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REGISTER NOW: ADVOCACY DAY 2019 ON APRIL 17

Each year, the WHA Advocacy Day event grows both in size, as well as the impact made on our legislators in Madison. Advocacy Day is one of the best ways hospital employees, trustees and volunteers can make an important, visible impact in the state capitol.

Join more than 1,100 of your peers from across the state and help make the 2019 event a great success!

Assemble your hospital contingent for 2019 Advocacy Day—April 17 at the Monona Terrace in Madison. [Registration is now open and more information is available online.](#)

As always, Advocacy Day 2019 will have a great lineup of speakers and sessions, including a keynote speaker to be announced, the popular annual legislative panel discussion, followed by a luncheon keynote address from Governor Tony Evers (invited). A highlight of Advocacy Day is the hundreds of attendees who take what they’ve learned during the morning and then meet with their legislators in the state capitol in the afternoon.

In fact, more than 600 visits were made last year that directly impacted the outcomes of priority legislation. Meeting with your legislators and speaking on your hospital’s behalf during Advocacy Day is essential to educating legislators on hospital and health care issues.



For any Advocacy Day event questions, contact [Kari Hofer](#) at 608-268-1816. For registration questions, contact [Sherry Collins](#) at 608-274-1820.

EDUCATIONAL EVENTS

Throughout 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

PRESIDENT’S COLUMN: WI HEALTH CARE LEADS AS COST PRESSURES GROW

It’s becoming a bit redundant to begin this annual column by noting the outstanding performance of Wisconsin’s health care system, but excellence in any Wisconsin industry is good for all of Wisconsin. Indeed, once again the Agency for Health Care Quality (AHRQ), the gold standard in national quality ranking, has ranked Wisconsin health care as some of the [very best](#) in the country. According to the [AHRQ](#), in 2018 our state has the 4th best health care in the country, and 1st in the Midwest.

Since AHRQ began issuing rankings, Wisconsin has been in the top four 10 of 12 years, ranking first in the nation in 2006, 2008, and 2017 and second in 2007, 2009, 2011, and 2015. Quality care delivers superior outcomes for patients and ultimately better value for employers.

Achieving this high performance is one thing, sustaining it is another. While Wisconsin hospital finances have remained relatively stable over the past few years, a snapshot of the data flashes “caution ahead”:

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WHA WORKGROUP DISCUSSES PUBLIC POLICY WITH PAYER PANEL TO ADVANCE TELEMEDICINE

In order to inform future discussions about telehealth public policy, the WHA Telemedicine Workgroup met last week with invited guests from several Wisconsin health plans to discuss commercial insurance telehealth trends. Workgroup members and guests from Network Health, Quartz, and Security Health Plan agreed that telehealth can be a cost-effective way to expand access to health care and discussed possible public policy solutions for addressing barriers to the greater utilization of telehealth services.



WHA's Telemedicine Workgroup meeting, January 9, 2019.

Andrew Brenton, WHA Assistant General Counsel, also updated the Workgroup on WHA's telehealth advocacy activity in 2018, which included:

- **Developing and advocating for proposals to address Medicaid regulatory and reimbursement barriers that prevent hospitals and health systems from maximizing use of telehealth.** WHA proposals included removal of state Medicaid policies that limit telehealth coverage of otherwise reimbursable Medicaid-covered services, reimbursement of Medicare-covered services enabled by telehealth, reimbursement for targeted telehealth services delivered in the patient's home or other community setting, and removal of regulatory barriers to the telehealth-delivery of behavioral health care.
- **Urging the federal Centers for Medicare & Medicaid Services (CMS) to finalize its proposal to pay for a variety of new communication technology-based services—irrespective of the patient's location.** New services included virtual visits, remote evaluation of pre-recorded patient information, and chronic care physiologic monitoring. CMS did finalize these proposals in its 2019 Physician Fee Schedule rulemaking.
- **Providing Wisconsin's Congressional delegation with an issue paper encouraging Congress to eliminate the statutory prohibition on Medicare paying for telehealth services when the patient is located in an urban area or at home.** WHA also praised Congress' decision in the Bipartisan Budget Act of 2018 to make limited carve-outs from this Medicare payment limitation for telestroke and teledialysis services.
- **Hosting several educational webinars for members focusing on telehealth.** These included webinars covering (1) state and federal telehealth laws and policies, (2) the use of telehealth by long-term care facilities to reduce hospital transfers, and (3) how to operate a telehospitalist program.

For more information, contact [Andrew Brenton](#) at 608-274-1820.

WHO ARE YOU SENDING TO WHA'S 2019 PHYSICIAN LEADERSHIP CONFERENCE?

Early bird discount expires January 31



Senior administrative leaders know that as their physicians move into leadership roles, they must learn to manage both clinical and administrative issues, while employing new approaches to managerial decision making and problem solving.

Each year, WHA's popular [Physician Leadership Development Conference](#) focuses on the very skills that physicians need to be successful in their move beyond clinical expertise as health care leaders.

This year's conference will specifically cover strategies that physician leaders in all stages of their careers can use to engage fellow physicians, building trust and confidence to get physician buy-in to change. In addition, developing physician

leaders will participate in a session focused on understanding and identifying group dynamics and effective ways to facilitate group discussions and formal meetings while focusing on positive outcomes.

