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E&C Medicaid Package Would Severely Disadvantage WI

WHA working with WI Congressional Delegation to fix

On May 14, the House Energy & Commerce committee finished a grueling 26-plus hour committee markup on a package that would cut around \$700 billion in Medicaid spending.

Of utmost concern to Wisconsin is a provision locking states into an unequal federal Medicaid reimbursement model that would severely disadvantage Wisconsin. The provision would freeze states' health care provider assessments at current levels while also freezing provider Medicaid reimbursements for some states, including Wisconsin, at no more than Medicare levels. Conversely, states that have maxed out their provider assessments to increase Medicaid rates well beyond Medicare levels would get to maintain their favorable treatment.

WHA was just in Washington, DC last week to urge members of Wisconsin's Congressional Delegation to reject cuts that would unfairly impact Wisconsin. At the time, the most likely reported change to provider assessments would have been a decrease to every state's maximum provider assessment from 6% to 5%.

Wisconsin has had one of the lowest hospital assessments in the country, at under 2%, and correspondingly low Medicaid reimbursement rates, which cover only around 62% of what it costs hospitals to care for Medicaid patients. Even Medicare only reimburses Wisconsin hospitals around 74% of what it costs hospitals to provide care, which has led to combined Medicaid and Medicare underpayments of nearly \$5 billion in 2023, the most recent year for which data was available.

"The House budget package as currently written will not only lock in but worsen our already severe disadvantage in federal Medicaid funding and stymie Wisconsin's efforts to receive desperately needed help for our hospitals and the communities they stay open to serve," said WHA President and CEO Eric Borgerding. "It creates Medicaid winners and losers across the country, with Wisconsin at the bottom of barrel."

WHA has been working closely with members of Wisconsin's Congressional Delegation, asking them to push back against this proposal that unfairly punishes Wisconsin and instead work on ensuring the bill is fixed before it gets to the House floor. WHA sent a letter to its Congressional Delegation on Monday May 12, and activated its grassroots HEAT network that day as well. WHA has also been in close contact with members of the WI State Legislature, which has been working on an increase to Wisconsin's hospital assessment similar to what was included in Governor Evers budget introduced in February.

The next step at the federal level would be for the House Budget Committee to cobble together the Medicaid package along with the other various packages to combine them into one bill, something it had scheduled for Friday of this week. As of late Thursday, it was unclear whether the Budget Committee has enough votes to pass the package or would be delaying its vote until next week. After that, the bill would go to the whole House floor for final passage, potentially as soon as next week. The package would still have to get through the U.S. Senate, and numerous Senators have indicated they have significant concerns about various provisions of the bill, including Medicaid cuts and provider assessments.

In the meantime, WHA continues to push members of Wisconsin's Congressional Delegation to ensure a fix is inserted into the House package prior to a vote on the House floor.

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EDUCATION EVENTS

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How to Implement a Near Miss Program

May. 22, 2025

Critical Access Hospital (CAH) Conditions of Participation Series