

Budget Committee Increases State Medicaid DSH Investment by \$25 Million ***WHA graduate medical education, rural workforce priorities added into state budget***

In its May 25 meeting, the state's budget-writing Joint Finance Committee approved significant WHA-supported investments in hospital Medicaid reimbursement through the Disproportionate Share Hospital (DSH) program and a newly created supplemental program for certain rural critical access hospitals.

"This budget motion shows our commitment to helping our neediest Medicaid patients," said Sen. Leah Vukmir (R-Wauwatosa), a lead author of the Committee's budget motion (i.e. amendment). "We increased reimbursement by \$25 million into the DSH program. This is an important program—very important to me; I represent a lot of hospitals in my district."

In their version of the state budget, the Joint Finance Committee provides \$25 million in additional state resources to the Medicaid DSH program (\$62 million increase when including federal funds) over the biennium and provides an additional \$1.2 million for a new Rural Critical Care supplement—both top priorities of WHA. In total, the proposed budget bill would now provide \$137 million over the two-year budget period for Medicaid DSH and Rural Critical Care supplement hospitals, if the Joint Finance Committee version of the budget bill becomes law.

"This budget motion really shows that we were listening to the people that came out to testify at the public hearings," said Vukmir. In coordination with WHA, nearly 50 hospital leaders submitted written testimony to the Joint Finance Committee, along with hospital leaders testifying in-person on key

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Revised Coverage, Spending Impacts of American Health Care Act Released ***WHA urges Senators Johnson, Baldwin to protect Wisconsin***

The Congressional Budget Office (CBO) released its revised analysis of coverage and spending impacts under the U.S. House-passed version of the American Health Care Act (AHCA). The CBO projects that over 10 years, 23 million individuals will lose coverage, and Medicaid funding will be reduced by \$834 billion. In 2018 alone, CBO projects 14 million individuals will lose health insurance coverage. The revised "score" largely tracks CBO's previous projections from March, which estimated 24 million to lose coverage and \$840 million in Medicaid reductions.

"We remain concerned thousands of poorer, older and sicker Wisconsinites will be left behind and that Wisconsin continues to be penalized for not expanding Medicaid," said WHA President/CEO Eric Borgerding. "We continue discussions with our lawmakers in Washington, D.C., urging them to work to stabilize the insurance market, provide affordable coverage for individuals on the exchange and provide fairness for non-expansion states like Wisconsin."

With respect to exchange coverage, about 240,000 individuals in Wisconsin signed up for coverage through the insurance exchange in 2017. Of those, about 197,000 were able to access affordable coverage due to the Affordable Care Act's income-based premium and/or cost-sharing assistance. Of particular concern to a state like Wisconsin, which has had heavy reliance on exchange subsidies, is the AHCA's move from income-based assistance to age-based tax credits.

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“By all known estimates, the shift to age-based assistance will result in coverage loss in Wisconsin,” said Borgerding in a recent letter to Sens. Johnson and Baldwin. “That is why we were pleased to hear the Senate is keenly aware of this issue and intends to make necessary improvements to the AHCA.”

WHA also remains concerned by the current instability in the exchange due to the pending lawsuit on the ACA’s cost-sharing reductions (CSRs). WHA continues to ask Congress and the Administration to make clear its intention to fund the CSRs.

With respect to Medicaid funding and in light of the CBO score, WHA continues to highlight the long-term funding inequity that is established and compounded under the AHCA.

“Wisconsin took its own path by not expanding Medicaid the Washington way and should not now be punished for rejecting Obamacare in a bill that is meant to repeal Obamacare,” said Borgerding. “WHA urges Sens. Johnson and Baldwin to stand up for Wisconsin in the ongoing Senate deliberations.”

Group Insurance Board Considers 2018 Plan Structure

All options to be discussed further at August meeting

The Group Insurance Board (GIB) met May 24 and considered options for the 2018 state employee group health insurance program if their proposal to move to a self-funded structure is not approved by the Legislature.

