



State of Wisconsin  
Department of Health Services

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Tony Evers, Governor  
Kirsten L. Johnson, Secretary

February 28, 2024

The Honorable Howard L. Marklein  
Joint Committee on Finance, Senate Co-Chair  
Room 316 East State Capitol  
PO Box 7882  
Madison, WI 53707

The Honorable Mark Born  
Joint Committee on Finance, Assembly Co-Chair  
Room 308 East State Capitol  
PO Box 8952  
Madison, WI 53708

Dear Senator Marklein and Representative Born:

Summary of Request

Under the provisions of s. 13.101 (4), the Department of Health Services (DHS) requests a transfer of \$15,000,000 GPR from the Committee's appropriation under s. 20.865 (4)(a) to the DHS appropriation under s. 20.435 (1)(bd) in FY 24 to fund a Hospital Services Grant Program. 2023 Act 97 placed funds for this pilot program in the Committee's appropriation pending the Department's submittal of a s. 13.10 request.

Background

Hospitals in rural or underserved areas are key to the health of individuals and the community as a whole, providing patients with life-saving care near where they live. In signing Act 97 into law, Governor Evers recognizes the need to provide additional resources to hospitals serving patients in western Wisconsin, especially those affected by recent hospital closures in Eau Claire and Chippewa Falls. Particularly concerning is the loss of care regarding emergency services and obstetrics services; and access to care for individuals with mental health, behavioral health, and substance use disorders.

To address these needs, the Department will conduct a competitive grant application process for the funds provided under Act 97. Hospitals and hospital services eligible for grant funds will be those that meet the following criteria:

1. Eligible hospital services are those provided in the Western Region<sup>1</sup>, with priority for hospitals in Eau Claire and Chippewa Counties.
2. Grantees must agree to expand capacity (capital and operational) at hospitals (defined as entities with DHS 124 license) that accept all payor types (commercial (consistent with

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<sup>1</sup> DHS regions are defined [here](#)

existing networks), Medicaid, Medicare, self-pay, and uninsured) including any of the following services:

- a. Increase Emergency Department capacity/service, including accepting patients in crisis in need of potential evaluation under Chapter 51.
  - b. Expand Urgent Care Services
  - c. Expand Inpatient Psychiatric Unit accepting adults and/or adolescents. The unit must accept emergency detentions under s. 51.15 and voluntary admissions.
  - d. Expand Inpatient OB/GYN services.
  - e. Expand mental health and/or substance use services.
  - f. Expand or establish hospital-owned and operated ambulance service to transfer patients to an appropriate patient care setting.
3. Any expansion of services begun on or after January 22, 2024, is eligible for the grant funds.

Through the competitive grant process, the Department will gain information about the number of hospitals and type of services in need of grant support and will make decisions about the size and number of grant awards. Act 97 creates the appropriation under s. 20.435 (1)(bd) as a biennial appropriation, which enables the grant funds to be available through June 30, 2025.

Statutory Criteria

This request for transfer of funds meets the statutory criteria of s. 13.101 (4) in that “legislative intent will be more effectively carried out,” as it enables DHS to award grants as directed under 2023 Act 97.

HJ Waukau, the Department’s Legislative Director, will represent the Department at the s. 13.10 meeting for this issue. Thank you for considering this request.

Sincerely,



Debra Standridge  
Deputy Secretary