

WHA to Sen. Baldwin: Focus Should be on Keeping Hospitals Open Rather than Regulating Closures

On July 29, WHA sent a letter to U.S. Senator Tammy Baldwin in response to legislation she introduced on July 25 entitled the Hospital Stability and Health Services (HSHS) Act. This legislation would require hospitals to notify the U.S. Department of Health and Human Services at least 90 days prior to discontinuing services or closing a hospital.

In its letter to Sen. Baldwin, WHA President and CEO Eric Borgerding said Congress needs to prioritize fixing the root causes of hospital closures, rather than looking to adding new regulations governing their closing.

"Instead of focusing on regulating how hospitals close, we should be working to keep hospitals open, and WHA has been a long-time proponent of fixing inadequate Medicare and Medicaid reimbursement rates," said Borgerding. He noted that Wisconsin's growing Medicare population drove Wisconsin hospitals' Medicare losses to \$3.3 billion in 2022, and that the two HSHS hospitals in the Chippewa Valley that closed earlier this year lost \$56 million in their last two years of operation, primarily due to Medicare and Medicaid losses.

In the [letter](#), WHA also questioned whether HSHS's closures would have been significantly altered had this legislation been in place, given that the legislation includes an exception that allows hospitals to close or cease services in less than 90 days if continuing to operate would pose a risk to patient and staff safety. WHA noted that HSHS provided a 90-day notice, and only moved up the closure after staff left to take new jobs, and the hospitals could no longer safely deliver patient care.

Beyond Medicare and Medicaid reimbursements, WHA also highlighted the need to address the impact of for-profit facilities cherry picking patients and siphoning profitable services away from safety-net hospitals. "This growing challenge is making it even more difficult to sustain the (often money-losing) care that no one else will provide...it is my hope that we can work together on public policy that improves Medicare reimbursement, significantly realigns incentives within Medicare Advantage, eases workforce shortages and acknowledges the unlevel expectations and inequities in the health care delivery system and market," Borgerding added.

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