



State of Wisconsin  
Department of Health Services

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Jim Doyle, Governor  
Karen E. Timberlake, Secretary

**For Immediate Release**

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## **HOSPITAL ASSESSMENT PROPOSAL UNVEILED**

*Agreement will bring in an additional \$300 million in federal funds  
and allow for the expansion of BadgerCare Plus Core Plan*

MADISON - In collaboration with Governor Jim Doyle and the Department of Administration, the Department of Health Services today unveiled a hospital assessment proposal. The plan will allow the state to capture \$300 million in additional federal funding each year, significantly increase Medicaid reimbursement rates to Wisconsin hospitals, and bring the state closer to its goal of providing health care to 98% of its citizens.

“In these challenging economic times, it is more important than ever that we move forward with a hospital assessment in order to reward hospitals that consistently provide high-quality health care to Medicaid patients,” said Department of Health Services Secretary Karen Timberlake. “Because Wisconsin’s investment is matched with federal Medicaid dollars, we anticipate that every \$1 of tax revenue would generate \$1.65 for Wisconsin hospitals. This additional funding will allow us to significantly increase the Medicaid reimbursement rate for the first time in years.”

Under the proposal, the state will bring in an additional \$300 million per fiscal year in new federal revenue for Medicaid rate increases to hospitals. This additional revenue will allow the state to:

- Invest approximately \$240 million into the Medicaid program over three years.
- Raise the hospital Medicaid rates to almost triple the average Fee-For-Service outpatient visit rate.
- Raise inpatient rates by an average of 32% per discharge.

In addition, revenue generated by the assessment will also be used to fund statewide implementation of the BadgerCare Plus Core Plan for Childless Adults, which received federal approval on December 31, 2008. The Core Plan will use a portion of the assessment to provide health care coverage to approximately 41,000 additional Wisconsin citizens. The first phase of the Core Plan was implemented on January 1, 2009 and included more than 12,000 individuals. Under the plan, statewide expansion of the childless adults program would occur on July 1, 2009.

“Covering the costs of treatment for uninsured individuals has become an increasingly large burden for Wisconsin hospitals. The BadgerCare Plus Core Plan will extend access to affordable health insurance and reduce the costs of uncompensated care,” added Timberlake.

The Department recommends the proposal be introduced in the Legislature at the earliest opportunity in order to capture the benefits of increased revenue for hospitals in this fiscal year and over the biennium.

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