

**IN THIS ISSUE**

New Report Highlights Health Care Value in Wisconsin ..... 1

New Rand Study Fails to Provide Meaningful Information ..... 1

WHA Launches New Statewide PSA Urging Public to Double Down to Prevent COVID ..... 2

Bill to Avert Government Shutdown Extends Important Health Care Programs ..... 2

WHA, More Than 70 Health Care Leaders Push Back on Drug Manufacturers’ 340B Actions ..... 3

DCF Meets With WHA’s Council on Workforce Development ..... 4

WHA Releases Video Commemorating 100 Years ..... 4

**EDUCATIONAL EVENTS**

- October 15, 2020**  
*Telehealth Flexibilities: Reimbursement, Licensing and Credentialing*  
 Webinar
- October 20, 2020**  
*Payment Past, Present and Future: A look into how commercial payments have evolved*  
 Webinar
- October 21, 2020**  
*WHA Legislative and Regulatory Update: Impacts on Advanced Practice Nurse and Physician Assistant Care Delivery*  
 Webinar

**New Report Highlights Health Care Value in Wisconsin**

A new report from HC Trends, a research affiliate of BSG Analytics (BSGA), finds Wisconsin continues to deliver access to high-quality health care while keeping costs in line with the national average.

“As Wisconsin residents face the upcoming election amid the continued uncertainty surrounding the COVID-19 pandemic, health care and its associated costs are top of mind for residents of the Badger State,” said Eric Borgerding, WHA president and CEO. “We are fortunate, as this report confirms, that Wisconsin has a stable, high-quality, and accessible health care system that provides tremendous value to health care consumers.”

The new report found that while health care costs typically are comprised of utilization and unit price, no study has adequately analyzed both of these factors with a focus on Wisconsin’s unique health care markets.

The report noted Wisconsin is unique in that it has a competitive health care environment with many regional health plans participating. Wisconsin also has a unique history of providing team-based care, through which medical care is delivered in an integrated way, with all members of the team aligned to provide higher quality care. The state’s integrated health systems have developed treatment protocols focused on best practices that improve patient outcomes and reduce the unnecessary duplication of testing and other medical services. Focusing solely on unit price fails to consider these factors and could lead to less integrated and more fragmented care.

*(continued on page 5)*

**New Rand Study Fails to Provide Meaningful Information**

Some are saying that a new study from the Rand Corporation shows that Wisconsin’s commercial hospital prices are high, at 290% of Medicare payments. But the study, intended to provide information to businesses for purchasing decisions, is seriously flawed.

“One of our biggest concerns is the small sample size for Wisconsin,” said Eric Borgerding, WHA president & CEO. “Using data that aren’t truly representative of the full picture of health care in Wisconsin prevents us from drawing meaningful conclusions at best – more likely it causes misleading conclusions.”

This isn’t the first time Rand has attempted to compare hospital prices across states. While the new study released on September 18 includes an increase in sample size compared to the previous version, it still represents just 3% of the total commercial allowed amounts for Wisconsin hospitals.

Looking at the report’s results for Michigan demonstrates how a small sample size could lead to questionable results. Compared to the previous study, the sample size for Michigan dropped considerably and, interestingly, the estimated prices in Michigan supposedly increased compared to Medicare by 22% in just one year. This shows that the study results are sensitive to the data input and should be viewed with skepticism.

*(continued on page 2)*

*(New Rand Study Fails to Provide Meaningful Information . . . continued from page 1)*

WHA also believes the comparison to Medicare is problematic.

“There is a perception that Medicare rates are adequate and reflect a provider’s costs, and that’s just not accurate,” said WHA Senior Vice President of Public Policy Joanne Alig. “So, anytime you want to use Medicare as a benchmark, you have to understand how Medicare sets rates.”

Medicare geographic and wage index adjustments are widely known to be faulty, making comparisons across states questionable. Rates can be subject to the political whims of Congress. And finally, payments also get adjusted downward to help pay for programs outside of Medicare.

WHA has long advocated that quality and access are important components of value, and the Rand researchers acknowledge there is a link between quality and cost. Wisconsin’s quality was also highlighted in a [report last week](#) from HC Trends, a research affiliate of BSGA, which indicated that Wisconsin is fortunate to have high-quality, accessible care while overall premiums are in line with the national average.

---

## WHA Launches New Statewide PSA Urging Public to Double Down to Prevent COVID

As the pace of COVID-19 infection continues to increase rapidly in Wisconsin, WHA is pressing the public to renew its efforts to prevent and reduce the spread of COVID-19.

WHA, along with the affiliated nonprofit organization the Healthy Wisconsin Alliance, this week launched a statewide advertising campaign urging the public to employ the use of social distancing, proper handwashing techniques, and protective masks.

“As Wisconsin continues to see record levels of COVID-19 infection and hospitalizations, health systems throughout the state are beginning to see impacts to hospital capacity, both in terms of physical space and the health care workforce,” said Eric Borgerding, WHA President and CEO. “Applying preventive measures is the best thing the public can do help curb the spread of this virus, ensure that our state’s health care system is not overwhelmed, and help keep essential workers safe. We are urging the public to double down on all of these measures to help control the pandemic.”