In February, the GIB had approved moving forward with a self-funded model for 2018, under an estimate that it would result in savings of \$40 million per year, or \$60 million in the upcoming biennium. The Governor included the \$60 million expenditure reduction in his budget proposal.

Under statute, the Joint Committee on Finance has the authority to approve the contracts. In early May, GIB had sent to the Joint Committee on Finance the proposed contracts for self-funding, and on May 16 the Committee notified the GIB and Department of Employee Trust Funds (ETF) it would schedule a hearing to consider the contracts.

At the May 24 meeting, ETF staff recommended the GIB consider instead a regional structure under a fully-insured model, a move the Board could make without legislative approval. After much discussion Board members determined that an official vote was not required and instead deferred saying they wanted to “send a message to the Legislature” that self-funding is still their preferred option.

GIB members were concerned after a presentation from Segal Consulting, the firm that developed the self-funded proposal. ETF staff had asked Segal to estimate premiums for 2018 if the state were to remain under its fully insured model rather than move to a self-funded model.

Segal projected that health insurers would request a 10.4 percent increase in premium for 2018. Segal also projected that to achieve the \$60 million in savings if the state did not move forward with self-funding, employee premiums would have to increase by 50 percent, or deductibles would have to increase by \$1,000 for single coverage and \$2,000 for family coverage.

Given that the initial premium bids from health insurers would not be due to ETF until the end of June, whether the Segal projection is accurate remains to be seen. Over the last five years, the average premium increase has been just 2.5 percent.

Segal said the good news is that the 2016 experience shows a decrease in claims costs from the prior period. However, Segal staff also said that tremendous pressure is on the health insurers as the 2017 projected medical loss ratio for the program is 96 percent. This means that based on the current premiums and benefit structure, health insurers in the program are expected to pay 96 percent of the

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revenue they receive on the program back out in health care costs. The remainder—4 percent—is what is left for administration, including profit.

ETF staff said it would move forward to obtain information on all models—the fully insured model, regionalization, and self-funding—to ensure some structure for the state employee health care program is ready to go for 2018. The next GIB meeting is currently scheduled for August 30.

Hartberg Testifies in Senate Committee on Advanced Practice Clinician Legislation *WHA-backed policy would create advanced practitioner training grant program for hospitals, clinics*



Gundersen Boscobel Hospital CEO David Hartberg testifies before the Senate Committee on Rural Issues on WHA-supported advanced practice clinician training grant legislation, SB 161.

WHA Board member and Gundersen Boscobel Area Hospital and Clinics CEO David Hartberg testified before the Senate Revenue, Financial Institutions and Rural Issues Committee on legislation creating a grant program in Wisconsin to incentivize the creation of new clinical rotation opportunities for advanced practice clinicians in rural communities. Hartberg was joined by George Quinn, executive director of the Wisconsin Council on Medical Education and Workforce, on May 24 for the hearing on Senate Bill 161.

“Advanced practice clinicians are playing increasingly important roles on our patient care teams, especially in rural Wisconsin where our workforce shortages can be more acute,” said Hartberg. “With limited financial resources and staff that have several roles in our organization, it can be difficult to find the time and money to support this type of clinical training. Senate Bill 161 provides incentivize funding that encourages facilities like mine to take on the additional cost of training a student in a rural rotation.”

Sen. Patrick Testin (R-Stevens Point), the lead author of Senate Bill 161, discussed during his testimony how this bill is modeled after the state’s widely successful graduate medical education (GME) grant program, with a matching contribution from Wisconsin hospitals to address an important workforce need that exists in rural communities. He said Senate Bill 161 would replicate the model we have built for GME to attract and expose more advanced practice clinicians to rural communities, because significant needs exist for these providers in rural Wisconsin.

“In those counties that have a hospital’s vacancy rate for advanced practice clinicians, 80 percent have a vacancy rate greater than 10 percent. It should come as no surprise to anyone of us that many of those counties are in rural Wisconsin,” said Testin.

