

IN THIS ISSUE

WHA Board Recognizes Members, Celebrates 2018 Outcomes, Talks Medicaid Expansion 1

WHA Joins Other Hospital Associations in Medicare DSH Amicus Brief 1

Member News: Charlier Named President/CEO for HSHS St. Vincent and St. Mary's 2

WHA BOARD RECOGNIZES MEMBERS, CELEBRATES 2018 OUTCOMES, TALKS MEDICAID EXPANSION

The WHA Board of Directors held its final meeting of 2018, and as typical of year-end meetings, it was kicked-off with welcomes, thank yous and good byes.



WHA's Board Meeting, December 20, 2018

Welcomed as guests were Daniel DeGroot, President/CEO of Stoughton Hospital, and Steve Kulick, MD, Chief Experience Officer of Marshfield Clinic Health System. Both will be joining the board as at-large members in 2019.

Outgoing 2018 Board Chair Bob Van Meeteren, President of the Reedsburg Area Medical Center, was thanked by the WHA staff and his board colleagues for his leadership and guidance the past 12 months.

(continued on page 2)

EDUCATIONAL EVENTS

Starting January 2019
 Health Care Workforce Resilience
 Free Member Webinar Series

March 15, 2019
 Physician Leadership
 Development Conference
 Kohler, WI

April 17, 2019
 Advocacy Day
 Madison, WI

WHA JOINS OTHER HOSPITAL ASSOCIATIONS IN MEDICARE DSH AMICUS BRIEF

WHA joined several other state hospital associations in submitting a [joint amicus brief](#) to the United States Supreme Court in a case impacting payments to Medicare Disproportionate Share Hospital (Medicare DSH) program hospitals across the country, including 44 hospitals in Wisconsin.

The case, *Azar v. Allina Health Services*, involves a change in the formula utilized by the federal Department of Health and Human Services (HHS) for calculating Medicare DSH program reimbursement adjustments for fiscal year 2012 that occurred without notice and opportunity for comment. Specifically, in 2014, HHS directed its fiscal intermediaries to utilize a revised Medicare DSH program reimbursement formula for 2012 that would result in reduced reimbursement for all Medicare DSH hospitals in 2012.

The joint hospital association brief argues that the [D.C. Circuit Court of Appeals' opinion](#)—written by then-Circuit Judge Brett Kavanaugh—was correct in holding that the 2012 rate change is invalid because HHS did not utilize rulemaking procedures, including public notice and comment procedures.

(continued on page 2)

WHA Joins Other Hospital Associations in Medicare DSH Amicus Brief . . . Continued from page 1

“As the D.C. Circuit has repeatedly observed, the rule at issue in this case itself may have an enormous financial impact on these institutions. Yet, notwithstanding the importance of the program, the effect of changes to it are not always intuitive,” wrote Attorney Chad Golder, Munger, Tolles & Olson LLP, in the joint hospital association brief.

“The combination of these two factors...underscores a key point that *amici* respectfully ask this Court to bear in mind as it considers this case: when it comes to the DSH program, notice and comment procedures are an essential component of rulemaking,” states the *amicus* brief. “Without notice-and-comment, [HHS] may fail to fully understand the range of consequences that a rule-change will have on hospitals. Put simply, notice-and-comment is vital to the successful administration of the DSH program.”

It is expected the U.S. Supreme Court will issue an opinion on the case sometime in 2019.

MEMBER NEWS: CHARLIER NAMED PRESIDENT/CEO FOR HSHS ST. VINCENT AND ST. MARY’S

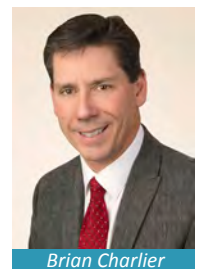
Brian Charlier has been named president and CEO for HSHS St. Vincent Hospital and HSHS St. Mary’s Hospital Medical Center in Green Bay. He will transition to his new role January 1, 2019.

