

## An Open Letter from Wisconsin's Hospital Leaders

April 14, 2021

Dear members of the State Legislature's Joint Finance Committee,

We are honored to write to you today, having gone through what is undoubtedly the most challenging time we've ever faced in health care. We have now lived through a moment that created concern with the availability of hospital care; something that many couldn't imagine possible. Our planning, innovative thinking and our respective teams' unwavering passion for patient care has served your constituents and our state well. Throughout the pandemic, every function within our hospital was utilized or redeployed in response to this pandemic – all facets of our operations were tested.

But when your constituents needed us, we were there. When the State of Wisconsin needed vaccination and testing infrastructure, we provided it – in fact, the majority of it, with hospitals and health systems providing millions of tests and vaccines across the state and also helping support the efforts of local public health departments. When employers needed a vaccination partner, we answered their call. As more Wisconsinites become vaccinated for COVID-19, we – like you – are excited to welcome a more normal way of life.

While the most recent past is important perspective, it cannot be the sole lens by which we view health care policy into the future. We are looking forward, not behind us, as we figure out how we maintain Wisconsin's spot as the top state in the country to receive health care.

Indeed, the challenges are great. Our workforce, which is the largest expense category for most hospitals, has been stressed. During the pandemic, hospitals lost employees to traveling staff agencies offering multiples of three or four times the staff person's regular wage. Some employees may be permanently lost from health care due to challenges with public and patient perception to the pandemic. Fierce competition for providers and staff is just one of many financial challenges facing hospitals as we begin coming out of the pandemic.

***The solutions to these challenges require us to sustain, not cut, critical funding to our state's hospitals.***

The pandemic should not skew anyone's perspective on the fundamental reimbursement challenge we faced pre-pandemic, during the pandemic and will need to continue to address post-pandemic. Wisconsin's Medicaid program under-reimburses hospitals for the cost of care they provide. Our hospitals are reimbursed less than 66% of their costs associated with treating Medicaid patients – well below the national average of 90%. When government payers underfund hospitals, it results in less resources to hire needed staff and providers, less access to care and longer wait times for all patients – not just those on Medicaid.

While federal aid provided to hospitals by Congress helped us survive the pandemic, this one-time funding is limited in its use and only addresses a fraction of losses and increased expenses we faced throughout the pandemic. In the first three months of the pandemic, Wisconsin hospitals and health systems lost \$2.5 billion. In total, we expect to recoup only half of these losses through federal aid – roughly \$1.2 billion.

Importantly, federal aid is limited to only those losses and expenses which occurred due to COVID-19. If any aid exceeds these losses and expenses, it will be audited and recouped. **Hospitals cannot use federal COVID funding to make up for Medicaid reimbursement losses, which amounted to \$1.2 billion in 2019 alone.** The

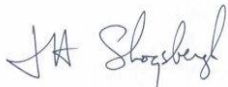
need for Medicaid Disproportionate Share Hospital (DSH) funding is not lessened by COVID, if anything it makes the resources you provide through DSH even more important.

Fortunately, you have supported us in the past as we address our fundamental Medicaid reimbursement challenges through both the Medicaid DSH program and the Rural Critical Care supplement. In the last budget, the Governor and the Legislature enacted an additional \$40 million in General Purpose Revenue (over \$100 million All Funds) to increase Medicaid DSH reimbursement for hospitals. This reimbursement increase was funded only for two years. We thank you for your previous support of DSH and the Rural Critical Care supplement and respectfully request you now permanently reauthorize this DSH increase. **If this critical funding is not reauthorized, nearly 100 hospitals will face a combined \$100 million cut in funding.**

As hospital leaders, we need funding certainty to plan additional commitments to our workforce, expand service lines that enhance access to care for patients and help us reduce the cost-shift forced on other patients resulting from Medicaid losses to hospitals. We respectfully request your support to permanently reauthorize the current Medicaid Disproportionate Share Hospital (DSH) program in the 2021-2023 biennial state budget.

Please reach out to any one of us regarding this request.

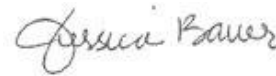
Sincerely,



Jim Skogsbergh  
Advocate Aurora Health



Jeff Bard, North Region Market  
President  
Advocate Aurora Health



Jessica Bauer, President  
Aurora Medical Center –  
Washington County



Pete Carlson, President  
Aurora Psychiatric Hospital



David Graebner, President  
Aurora Sheboygan Memorial  
Medical Center



Edward Harding  
Aurora Medical Center – Bay Area



Ania Horner, President  
Aurora St. Luke's South Shore



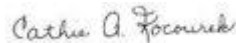
Donna Jamieson, President  
Aurora Medical Center in Kenosha



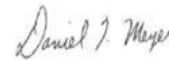
Lisa Just, President, South WI  
Patient Service Area  
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Aurora Sinai Medical Center



Cathie Kocourek  
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Daniel Meyer, President  
Aurora BayCare Medical Center

Robert Miller, President  
Aurora Medical Center in  
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John Newman, Aurora Central  
Region CMO  
Aurora Medical Center in Oshkosh

Dennis Potts, Executive Vice  
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Aspirus Stevens Point Hospital

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Aspirus Riverview Hospital &  
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Jesse Tischer, SVP & President,  
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Aspirus

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Sharla Baenen, President/COO  
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Michael Gutsch, CEO  
Cumberland Healthcare

Brian Stephens, CEO  
Door County Medical Center

Marc Augsburg, CEO  
Edgerton Hospital and Health  
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Michael Wallace, President and  
CEO  
Fort HealthCare

Scott McConaha, President  
Franciscan Sisters of Christian  
Charity Sponsored Ministries, Inc.

