

Ceo's of Hospitals for Joint Finance Members

To: Joy Tapper/Daniel Bonk –St Francis Hospital
Tom Reilly/Mark Weiner – St Lukes Medical Center

From: Eric Borgerding VP Government Relations
Ann T Bolz, VP External Relations and Member Advocacy

**Re: ACTION ALERT: CONTACT MEMBERS OF JOINT FINANCE
COMMITTEE**

Senator Brian Burke (Sen.burke@legis.state.wi.us)

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We need your help to send a message to the members of Joint Finance Committee.

Co-Chairs, Rep. John Gard and Sen. Brian Burke have announced the Joint Finance Committee will begin to meet in Executive Session beginning Monday, February 27 to craft a bill for vote in the committee and subsequently the full legislature. While the process may be long and drawn out, it appears both chairs are willing to move as quickly as possible to get the legislative debate started.

Health care and Medicaid have been spared in the budget bill before the committee. The bill maintains the states commitment to protect the most vulnerable of our citizens by preserving Medicaid at current levels.

We need your help to reinforce the importance of maintaining the current level of Medicaid provider funding in the budget bill. We ask you to contact your legislator who serves on the Joint Finance Committee and encourage them to support the Medicaid funding already included in the budget repair bill. We need you to call, fax or email a message that provides a local perspective of the importance of the current level of Medicaid funding to your hospital and how reducing this level of support may negatively impact the services you provide and the health of the people in your community who are most vulnerable.

At a time when health care costs are on the front pages, legislators need to get the message reducing Medicaid funding not only leaves federal dollars on the table, but also shifts the burden to the private sector and increases their costs.

Attached are talking points to help you craft this message. We ask you make contacts as soon as possible or during the week of February 25. As always, copies of your letters and any responses you receive are most appreciated. If we can be of more assistance, please contact either one of us at Abolz@wha.org or Eborgerding@wha.org.

Wisconsin Health and Hospital Association

Talking Points on the Wisconsin Medicaid Program:

- There are 123 hospitals in Wisconsin participating in the Medicaid program.
- Wisconsin hospitals lose \$146 million dollars every year in the Medicaid program, which translates to a -30% margin.
- If the already low payments that hospitals receive from the Medicaid program are slashed, it could throw some of these hospitals in to the red.
- **Wisconsin hospitals have made recent gains in Medicaid outpatient and Disproportionate Share Hospital (DSH) reimbursement levels that we must protect.**
- The ability of hospitals to expand or even maintain quality outpatient services, especially in medically underserved *rural* areas of the state, would clearly be jeopardized by drastic cuts in Medicaid payments.
- Deep cuts in the Medicaid DSH program would disproportionately impact *inner-city* hospitals with high Medicaid volumes.
- When the state does not pay its share, it leads to higher costs for commercial payers and higher insurance premiums for Wisconsin employers. Many hospitals, especially those in medically underserved areas, will likely be forced to reduce outreach services that they now provide to the Medicaid population.
- The failure of Wisconsin Medicaid to cover the cost of health care for its beneficiaries will shift the cost burden to employers and the privately insured, translating into a tax increase for everyone.
- The number of people receiving Medicaid increased by 7,295 in Nov 01, the largest increase all year. Cheryl McIlquham Bureau of Health Care Eligibility director said, "It's a reflection of the economy."
- The state may have a fiscal crisis, but there is no justification for balancing the budget on the backs of the state's most vulnerable citizens.
- Wisconsin already ranks 44th in the nation in Medicaid reimbursement to hospitals, covering only 78% of costs. The cuts would plunge us even closer to the bottom.
- For every Medicaid dollar the state cuts, Wisconsin will lose \$1.50 in federal matching funds, magnifying the impact on the state's economy and on hospitals' financial status.
- The cuts come at a particularly bad time, when hospitals are expected to gear up to deal with terrorism and other emergencies.
- A recession is the worst time to cut funding for health care for the unemployed and uninsured. The current economic environment should compel us to not only maintain, but also strengthen, the health care safety net for our most vulnerable citizens.