



STATE OF WISCONSIN  
Department of Employee Trust Funds  
A. John Voelker  
SECRETARY

Wisconsin Department  
of Employee Trust Funds  
PO Box 7931  
Madison WI 53707-7931  
1-877-533-5020 (toll free)  
Fax 608-267-4549  
etf.wi.gov

## Correspondence Memorandum

**Date:** July 30, 2025

**To:** Group Insurance Board

**From:** Luis Caracas, Health Policy Advisor Health Policy Advisor and Accident  
and Life Insurance Program Manager  
Office of Strategic Health Policy

**Subject:** Wisconsin Health Market Report

**This memo is for informational purposes only. No Board action is required.**

### Background

The Department of Employee Trust Funds (ETF) provides an annual update to the Group Insurance Board (Board) on happenings in the healthcare market that may affect the Board's programs. A larger discussion of mergers and acquisitions was presented in the "Mergers and Acquisitions in the Healthcare Market" memo at the August 2024 Board meeting ([Ref. GIB | 08.14.24 | 3](#)). This memo contains a summary of changes in the local provider market including mergers, new affiliations, agreements, closures, new facility openings, and proposed construction projects since the Board's last update in August 2024 ([Ref. GIB | 08.14.24 | 13C](#)).

### Mergers

In September 2024, Marshfield Clinic Health System joined South Dakota-based Sanford Health, the largest rural health system in the nation. Marshfield Clinic is part of the Security Health Plan network. Combined, they have nearly 56,000 employees, 56 hospitals, 4,500 providers, 2 health plans, specialty pharmacies, and research institutions. Together, Sanford Health Plan and Security Health Plan insurance offerings provide coverage for more than 425,000 members. The Plans will continue current operations under a common management reporting and governance structure.<sup>1</sup>

### Affiliations

Ohio-based CareSource took control of Common Ground Healthcare Cooperative at the start of 2025. The affiliation is expected to enhance Common Ground Healthcare Cooperative's operational capabilities and expand service offerings, benefiting members

<sup>1</sup> Wisconsin Health News. "[Marshfield Clinic, Sanford Health Finalize Merger](#)." January 6, 2025.

Reviewed and approved by Renee Walk, Director, Office of Strategic Health Policy  
Electronically Signed 07/29/2025

Board	Mtg Date	Item #
GIB	08.13.25	9B

across the state.<sup>2</sup> This will not impact the partnership that was previously established with Group Health Cooperative – Eau Claire.

Edgerton Hospital and SSM Health, which is part of the Dean Health by Medica network, have agreed to end their 15-year affiliation. The former wants to become an independent hospital to expand access to services beyond the SSM Health network. The two entities are currently working on a transition plan, and the separation of the two entities will occur over the next 18 months.<sup>3</sup> At this time, ETF does not anticipate any change in access to Edgerton Hospital for members.

### **Facility Closures and Consolidations**

As of February 6, 2025, Aurora Health Care, which is part of the HealthPartners network, closed eight clinics located at Walgreens pharmacies in Wisconsin.<sup>4</sup>

NorthLakes Community Clinic, which is part of the Dean Health by Medica network, closed two locations (Rice Lake and Birchwood) to consolidate three locations into one in Rice Lake in June 2025. Services include behavioral health, dental care, and pediatric occupational, speech, and physical therapy at the Rice Lake location. The consolidation is aimed at providing a more convenient and comprehensive healthcare experience for the community.<sup>5</sup>

Walgreens, an in-network pharmacy through Navitus, is planning to close approximately 500 stores over the next year, and approximately 1,200 stores total by 2027. This will impact access to pharmacy services in those communities. In Wisconsin, five stores in Milwaukee and one in Racine have already closed.<sup>6</sup> ETF and Navitus are monitoring the impact to access for the Board's members.

### **New Facilities**

In October 2024, UW Health opened the Eastpark Medical Center on the east side of Madison. The facility houses over 40 adult specialty clinics, including but not limited to cancer care and specialty care for women, with proton therapy, precise radiation therapy for cancer options starting in 2026.<sup>7</sup>

In January 2025, NorthLakes Community Clinic (Dean Health by Medica) opened a new healthcare facility in northeast Wisconsin. The 10,000-square-foot clinic is adjacent to

---

<sup>2</sup> Wisconsin Health News. "[Common Ground Plans to Affiliate with CareSource Jan. 1.](#)" December 17, 2024.

<sup>3</sup> Janesville News Report. "[Edgerton Hospital parts ways with SSM Health to become independent.](#)" July 11, 2025.

<sup>4</sup> Wisconsin Health News. "[Aurora Health Care Will Close Clinics at Walgreens Pharmacies.](#)" January 30, 2025.

<sup>5</sup> Wisconsin Health News. "[NorthLakes Community Clinic Completes Integration at Rice Lake Facility.](#)" June 3, 2025.

<sup>6</sup> Reid, C. and Lagatta, E. October 2024. Milwaukee Journal Sentinel. "[Walgreens is closing 1,200 stores by 2027. Which Wisconsin stores could be affected.](#)"

<sup>7</sup> UW Health. "[UW Health hosts ribbon cutting at Eastpark Medical Center.](#)" October 15, 2024.