“Creating these training opportunities in rural hospitals takes time, money and a significant buy-in from hospital leadership and the community,” said Rep. Deb Kolste (D-Janesville), a lead co-author of Senate Bill 161. “The unique opportunity with this bill is that the applicants can tailor training programs to meet the needs of their community.” Rep. Romaine Quinn (R-Rice Lake) is the other lead co-author of Senate Bill 161 in the Assembly.

“WHA was proud to partner with the authors of Senate Bill 161 to craft this legislation, designed to leverage a ‘grown our own’ model that has been successful in attracting and retaining more physicians to Wisconsin and apply that same concept to the needs that exist for advanced practice nurses and physician assistants in Wisconsin’s hospitals and clinics,” said WHA President/CEO Eric Borgerding.

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“This is just one more way to encourage people that may not otherwise be interested in going to some of our rural communities to take a look at rural Wisconsin,” said Sen. Howard Marklein (R-Spring Green), chair of the Committee. “Once we have them in—in our case—southwest Wisconsin, they find it’s not a bad place to live, raise a family and have a good career.”

“I want to thank you for bringing this forward,” said Sen. Janis Ringhand (D-Evansville), a member of the Committee. “I served on a rural hospital board for eight years, and the majority of our time we spent recruiting doctors. It’s a very difficult job when you are in a rural area, and I think this could be a real incentive to get people to come and stay in rural areas. I think people are recognizing the real value of advanced practice nurses and physician assistants.”

The bill, which has received broad bipartisan support, also has received support from several other individual provider organizations including the Wisconsin Academy of Physician Assistants, Wisconsin Association of Nurse Anesthetists and the Wisconsin Nurses Association.

In related news, on May 25 the Joint Finance Committee adopted the policy provisions in Senate Bill 161 into the state budget and authorized \$1 million in funding for the program over a two-year budget period. The budget bill still needs approval from the full Assembly, Senate and Gov. Scott Walker before the provisions would be enacted into law. See the related story on page 1 of this issue of *The Valued Voice*.

Proposed PPS Rules for Post-Acute Care Settings Released

The federal Centers for Medicare and Medicaid Services (CMS) has issued proposed rules for fiscal year 2018 for three post-acute care settings: long-term care hospitals (LTCHs), inpatient rehabilitation facilities (IRFs) and skilled nursing facilities (SNFs). The proposed rules update the prospective payment systems (PPSs) for these facilities for 2018 and make additional regulatory changes. Highlights of the LTCH rule can be found on the WHA website at www.wha.org/medicare.aspx.

Major highlights of the IRF proposed rule include a one percent market basket update; an increase in the high-cost outlier threshold; elimination of the 25 percent penalty for late IRF patient assessment instrument (PAI) submittals; expanding PAI reporting requirements; and refinement of the codes used to assess an IRF’s compliance with the “60% rule” (which requires no less than 60 percent of the IRF’s patient population to be treated for one of 13 conditions that typically require intensive rehabilitation therapy).

Major highlights of the SNF proposed rule include a one percent payment update; addition of four outcome measures on resident functional status to the Quality Reporting Program for FY 2020; basing potentially preventable 30 days post-discharge readmission measure on two years of data rather than one year; requiring reporting of certain standardized patient assessment data starting in FY 2019; and adjusting the scoring methodology for awarding value-based purchasing incentive payments.

Comments on the LTCH PPS proposed rules are due to CMS by June 13, while comments on the IRF and SNF PPS proposed rules are due June 26. WHA is reviewing these rules in advance of those deadlines and will be submitting comments. If you have any questions or feedback on these proposed rules, contact Laura Rose, WHA vice president, policy development, at lrose@wha.org.

Healthy Wisconsin Initiative to Focus Statewide Efforts on Key Health Issues ***New state health priorities align with hospitals' community health needs assessment***

Building on a year of collaboration with organizations from around the state, health officials launched *Healthy Wisconsin* (<https://healthy.wisconsin.gov>) this week aimed at improving the health of Wisconsin residents by 2020. The plan highlights five priority areas for improving health: Alcohol, nutrition and physical activity, opioids, suicide and tobacco.

