



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-2490/1  
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## 2003 SENATE RESOLUTION 7

April 29, 2003 - Introduced by Senators COWLES, ROESSLER, BROWN, ROBSON, DARLING, SCHULTZ, S. FITZGERALD, LAZICH, HARSDORF, JAUCH, BRESKE and WIRCH. Referred to Committee on Senate Organization.

1     **Relating to:** urging the Wisconsin congressional delegation to work to enact  
2           legislation that would reform the current Medicare system and create a funding  
3           method that will dispense equal benefits regardless of geography.

4           Whereas, the archaic and complex Medicare reimbursement formula rewards  
5           Medicare providers in areas with high historic health costs while penalizing those  
6           providers in low-cost areas for the same services; and

7           Whereas, Wisconsin and other upper midwestern states have traditionally  
8           been paid less per Medicare enrollee due to our efficient, low-cost management of  
9           health care services; and

10          Whereas, Wisconsin receives the 8th lowest Medicare payments per enrollee in  
11          the nation; and

12          Whereas, if Wisconsin received Medicare payments at the national average, an  
13          additional \$1,000,000,000 in benefits would flow to our seniors and their health care  
14          providers; and

1           Whereas, Wisconsin should no longer be a “donor” state by contributing its fair  
2 share to the federal program while receiving fewer benefits and lower  
3 reimbursements in return; and

4           Whereas, the failure of Wisconsin Medicare to cover the cost of health care for  
5 its beneficiaries shifts the cost burden to employers and the privately insured,  
6 translating into a hidden tax increase that contributes to rising health insurance  
7 premiums and the uninsured population; and

8           Whereas, an increase in the uninsured would have a detrimental impact on the  
9 health of many Wisconsin citizens, would drive up health care costs, and could lead  
10 to a significant rise in the use of government programs such as BadgerCare or  
11 Medical Assistance, thus requiring additional funding from Wisconsin taxpayers;  
12 and

13           Whereas, another practical result of this payment inequity is that Wisconsin’s  
14 seniors are denied access to the broad range of affordable benefits and services that  
15 seniors in many other states take for granted; and

16           Whereas, in places where reimbursement rates are high, such as Florida,  
17 Medicare health maintenance organizations can offer their plans without a  
18 premium, while in Wisconsin the Medicare population has limited access to health  
19 maintenance organization care; and

20           Whereas, Wisconsin’s hospitals are paid 14% less than their costs and thus rank  
21 45th nationally in percentage of costs paid for providing services to Medicare  
22 beneficiaries; and

23           Whereas, Wisconsin physicians are paid approximately one-third or less of  
24 their costs, and Wisconsin consistently ranks nationally as one of the 10 lowest states  
25 in Medicare reimbursement for medical services provided; and

1           Whereas, the impact of this inequity has now translated into the delay, by 50%  
2 of Wisconsin physicians who treat Medicare patients, in the purchase of new and  
3 needed equipment; and

4           Whereas, 15% of physicians have started restricting the number of new  
5 Medicare patients that they will accept while another 9% can no longer afford to  
6 accept new Medicare patients, despite an aging Wisconsin population; and

7           Whereas, physicians who are still currently seeing Medicare patients have  
8 reduced their number of weekly appointments by 18%; and

9           Whereas, the Medicare cuts cost Wisconsin physicians \$40,000,000 last year,  
10 forcing 6% of physicians to close their private practices because they could no longer  
11 cover their overhead costs and pay their staff; and

12           Whereas, the impact of this inequity means the poor, disabled, and elderly will  
13 face serious challenges trying to access care; and

14           Whereas, the impact of this inequity threatens the viability of our health care  
15 providers, especially in rural Wisconsin where Medicare enrollees typically  
16 constitute over 50% of a hospital's costs; and

17           Whereas, allowing the Medicare reimbursement formula to exist in its current  
18 form will guarantee even greater cost-shifting, unending double-digit health  
19 insurance premium increases, an increase in the uninsured, a continued decrease in  
20 physicians accepting Medicare patients, and fewer hospitals; and

21           Whereas, Wisconsin hospitals, physicians, and insurers stand united in their  
22 effort to ensure that Wisconsin providers receive the payments that they deserve,  
23 and that patients receive the benefits that they deserve; now, therefore, be it

24           ***Resolved by the senate, That*** the Wisconsin senate urges the members of the  
25 congressional delegation from this state to work to enact legislation that would

1 reform the current Medicare system and create a funding method that will dispense  
2 equal benefits regardless of geography; and, be it further

3 ***Resolved, That*** the senate chief clerk shall send copies of this resolution to the  
4 President of the United States, the speaker of the U.S. house of representatives, the  
5 president of the U.S. senate, and all of the members of the congressional delegation  
6 from this state.

7 (END)