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December 3, 2020

The Honorable Ron Johnson
United States Senate
Washington, DC 20515

The Honorable Tammy Baldwin
United States Senate
Washington, DC 20515

The Honorable James Sensenbrenner
U.S. House of Representatives
Washington, DC 20515

The Honorable Ron Kind
U.S. House of Representatives
Washington, DC 20515

The Honorable Gwen Moore
U.S. House of Representatives
Washington, DC 20515

The Honorable Mark Pocan
U.S. House of Representatives
Washington, DC 20515

The Honorable Glenn Grothman
U.S. House of Representatives
Washington, DC 20515

The Honorable Mike Gallagher
U.S. House of Representatives
Washington, DC 20515

The Honorable Bryan Steil
U.S. House of Representatives
Washington, DC 20515

The Honorable Tom Tiffany
U.S. House of Representatives
Washington, DC 20515

Dear Members of Wisconsin’s Congressional Delegation:

Wisconsin has been ground zero over the last two months in terms of surging COVID cases and hospitalizations. A growing number of hospitals have activated their surge plans, postponed scheduled surgeries and procedures, and taken other measures to free up space for the exponential growth in demand for hospital beds due to COVID. Our front-line workers are burnt out, working seemingly never-ending shifts and caring for more patients with fewer staff due to the sustained high level of community spread. Some of our hospitals and health systems have reported more than one-fourth of their workforce out on quarantine or isolation at any given time.

This crisis has taxed our health care system tremendously, and we have left no stone unturned looking for additional resources to provide care, while also doing everything possible to convince the public of the need to take safety precautions that will help slow the spread of the virus. ***While we appreciate the past support in previous COVID legislation, we urge Congress to quickly take up additional COVID relief as part of the lame duck session that includes the following health care priorities.***

Additional Financial Support for Hospital and Health Systems

WHA and our members greatly appreciate the support Congress was quick to authorize in the original CARES Act and that HHS was quick to disperse via the Provider Relief Fund. This funding was critical in helping hospitals weather the financial turmoil created by shutting down planned procedures as called for by the U.S. Surgeon General and CMS when COVID initially hit. WHA estimated our members lost over \$2.5 billion in revenue during that roughly six-week period before hospitals and systems gradually brought these services

back online. To date, we estimate our Wisconsin members have received just under \$1.1 billion in support from the Provider Relief Fund.

While many of our members have been greatly aided by these funds, others still face significant losses despite prudent efforts to reduce expenses. ***WHA supports additional funding on an application basis to ensure dollars are sent where they are most needed. This will also guard against the following issue created by HHS that WHA requests Congress to fix.***

Additional Flexibility Needed in Spending Provider Relief Dollars

HHS created unnecessary and avoidable financial uncertainty for hospitals and health systems by issuing guidance on how relief dollars could be spent back in June and then changing it in September and again in October. This was extremely frustrating for hospitals who made financial decisions based on the June rules only to have them change after the fact. While the October changes were a laudable attempt to meet hospitals halfway, they ultimately did not provide the flexibility needed for hospitals to spend these dollars as originally intended. ***WHA has heard from a number of our members, primarily rural hospitals, concerned they will be forced to return a substantial portion of these dollars if HHS does not revert back to the June guidance. We ask that Congress require HHS to honor the initial guidance issued in June which would allow hospitals to “use any reasonable method of estimating the revenue during March and April 2020 compared to the same period had COVID-19 not appeared.”***

Additionally, current HHS guidance does not allow the necessary flexibility for health systems to realize the benefits of providing care as a system. During COVID, many health systems have flexed their operations to respond to the unique challenges posed by COVID. Some have incurred significant expenses at certain hospitals to care for more COVID patients while designating other facilities in their systems to continue providing non-COVID related care. Unfortunately, HHS does not allow them to spend targeted Provider Relief Funding across their system to account for these operational changes, as the dollars must stay with the hospital that received the distribution. ***WHA requests Congress to change this HHS policy so that dollars can be spent in a way that recognizes how care is delivered in modern health systems.***

Increase the Federal Matching Medicaid Rate - FMAP

As we recommended in our July letter, we continue to support additional federal matching Medicaid (FMAP) funds to get us through the uncertainty of the COVID pandemic. We are extremely grateful for the FMAP assistance the Wisconsin delegation worked hard to secure in prior federal legislation, as Medicaid caseloads have increased by more than 160,000 members since the start of the pandemic. Unfortunately, the state projects that number to grow by more than 40,000 additional enrollees through the first half of 2021 and has projected a more than \$500 million Medicaid budget deficit even if current enhanced FMAP funding is maintained through all of 2021.

Wisconsin hospitals and health systems will face a significant decrease in reimbursement as more people switch from commercial insurance to Medicaid, which pays only about 67% of the cost to provide care in Wisconsin. The prospect of further provider cuts from the state government dealing with budgetary pressures would create significant stresses on the health care system at a time when it can least bear it.

Make COVID Medicare Telehealth Flexibilities Permanent

The temporary flexibilities granted by CMS during this public health emergency have been a lifeline to both providers and patients by allowing them to safely deliver and receive care throughout the pandemic. Recently, CMS made a number of these Medicare telehealth flexibilities permanent via rulemaking, while others will expire when the public health emergency ends. The CMS flexibilities, while helpful, will not remove the need for Congress to act.

WHA continues to support Congress acting to permanently eliminate the geographic and originating site restrictions currently in statute, which the CARES Act allowed to be waived during the public health

emergency. These flexibilities allow patients to receive care in a more convenient setting such as their own home, while also granting flexibility in where providers can initiate such care. Providers and patients do not want to effectively go backwards in time once the emergency ends, but expect to be able to keep the health care delivery gains that have been made.

Funding for Testing, Tracing, Vaccines, and Sustained Public Health Response

Unfortunately, this pandemic has exposed some of the weaknesses of our current health care system when it comes to public health response. To snuff out COVID early on, we would have needed adequate testing paired with comprehensive contact tracing, something that was employed effectively in some countries. While we have made great strides in testing volumes since the beginning of COVID, much of the current support was issued through state and local funding that expires at the end of 2020. ***Congress must distribute additional dollars to keep up a robust testing infrastructure into 2021 while also boosting states' ability to hire more contact tracers, an area Wisconsin is sorely lacking in.***

Additionally, the sooner we can distribute vaccines the sooner we can get back to a more normal semblance of everyday life. While we are undergoing extensive planning with the state and public health partners to prepare for vaccine distribution, it is unclear what additional expenses may arise. To avoid experiencing challenges similar to what we saw in the early days of ramping up testing, Congress should reserve additional funding for vaccine distribution expenses that help ensure a smooth and efficient rollout.

Importantly, we support Congress increasing public health and hospital emergency preparedness funding to allow states to build a public health infrastructure that can quickly scale up pandemic response efforts when needed. Wisconsin currently lacks sufficient funding to sustain ongoing local public health operations. This has required hospitals and others in the health care system to take on roles traditionally associated with public health to boost our collective COVID response efforts. While we sincerely hope to not see a global pandemic as devastating as COVID-19 in the near future, we cannot dismiss the possibility of future pandemics occurring. Considering the H1N1 pandemic and SARS epidemic both occurred in the last 20 years, we must use the lessons learned from this pandemic to prepare us for the next outbreak.

Thank you again for your continued support of Wisconsin's health care system. We look forward to Congress quickly approving a package that helps keep Wisconsin hospitals and health systems strong throughout the many challenges of this pandemic.

Sincerely,



Eric Borgerding
WHA President & CEO

cc: Congressman-elect Scott Fitzgerald