WISCONSIN HOSPITAL ASSOCIATION

The Valued Voice

February 16, 2018 Volume 62, Issue 7

Health Care Providers Express Opposition to Worker's Compensation Fee Schedule

During a hearing that lasted nearly six hours February 14, the health care community stood united in opposition to government-set price controls imposed unilaterally on hospitals, physicians, physical therapists, chiropractors and other practitioners who provide care to injured workers. The Senate Committee on Labor and Regulatory Reform held a public hearing on Senate bill 665, the biennial worker's compensation bill sent to the Legislature by the labor and management members of the Worker's Compensation Advisory Council.

Among other provisions, the bill would require the Department of Workforce Development (DWD) to come up with and impose a fee schedule that approximates the prices paid by group health insurers. Sen. Steve Nass, chairperson of the Committee, at times expressed frustration with the process, noting there are some other good policies in the bill, including the bill's provisions regarding the use of opioids. "The opioid is a classic example, but there are other things

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Budget Committee Passes Gov. Walker's Reinsurance Legislation

WHA lobbies Budget Committee to remove $80 million Medicaid lapse in bill

A core component of Gov. Scott Walker's health care stability plan moved forward February 12 by passing out of the state Legislature's Budget Committee on a 13-3 vote, garnering support from all Republicans on the Committee as well as Democratic Rep. Katrina Shankland (D-Stevens Point). The bill, known as Senate bill 770 and Assembly bill 885, was introduced at the request of Gov. Scott Walker and uses the federal 1332 State Innovation Waiver authority to establish a $200 million reinsurance program for health insurance sold on the individual market in Wisconsin.

Wisconsin Hospital Association President/CEO Eric Borgerding provided written testimony (www.wha.org/pdf/2018WHATestimonyAB885-SB770-2-12.pdf) to the Committee, stating "it is clear that we cannot rely on solutions or answers from the nation's capital and should take action at the state level to mitigate premium increases and ensure choice and affordability for the individual market. This is why we support

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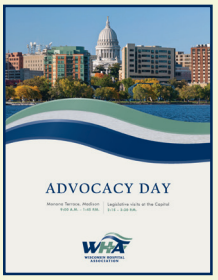
Register Your Team Today for Advocacy Day 2018 – March 21 in Madison



Make plans now to make an impact in Madison on March 21. Join WHA for Advocacy Day 2018, one of the best ways hospital employees, trustees and volunteers can make an important, visible impact in the state capitol.

You can register yourself and your team today at www.whareg4.org/2018AdvocacyDay.

As always, Advocacy Day 2018 will have a great line-up of speakers, including morning keynote Mara Liasson, national political correspondent for NPR. In addition, Gov. Scott Walker has been invited to offer the luncheon address. The day will also include a legislative panel and an issues briefing for those planning to talk with their state legislators.

The afternoon of Advocacy Day is always a highlight as hundreds of attendees take what they've learned and meet with their legislators in the state capitol. Speaking up on behalf of your hospital by meeting with your legislators during Advocacy Day is essential to help educate legislators on your hospital and health care issues.

Make plans now to join over 1,000 of your peers from across the state at Advocacy Day 2018 March 21. More information and online registration are available at www.whareg4.org/2018AdvocacyDay.

For Advocacy Day registration questions, contact Kayla Chatterton at *kchatterton@wha.org* or 608-274-1820.

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AB 885 and SB 770, and the steps they set in motion to sustain coverage expansion through a reinsurance program."

Wisconsin's Deputy Insurance Commissioner, JP Wieske, in written comments to the Joint Finance Committee (JFC), stated insurance rates will be 13 percent lower with the reinsurance program in place than they would otherwise be without the reinsurance program. Similarly, in 2020, rates would be 12 percent lower than they would be if the reinsurance program were not established. Borgerding and Wieske both cited significant rate and premium increases from 2017 to 2018, resulting in average premium increases of 38 percent in the current plan year and insurers exiting the marketplace.

The Governor's reinsurance program is funded through federal and state resources, with about 75 percent of this funding coming from federal savings resulting from lower premium increases, resulting in subsidy savings to the federal treasury that can be used to fund the reinsurance program. The original bill provided between $50 and $80 million in state funding through a mandatory lapse from the Medicaid program.

WHA successfully lobbied the JFC to remove this mandatory Medicaid lapse from the proposed bill. The non-partisan Legislative Fiscal Bureau stated the Department of Health Services had few ways to achieve these proposed savings necessitated by a mandatory lapse, but could resort to provider reimbursement cuts to find additional revenue to meet the lapse requirements.

