

WHA POSITION

Wisconsin is experiencing a record surplus, in both its general fund and the Medicaid program, while Wisconsin hospitals struggle under the weight of inflation and the inability to recoup these costs from government health care programs or private insurance companies.

Hospitals are reimbursed only 67% of the cost of providing care, while hospitals in other states and Wisconsin nursing homes receive between 88-91% of their costs.

ASK: Please support an increase in reimbursement to Wisconsin hospitals that cuts hospital Medicaid losses in half.

Invest Surplus into Hospital Medicaid Rates

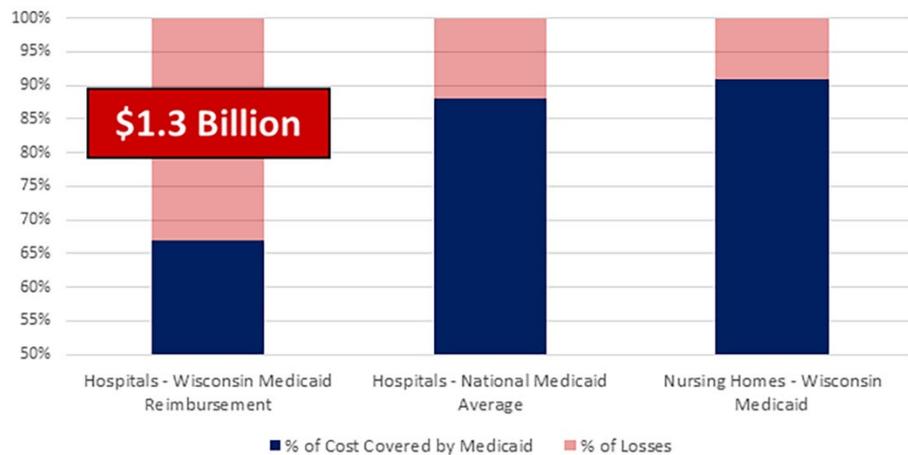
Medicaid's \$800 million Surplus Should be Used to Cut Hospital Losses

Key Points

Wisconsin hospitals provide health care to anyone who walks through their doors regardless of their ability to pay. But for the 1.6 million people on Medicaid, hospitals are reimbursed only 67% of their cost to deliver that care, at a loss of \$1.3 billion annually, at the same time hospitals are experiencing double-digit expense increases.

Wisconsin's state budget has a significant surplus, driven partly by a historic surplus in the Wisconsin Medicaid program (\$800 million). These funds should be invested in higher Medicaid reimbursement for hospitals, as increased costs have reduced the resources available for patient access to care.

Wisconsin's Hospital Medicaid Reimbursement Falls Behind Other States, Other Providers in Wisconsin



Wisconsin's hospitals are asking lawmakers to cut hospital Medicaid losses in half and increase hospital reimbursement by \$185 million in state funds annually (\$370 million GPR over the biennium). This can be done through the following programs:

Budget Area	2023-2024	2024-2025
Increase Medicaid Disproportionate Share Funding	\$ 27.5 million	\$ 27.5 million
Reimburse Hospitals for Delayed Discharges	\$ 20.0 million	\$ 20.0 million
Increase Primary Care Provider Reimbursement	\$ 49.3 million	\$ 49.3 million
Increase IP & OP Hospital Base Rates	\$ 66.0 million	\$ 66.0 million
Increase Rural Critical Care Supplement	\$ 2.25 million	\$ 2.25 million
Increase Inpatient Behavioral Health Hospital Rates	\$ 20 million*	\$ 20 million*
Total	\$185.0 million	\$185.0 million

*The inpatient behavioral health hospital rate increase is a GPR estimate to align reimbursement more closely with the cost of delivering care in both standalone psychiatric hospitals and general medical-surgical hospital psychiatric units.

Wisconsin's Hidden Health Care Tax



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