WHA's 2019 Physician Leadership Development Conference is scheduled for Friday, March 15 and Saturday, March 16 at The American Club in Kohler. We encourage you to consider which of your physician leaders would benefit most from further developing or enhancing their leadership skills, invite them to attend and encourage them to [register today](#). *(continued on page 3)*

Who Are You Sending to WHA's 2019 Physician Leadership Conference? . . . Continued from page 2

An early bird discount is available until January 31, and the special room rate at The American Club is only available until the room block fills, which it does quickly each year, so plan to register and make hotel reservations today. You can view the full 2019 conference agenda and [register online](#).

REGISTRATION NOW OPEN: AHA ANNUAL MEETING APRIL 7-10 IN WASHINGTON, D.C.

WHA invites you to join fellow Wisconsin hospital and health system leaders at the upcoming American Hospital Association (AHA) Annual Meeting, April 7-10 at the Marriot Marquis in Washington, D.C.

The AHA Annual meeting provides insightful programming and is a great opportunity for networking and to have your voice heard on Capitol Hill. In addition, WHA hosts several Wisconsin-specific events, including a luncheon issues briefing, a members-only dinner, and WHA-scheduled Hill visits with Wisconsin's members of Congress.

WHA's issues luncheon and member dinner will be held on Monday, April 8, followed by our Capitol Hill lobby day on Tuesday, April 9. This is a great opportunity to share personal stories about how your hospital fits into the bigger picture of important federal health care policies. WHA briefs attendees on issues and facilitates all Hill meetings on your behalf. The best way for our Congressional leaders to understand how their votes impact health care delivery at home is to hear directly from YOU.

If you are interested in attending this year's meeting, contact [Jon Hoelter](#), WHA Director of Federal and State Relations, at 608-268-1819. Visit the [AHA's website](#) for more details and registration information.



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- Comparing FY2015 to FY2017, Wisconsin hospitals experienced a 21% decline in operating margins
- More than half of all Wisconsin hospitals saw a decline in both operating and total margins
- 38 Wisconsin hospitals had a negative operating margin
- 33 hospitals had a negative total margin, including 13 rural critical access hospitals.

Wisconsin's health system leaders point to three issues that most directly impact those finances and pose the greatest challenge to sustaining Wisconsin's superior quality care:

Workforce: Like most industries, health care is grappling with [serious shortages](#) in key areas. Unlike most industries, demand for health care's "product" is largely a function of demographics rather than typical economic cycles. Wisconsin's population is aging, in fact our over 65 population is expected to double in the next 10 years. This assures growing utilization of health care services and increasing demands on and for the health care workforce during a period of record unemployment and a diminishing labor force.

Despite advances in technology, health care is still a very labor-intensive business. In 2017, Wisconsin hospital labor costs totaled nearly \$8.8 billion, up 7.3% in two years. That's a big number but comes in second to hospital supply costs (including drugs), which totaled \$9.4 billion in 2017—up 16% in two years. It's not getting cheaper to deliver health care.

Health Insurance Coverage: Uncertainty is the bane of health care leaders, and no aspect of health care has been less certain recently as health insurance, due largely to ongoing Obamacare battles in Washington, D.C. and Madison. For the past two years I've speculated in this column that repealing Obamacare would prove extremely difficult for Congress. I was wrong—it's been impossible. In fact, certain aspects of repealing Obamacare, such as preventing health insurers from denying preexisting condition coverage, became a pivotal issue in Wisconsin's Governor's race and others. Obamacare was signed into law nearly 8 years ago, yet it still dominates politics and influences political fortunes.

Political ramifications aside, the [inability](#) to either repeal and replace or just fix Obamacare has contributed to an upward spike in health insurance costs (Obamacare premiums +36% in 2018) and a commensurate uptick in Wisconsin's uninsured rate. In the "business" of health care, when people become uninsured, the care they still receive from Wisconsin's hospitals becomes

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“uncompensated.” In 2017 hospital uncompensated care rose 11% to \$417 million—the first increases since Obamacare insurance started in 2014 and hundreds of millions in unpaid costs that must be shifted to Wisconsin employers and families.

The good news here is the Obamacare insurance market is showing signs of stabilizing. For the first time since 2014 there will be a net increase in the number of insurers offering coverage on the Wisconsin exchange. Even more promising, premiums in Wisconsin are actually projected to DROP in 2019 by 4.2%—a 40 point swing in one year, in part due to Obamacare [fixes](#) adopted by Wisconsin. Two major trend reversals signaling much needed stabilization.

Government Health Care Programs: Payment from Medicaid (state) and Medicare (federal) continue to fall far below what it actually costs hospitals to provide care. Critics of health care costs will often point to other elements of the economy and ask, for example, “Why is buying health care so much different than buying a car?” The simple answer is, auto dealers are not required by law to sell cars at 35% below their own cost (Medicaid), or for some customers, 100% below cost (see “uncompensated care” above). The difference between hospital cost and payment in Medicaid alone was [\\$1.1 billion last year](#), the equivalent of adding another 13% to hospital labor costs (keep that in mind when Wisconsin debates expanding Medicaid in 2019). Compounding this situation is the fact that the “payer mix” at many Wisconsin hospitals can be as high as 75% Medicaid/Medicare—that’s three-quarters of their customers paying well below cost. Throw into that equation the unfortunate reality that these unpaid costs have to be shifted to everyone else, and you can see why “selling” health care isn’t quite like selling a car.

Eric Borgerding,
President/CEO

This column is excerpted from the Wisconsin Bankers Association’s 2019 Wisconsin Economic Report.