"WHA appreciates the budget committee's concern with the impact of a mandatory lapse in our state's Medicaid program and their action to remove this provision from the bill," said Borgerding following committee action on the legislation.

New Report Highlights Positives of Worker's Compensation in Wisconsin

The Benefit Services Group (BSG) and HC Trends released a new report (www.wha.org/pdf/HCTrendsWorkersCompWhitePaper-Feb2018.pdf) this week on prioritizing reforms for the worker's compensation program. This report was completed with the support of the Wisconsin Hospital Association and the Wisconsin Medical Society. Not only is BSG a credible employer benefit services company on its own, but BSG recently merged with Hausmann-Johnson Insurance, one of the largest worker's compensation insurance agents in the state.

The report describes many of the benefits of Wisconsin's worker's compensation system, and concludes that by focusing on the unit prices, fee schedules ignore the number and appropriateness of medical services provided. For example, Wisconsin providers billed 26 percent fewer office visits per claim and provided 13 percent fewer services per visit than the national average. Wisconsin also has 20 percent fewer inpatient hospital stays compared to the average. In other words, according to the report, Wisconsin providers consistently perform above the national average when you look at the total cost of care—from time of initial diagnosis to the completion of treatment.

The report also quantifies the value to employers of the current system. For example, Wisconsin employees return to work three weeks sooner than average, and according to HC Trends, this translates to a direct savings to employers of $4,800 to $6,600 for the average injured employee. Further, Wisconsin has the second lowest percentage of injured workers who never return to work. This is significant because every replacement worker will cost employers an estimated $185,000, according to HC Trends.

President's Column

"Wisconsin should strike its own path"

This week's President's Column is a reprint of WHA President/CEO Eric Borgerding's February 12 testimony supporting legislation creating a reinsurance program aimed at stabilizing individual insurance rates in Wisconsin. For more information about this legislation, including adoption of WHA-advocated amendments, see story on page 1.

Testimony in Support of AB 885 and SB 770
Joint Committee on Finance
February 12, 2018

Good Afternoon Chairpersons Darling and Nygren and members of the Joint Committee on Finance. Thank you for holding this hearing and the opportunity to testify. My name is Eric Borgerding, and I am pleased to comment on behalf of the Wisconsin Hospital Association in support of AB 885 and SB 770, a reinsurance proposal intended to help stabilize the individual health insurance market in Wisconsin and sustain the substantial coverage gains we have achieved over the past four years.

As you know, Wisconsin's hospitals and health systems are on the front lines of providing high-quality care every day, from our large urban communities to small rural areas so vital to our state, and everywhere in between. In 2013, as the nation was gearing up for the implementation of the health insurance exchange and the significant changes to the health care markets as a result of the Affordable Care Act (ACA), Wisconsin's hospitals and health systems stepped up as well. We worked with the Insurance Commissioner's Office, the Department of Health Services, Governor Walker and with many of you to help our Wisconsin residents sign up for health care coverage through either the insurance exchange or Wisconsin's version of Medicaid expansion.

Regardless of ideology, Wisconsinites are united in the belief that everyone should have access to high-quality, affordable health care coverage. Indeed, Wisconsin's uninsured rate has been cut by 42 percent since then—a laudable achievement for which we should all be proud.

Now, nearly five years later, we are seeing troubling signs in the individual market, including premiums increasing on average 36 percent from 2017 to 2018. We are seeing insurers exiting the market, and for the first time since the insurance exchange went live, enrollment has dropped. WHA not only watched, but vigorously engaged with our federal elected officials over the past year as debate about the repeal and replacement of the ACA ebbed and flowed in Washington, D.C. Along with a large and diverse coalition of Wisconsin business and health care organizations, WHA weighed-in (see www.wha.org/pdf/WHA-Johnson6-2-17.pdf) as the individual market became more unstable (see www.wha.org/pdf/WHA-CSR9-19-17.pdf), and we were disappointed and frustrated when nothing was done to address states' concerns.

Like five years ago, we still believe everyone should have access to high-quality, affordable health care coverage. To make this an ongoing reality, it is clear that we cannot rely on solutions or answers from the nation's capital and should take action at the state level to mitigate premium increases and ensure choice and affordability for the individual market (see www.wha.org/Data/Sites/1/pubarchive/news_releases/whastatement10-13-17csr.pdf). This is why we support AB 885 and SB 770, and the steps they set in motion to sustain coverage expansion through a reinsurance program.

