

IN THIS ISSUE

Evers Enacts State Budget with 78 Line-Item Vetoes..... 1

HHS & Wisconsin Providers Discuss Removal of Regulatory Barriers to Coordinated, Value-Based Care 1

WHA Urges Senator Baldwin and Wisconsin Congressional Delegation to Remove Benchmark Rates from Surprise Billing Legislation..... 2

WHA and Members Testify Together at Assembly Hearing 3

OCI/DHS Health Care Coverage Partnership Advisory Council Kickoff..... 4

Evers Enacts State Budget with 78 Line-Item Vetoes

Governor Tony Evers signed his first biennial budget into law on July 3, using his partial veto authority to change or delete 78 different items with varying impact on process and policy. State agencies will now begin implementing the state budget, which will be law through June 30, 2021.



Gov. Tony Evers

“The enacted state budget includes a number of WHA-advocated priorities that will help improve access to health care across Wisconsin,” said Eric Borgerding, WHA President. “The final product reflects the overall priority that Democrats and Republicans place on health care, and WHA recognizes and appreciates both the Legislature and the Governor for their work.”

Below are areas addressed in the final enacted budget that impact WHA’s legislative agenda:

- **Overall Medicaid Funding:** The Governor funded the \$886 million Medicaid cost-to-continue, making a small adjustment to reflect updated Medicaid spending projections in his veto message. This marks the fourth straight budget in which the cost of continuing the Medicaid program has been fully funded, with no cuts to base funding. This is not the situation in many other states and should never be taken for granted. More so, overall the enacted budget boosts Medicaid spending by \$510 million in state dollars (GPR) and about \$1.4 billion in all funds (i.e. state dollars and matching federal dollars) in the coming biennium.

(continued on page 4)

EDUCATIONAL EVENTS

September 6, 2019
WHA 2019 Post-Acute Care Conference
Wisconsin Dells, WI

Throughout 2019
Health Care Workforce Resilience Free Member Webinar Series

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for more educational opportunities

HHS & Wisconsin Providers Discuss Removal of Regulatory Barriers to Coordinated, Value-Based Care
Roundtable event in Madison focuses on needed reforms to Stark Law and Anti-Kickback Statute rules

On June 20, WHA and several WHA health system members attended a roundtable meeting in Madison with William Brady, Associate Deputy Secretary of the U.S. Department of Health and Human Services (HHS). The purpose was to discuss how HHS’s regulations related to health care anti-fraud statutes should be modernized to remove hospital and health system barriers to forming innovative payment arrangements that reward physicians for improving quality.

At the event, representatives from Advocate Aurora Health, Ascension Wisconsin, Children’s Hospital of Wisconsin, Epic Systems, Marshfield Clinic Health System, and WHA discussed HHS’ “Regulatory Sprint to Coordinated Care” initiative, which is intended to accelerate the transition from fee-for-service to a coordinated care, value-based system. As part of this initiative, in 2018, HHS sought stakeholder feedback on how the regulations involved in implementing two health care anti-fraud statutes, Stark Law and the Anti-Kickback Statute, could be modified to remove regulatory barriers that impede the transition to coordinated, value-based health care delivery. Based on this feedback, HHS is developing two proposed rules to modernize these regulations and intends to release those rules later in the summer.

(continued on page 2)

During the roundtable, the health care stakeholders expressed concern that HHS' current rules surrounding the Stark Law and Anti-Kickback Statute prevent innovation and impede new value-based arrangements. Brady agreed and talked about how the Stark Law regulations in particular "have turned into paralyzing vagueness" for health care providers. He told attendees that HHS "look[s] forward to letting the industry be more creative in how they do things."

Last year, WHA responded to HHS' request for [stakeholder feedback on the Stark Law regulations](#), commenting that HHS should focus its reforms on clarifying confusing definitions, providing clearer exceptions, prioritizing intentional rather than technical violations, and harmonizing the Stark Law with the Anti-Kickback Statute.

