



Alerts

Wisconsin to Collect Assessments From Critical Access Hospitals, Use Funds for Rural Health Care Programs

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Hinshaw Health Law Alert

On April 19, 2010, Wisconsin Governor Jim Doyle signed into law a bill that will impose assessments on critical access hospitals and use the funds from those assessments to pay for programs designed to improve rural health care. While Wisconsin currently collects assessments from hospitals based on their gross inpatient and outpatient revenues, critical access hospitals have historically been exempt from them. A critical access hospital is, in general, a hospital that provides 24-hour emergency care, has 25 or fewer acute inpatient beds, and is located in a rural area in which there are no other hospitals.

The new law removes the exemption for critical access hospitals, which will have assessments imposed on their gross inpatient revenues at the same rate as other hospitals. The Wisconsin Department of Health Services will then be required to use a portion of the critical access hospital assessment revenue to pay critical access hospitals for services provided under the Medical Assistance Program.

The new law further appropriates \$1 million of critical access hospital assessment revenues for health care provider loans and rural residency assistance. Certain health care providers are eligible to have portions of their student loans repaid by the University of Wisconsin System Board of Regents if they agree to practice for three years in a rural area of the state; the revenues collected from assessments on critical access hospitals will help fund this program and will allow for the maximum repayments to be increased. The additional revenues collected will also be used to pay for a program which establishes and supports certain physician residency positions at hospitals located in rural areas or at clinics staffed by physicians who admit patients to rural hospitals.

The provisions in the bill for payment to critical access hospitals under the Medical Assistance Program apply to services provided beginning July 1, 2010. The first critical access hospital assessment payments are due by September 30, 2010.

For further information, please contact [Lora L. Zimmer](#) or your regular [Hinshaw attorney](#).

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