, year-round process, and one where you and I can offer support to Republican and Democrat campaign efforts alike as they prepare for 2018.

It is not unusual to hear about dozens and dozens of campaign fundraisers throughout the year, including annual golf outings which typically occur during the pleasant summer and fall weather. I am frequently invited to participate in these events and do so whenever I can. When I can participate, I contribute using my Wisconsin Hospitals Conduit account. This is why I contribute each year to the Wisconsin Hospitals Conduit. Doing so allows me to control which candidates and campaigns receive my support.

If you're wondering whether the Wisconsin Hospitals Conduit or the Wisconsin Hospitals State PAC is the best choice for you, either is a great option. As I said, the Wisconsin Hospitals Conduit suits me perfectly, but for those who would prefer to simply contribute and have their dollars used where most needed, I would recommend the Wisconsin Hospitals State PAC. Regardless, either option helps support candidates who value the work you and I do every day. In the end, better candidates lead to better legislators who craft better laws.

If you have not yet contributed in 2017, I would challenge you to do so today. Become a part of this important effort by logging onto [www.whconduit.com](http://www.whconduit.com) or by calling WHA's Jenny Boese at 608-268-1816 or Nora Statsick at 608-239-4535.

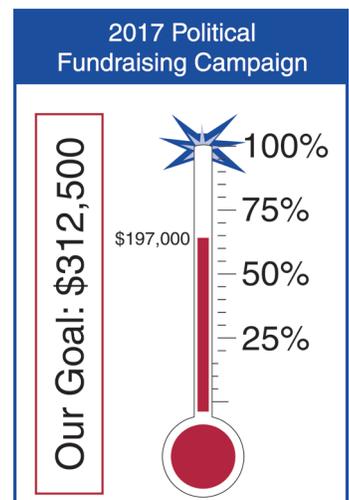
#### WI Hospitals State PAC/Conduit Update

**Campaign nears \$200,000 mark, next contributor list August 18**

The Wisconsin Hospitals State PAC & Conduit topped \$197,000 this week, putting the 2017 fundraising effort at 63 percent of its \$312,500 goal. Two hundred and eleven individuals have contributed to date an average of \$934 each.

While the 2017 campaign is mirroring last year's record-setting fundraising pace, it will need to pick up the pace over the next few months to achieve this year's \$312,500 goal. You can help. Contribute today. Contributors who give by August 17 will be included in the next contributor list to run in the August 18 edition of *The Valued Voice*.

Make your contribution at [www.whconduit.com](http://www.whconduit.com) or call WHA's Jenny Boese at 608-268-1816 or Nora Statsick at 608-239-4535.



## WCMEW Conference Tackles Care Delivery through Expert Panels



Designing and supporting a health care workforce that meets the needs of Wisconsin patients can be a challenge for hospital administrators, teaching institutions and policymakers. How do systems ensure they hire and retain the appropriate mix of providers? Can implementing team-

based care shift the current roles of clinicians and reduce projected workforce shortages? How should tomorrow's health care professionals be trained to effectively deliver care in an environment that is constantly evolving?

These questions, among others, will be discussed by expert panelists and through small-group breakout sessions at a statewide conference this fall. *The Future Landscape of Wisconsin's Health Care Workforce*, hosted by the Wisconsin Council on Medical Education and Workforce (WCMEW), will take place in Wisconsin Dells September 27. The full-day conference aims to deliver on several of the recommendations from WCMEW's 2016 Report, *"A Work in Progress: Building Wisconsin's Future Physician Workforce."* (See the report at [www.wcmew.org/wp-content/uploads/2016/08/2016physicianReportWCMEW.pdf](http://www.wcmew.org/wp-content/uploads/2016/08/2016physicianReportWCMEW.pdf).) The report advocates for statewide discussion of health care workforce challenges, engaging stakeholders from across sectors and disciplines to approach projected shortages collaboratively. "Promoting transformation of care delivery" is a key area of opportunity for Wisconsin to address provider gaps across the state, according to the report.

To deliver on its recommendations from the 2016 Report, WCMEW will bring together expert speakers from a variety of sectors to discuss reforming care delivery and potential workforce effects. They include representatives from training institutions, hospital systems and membership associations. Peter Sanderson, MD, medical director, informatics and ambulatory regulation, Ascension Wisconsin, will lead a breakout session on future workforce models in both planning and implementation contexts. Shishir Sheth, MD, clinical vice president, specialty care, Ascension Medical Group, with co-presenter Eric Elliot, president, Wisconsin Academy of Physician Assistants, will present approaches to leveraging physician assistants to maximize patient care. Matthew Swedlund, MD, clinical assistant professor, UW School of Medicine and Public Health, will also provide conference attendees with concrete models for adapting high-functioning teams in primary care settings, emphasizing the need for reforms in care delivery.

Registration for the full-day conference September 27 is available at [www.cvent.com/d/85qxys](http://www.cvent.com/d/85qxys). Contact George Quinn, WCMEW executive director, at [gquinn@wcmew.org](mailto:gquinn@wcmew.org) or 608-516-5189 with questions. See the full brochure at [www.wha.org/education/2017wcmew9-27.pdf](http://www.wha.org/education/2017wcmew9-27.pdf) for more information.

