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WI State Budget Bill Includes Historic Medicaid Rate Increase for Hospitals

Early this morning, Governor Tony Evers signed into law the 2025-2027 biennial state budget, which includes the largest net increase in Medicaid reimbursement to hospitals ever enacted in Wisconsin via an expansion of our existing hospital assessment (state directed payment program/DPP). This occurred after a marathon legislative session between the state Assembly and Senate that ended shortly after midnight with support from Republicans and Democrats in both houses of the Legislature.

The State Legislature and Governor acted with urgency to beat a federal freeze on hospital taxes and directed payments included in the federal reconciliation package known as the One Big Beautiful Bill, which President Trump has been saying for months he intends to sign into law by the 4th of July.

WHA released a statement this morning applauding the Governor and the legislature for partnering with WHA to craft a budget proposal that provides unprecedented Medicaid rate increases to Wisconsin hospitals.

"Wisconsin's hospitals are the cornerstone of our healthcare system and a safety net for Wisconsin families, with many services, like behavioral health and labor and delivery, provided at a loss. Many of these services simply wouldn't exist if it weren't for the commitment of hospitals and health systems," said WHA President and CEO Kyle O'Brien in a statement. "Hospitals must have sustainable funding if we expect them to maintain and expand critical services that communities need. We applaud the policymakers on both sides of the aisle who recognized this reality and supported a state budget that will provide significant investments in our hospital safety net" he added.

As of press time, the U.S. House is expected to concur in the same legislation passed by the U.S. Senate on July 1, clearing the way for President Trump to act on July 4. By acting when it did, the State Legislature avoided a scenario WHA has been working to prevent for months: having Wisconsin's hospital tax of 1.8% (one of the lowest in the country) and corresponding federal Medicaid reimbursements it generates permanently frozen at a rate lower than most of the states in the country.

For more information about additional provisions included in the state biennial budget bill, read next week's edition of *The Valued Voice*.

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