Frankly, when it comes to the proposal before you, it should not matter what one's disposition is toward the ACA. I say this for two reasons:

First, for most opponents of the ACA, even its repeal is not a stand-alone proposition. The idea of repealing Obamacare is almost always, and should be, followed by the desire, if not the imperative, to replace Obamacare. The inability to legislatively accomplish either should not leave

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Wisconsin powerless and inactive, nor should we stand by and watch the administrative, piecemeal deconstruction of Obamacare leave us with fewer insured or the erosion of the gains we have achieved in coverage. If Washington cannot act, then let us use the tools given to states in the ACA to do better. One can be both an opponent of Obamacare and a pragmatist on health care policy, and that is exactly the approach AB 885 and SB 770 take.

In the case of AB 885 and SB 770, we commend Gov. Walker, and stand with Obamacare's opponents and supporters alike who are committed to working together to sustain the coverage gains we have achieved in Wisconsin.

Second, Wisconsin has already supported and successfully implemented the strategy of using public policy to address high-risk, high-cost claims in the private individual insurance market. The Health Insurance Risk Sharing Program, or HIRSP, used public policy to address high-risk/high-cost insurance well before Obamacare and 1332 waivers existed. While the reinsurance mechanism envisioned in this legislation is different than the insurance plan set up and maintained under HIRSP, the purpose and concepts are very similar. One major difference between this these bills and HIRSP is that a reinsurance program, via a 1332 waiver, would tap into federal dollars that Wisconsin is currently accessing, and entitled to access, under Obamacare. Securing Wisconsin's fair share of federal dollars under the ACA has long been a priority for WHA that we, joined by the co-chairs of this Committee (www.wha.org/pdf/2018darlingnygrenmedicaid2-24.pdf), strongly advocated (www.wha.org/pdf/infographic_ahca_non-expansionstateswi_6-20-17.pdf) for during the repeal and replace debate. We would like to see Wisconsin go even further, and secure full federal matching funding for the Medicaid expansion we so clearly did achieve—but that is a discussion for a different day.

Our only concern with this legislation is its reliance on an up to $80 million lapse from Medicaid in this biennium. According to the Legislative Fiscal Bureau, "… since no reinsurance payments would be made in 2018-19 biennium, a lapse from MA would not be necessary in the 2017-19 biennium solely for the purpose of funding the reinsurance program." We agree, and given the current projected general fund balance, we believe a lapse from this source and of this magnitude is unnecessary.

Over the past several years this Committee has shown its commitment to the Medicaid program through its ongoing support for sustainable funding. We applaud those efforts and encourage you to ensure other sources of ongoing funding for the reinsurance program without tapping into scarce Medicaid resources.

With Congress looking increasingly unable to replace or repair the ACA, standing by and watching insurance markets fail is not a sound strategy. For some time we have advocated that the state take matters into its own hands, craft our own solutions. We support using the tools available under the ACA to put forward a plan aimed at stabilizing premiums, increasing competition in the insurance market and sustaining coverage gains for the foreseeable future or until the ACA is actually repaired or replaced (www.wha.org/Data/Sites/1/pubarchive/news_releases/whastatement1-24-18stateofstate.pdf.)

Therefore, we respectfully ask you to take this step for Wisconsin and support AB 885 and SB 770.

Eric Borgerding
President/CEO

Ellinger, Hofer Join WHA Government Relations Team

WHA is adding two new members to its government relations team. Lisa Ellinger will serve as the new vice president, public policy and Kari Hofer will be WHA's new vice president, advocacy.

"The deep knowledge and experience Lisa and Kari bring to WHA will have an immediate impact on our robust policy and advocacy program," said WHA President/CEO Eric Borgerding. "We are very pleased to welcome these highly regarded professionals to the talented WHA team. Along with their new colleagues and WHA's members, they will help craft, grow and deliver a WHA agenda that enables Wisconsin's hospitals and health systems to continue delivering some of the best quality of care in the country."

Lisa Ellinger

Ellinger joins WHA from the Wisconsin Department of Employee Trust Funds (DETF) where she has served as director of the Office of Strategic Health Policy since 2011, responsible for policy development and implementation of the health, life, disability, and long-term care insurance programs for state and local government employees across the state of Wisconsin. Prior to joining DETF in 2008, Ellinger served as the assistant director of the Wisconsin Health Project and worked as a policy advisor for the Milwaukee-based New Hope Project. Ellinger also served on Governor Jim Doyle's staff as the Health and Human Services Policy Advisor and worked in the state Legislature as a legislative research assistant in both the state Senate and state Assembly. Ellinger has a B.S. in journalism and political science from UW-Madison and a master's degree from the UW-Madison LaFollette School of Public Affairs.

