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WHA ADVOCACY DAY DRAWS 1,000 PEOPLE FROM ACROSS THE STATE *100+ Wisconsin hospital and health system leaders ask for reauthorization of critical hospital funding*

Madison, Wis., April 14, 2021—Nearly 1,000 hospital and health system leaders, providers, volunteers, clinical and non-clinical staff and trustees today attended the Wisconsin Hospital Association (WHA) Advocacy Day virtual event, which will continue Thursday and Friday with meetings between hospital representatives and state elected leaders to discuss key priorities for hospitals as lawmakers deliberate the 2021-2023 state budget. Gov. Tony Evers, former CNN White House Correspondent Frank Sesno and a bipartisan legislative panel moderated by Wisconsin Hospital Association President and CEO Eric Borgerding all spoke to attendees throughout the morning event.

In conjunction with WHA Advocacy Day, 108 hospital and health system leaders from across Wisconsin submitted a letter to the state Legislature’s Joint Finance Committee calling on the Legislature to permanently reauthorize critical hospital funding through the Medicaid Disproportionate Share Hospital (DSH) program to avoid a \$100 million cut to hospitals in the next budget.

“Throughout the pandemic, every function within our hospital was utilized or redeployed in response to this pandemic – all facets of our operations were tested,” wrote the health care leaders. “But when your constituents needed us, we were there.”

Leaders from across the state discussed how hospitals cared for Wisconsin communities throughout the pandemic, focusing on challenges hospitals faced to keep their facilities staffed and safe with rising labor and supply costs. The leaders said that many of these challenges will remain post-pandemic. “The solutions to these challenges require us to sustain, not cut, critical funding to our state’s hospitals,” said health system and hospital leaders in their letter to state lawmakers.

The letter went on to state core challenges hospitals face, including ongoing underfunding from the Medicaid program. “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.”

“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,” stated the hospital leaders.

The full text of the Wisconsin hospital leaders open letter follows and is available online [here](#).

-MORE-

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

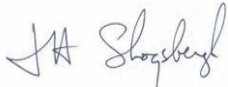
need for Medicaid Disproportionate Share Hospital (DSH) funding is not lessened by COVID, if anything it makes the resources you provide through DSH even more important.

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.

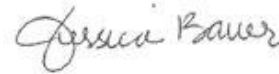
Sincerely,



Jim Skogsbergh
Advocate Aurora Health



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Jessica Bauer, President
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Pete Carlson, President
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David Graebner, President
Aurora Sheboygan Memorial
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Edward Harding
Aurora Medical Center – Bay Area



Ania Horner, President
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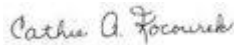
Donna Jamieson, President
Aurora Medical Center in Kenosha



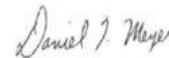
Lisa Just, President, South WI
Patient Service Area
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Carrie Killoran, Exec VP, President
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Cathie Kocourek
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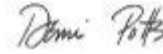
Daniel Meyer, President
Aurora BayCare Medical Center



Robert Miller, President
Aurora Medical Center in
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John Newman, Aurora Central
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Dennis Potts, Executive Vice
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Jesse Tischer, SVP & President,
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Jeffrey Wicklander, SVP & President
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Sharla Baenen, President/COO
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Timothy McKeveitt, President/CEO
Beloit Health System

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Crossing Rivers Health Medical
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Michael Gutsch, CEO
Cumberland Healthcare

Brian Stephens, CEO
Door County Medical Center

Marc Augsburg, CEO
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Michael Wallace, President and
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Catherine Jacobson, President/CEO
Froedtert Health

Eric Conley, Froedtert Hospital &
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Froedtert & the Medical College of
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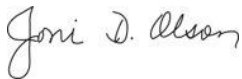
Allen Ericson, Pres. of Froedtert
West Bend Hosp./Comm. Hosp.
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Froedtert & the Medical College of
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Teri Lux, Pres., Froedtert Men. Falls
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Frank Perez-Guerra, Administrator
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Luke Beirl, CEO
Hayward Area Memorial Hospital &
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Andrew Bagnall, President and CEO
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Andy Barth, President & CEO
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Chris Brabant, President & CEO
HSHS St. Clare Memorial Hospital



Brian Charlier, President/CEO
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Hospitals



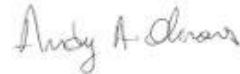
Justin Selle, President and CEO
HSHS St. Nicholas Hospital



John Wagner, President and CEO
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Shannon Jack, Administrator
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Andy Olivares, CEO
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Susan Turney, CEO
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Patrick Board, Chief Administrative
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Jeff Euclide, Chief Administrative
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Angelia Foster, Chief
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Ryan Neville, Chief Advisory Officer
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Bill Priest, Chief Administrative
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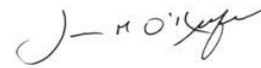
Richard Helmers, Regional Vice
President
Mayo Clinic Health System -
Northwest Wisconsin Region, Inc.



Paul Mueller, Regional Vice
President-SWWI
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Javon Bea, President/CEO
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John Russell, President & CEO
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Susan Edwards, President/CEO
ProHealth Care, Inc



Robert Van Meeteren,
President/CEO
Reedsburg Medical Center



Helen Strike, President
River Falls Area Hospital



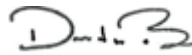
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Rogers Memorial Hospital, Inc.




Dan Rohrbach, CEO
Southwest Health



Michael Schafer, CEO
Spooner Health



Damond Boatwright, Regional
President
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Jane Curran-Meuli, President
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Kyle Nondorf, President
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Eric Thornton, President
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DeAnn Thurmer, President
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Katherine Vergos, President
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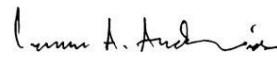
David Dobosenski, CEO
St. Croix Regional Medical Center



Daniel DeGroot, President/CEO
Stoughton Health



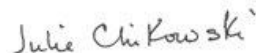
Bruce Roesler, CEO
The Richland Hospital, Inc



Imran Andrabi, President & CEO
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Tammy Bending, VP-Operations,
Critical Access Hospital
ThedaCare Medical Center – Berlin



Julie Chikowski, Vice President
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David Corso, VP Critical Access
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Dale Gisi, Sr. VP, Thedacare,
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Mark Thompson, System CFO/COO
ThedaCare Regional Medical
Center-Neenah



Sue Erickson, President and CEO
UnityPoint Health – Meriter



Lisa Schnedler, President & CEO
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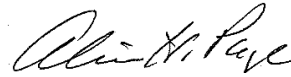
Alan Kaplan, CEO
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David Hartberg, CEO
Vernon Memorial Healthcare



Richard Keddington, CEO
Watertown Regional Medical
Center



Alison Page, CEO
Western Wisconsin Health



Steven Massey, President/CEO
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