Healthy Wisconsin includes a state health assessment and improvement plan to help communities identify strategies to make Wisconsin healthier.

"*Healthy Wisconsin* builds on the great work already underway in Wisconsin to address these five priority health issues," said Department of Health Services Secretary Linda Seemeyer. "The goal of this effort is to improve the health of those who live here in the next three to five years by collaborating with partners throughout the state to address issues that are having a real impact on our communities."

Hospitals and health systems are working with community partners to develop and implement programs aimed at improving population health. According to WHA President/CEO Eric Borgerding, the *Healthy Wisconsin* initiative will leverage those local efforts and help build statewide support for improving the health of our citizens.

"When everyone in the state is pulling together toward the goal of keeping our citizens healthier so they can enjoy a higher quality of life, we have a much greater opportunity to make real improvements in our overall health status," Borgerding said. "We are excited about the opportunities this new health initiative opens for hospitals and health systems across the state to support the overall goal of creating a healthier Wisconsin."

WHA participated on a statewide steering committee that included representatives from community organizations, which helped in the development of the plan by reviewing health data and information on evidence-based practices. The committee then selected the five priority health issues. The plan also incorporates the concept of adverse childhood experiences (ACEs) and resilience and how these can affect health.

A new *Healthy Wisconsin* website highlights goals, data and strategies to encourage public involvement in making progress on the five priority health areas. The website will also highlight local and statewide success stories that show communities working to make a difference in each focus area.

"We know that improving health in Wisconsin will take all of us working together," said State Health Officer Karen McKeown. "We are excited about the opportunity *Healthy Wisconsin* offers to energize people and communities around these shared goals."

Learn more about *Healthy Wisconsin* and the priority health issues at healthy.wisconsin.gov. Access additional information about the Wisconsin Health Improvement Planning Process (WI-HIPP), the process used to develop *Healthy Wisconsin* at www.dhs.wisconsin.gov/hw2020/wi-hipp.htm.

WHA Member Directory Posted on "Members Only" Portal at WHA.org ***WHA portal also holds hospital-specific quality and finance reports, data analysis***



Just a reminder that the WHA 2017 Membership Directory is available online in the WHA members-only portal. The directory provides a list of key contacts at every WHA member hospital or health system and WHA committee and task force rosters. WHA's 75 corporate members' contact information is also in the directory. The directory can be found under the "General" tab in the portal. *(continued on page 6)*

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The members-only portal also contains a number of hospital-specific customized reports in the areas of finance and quality. These reports are updated regularly and are useful in understanding hospital-specific Medicare PPS rule change impacts, Medicare value-based purchasing results and quality metric trends.

If you do not have a member account in the WHA members-only portal, go to members.wha.org and click on “Register” to create an account. If you have questions about how to register, contact Tammy Hribar at thribar@wha.org or 608-274-1820.

The WHA members only section can be accessed at any time by clicking on the Data navigation tab at WHA.org, then click the “Members Only” icon.

Register Today for 2017 Rural Health Conference, June 21-23

Make Hotel Reservations by May 31



There is still time to register yourself, your leadership team and your hospital's Board of Trustee members for the 2017 Wisconsin Rural Health Conference, June 21-23 at Glacier Canyon Lodge at The Wilderness Resort in Wisconsin Dells. Online registration is available at www.cvent.com/d/w5qpcq.

Make your hotel reservations by May 31 at Glacier Canyon Lodge to get the group's discounted rate and ensure a room is available. Reservations can be made by calling 800-867-9453 and referencing Leader #E94018.

This year's conference will feature keynote speaker J.D. Kleinke, a health care economist and author, who will provide an up-to-the-minute look at the realistic options for legislators looking to replace the ACA. A variety of breakout sessions will give attendees the opportunity to examine and discuss models changing the delivery of and access to rural health care; and ways in which data and technology are improving health care for rural populations. The conference will once again include the popular education track focused on governance issues, including succession planning for a new senior leader, a hospital trustee's role in physician recruitment and retention, and understanding CMS and state surveys.