The campaign includes a 30-second video that will run as a public service announcement on broadcast channels statewide through next week, as well as through a paid digital campaign.

The public service announcement features Dr. Mark Thompson of SSM Health. “In Wisconsin, we want to live our lives, and we can, safely and responsibly,” says Dr. Thompson. “With a few simple, but important steps, we can continue fighting COVID-19.”

The new ad follows a series of public service announcements launched by WHA and various partner organizations encouraging the use of crucial safety measures to help reduce the spread of COVID-19.

Watch the public service announcement here, [“Let’s Stay Safe, Wisconsin.”](#) All of WHA’s PSA can viewed [here](#).

---

## Bill to Avert Government Shutdown Extends Important Health Care Programs

Late on September 30, the last day of the federal fiscal year, the United States Senate passed, and President Donald Trump quickly signed a bill to avert a government shutdown and extend funding for federal programs through December 11, after the election. The bill, which was passed by the U.S. House of Representatives last week, includes funding extensions of important health care programs and additional flexibility for Medicare Advance and Accelerated Payments.

Medicare Advance and Accelerated Payment loans were made to hospitals and other Medicare providers early during the COVID-19 pandemic with the expectation that the providers would start paying them back within six months and eventually at a more than ten percent interest rate. The U.S. Department of Health and Human Services, however, delayed recoupments, expecting that Congress may agree to provide more flexibility.

*(continued on page 3)*

The new legislation provides the following changes to repayment terms:

- Recoupment starts 12 months after payments have been received.
- Additionally, it will be only at 25 percent instead of 100 percent of Medicare claims for the first 11 months.
- For the next six months, any remaining balances are recouped at 50%
- After this, any remaining balance must be paid back at a 4% interest rate.
- Altogether, interest would begin to accrue 29 months from the date of the loan.

In addition to flexibilities on these loans, the legislation included funding for certain health care programs that were slated to expire on November 30:

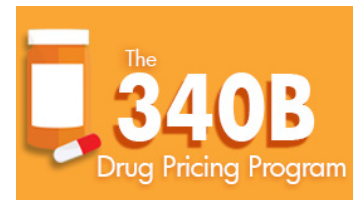
- **Medicare Extenders.** The legislation extends the Work Geographic Practice Cost Index floor under the Medicare program; funding for the National Quality Forum to conduct quality measure endorsement, input, and selection; and funding for outreach and assistance for low-income programs.
- **Medicaid Disproportionate Share Hospital (DSH) Payments.** The legislation delays through December 11, 2020, the start of the \$4 billion in fiscal year 2021 Medicaid DSH cuts scheduled to go into effect December 1, 2020.
- **Other Medicaid Extenders.** The legislation extends the Money Follows the Person Rebalancing Demonstration Program, the Community Mental Health Services Demonstration Program and the spousal impoverishment protections under the Medicaid program.
- **Other Extenders.** The legislation extends funding and authorization for a number of other health care programs, including community health centers, teaching health centers, and the National Health Service Corp.

Contact WHA Vice President of Federal and State Relations [Jon Hoelter](#) with questions.

---

## WHA, More Than 70 Health Care Leaders Push Back on Drug Manufacturers' 340B Actions

WHA, joined by more than 70 hospital and health system leaders, the Wisconsin Primary Health Care Association, Vivent Health, Federally Qualified Health Centers and others [wrote in a letter](#) to U.S. Department of Health and Human Services (HHS) Secretary Alex Azar that they have significant concerns with recent actions by drug manufacturers that could undermine the federal 340B discount drug program. The letter focused on recent announcements by drug manufacturers Eli Lilly, AstraZeneca, Merck, Sanofi, and Novartis that they would either deny federally mandated drug discounts at contract pharmacies or require participants to furnish extensive information that is otherwise not required under the 340B statute.



The Wisconsin health care coalition letter notes that the Health Resources and Services Administration (HRSA) has long recognized the important role contract pharmacies play in dispensing drugs for safety-net providers under the 340B program and that covered entities often contract with multiple pharmacies to improve efficiencies, save costs, and expand patient choice – often by increasing access to prescription drugs for patients in rural or underserved communities. The letter also notes that drug companies enjoy some of the highest profits in health care and yet are working to increase prices for safety-net health care providers during a pandemic that has created both significant patient care and financial challenges for those providers.

In related news, [HHS sent a letter](#) to Eli Lilly on September 21 noting that although HRSA's review is ongoing, it has significant concerns with certain actions by Eli Lilly related to the 340B program. The letter from HHS General Counsel Robert Charrow warns Eli Lilly of potential litigation if the drug manufacturer “knowingly violates a material condition of the program that results in over-charges to grantees and contractors.”

Contact WHA Vice President of Federal and State Relations [Jon Hoelter](#) for more information about WHA's work on behalf of its members to protect the integrity of the 340B program.

## DCF Meets With WHA's Council on Workforce Development

The Wisconsin Department of Children and Families (DCF) joined WHA's Council on Workforce Development (Council) September 18, 2020 as the Council focused on how to keep Wisconsin's health care workforce working through the COVID-19 pandemic.

