

## Wisconsin Hospitals Commit More Resources to Communities, Face Larger Medicare Losses

Hospitals across the nation committed 13.9% of their overall expenses to community benefit, equating to \$110.9 billion each year, according to the [American Hospital Association](#) (AHA) and an [Ernst & Young analysis](#) of non-profit hospital expenses.

Annual community benefits made by Wisconsin hospitals, when calculated in the same manner as the AHA report, result in 21.2% of all expenses—largely driven by significant losses from Medicare and Medicaid, accounting for 78.8% of all community benefits. In total, Wisconsin hospitals provide \$4.9 billion in benefits to Wisconsin communities as a commitment they make for being a non-profit, tax-exempt organization.

This data also shows how poorly Medicare reimburses Wisconsin hospitals. According to AHA's data, hospitals nationally experience a 3.1% shortfall in Medicare reimbursement as a percentage of their overall expenses. In Wisconsin, Medicare losses to hospitals account for a whopping 12% of their expenses.

Medicare reimburses Wisconsin hospitals only 73% of their costs, while Medicare reimbursement to the rest of the country amounts to 84% of cost. Similarly, Wisconsin's Medicaid program reimburses hospitals only 66% of cost, while the national average for state Medicaid reimbursement is equivalent to 88% of cost. This is important to understand because for the vast majority of Wisconsin hospitals, Medicare and Medicaid patients make up more than half of their overall business.