In April, [Wisconsin's Congressional delegation wrote a letter to HHS](#) expressing support for HHS' "Regulatory Sprint to Coordinated Care" initiative. "[W]e have heard from Wisconsin health care leaders that certain requirements and regulations have become increasing barriers to pursuing greater coordination and value for patients, and can result in significant provider burden and administrative costs," the delegation wrote in its letter. "[W]e support your efforts . . . to examine these and other regulations created in a fee-for-service era and to understand how to modernize this regulatory framework for tomorrow's health care system while maintaining important beneficiary protections."

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

WHA Urges Senator Baldwin and Wisconsin Congressional Delegation to Remove Benchmark Rates from Surprise Billing Legislation

With the Senate's Health, Education, Labor, and Pensions (HELP) Committee set to take up health care transparency and surprise billing legislation later this week, WHA once again urged Wisconsin lawmakers to preserve free market health care options.



In a letter to Senator Tammy Baldwin, who sits on the Senate HELP Committee, WHA reiterated its support for Congress' efforts to improve [transparency](#) and reduce instances of surprise billing. However, it noted the very serious concerns from the health care community that resolving billing disputes by using a median in-network rate as a benchmark could have unintended consequences that undermine the free market and reduce provider choices for consumers.

"This seems to be tilted heavily in favor of insurers," noted Eric Borgerding, WHA President and CEO. "Why would an insurer contract with a provider that requires a rate above the median rate if the insurer knows it can pay less if it does not contract with that provider?" WHA also [shared these concerns](#) with the rest of the Wisconsin delegation.

WHA also noted that surprise billing appears to be less of an issue in Wisconsin due to its high level of integration. According to an analysis WHA requested from the Office of the Commissioner of Insurance (OCI), only 61 surprise billing complaints were received in a 15-month period from 2018 to 2019, with five insurers accounting for the bulk of those complaints. Data from the Health Care Cost Institute also found that Wisconsin compared favorably to other states, with only 4% of hospital admissions resulting in an out-of-network surprise bill, compared to 20-26% of admissions in states like Texas, Florida, and California.

WHA also noted there can be significant variation in health care markets across the state and country, and that one-size-fits-all solutions like the one being proposed can often trade one problem for another. It urged lawmakers to continue exploring other mechanisms to resolve balance billing disputes that would not have the same detrimental impacts.

The Senate HELP committee marked up this legislation on June 26, passing it on a 20-3 vote. WHA will continue to actively engage lawmakers in the Senate and House as the legislation progresses, as well as examine these issues in its Transparency Task Force meeting.

WHA urges members to [contact their elected officials](#) to express their concerns with the legislation currently being developed.

WHA and Members Testify Together at Assembly Hearing

Support of Medical Licensure Compact in Wisconsin helps create access

Wisconsin is one step closer to making permanent the state's place in the medical licensure compact. During a meeting of the Assembly Committee on Health on July 10, SSM Health Dean Medical Group, Mercyhealth, and Stoughton Hospital testified along with WHA Vice President of Workforce and Clinical Practice Ann Zenk in support of Assembly Bill 70, the Interstate Medical Licensure Compact Reauthorization Act.

WHA was a strong supporter of the initial Compact legislation in 2015 which has allowed Wisconsin to successfully implement the Compact. In fact, Wisconsin was the first state in the nation to issue licenses utilizing the voluntary expedited process made possible by this interstate licensure agreement.

When the Compact was signed into law, the Legislature required a trigger for review of the law in 2019. This was required to evaluate the benefits of Compact membership. According to Zenk's testimony, those benefits are clearly illustrated by physicians increasing their utility of the Compact. The number of applications using the expedited process doubled in Wisconsin's second year of implementation.

Hospitals also value the process as a resource to extend access to care. As Kelli Cameron, Director of Physician-Provider Recruitment and Retention for Mercyhealth in Janesville noted in her testimony, "The Compact ensures that physicians extending telemedicine services, or other in-person specialty services, can cross Compact state lines without undergoing a duplicative single-state licensing process."