Child and family care is becoming a greater challenge as more children and their families attend school virtually or comply with quarantine recommendations. DCF's Erin Arango-Escalante, administrator, Division of Early Care and Education, provided the Council with an overview of the work WHA and DCF accomplished early in the pandemic to ensure Wisconsin's health care workers received priority for available childcare spots.

Escalante provided information on a resource for working families. [Wisconsin's Child Care Resource and Referral Agencies](#) work within eight regions of the state. Employers and members of Wisconsin's health care workforce can contact these agencies for education, technical assistance for strategies to co-exist with COVID, and connections to childcare, community resources and support. Key contacts for each region can be found on the [Child Care Resource and Referral Map](#).

The Council discussed another important component to keeping the health care workforce working: the state's efforts to prepare for the arrival of a COVID-19 vaccine. Anne Allen, WHA clinical quality improvement advisor, provided an update on Wisconsin Department of Health Services (DHS) Communications, Vaccine Distribution, and Vaccine Administration workgroups. Health care workers will be in the top tier of those receiving vaccination, so hospitals should ensure they have an agreement signed with the designated distributor, McKesson. The CDC and DHS are planning logistics so that ultra-cold chain storage at each vaccinating facility is not necessary and facilities do not need to purchase freezers.

Allen advised Council members to stay in close contact with their regional Healthcare Emergency Response Coalition (HERC), make sure to connect with local public health to ensure their employee numbers are accurate within Public Health Emergency Preparedness Plans, and watch for updates from WHA on COVID-19 vaccination planning.

Finally, WHA's Kyle O'Brien, senior vice president, government relations; Jon Hoelter, director, federal and state relations; and Ann Zenk, vice president, workforce and clinical practice, provided an update on COVID-19 trends in the state, and WHA's state and federal advocacy efforts.

Zenk noted that with COVID-19 cases and hospitalizations on the rise, WHA is working hard to ensure Wisconsin's health care workforce is not hampered by issues such as unwieldy quarantine requirements for asymptomatic workers, and that state policies and processes support strategies needed to cope with coronavirus, such as licensure flexibility.

---

## WHA Releases Video Commemorating 100 Years

All year long, WHA has commemorated the 100th Anniversary of advocating for high-quality health care in Wisconsin. This month WHA celebrates its actual 100th birthday. On September 16, 1920, 100 years ago, health care leaders in Wisconsin came together with the purpose of a strong, unified voice and, thus, formed the Wisconsin Hospital Association.

This week WHA released a [100th Anniversary commemorative video](#) taking a look at WHA's impact and how the association has evolved into what it is today.

"What a year to be celebrating our 100th Anniversary! Looking back at the last 100 years and how WHA came to be, two things come to mind: never before has our advocacy work been more important, and we have been blessed not only with great member leaders, but also to stand on the shoulders of our WHA staff predecessors who built the foundation for the WHA of today," said WHA President and CEO Eric Borgerding.

The special video not only celebrating 100 years of citizens in every corner of the state leading healthier, happier lives, but also honors WHA's members for their dedication and commitment to delivering some of the best health care in the nation right here in Wisconsin.

We encourage members to post and share the [video](#).



*(New Report Highlights Health Care Value in Wisconsin . . . continued from page 1)*

The researchers at HC Trends and BSGA indicate that health care insurance premiums can be used as a proxy for cost because they reflect both utilization and unit price. In reviewing Wisconsin premiums since 2008, the report shows that Wisconsin premiums are now in line with the national average. With open enrollment in health insurance set to begin in November, this is good news for Wisconsin consumers.

HC Trends also highlights that cost isn't the only measure of overall value. They noted that more advanced payers will look beyond the traditional measure of cost and will consider quality and access to care as well. On both of these factors, Wisconsin excels, consistently achieving some of the highest quality care in the country.

Finally, HC Trends and BSGA researchers reviewed numerous studies that draw various conclusions about health care costs and performance. Some are credible studies that are based on data sources that appear valid. However, many others appear more questionable in their data sources or methodologies.

When reviewing any study, BSGA points out that health care data should be evaluated based on its accessibility and accuracy, whether it clearly defines the geographical area from which it is derived, and whether it can be segregated by payer mix. Studies should also be evaluated as to whether they use a credible data source, whether the methodology is transparent and can be replicated, whether the sample size is appropriate and how the health care payer mix is used.

These principles will long serve to help further the discussion about health care in Wisconsin.

The full study from HC Trends can be found at: [www.hctrends.com](http://www.hctrends.com)

---

## Follow Us



[@WIHospitalAssociation](https://www.facebook.com/WIHospitalAssociation)



[@WIHospitalAssn](https://twitter.com/WIHospitalAssn)



[@Wisconsin Hospital Association](https://www.linkedin.com/company/Wisconsin-Hospital-Association)

## Optimize Your WHA Website Viewing

With the Internet Explorer (IE) browser no longer supported on Windows 7 operating systems, WHA's websites work best with Google Chrome or Microsoft Edge browsers. Using IE may result in errors on some parts of the website.