Charlier has served as COO for HSHS St. Vincent Hospital and HSHS St. Mary’s Hospital Medical Center as well as Prevea Health since January 2017. Under his leadership, operations and communication between service lines and physicians were improved.

In addition to his new role, Charlier will continue to serve as COO of Prevea, where he has served in various leadership roles since 1997. Prior to joining Prevea, he held various management roles from 1975 to 1997 at Bellin Hospital in Green Bay.

Charlier is a Green Bay native and received his bachelor’s and master’s degrees from UW-Green Bay.

Therese Pandl will continue to serve as the HSHS-Eastern Wisconsin Division president and CEO. HSHS will not be replacing the COO role at HSHS St. Vincent and HSHS St. Mary’s.



Brian Charlier

WHA Board Recognizes Members, Celebrates 2018 Outcomes, Talks Medicaid Expansion. . . Continued from page 1

“WHA’s ability to produce relevant, impactful results year after year is truly impressive,” Van Meeteren said in remarks to the board. “They serve urban and rural, system and independent hospitals and health systems with equal commitment while delivering unequaled value for all members. It’s a real privilege to serve on the WHA board and it’s been my honor to serve as chair this past year.”

Van Meeteren will assume the position of immediate past chair, as Regional President of Operations at SSM Healthcare of Wisconsin Damond Boatwright takes over the reigns as chair in 2019.

Leaving the board after completing the maximum two consecutive terms (six years total), Steve Little, Regional COO of SSM Health-Wisconsin, also remarked on his time on the board and thanked the WHA staff and his colleagues.

“My time with WHA has been very rewarding, and I am very grateful for the opportunity to serve,” Little said. “I look forward to continuing to be a part of the work you do to make health care better in Wisconsin.”

“WHA is successful because of the leadership and participation from all our members, especially those who serve on the board, who go the extra mile in giving their time and sharing their knowledge and insights,” said Eric Borgerding, WHA President/CEO. “This keeps WHA’s advocacy efforts relevant and of value to our members all across Wisconsin.”

WHA Accomplishes Ambitious 2018 Goals

Each year, WHA puts forward a set of ambitious and forward-looking goals to sustain and strengthen WHA’s advocacy and policy efforts on behalf of its members.

(continued on page 3)

WHA Board Recognizes Members, Celebrates 2018 Outcomes, Talks Medicaid Expansion. . . Continued from page 2

Borgerding noted 2018 was another outstanding performance year for WHA and the WHA Information Center. Staff delivered in all goal areas, which included a comprehensive list of state and federal policy areas such as market stability, sustainable reimbursement for services, health care workforce, post-acute care, telemedicine, quality improvement, and the legal and regulatory environment. WHA also launched its updated brand, “Advocate. Advance. Lead.”, better reflecting its ability to craft and achieve impactful health care public policy and quality improving member services.

Watch for more 2018 highlights in the next issue of *The Valued Voice*.

Advocacy update

WHA President/CEO Eric Borgerding discussed how the election of Governor-elect Tony Evers might impact health care policy and WHA’s proactive advocacy agenda at the state level. With Evers as Governor, Borgerding said Medicaid expansion is clearly back on the table. Borgerding discussed the positioning of the Governor-elect on this issue during his campaign, along with public commentary by members of leadership in both houses of the state Legislature following November’s election. Borgerding reminded the Board about the extensive work done in 2013 by WHA staff to understand the impact of Medicaid expansion on hospital members, work that has been revisited by staff in advance of this expected debate.

Borgerding said the debate will be different this time compared to 2013 when Medicaid expansion was last debated in Wisconsin, primarily due to seemingly conflicting factors:

Wisconsin’s coverage environment is much improved compared to 2013, with Medicaid now available to all below 100% of the federal poverty level, over 200,000 people receiving coverage on the exchange, and an uninsured rate that has been cut nearly in half. “Because of the significant coverage gains we’ve achieved, the urgency to accept ACA-style Medicaid expansion to improve coverage is much diminished today compared to five years ago,” Borgerding said.