## Updated Guidance for Zika Testing in Pregnant Women

The Centers for Disease Control (CDC) has recently updated its Zika virus testing recommendations for pregnant women, and the Wisconsin Division of Public Health has adopted these updated recommendations. See the memo outlining the details of this change at [www.dhs.wisconsin.gov/dph/memos/communicable-diseases/bcd-2017-03.pdf](http://www.dhs.wisconsin.gov/dph/memos/communicable-diseases/bcd-2017-03.pdf). Share this memo with all appropriate health care providers, labs and health department staff.

For questions, contact: Rebecca Osborn, 608-261-6388, [Rebecca.Osborn@dhs.wisconsin.gov](mailto:Rebecca.Osborn@dhs.wisconsin.gov); Christine Muganda, 608-266-6914, [Christine.Muganda@dhs.wisconsin.gov](mailto:Christine.Muganda@dhs.wisconsin.gov); or Ryan Wozniak, 608-267-0249, [Ryan.Wozniak@dhs.wisconsin.gov](mailto:Ryan.Wozniak@dhs.wisconsin.gov).

## 2018 Inpatient PPS Final Rule Released

On August 2, 2017, The Centers for Medicare & Medicaid Services (CMS) issued the Fiscal Year (FY) 2018 Medicare Hospital Inpatient Prospective Payment System (IPPS) Final Rule that updates payment and policies for hospital discharges from hospitals from October 1, 2017 to September 30, 2018.

The rule increases operating payment rates under the IPPS by about 1.3 percent, with an additional 0.7 percent available in uncompensated care payments. Other payment adjustments include penalties for excessive readmissions, continuing the one-percent penalty for facilities in the bottom quartile of the Hospital Acquired Condition Reduction Program, and payment increases and decreases under the Hospital Value-Based Purchasing Program. Overall, CMS estimates Medicare spending for inpatient services will rise by about \$2.4 billion in FY 2018.

Those estimated increases factor in (i) a -0.6 adjustment that removes the one-time adjustment from FY 2017 intended, according to CMS, to address the effect of the 0.2 percent two midnight rate cut, (ii) a +0.46 percentage adjustment from the 21st Century Cures Act, and (iii) a -0.75 percent adjustment required by the Affordable Care Act (ACA).

The rule also includes ACA-mandated Medicare Disproportionate Share Hospital adjustments that reflect changes in the rate of uninsurance and CMS's finalized proposal to incorporate data from its National Health Expenditure Accounts into these estimates. As a result, Medicare Disproportionate Share Hospital (DSH) uncompensated care payments in FY 2018 will increase approximately \$800 million from the FY 2017 amount. CMS also finalizes a three-year transition, beginning in FY 2018, to using Worksheet S-10 data to determine the amounts and distribution of uncompensated care payments. In response to concerns from WHA and others, CMS indicated it will continue to work with stakeholders to address issues related to the accuracy and consistency of the S-10 data through provider education and refinement of the instructions for the Worksheet S-10. Additionally, CMS will provide hospitals with an opportunity to resubmit certain Worksheet S-10 data to their Medicare administrative contractors by September 30, 2017.

For 2018, CMS finalized modifications to the Electronic Health Records (EHR) Incentive Program. Hospitals and critical access hospitals will have the option to report modified stage 2 for the 2018 reporting period. CMS also finalized a reduction in the 2018 EHR reporting period from the full year to a minimum of any continuous 90-day period during the calendar year. Additionally, CMS finalized a reduction in the electronic clinical quality measure reporting requirement for the 2017 Hospital Inpatient Quality Reporting program. Hospitals will be required to report on at least four self-selected electronic clinical quality measures (eCQMs) for a reporting period of one self-selected quarter of CQM data in CY 2017.

CMS also modified its proposals related to the Rural Community Demonstration Program so hospitals already participating in the program will receive their reasonable cost payments continuously without a gap in payments.

There are many additional issues addressed in the rule, and WHA has resources on its website to help members understand these important Medicare payment rules. WHA provides detailed rule summaries and hospital-specific analysis on the financial impact of these ever-changing rules.

All completed prospective payment system (PPS) rule summaries can be found on the WHA website at [www.wha.org/medicare.aspx](http://www.wha.org/medicare.aspx). Once there, see the left hand side of the webpage for the PPS topic you are interested in.

The hospital-specific fiscal analysis of the Medicare PPS payment rules are posted on the WHA member portal at <http://members.wha.org/Home.aspx>.

## **Continued from page 1. . . WHA Analysis: Insurer Exits Likely to Leave Fewer Choices on WI's Exchange**

Overall, 51 counties could lose up to two health insurers on the exchange in 2018 according to the WHA analysis.

Wisconsin is still expected to be in better shape than most other states when it comes to health plan choices and competition in the exchange. Nonetheless, WHA is increasingly concerned about what these trends could mean for the future of the individual market in Wisconsin.

"We are seeing some troubling developments in the Wisconsin health insurance market driven in large measure by the uncertainty coming out of Washington," said WHA President/CEO Eric Borgerding. "We believe the time is now for Congress to act and stabilize the individual insurance market."

"Wisconsin's uninsured rate has dropped 38 percent since 2013, and the insurance exchange has been an integral part of that reduction," Borgerding said. "Wisconsin has much at stake in what comes next out of Washington, and something must come next. Inaction is not an option nor is intentionally allowing failure of insurance markets an acceptable strategy or outcome."

WHA's analysis and projections are based on the most recent data and information available. Insurers participating in the Wisconsin exchange will be required to sign final agreements with CMS for 2018 exchange participation by September 27.