

Bill Kaplan: Rural Wisconsin needs Medicaid expansion

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Rural Wisconsin is in big trouble. Wisconsin farmers are beset with ongoing low prices and loss of vital foreign markets (Trump's trade wars). The state has lost over 700 family dairy farms in an economy that isn't working. And, the resultant economic fallout is threatening small towns. Community banks, family businesses and local health care providers will be hit hard, including rural hospitals.

These hospitals are critical given the disproportionate number of elderly in rural areas. "In many communities, hospitals are among the largest employers. They also draw other businesses to an area, including those within health care and others that support it ..." (New York Times). Moreover, an eye-popping report from Navigant, detailed in Modern Healthcare, make clear how high the stakes are: Wisconsin has 75 rural hospitals, with 9 (12 percent) at high financial risk.

"In rural areas, lower incomes and higher rates of uninsured people contribute to higher levels of uncompensated care - meaning many people are unable to pay their hospital bills" (New York Times). A key factor in rural hospitals closing. In Wisconsin, uncompensated care costs state hospitals over a billion dollars (Wisconsin Hospital Association). "Uncompensated care becomes less of a problem (for) hospitals in states that have expanded Medicaid. ...(T)he vast majority of recent hospital closings have been in states that have not expanded Medicaid" (New York Times).

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Medicaid expansion is an important component of an economic-social tool box to

help rural Wisconsin. The Kaiser Family Foundation (KFF) said: “Multiple recent analyses demonstrate that Medicaid expansion is having a disproportionately positive impact in rural areas in expansion states ...”. Medicaid expansion has led to higher health coverage, access to care, treatment for “opioid use disorder and opioid overdose” and “budget savings, revenue gains and overall economic growth” (KFF).

GOP-led states, including rural ones such as Iowa and North Dakota, long ago grasped the many benefits of Medicaid expansion. Former Arizona GOP Governor Jan Brewer, an ultra-conservative who expanded Medicaid said: “(T)here comes a time (when) you have to look at the reality. You have to do the math. ... It’s not only a mathematical issue, but it’s a moral issue” (Politico). That time has come for Wisconsin.

Wisconsin Democratic Governor Tony Evers is from Plymouth, “The Cheese Capital of the World”. And, having worked across Wisconsin he gets rural areas. So Evers included Medicaid expansion in his budget. The non-partisan Legislative Fiscal Bureau said it would give Wisconsin \$320 million in extra federal funding to cover 82,000 Wisconsinites. Resultant state savings could be used to fund other health care needs, education and infrastructure. Wisconsin hospitals and doctors support Medicaid expansion. The Wisconsin Farmers Union has made Medicaid expansion one of its “2019 policy priorities”.

This should not be a heavy lift for the GOP-led Wisconsin legislature. The state Medicaid program was established by GOP Governor Warren Knowles and enlarged under GOP Governor Tommy Thompson. The benefits of this state-federal-private health care program are obvious. It’s time for state GOP legislators to come to the bargaining table.

-Kaplan wrote a guest column from Washington, D.C. for the Wisconsin State Journal from 1995—2009.