Catherine Jacobson, President/CEO  
Froedtert Health

Eric Conley, Froedtert Hospital &  
EVP Froedtert Health  
Froedtert & the Medical College of  
Wisconsin – Froedtert Hospital

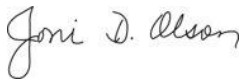
Allen Ericson, Pres. of Froedtert  
West Bend Hosp./Comm. Hosp.  
Division  
Froedtert & the Medical College of  
Wisconsin – Froedtert West Bend  
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Teri Lux, Pres., Froedtert Men. Falls  
Hosp./COO of CHD  
Froedtert & the Medical College of  
Wisconsin - Froedtert Menomonee  
Falls Hospital

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Gundersen Boscobel Area Hospital  
and Clinics

Kristie McCoic, Administrator  
Gundersen St. Joseph's Hospital  
and Clinics



Joni Olson, CEO  
Gundersen Tri County Hospital &  
Clinics



Frank Perez-Guerra, Administrator  
Gundersen Moundview Hospital  
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Luke Beirl, CEO  
Hayward Area Memorial Hospital &  
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Andrew Bagnall, President and CEO  
HSHS Wisconsin Division



Andy Barth, President & CEO  
HSHS Sacred Heart Hospital



Chris Brabant, President & CEO  
HSHS St. Clare Memorial Hospital



Brian Charlier, President/CEO  
HSHS St. Vincent and St. Mary's  
Hospitals



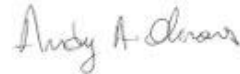
Justin Selle, President and CEO  
HSHS St. Nicholas Hospital



John Wagner, President and CEO  
HSHS St. Joseph's Hospital



Shannon Jack, Administrator  
Indianhead Medical Center/Shell  
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Andy Olivares, CEO  
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Susan Turney, CEO  
Marshfield Clinic Health System



Patrick Board, Chief Administrative  
Officer  
Marshfield Medical Center



Ty Erickson, Chief Administrative  
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Jeff Euclide, Chief Administrative  
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Angelia Foster, Chief  
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Marshfield Medical Center - Beaver  
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Jacquelyn Frombach, Interim Chief  
Adm. Officer -Wausau Region  
Marshfield Medical Center –  
Weston



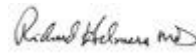
Bradley Groseth, Chief  
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Marshfield Medical Center – Rice  
Lake



Ryan Neville, Chief Advisory Officer  
Marshfield Medical Center –  
Neillsville



Bill Priest, Chief Administrative  
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Marshfield Medical Center - Eau  
Claire



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Mayo Clinic Health System -  
Northwest Wisconsin Region, Inc.

Paul Mueller, Regional Vice  
President-SWWI  
Mayo Clinic Health System

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MercyHealth

James O'Keefe, President  
Mile Bluff Medical Center

John Russell, President & CEO  
Prairie Ridge Health

Susan Edwards, President/CEO  
ProHealth Care, Inc

Robert Van Meeteren,  
President/CEO  
Reedsburg Medical Center

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River Falls Area Hospital

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Rogers Memorial Hospital, Inc.

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Michael Schafer, CEO  
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SSM Health – Wisconsin, Inc.

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Monroe Clinic, a member of SSM  
Health

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SSM Health St. Clare Hospital –  
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Kyle Nondorf, President  
SSM Health St. Mary's Hospital

Eric Thornton, President  
SSM Health St. Mary's Hospital –  
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DeAnn Thurmer, President  
Waupun Memorial Hospital

Katherine Vergos, President  
St. Agnes Hospital, Fond du Lac

David Dobosenski, CEO  
St. Croix Regional Medical Center

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Stoughton Health

Bruce Roesler, CEO  
The Richland Hospital, Inc

Imran Andrabi, President & CEO  
ThedaCare

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ThedaCare Medical Center – Berlin

Julie Chikowski, Vice President  
ThedaCare Medical Center –  
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David Corso, VP Critical Access  
Hospital Operations  
ThedaCare Medical Center –  
Waupaca



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Appleton; President of ThedaCare  
Central




Mark Thompson, System CFO/COO  
ThedaCare Regional Medical  
Center-Neenah



Sue Erickson, President and CEO  
UnityPoint Health – Meriter



Lisa Schnedler, President & CEO  
Upland Hills Health, Inc.



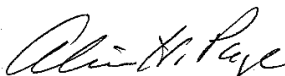
Alan Kaplan, CEO  
UW Health



David Hartberg, CEO  
Vernon Memorial Healthcare



Richard Keddington, CEO  
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Alison Page, CEO  
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Steven Massey, President/CEO  
Westfields Hospital & Clinic