SSM Health Dean Medical Group also testified in support of maintaining Wisconsin's status as a medical licensure compact state. Kate Kaegi, Senior Leader Physician, Provider and Leadership Talent, reflected Dean's experience.

"Having the Compact process available can bring licensing timelines down to four weeks, rather than what could be four months or more." Kaegi added, "Not only does the Compact help when we are able to recruit physicians to our group, the expedited process has also been key to filling temporary gaps in our physician workforce using locum tenens providers."

The advantage the Compact provides in bringing physicians to Wisconsin to practice is important as Wisconsin residents seek needed health care. Chris Schmitz, Stoughton Hospital's Vice President of Human Resources, noted, "Delays in licensing create delays in patients getting care; each delay builds on and compounds the other."

"With a runway to practice of 12 or more years and 400 Wisconsin physicians retiring each year, our state must take advantage of every strategy available to increase the supply of physicians," said Zenk in her Committee testimony. "The Interstate Medical Licensure Compact is an important tool to grow Wisconsin's health care workforce and ensure access to Wisconsin's high-quality health care in all corners of our state."

As one of the bill's authors, Representative Nancy VanderMeer noted in her testimony, "This voluntary process creates efficiency for physicians, health care organizations and state agencies, and that creates access to care, which is vital, especially in rural and underserved areas."

Assembly Bill 70 is authored by Rep. VanderMeer and Sen. Patrick Testin. The companion bill, Senate Bill 74, was passed by the Senate in June. The bill has over 60 lawmakers either co-authoring or sponsoring the legislation. After receiving an Assembly committee vote, the legislation will move to the floor of the full Assembly. Once approved by the Assembly, the legislation will be sent to the Governor to be signed into law.

For additional information on Wisconsin's physician compact legislation, contact [Ann Zenk](#) at 608-274-1820.

Individuals who want to stay up-to-date on this and other important legislation, as well as take action on those issues should contact WHA's Vice President of Advocacy [Kari Hofer](#) or join WHA's grassroots advocacy program, HEAT, at <https://www.wha.org/Advocacy/HEAT>.



WHA's Vice President of Workforce and Clinical Practice Ann Zenk testifies in the Assembly Health Committee alongside WHA members from Mercyhealth, Stoughton Hospital and SSM Health on bipartisan legislation to permanently reauthorize the Interstate Medical Licensure Compact. The Compact expedites licensure for physicians recruited to treat patients in Wisconsin.



OCI/DHS Health Care Coverage Partnership Advisory Council Kickoff

In June, Governor Tony Evers announced the formation of the Health Care Coverage Partnership, directing the Office of the Commissioner of Insurance (OCI) and the Department of Health Services (DHS) to develop strategies aimed at enrolling more Wisconsinites in high-quality, affordable health insurance coverage.

“Together, we intend to take a series of actions that will connect more Wisconsinites to health care coverage and to promote a healthy individual insurance marketplace,” said DHS Secretary-designee Andrea Palm.

On July 11, WHA was part of a stakeholder Advisory Council convened by OCI and DHS leadership to discuss the following goals:

1. Improve outreach and education on all forms of insurance
2. Increase enrollment
3. Improve retention and reduce churn
4. Increase health insurance literacy

The Advisory Council effort will have a strong focus on targeting populations eligible for, but not enrolled in, Medicaid and heavily subsidized plans available via the exchange. Currently, approximately 40,000 individuals who are eligible for Medicaid (incomes below 100% FPL) are uninsured. Likewise, 30,000 people who have incomes below 138% FPL would qualify for low-cost options in the health care exchange market, but are also uninsured.

“WHA has a long history of advocacy around increasing health coverage enrollment and has worked to ensure there is no ‘coverage gap’ for low-income Wisconsin residents,” said Eric Borgerding, WHA President. “We fully support the goals outlined for this initiative and look forward to coordinating efforts to continue to expand health insurance coverage.”

In the weeks and months ahead, the Advisory Council will continue to discuss available resources and coordination of activities to improve insurance outreach and enrollment efforts.

