President's Column: Quality Hospital Care is an Economic Asset
By WHA President and CEO Eric Borgerding

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Last month, the Wisconsin Hospital Association (WHA) released its [2024 Wisconsin Health Care Quality Report](#) demonstrating the significant commitment our hospitals make to improve care for Wisconsin workers and families. Nearly 70% of Wisconsin's hospitals received a 4- or 5-star rating from Medicare, significantly ahead of the national average, and our top performing hospitals have patient experience scores that are 15% ahead of their peers.

When people decide where to raise a family and start a career, access to high-quality health care is often a top consideration. Wisconsin's high-quality care provides employers in all industries with a significant advantage in recruiting the workforce they depend on.

These quality results are due to the significant financial and human resources that hospitals dedicate to improving the quality of care in this state. Unfortunately, the mega insurance companies and so-called "third party administrators" are making health care more complicated, more bureaucratic, more costly and more exhausting to provide.

An expanding and costly layer of middlemen (i.e. insurance companies, for-hire networks and third-party administrators) are getting between patients,

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providers and hospitals, siphoning precious resources out of community hospitals while denying care to patients or refusing to pay for medically necessary care. A [recent report](#) from the American Hospital Association shows that administrative costs now account for more than 40% of total hospital expenses.

Health Partners, a health system that operates three rural Critical Access Hospitals in this state, including one of the last remaining inpatient psychiatric units in western Wisconsin, dropped out of UnitedHealthcare's Medicare Advantage network due to claim denials that were 10 times worse than other insurance companies they contract with.

"Unfortunately, some of UnitedHealthcare's practices create unnecessary waits and delays for patients, and they interfere with our ability to provide patients with timely and appropriate care," said Health Partners in a statement following the announcement.

You might wonder why I'm writing about insurance company antics in a column about high-quality hospital care. Let me explain.

In 2022, Wisconsin health system operating margins were -0.1%, meaning the care hospitals and clinics were paid for by insurance companies and government programs like Medicare and Medicaid (which are increasingly run by private insurance companies) was less than what health systems had to spend on the workforce, supplies and pharmaceuticals it takes to deliver patient care. This is simply not sustainable, and we are now seeing hospitals close and services shrink across parts of Wisconsin.

Meanwhile, wait times for physicians have increased by 24% from 2004 to 2022, according to a survey by [AMN/Meritt Hawkins](#), with some specialties such as orthopedics experiencing wait time increases of nearly 50%. Wisconsin hospitals and health systems are investing as much as they can into expanding access to care for one obvious reason: it's badly needed. But they cannot expand access if they cannot cover what it costs to operate today. There are many reasons for these challenges, but one has become

increasingly worse, and its toll is measurable and growing.

Today more than ever before, hospitals and physicians are forced to spend scarce time and resources arguing with insurance companies for permission to provide patients with needed care, then followed by months of fighting with insurance companies to be reimbursed for that care. Unnecessary spending on insurance company hurdles and bureaucracy costs billions every year across the U.S., and it's burning out our nurses and doctors, and diverting resources and crucial [care away from patients](#).

UW Hospital reports that insurance companies deny authorization for care about 45,000 times per year, with disconnected reviewers or programmed algorithms deeming it not "medically necessary." That's right, insurance companies having more power than your doctor or nurse practitioner, second guessing their training and knowledge and telling patients that the type of care they've been prescribed isn't needed. Thankfully, and like hospitals across Wisconsin, UW fights for its patients and many of these denials are reversed, but it takes UW Hospital devoting 110 full-time staff and spending over $20 million annually to get insurance companies to allow, let alone pay for, needed patient care.

We have more than 150 hospitals in Wisconsin and they and their patients are all dealing with this growing burden of waste. I can assure you each one would much rather put those resources toward hiring more clinical staff or investing in quality improvement efforts than fighting with the middlemen. Indeed, while polling shows Wisconsin voters remained split on their preferences for President, they overwhelmingly trust hospitals and health care providers over insurance companies to do what's best for them and their families.

It's time to put a spotlight on the growing number of middlemen in health care and how much of your and your employer's health care dollar they take while denying care and pushing more and more cost onto patients. They'll push back, try to turn the spotlight on others, but it's time to shed some needed light. Enough is enough.

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