



For Immediate Release

Contact: Sen. Bob Jauch

August 16, 2010

608-266-3510

## **Legislation Protected Rural Hospitals and Saved Jobs**

### ***Spoooner Health System benefits by \$400,000***

Spoooner—"The critical access hospital legislation passed this spring protected quality health care services and saved jobs at the Spoooner hospital," State Senator Bob Jauch (D. Poplar) said on Monday. Jauch met with Spoooner Health System CEO Mike Schafer and other local healthcare workers to highlight the rural hospital legislation that proved critical access legislation that provided over \$4 million in economic benefit to eight northern Wisconsin rural hospitals. The net economic benefit of the proposal will provide almost \$400,000 to SHS.

Earlier this year Jauch met with representatives of the small hospitals who pleaded for restoration of some of the \$600 million in proposed budget cuts out of concern that reductions would result in significant job loss and reduction of important health care services in northern Wisconsin. The lawmaker then spearheaded the hospital assessment proposal with his colleagues to establish a hospital assessment that resulted in increased Federal matching funds for critical access hospitals.

"While painful budget cuts had to be made to address our state deficit, the appeals by hospital staff led to acknowledgment by Republicans and Democrats that anticipated cuts to rural health care facilities would dramatically weaken our rural health care delivery system," explained Jauch. "While obstructionism and factionalism defined the national health care debate, Republican and Democratic legislators realized the urgency to prioritize our efforts, find common ground and protect our rural health care delivery system," Jauch said. "It was one of the best examples of how the Legislature worked well on a bi-partisan basis to find a solution to a significant rural challenge," he added.

The lawmaker said that 59 rural hospitals across Wisconsin were bracing for significant cuts and will benefit from the new law. "Critical Access hospitals were established to reduce the closure of rural hospitals that face constant fiscal challenges because they tend to provide services to an aging and economically poor population," he said. "I have continually worked to designate Spoooner and the other 7 northern Wisconsin hospitals as critical access facilities because a large percentage of patients at these rural facilities are on Medicare and Medical Assistance and Government needs to make sure that the reimbursement rate is adequate to make sure that the facilities remain economically

viable. “These are vulnerable hospitals providing services to a vulnerable population and they simply could not withstand these cuts without reducing care to rural Wisconsin.”

The lawmaker has been praised by the Wisconsin Hospital Association for his efforts to achieve strong bi-partisan support for the proposal. Schafer expressed his appreciation for the work Jauch has done stating, “There has been no bigger supporter of rural hospitals in Madison.”

“The Legislature did significantly reduce state spending, but we found a constructive way to target additional resources to vulnerable health care facilities which would have had no choice but to eliminate workers and cut back on home health and nursing care services. We made the right decision to establish the assessment, increase the reimbursement to make certain that our critical health care facilities stay in business,” Jauch concluded.

Hospital	Net From Assessment	Net from Assessment and Restoration of Cut
Memorial Medical Center (Ashland)	\$757,636	\$1,503,385
Barron Memorial Medical Center (Barron)	\$86,585	\$223,450
Hayward Area Memorial Hospital (Hayward)	\$344,735	\$625,617
Spooner Health Systems (Spooner)	\$229,225	\$384,988
St. Mary’s Hospital (Superior)	\$241,891	\$506,286
Amery Regional Medical Center (Amery)	\$304,059	\$555,631
Burnett Medical Center Inc (Grantsburg)	\$99,576	\$195,413
Ladd Memorial Hospital (Osceola)	\$1,493	\$124,780
<b>Total:</b>		<b>\$4,119,550</b>



Photo Description (l to r): Becky Busch (SHS Chief Financial Officer), Clint Miller (SHS Director of Patient Care), Cindy Rouzer (SHS Human Resources Director), Senator Bob Jauch, Mike Schafer (SHS Chief Executive Officer). Others in attendance, but not pictured, include: Len Meysembourg (SHS Nursing Home Administrator) and Dr. Laura Boehlke-Bray (Physician at St. Mary’s Duluth Clinic—Spooner)