

More Than 100 Wisconsin Hospitals Ask State Budget Committee to Increase Funding

Wisconsin hospitals' challenges with workforce, post-acute care and finances directly impact patient care

In a [letter](#) to members of the Wisconsin State Legislature's Joint Committee on Finance (JFC), 108 hospital and health care system leaders from across Wisconsin asked the committee for additional funding for hospitals. Wisconsin's hospitals are facing some of the most challenging times in recent memory, with demand for patient care continuing to increase.

"In the first six months of 2022, the average Wisconsin hospital had a negative operating margin," the letter states. "According to data from Kaufmann Hall's national hospital flash report, these losses have now become the new normal. Although 95% of Wisconsin hospitals are non-profits, they cannot defy economics by operating at a deficit."

The effects of this deficit are being experienced in all corners of Wisconsin, and patients are starting to feel the impact of the necessary cuts hospitals have made to sustain their financial position. Labor and delivery services at three rural Wisconsin hospitals and a 16-bed psychiatric unit in a suburban Wisconsin community had to close. Increased wait times for urban tertiary care and specialist care have also been reported. One in every ten health care positions in a hospital remain vacant, while competition for labor has solidified higher costs.

In this letter, Wisconsin's hospital and health care system leaders ask lawmakers to cover unreimbursed costs of Wisconsin's Medicaid program that hospitals can no longer absorb. Specifically, leaders request \$185 million GPR annually—less than 25% of the existing \$796.4 million Medicaid surplus and less than 3% of the existing multi-billion-dollar general fund surplus. Such an investment would help Wisconsin hospitals cut their Medicaid losses in half.

"Wisconsin's hospitals are under significant financial pressure caused by exploding costs in labor and supplies, while reimbursement from commercial insurance companies and government programs remains relatively flat," said WHA President and CEO Eric Borgerding. "The financial pressures caused by this unsustainable combination have already resulted in the reduction of care or significant delays for patients. That is why reimbursement for hospital services provided to those in Wisconsin's Medicaid program needs to remain a priority for lawmakers in Madison. Simply shifting the program's unpaid costs onto others is not an option."

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