For more information about the Health Care Coverage Partnership, contact WHA Vice President of Public Policy [Lisa Ellinger](#).

(Evers Enacts State Budget with 78 Line-Item Vetoes . . . continued from page 1)

- **Disproportionate Share Hospital Program (DSH):** The Governor approved the WHA-backed funding increase for DSH in the Legislature’s budget but vetoed the Legislature’s earmark of \$60 million GPR (\$147.8 million all funds) over the biennium. Instead, the Governor’s veto will “allow the Department of Health Services the flexibility to determine the amount of additional funding under the Disproportionate Share Hospital supplemental payments to hospitals.” The Governor retained the increased DSH cap that was included in his original budget, ensuring that currently capped hospitals can participate in the coming, but yet-to-be-determined, DSH increase. WHA will work with the Wisconsin Department of Health Services (DHS) and policymakers as work moves forward to implement this provision.
- **Rural Critical Care Program (RCC):** The Governor approved the WHA-backed RCC, including the Legislature’s full increase for the program, which provides a significant reimbursement boost to rural hospitals that do not meet certain qualifying criteria for DSH. Under the signed budget, funding for the RCC increases from \$1.2 million to \$10 million all funds over the biennium, an increase of more than 800%, while expanding the number of hospitals that will qualify.
- **Telehealth:** The Governor approved WHA-proposed telehealth reforms, including adding provider-to-provider consultations and remote patient monitoring as covered services in Medicaid.
- **Broadband Expansion:** The Governor approved the Legislature’s \$44 million in funding for broadband expansion in rural Wisconsin, an important ingredient in expanding access to care through telemedicine.
- **Graduate Medical Education:** The Governor approved, without veto, WHA-proposed changes to the Graduate Medical Education grant program that will result in training more primary care physicians, psychiatrists and other in-demand specialty physicians who will practice in Wisconsin.
- **Health Insurance/Coverage Navigators:** The Governor approved the full \$1.1 million for health insurance outreach and education, which originated in his budget proposal and made its way through the legislative process. WHA was a strong proponent of these additional resources that help expand coverage and connect the nearly 50,000 people currently eligible for Medicaid and the estimated 240,000 people currently eligible for subsidized insurance on the Affordable Care Act (ACA) marketplace who have not enrolled in either program.

(continued on page 5)

- **Health Insurance Premium Stabilization:** The Governor approved full funding for Wisconsin's share of the Healthcare Stability plan, which helps stabilize and actually reduce premiums for those who purchase coverage on the ACA marketplace and helps maintain Wisconsin's low uninsured rate. In part because of this program, premiums on the marketplace in Wisconsin actually declined by 4.2% in 2019.
- **Special Needs Dental Services:** The Governor approved the Legislature's \$2.5 million all funds in Medicaid reimbursement increases for dental services for those with disabilities. While not specified in the budget bill, the Governor's previous budget documents state the increases are for patients needing treatment in higher cost settings, including hospital operating rooms.

State budget advocacy begins well before the Governor gives his budget address in February. During the last 12 months, WHA councils, task forces and work groups were not only involved in developing policy recommendations, but their work—along with WHA's lobbying and advocacy efforts—led to key WHA-crafted policies becoming incorporated into Wisconsin's two-year state budget.

"I can't say enough about the advocacy effort mounted by WHA and our members over the past several months," Borgerding said. "That hard work helped deliver a budget bill that will improve access for vulnerable populations in every corner of Wisconsin."

WHA's advocacy arm supported direct lobbying in the state capitol through a variety of means including 2,500 HEAT member emails into the capitol, more than 500 Advocacy Day attendees meeting with 130 state elected officials, 10 HEAT Roundtables in state legislator's districts, in-person testimony from hospital leaders at all four Joint Finance Committee public hearings, over 100 hospital leaders signing onto written budget committee testimony, and more than two dozen personalized letters sent to the Governor from hospital leaders over the past week as he considered final action on the budget.

For more questions about the budget, contact [Kyle O'Brien](#) at 608-274-1820.