Bellin Health Oconto Hospital. The clinic will offer dental services, behavioral healthcare, and chiropractic care.<sup>8</sup>

UW Health, which is part of the Quartz - Central network, opened a new family medicine clinic in Janesville in February 2025 to meet a growing demand in the area. The 9,900-square-foot facility will offer adult and pediatric primary care services, including office visits for preventive, acute, and chronic disease management care, as well as immunizations and vaccinations, care coordination, annual physicals, sports physicals, and wellness services. Laboratory services and medical imaging are also available on-site.<sup>9</sup>

American Family Children's Hospital in Madison is adding 24 pediatric and cardiac intensive care beds. This project will begin construction in 2026, with plans to open in 2027. Fourteen rooms will be for medical-surgical patients, while 10 will be for cardiac patients. UW Health left the 33,000-square-foot floor vacant when it opened the children's hospital in 2007, in anticipation of future growth. In addition, UW Health will modify its current 21-bed pediatric intensive care unit. It will maintain 17 rooms capable of providing intensive care, while allowing for growth of specialty care. This will create space for services such as cancer and blood disorder care, while also maintaining space for seasonal increases in volume (e.g., respiratory illnesses).<sup>10</sup>

Froedtert ThedaCare Health, which is part of the Network Health network, opened a new hospital in Fond du Lac in mid-April 2025. The health system invested \$35 million into the 25,000-square-foot campus, which has an emergency department, inpatient care, imaging, and specialty services. The health system also plans to finish an \$84 million, 114,000-square-foot health campus in Oshkosh in late 2025. The health campus will include a hospital, retail pharmacy, ambulatory surgical center, and medical office building.<sup>11</sup>

Children's Wisconsin, which is part of the Network Health network, opened a new clinic on Milwaukee's northside in May 2025. Children's Wisconsin Good Hope Clinic will offer urgent care, imaging services, and primary care, along with integrated mental healthcare. It replaces a previous clinic, allowing for an expansion of services in an area with the second largest pediatric population in the city. Before this new clinic opened, families in the area had to travel to Wauwatosa or Mequon to access pediatric urgent care, which was only available on weekday evenings and weekends.<sup>12</sup>

---

<sup>8</sup> Wisconsin Health News. "[NorthLakes Community Clinic Opens Oconto Facility](#)." January 28, 2025.

<sup>9</sup> Wisconsin Health News. "[UW Health Opens Janesville Clinic](#)." February 24, 2025.

<sup>10</sup> Wisconsin Health News. "[American Family Children's Hospital Plans Intensive Care Expansion](#)." March 11, 2025.

<sup>11</sup> Wisconsin Health News. "[Froedtert ThedaCare Health Opens Fond du Lac Hospital, as Construction Continues in Oshkosh](#)." May 2, 2025.

<sup>12</sup> Wisconsin Health News. "[Children's Wisconsin Opens Good Hope Clinic](#)." May 13, 2025.

In June 2025, Aspirus Wausau Hospital (part of the Aspirus Health Plan network) completed a three-year expansion of the emergency department, which will support its work as a regional referral and tertiary care center. Eight new patient rooms were added, boosting the department's capacity from 18 beds to 30 treatment spaces. The additions include enhanced trauma and critical care rooms. The project will also prepare Aspirus for future growth opportunities, particularly in neuroscience and heart care, reinforcing its position as a leader in specialized health care.<sup>13</sup>

### **Planned Construction**

Aspirus Health began a \$227-million expansion at its Wausau hospital in early 2025. The three-year project will add 48 intermediate care beds and a 16-bed observation unit to the hospital, which is currently licensed for 325 beds.<sup>14</sup> Aspirus Health also finalized the purchase of land for its proposed Chippewa Falls hospital, which is expected to open in 2026. Phase one of the facility is expected to be 27,000 square feet and will include an emergency department with 10 treatment rooms and 10 inpatient beds. The hospital will have an on-site clinic with 10 treatment rooms, as well as imaging and lab services. Plans also include the addition of a helipad for emergency transport.<sup>15</sup> Additionally, Aspirus Health is beginning construction on a \$40-million renovation and expansion project at its hospital in Merrill this summer. The health system will double inpatient beds to 20, and update imaging, rehabilitation, lab, pharmacy, public, and staff areas.<sup>16</sup>

ProHealth Waukesha Memorial Hospital, which is a part of the Dean Health by Medica network, is launching a \$125-million upgrade to its surgical services. The health system expects to complete the work in phases by March 2028. The project will involve 12 operating rooms, a hybrid operating room with an advanced imaging system, 20 additional preparation and recovery rooms, and two multipurpose procedure rooms. The hospital is also renovating its digestive health endoscopy space and installing an additional CT scanner.<sup>17</sup>

In July 2025, SSM Health, which is part of the Dean Health by Medica network, started construction on an outpatient medical center. The center will offer primary care, lab services, imaging services, and specialty care services. The center is expected to open in 2026.<sup>18</sup>

Staff will be at the Board meeting to answer any questions.

---

<sup>13</sup> Wisconsin Health News. "[Aspirus Wausau Hospital Expands Emergency Department](#)." June 4, 2025.

<sup>14</sup> Wisconsin Health News. "[Aspirus Wausau Hospital Plans \\$227 Million Expansion](#)." January 22, 2025.

<sup>15</sup> Wisconsin Health News. "[Aspirus Secures Land for Chippewa Falls Hospital](#)." February 28, 2025.

<sup>16</sup> Wisconsin Health News. "[Aspirus Set to Start Construction on Merrill Hospital Renovation This Summer](#)." April 1, 2025.

<sup>17</sup> Wisconsin Health News. "[ProHealth Care's Waukesha Hospital Plans Surgical Services Upgrade](#)." June 17, 2025.

<sup>18</sup> SSM Health. "[SSM Health breaks ground for new outpatient center in Verona](#)." July 11, 2025.