"I am excited to be joining a leading, mission-driven organization focused on providing quality health care across Wisconsin," Ellinger said. "WHA's policy and advocacy work helps drive the health care agenda in Wisconsin, and I look forward to being a part of this great team."

Kari Hofer

Hofer comes to WHA from the Wisconsin Manufacturers & Commerce (WMC) where she has led the WMC Foundation as executive director since November 2016, responsible for all fundraising efforts needed to implement the WMC Foundation's programs and annual events, including corporate sponsorships and corporate and private foundation grants. Hofer also has an extensive background in political fundraising, including serving as the Wisconsin finance director for U.S. Senator Ron Johnson's successful 2016 re-election campaign, the deputy finance director for the Linda Lingle U.S. Senate Committee, finance director for the Republican Party of Wisconsin and the Hawaii Republican Party. Hofer graduated from UW-Madison with a B.A. in communication arts and political science, earned her MBA from the University of Wisconsin in 2015 and is a member of the Association of Fundraising Professionals – Madison Chapter.

"I am thrilled to be taking on this new role and joining the WHA team. WHA has a strong, engaged advocacy network that empowers the success of their policy initiatives," Hofer said. "I look forward to continuing this approach and giving voice to the Wisconsin hospitals and communities these issues impact most."

Both Ellinger and Hofer will join the WHA team this month.

Federal Funding Law Contains Significant Telehealth, Meaningful Use Provisions

Provisions expand access to telehealth under Medicare and create meaningful use flexibility

As reported in last week's *Valued Voice* (www.wha.org/wha-newsletter-2-9-2018.aspx#s3), the Bipartisan Budget Act of 2018 was passed by Congress and signed into law February 9. In addition to funding the federal government through March 23 and addressing other budgetary and spending issues, the legislation contains many significant health care-related provisions that impact how hospitals and providers are paid under Medicare and other federal programs.

Among the health care-related provisions in the legislation are provisions expanding access to telehealth services provided under Medicare and a provision creating flexibility within the meaningful use requirements of the Medicare EHR Incentive Program:

- ***Medicare telehealth stroke services.*** The legislation provides that for telehealth services furnished on or after January 1, 2019, to diagnose, evaluate, or treat symptoms of an acute stroke, the historical Medicare requirements for originating sites are eliminated if the services are provided to a patient located at a PPS hospital, critical access hospital, "mobile stroke unit," or any other site determined appropriate by the U.S. Department of Health and Human Services (HHS). Under this provision, the distant site practitioner may receive a Medicare professional fee for delivering telestroke services, but the originating site will not be eligible for a facility fee unless it meets Medicare's historical originating site requirements.
- ***Medicare telehealth dialysis services provided at home or at an independent renal dialysis facility.*** The legislation provides that a Medicare beneficiary with end stage renal disease (ESRD) receiving home dialysis may choose to receive monthly ESRD-related clinical assessments furnished on or after January 1, 2019, via telehealth, provided the beneficiary receives an in-person visit at least once per month during the initial three months of home dialysis and at least once every three months thereafter. The legislation adds the beneficiary's home and independent renal dialysis facilities as originating sites for the purposes of receiving these monthly ESRD-related clinical assessments via telehealth. The legislation further provides that these two new originating sites, along with hospital-based renal dialysis centers, are exempt from Medicare's geographic requirements for originating sites. No originating site facility fee is available, however, if the originating site is the patient's home.
- ***Telehealth services for enrollees in Medicare Advantage (MA) plans.*** The legislation provides that beginning plan year 2020, MA plans may offer plan enrollees additional telehealth services. The legislation requires HHS to solicit public comments before November 30, 2018, on what specific types of telehealth services MA plans should be allowed to offer as additional telehealth services to enrollees, e.g., remote patient monitoring.
- ***Telehealth flexibility for ACOs:*** The legislation applies the Next Generation Accountable Care Organization (ACO) telehealth waiver provisions to the following additional ACO models: Medicare Shared Savings Program (MSSP) Track II (only if ACO chooses prospective assignment and remains in two-sided risk), MSSP Track III and two-sided risk ACO models. These telehealth waiver provisions eliminate the requirement that the originating site for telehealth services must be in a rural health professional shortage area or a non-metropolitan statistical area. Further, the waiver provisions allow beneficiaries assigned to a qualified ACO to receive currently allowable telehealth services within their home as an originating site. However, no facility fee will be provided for the home as an originating site.
- ***Meaningful use flexibility.*** The legislation removes the statutory requirement that HHS make the meaningful use requirements of the Medicare EHR Incentive Program more stringent over time. As a practical matter, this means that HHS may, but is no longer required to, create meaningful use reporting requirements for Stage 4 and beyond.