Wisconsin’s new Governor, Tony Evers, campaigned on accepting the Affordable Care Act’s (ACA) Medicaid expansion and will include it in his 2019-21 state budget bill. Outgoing Governor Scott Walker adamantly refused to accept Medicaid expansion, largely over stated concerns related to Congress eventually repealing the ACA and expansion. But as Borgerding pointed out, that concern is no longer a reality. “Congress could not repeal the ACA when the GOP controlled every aspect of the process, so it certainly won’t be repealing it now,” Borgerding said. “That ‘pull the rug out from us’ argument is pretty much moot.”

With key impediments now gone, all eyes, and hands, are focusing on the financial windfall to the state of accepting expansion. The state could realize up to \$300 million in fiscal savings over the biennium if it accepts federal dollars that go with Medicaid expansion. “The problem with that is, some in the Legislature will spend the money 20 different ways, none of which will improve health care,” Borgerding said. “We have serious health care needs in Wisconsin, not the least of which are workforce shortages and some of the worst Medicaid hospital reimbursement rates in the country. Health care dollars should stay in health care, not be diverted to other pet spending projects.”

“I’m going to take that Medicaid money and we’re going to plow it into the system and make health care more affordable.”

- Governor-Elect Tony Evers

Borgerding reminded the Board of Candidate Tony Evers’ pledge to use Medicaid dollars for health care when he visited the Board in October. Evers went further during an October 19 debate with Scott Walker, when he said, “I’m going to take that Medicaid money and we’re going to plow it into the system and make health care more affordable.”

At the same time, mixed messages seem to be coming from the Republican majority in the Legislature, Borgerding said. Assembly Speaker Robin Vos has made it clear that he will not support Medicaid expansion, in part due to the poor reimbursement hospitals and other providers receive from the program, which he correctly notes drives up health care

costs for all others. In the Senate, Majority Leader Scott Fitzgerald has signaled more openness to discussing Medicaid expansion, though still thinks its passage is a long shot. Borgerding said other states have successfully bridged partisan and philosophical disagreements over Medicaid expansion by adopting a hybrid approach that relies more on the private, commercial insurance via the exchanges to deliver the expanded coverage from Medicaid.

Whatever the outcome, Borgerding said, Medicaid payment for hospital service must improve. Now reimbursed at 65% of cost, hospitals in Wisconsin’s Medicaid program are reimbursed well below the national average of 89% of cost.

“The idea of accepting federal health care dollars and then diverting additional funds to non-health care spending should be a non-starter for all those who actually care about improving health care coverage and care access,” Borgerding said. “And with the second lowest hospital Medicaid reimbursement rates in the country, it’s not just hospitals that bear the cost of the state’s unpaid Medicaid bills, it’s also Wisconsin employers who are picking up over \$1 billion annually in unpaid Medicaid costs that show up in higher prices for hospital care.”

(continued on page 4)

WHA Board Recognizes Members, Celebrates 2018 Outcomes, Talks Medicaid Expansion. . . Continued from page 3

Borgerding also walked through a recent federal court decision regarding the constitutionality of the ACA, where a federal judge in Texas struck down the law as unconstitutional. While the decision is subject to appeal and could go before the United States Supreme Court, Borgerding discussed how this decision may impact coverage in Wisconsin and potentially play a role in the debate on further expanding Medicaid.

New Input Provided on WHA Physician Agenda

WHA Chief Medical Officer Mark Kaufman, MD, led a Board discussion of information gathered from chief medical officers and other physician leaders over the course of 2018, focusing on evolving physician leaders' scopes of responsibility and medical leadership structures, emerging needs and challenges facing physician leaders, physician regulatory burden and drivers of physician professional dissatisfaction, and how WHA can further support its member physician leaders.

Dr. Kaufman also discussed potential next steps for WHA in 2019 to further enhance value across a diverse range of member organizations and their physician leaders, including further exploration and validation of 2018 findings and potential initiatives.