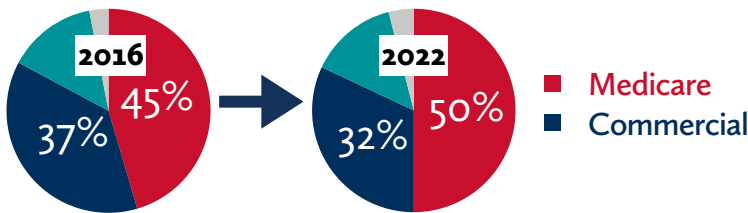


How Medicare Underpayments & Insurer Prior Authorization Impact Hospitals

Site-neutral payments are not the only cuts worrying hospitals. Aging demographics and stagnant Medicare rates are leading to automatic cuts in payments as Wisconsinites age and move off commercial insurance onto Medicare.

From 2016-2022 the Average Payor Mix for a Wisconsin hospital has seen Medicare grow from 45% to 50% while commercial has shrunk from 37% to 32%.

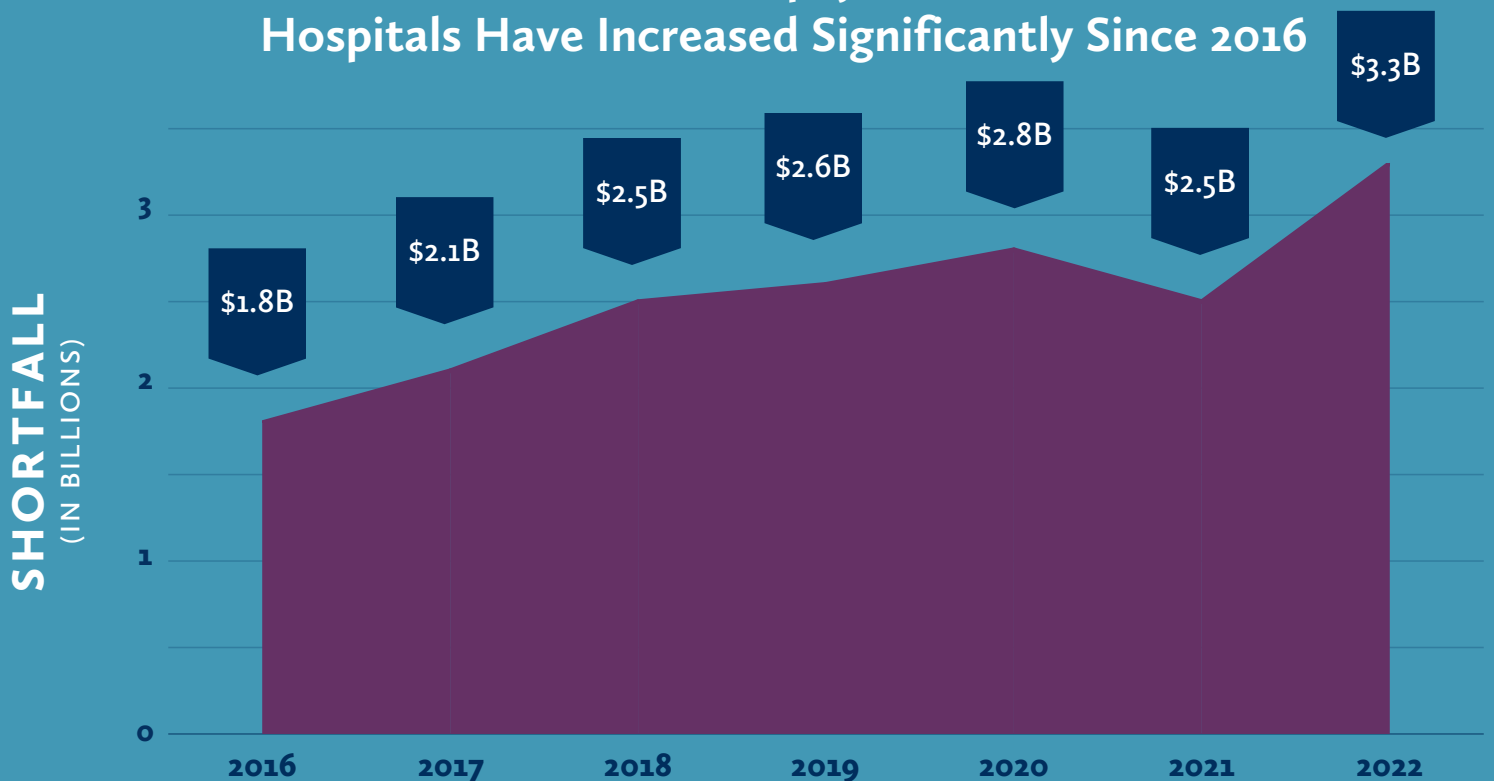


CMS Proposed increase for hospital Medicare payments in 2025 - well below true inflation and MedPAC's recommendation



Wisconsin's rank for the percentage of its population on Medicare

Annual Medicare Underpayments to Wisconsin Hospitals Have Increased Significantly Since 2016



The New York Times
Insurers Reap Hidden Fees by Slashing Payments. You
May Get the Bill

How Cigna Saves Millions by Having Its Doctors Reject Claims Without Reading Them

Intelligencer
MEDICINE | JULY 10, 2023
The Two Words That Can Make Health Care a Nightmare Prior authorization buries doctors in paperwork and delays care, sometimes with disastrous results.



Prior Authorization was supposed to save money. Instead, it's adding to the high cost, bureaucracy and headaches of the U.S. Health Care System.



87% of commercial claims initially denied get overturned.



Certain payers can routinely take 6 months or more to process claims.



Some payers require appeals to be paper mailed, and can take no less than 60 days.

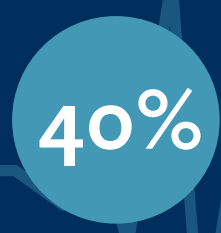
*Results from WHA Member Survey

Medicare Underpayments and Insurer Prior Authorization Policies are Harming Hospitals

In 2022:



Wisconsin Hospitals Experienced Decreasing Margins



Wisconsin Hospitals Operated at a Negative Margin

*Data from WHA's most recent Fiscal Survey