The text of the Bipartisan Budget Act of 2018 may be found at www.congress.gov/bill/115th-congress/house-bill/1892/text. ***(continued on page 7)***

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For more information about the telehealth and meaningful use provisions in the Act, contact Andrew Brenton, WHA assistant general counsel, at *abrenton@wha.org* or 608-274-1820.

26th Annual $2,500 UW Rural Health Prize: June 1 Deadline

The Hermes Monato, Jr. Prize of $2,500 is awarded annually for the best rural health paper. It is open to all students of the University of Wisconsin (any campus) as well as those who have graduated since last June 1.

Students are encouraged to write on a rural health topic for a regular class and then submit a copy to the Rural Wisconsin Health Cooperative as an entry by June 1.

Previous award winners as well as judging criteria and submission information are available at www.rwhc.com/Awards/AnnualMonatoEssay.aspx.

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in the bill. But because the rates came over, the whole bill may very well die along with everything else that's good," he said.

Connie Kinsella; Joanne Alig, WHA

Chris Passe and Elizabeth Cliffe, Ascension Wisconsin

Dave Nyman, Marshfield Clinic Health System

Brian Vamstad and Bill Scorby, MD, Gundersen Health System

Shelly Tatro, Prevea Health

Scott Hardin, MD and Andrew Hanus, Aurora Health Care

Health care providers described many of the positive outcomes in the worker's compensation system, including that workers get back to work three weeks faster on average compared to other states; that overall costs per claim are lower compared to other states; that workers are very satisfied with their care; and importantly, that premiums in the worker's compensation program have gone down the last two years in a row, and DWD has estimated savings of $170 million to the program. ***(continued on page 8)***

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Despite the negative rhetoric about health care providers from supporters of government price setting, health care practitioners and provider representatives from across the state also shared their experiences and the work being done by health care providers in helping to prevent and treat injured workers. Sen. Van Wanggaard, vice-chairperson of the Committee, shared his own experiences as an injured worker, and praised the terrific health care he received.

Health care providers encouraged the legislators to protect Wisconsin's excellent worker's compensation system by rejecting government price controls and, instead, reduce costs by making the program more efficient and less administratively burdensome.

Joanne Alig, policy advisor for WHA, referred to a new report completed by the Benefit Services Group (BSG) and HC Trends (see full story on page 2). Alig described some of the key differences between group health and worker's compensation, including that worker's compensation insurers are exempt from health care requirements such as HIPAA and ICD-10, which only adds to the administrative burden for health care providers. Alig noted that a fee schedule does nothing to reduce the underlying costs of the program.

"If the goal is to reduce costs in the system above the $170 million in savings already achieved, fee schedule proponents should work to remove the underlying costs to the system," she said.

Echoing that sentiment, Connie Kinsella emphasized that "fee schedules are not reform." Kinsella retired as vice president of revenue cycle for UW Health four years ago after having spent her career working on reducing health care costs. Kinsella described in some detail what she called the most "archaic, costly and cumbersome practices of any third party in health care." She said worker's comp carriers can negotiate on policies such as prompt payment, and they can bring to the table ways to improve administrative efficiency. "Fee schedules turn a blind eye to quality and efficiency," she added.

Also testifying were representatives from Ascension Wisconsin, Aurora Health Care, Gundersen Health System, Marshfield Clinic Health System and Prevea Health. Each of these experts provided excellent examples of the work they do every day and their frustrations with the administrative hassles involved in the system.

In the end, the legislators on the Committee expressed surprise at the level of paperwork still involved in worker's compensation claims processing.

"You have got to be kidding me—that is just amazing…stone tablets," said Wanggaard.

Legislators also continued to articulate their frustration with the process.

"We quite frankly will be, if we do which is doubtful of course, voting to move something forward that we, quite frankly don't know the impact of the formula, and that can be dangerous," said Nass.