

WHA Sets Record Straight on 2024 RAND Study

On May 14, WHA President and CEO Eric Borgerding issued a [statement](#) on the latest, deeply flawed [study by RAND](#), saying it needs “clarification and critique due to its use of inherently flawed methodology and skewed data.” Borgerding further questioned RAND’s credibility because of their use of misrepresentative data: “RAND’s research relies on a dataset even they acknowledge to be severely limited, given the extremely small, cherry-picked sample size that is neither random nor representative of Wisconsin’s full landscape of hospital finances.”

WHA’s response calls out specific issues with the sample size of data used in the 2024 RAND Study and the wide variations in results over the years among the same hospitals. Specifically, the study shows the price for inpatient facilities at one hospital in Wisconsin was 290% of the Medicare rate, which dropped to 185% in the 2022 RAND Study, and jumped to 338% in the 2024 study. “These massive changes indicate a flawed selection of varying sets of data between studies, causing RAND to misleadingly compare apples to oranges, rather than apples to apples,” said Borgerding.

WHA also called RAND out for ignoring the reality that Medicare reimbursement rates fall significantly short of covering providers’ costs. “The Medicare Payment Advisory Commission [found](#) that hospitals experienced a record-low negative 12.7% margin on Medicare services in 2022, and projects that margins will continue to remain near negative 13% in 2024. Inflation adds to this cost discrepancy, having ballooned by 12.4% between 2021-2023, while Medicare reimbursement rates for inpatient hospital services increased only 5.2%,” the statement reads.

Borgerding closed with a searing criticism of RAND and other special interest groups that produce such misleading reports, as well as health care industry middlemen that perpetually drive up the cost of care. “These types of inherently skewed studies are misguided and damaging, and deflect attention away from the billions of dollars sucked out of the health care system every year by a [growing industry of middlemen](#) that stand between patients and providers, harming access and increasing cost. While this phenomenon is [well-documented](#), groups like RAND and others—which regularly attack community and safety-net hospitals—notably choose to ignore these health care middlemen and the resources they siphon from patient care, while [nearly half of Wisconsin hospitals are operating in the red](#).”

Both Borgerding and Joanne Alig, WHA Senior VP of Public Policy, were quoted in coverage by [Wisconsin Public Radio](#) and [WisBusiness](#). These stories expand on the problems with the RAND Study and its need for further research and clarification, to widen its narrow datasets, and to avoid such grave inaccuracies.

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