WHA Emergency Preparedness Conference, September 20 in Madison

International Risk Communications Expert Vincent Covello will keynote event

The “WHA Emergency Preparedness Conference: *Ready to Respond*” is scheduled September 20. This important, one-day conference will feature national experts who will share communication and preparedness lessons learned from real world events and focus on current threats facing health care organizations, including workplace and community violence and highly infectious diseases.

This conference has been designed for hospital emergency preparedness directors, emergency department directors and physicians, infection prevention staff, department directors, public relations professionals and public information officers.

Vincent Covello, PhD, will keynote the conference and offer a deep-dive session in the afternoon specifically for public information officers and health care public relations professionals. Chris Sonne and William Castellano, both of HSS EM Solutions, will share best practices and lessons learned from live active shooter scenarios. In addition, Peter Shult, PhD, of the Wisconsin State Laboratory of Hygiene will discuss past, present and future infectious disease outbreaks and how hospitals can better prepare.

The conference is September 20 at the Sheraton Hotel in Madison. The full event agenda and online registration are available at www.cvent.com/d/b5qw08. Seating is limited—WHA highly recommends registering early.

Member News: Sauk Prairie Healthcare Names New CEO

Shawn Lerch has been named the chief executive officer (CEO) of Sauk Prairie Healthcare. Lerch, who most recently served as CEO at Miners' Colfax Medical Center in New Mexico, replaces Larry Schroeder, who retired in January. Lerch will begin his role at Sauk Prairie Healthcare in late June.



Shawn Lerch

"We are very excited to bring Shawn into this role," said Tammy Adler, president of Sauk Prairie Healthcare Board of Directors. "His experience in rural health care, combined with his focus on quality improvement and patient safety makes him a perfect fit."

Lerch said Sauk Prairie Healthcare's commitment to quality is what drew him to the role.

A veteran of the U.S. Navy, Lerch grew up in Albany, Wisconsin. He obtained his master's degree in healthcare administration from the University of Minnesota. He began his career as a physical therapy assistant at Columbus Community Hospital in Columbus, where he discovered a passion for rural health care.

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priorities including Medicaid reimbursement and health care workforce investments at five of the six public hearings held across the state.

"WHA applauds members of Wisconsin's Joint Finance Committee who supported a significant increase in Wisconsin's Medicaid DSH program, providing payments to hospitals serving Wisconsin citizens living in poverty," said WHA President/CEO Eric Borgerding. "We appreciate the action today to increase hospital reimbursement in Medicaid, but also the foresight of the Committee to expand successful physician residency programs and invest in innovative workforce training programs for advanced practice clinicians and allied health professionals."

WHA also encouraged the Committee to increase Wisconsin's graduate medical education (GME) grant program by \$1.5 million, which was included in the Joint Finance Committee's version of the state budget. This funding would provide matching grant funds, up to \$750,000, to establish new GME programs in Wisconsin in high-need specialties including family medicine, general surgery and psychiatry. To date, the program has already created seven new residency programs and will train at least 79 new residents in Wisconsin—a \$22 million public and private investment in GME since 2013.

The Committee also incorporated into the budget two proposals that provide training grants for advanced practice clinician training rotations and allied health professional training consortia. WHA worked with several rural state lawmakers as part of the Rural Wisconsin Initiative to develop these innovative workforce development proposals. The proposed budget amendment provides \$1 million annually for these new training programs.

Finally, the Joint Finance Committee also budgeted \$2.25 million in state and federal funds to implement an intensive care coordination pilot program in Medicaid, providing payments to hospitals and health systems that implement care coordination programs for super-utilizers of a hospital emergency department. This budget item was a Medicaid reform proposal discussed by over 600 hospital supporters as part of WHA's 2017 Advocacy Day, along with Medicaid DSH, the Rural Critical Care supplement program and all of the workforce initiatives above.

The biennial budget bill continues to be acted upon by the Joint Finance Committee and will likely continue through at least the middle of June. The bill will then move onto both chambers of the Legislature for approval, where identical bills need to be approved by the Senate and the Assembly before moving on to Gov. Scott Walker for his review and approval.