



# E-News

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The Wisconsin Public Health and Health Policy Institute's E-News is available monthly during the academic year. Check our website for additional information and updates: <http://www.pophealth.wisc.edu/wphi>

Information for E-news is compiled from several sources, including websites and lists from the Wheeler Report, Wisconsin Council on Children and Families, Agency for Healthcare Research and Quality, Kaiser Family Foundation, Commonwealth Fund, Milbank Quarterly, Health Affairs, Urban Institute, Wisconsin Medical Society, Wispolitics.com, Handsnet, Blue Cross/Blue Shield, New York Times, Milwaukee Journal-Sentinel, Milwaukee Business Journal, Wisconsin State Journal and others.

### Request for Submissions:

Please help us to help you stay up to date on what kinds of health policy research are going on in Wisconsin. To include your events, research or other important public health or health policy research activities in a future issue of the Institute's E-news, or if you have any comments about this publication, send an e-mail to Judy Knutson at: [jaknutso@facstaff.wisc.edu](mailto:jaknutso@facstaff.wisc.edu).

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## State News

### CheckPoint Program Launched: Reports Hospital Quality and Safety Information

CheckPoint, an internet source of comprehensive quality and safety information on Wisconsin hospitals, was launched to the public in late March. CheckPoint gives consumers and employers reliable, valid data on 5 error prevention goals and 10 key clinical interventions that medical experts agree should be taken to treat heart attacks, heart failure and pneumonia, the three most common causes of hospitalization in Wisconsin. The development of CheckPoint and other quality initiatives was initiated by the Wisconsin Hospital Association and guided by the Wisconsin Quality Steering Committee, a group that includes representatives from industry, health plans, public policy and research organizations, the Wisconsin Medical Society, medical clinics and hospitals. The CheckPoint Web site tells consumers how often hospitals delivered care that is scientifically shown to improve outcomes. The error prevention information measures Wisconsin hospitals' progress in meeting national patient safety goals. Currently 121 hospitals are voluntarily reporting to CheckPoint, which represents 96% of the hospitals in the state and 99% of all hospital admissions in Wisconsin.

For more information about the program: <http://www.wicheckpoint.org>

To read the press release:

<http://www.thewheelerreport.com/releases/Mar04/Mar30/0330wharelease.PDF>

### Physician Shortage in Wisconsin Will Threaten Access to Care

A new study released in late March by the Wisconsin Hospital Association and the Wisconsin Medical Society reports a current shortage of 506 primary care physicians statewide, which includes a deficit of 72 physicians in the medically underserved areas of Milwaukee County. The study entitled "*Who Will*

*Care for Our Patients?*" found that patients might be facing longer waits to see a doctor in Wisconsin. People are increasingly traveling longer distances to seek care, waiting to receive care, or, because of these barriers, not seeking care at all. For other patients, the inability to get an appointment with a physician leads to inappropriate use of emergency departments. And if patients wait too long to see a primary care physician, they become sicker and require even more care, which places additional stress on the patients, their families and the doctor. The shortage of physicians is partially attributable to stagnant growth in the physician workforce, combined with a growing and aging population means the problem will grow worse with each passing year. The Task Force on Wisconsin's Future Physician Workforce identified major initiatives that must occur if Wisconsin is to avert a major crisis: (1) Expand the class size of Wisconsin's two medical schools with students who will practice in Wisconsin, (2) Develop new models for delivering health care to enhance our physician resources, (3) Attract physicians to Wisconsin and keep those who are already here. Wisconsin only retains 38% of the physicians who are trained here, (4) Enhance funding for medical education, and focus funding on solving the problems that have been identified, and (5) Create an advisory council to guide medical education in Wisconsin, while creating a process to maintain data about physician supply and demand.

To read the press release:

<http://www.wha.org/newsCenter/pdf/nr3-22-04physician.pdf>

To read the entire report:

<http://www.wha.org/physicianshortage3-04.pdf>

### **Milwaukee Hospitals Request HHS Grant to Care for Uninsured**

Officials from Wisconsin Hospital Association, five Milwaukee-area hospital groups and four federally-funded clinics asked HHS Secretary Tommy Thompson for an \$8.85 million grant to expand care for the poor and uninsured. The money would be used for the Milwaukee County Primary Care Access Project, which would hire doctors and nurses, cover care costs and allow clinics to expand current hours to treat patients from 6 p.m. to 10 p.m. Bill Bazan, Milwaukee-area vice president for WHA, said 55% of low-income or uninsured patients will be able to receive "better care at a lower cost in primary care settings" and not use emergency departments for minor ailments, according to the Journal Sentinel. The cost of treating poor and uninsured patients typically is shifted to insured patients, the Journal Sentinel reports.

To read the article in Milwaukee Journal Sentinel:

<http://www.jsonline.com/bym/news/mar04/214833.asp>

### **Federal Government Assures Wisconsin of the Continuation of SeniorCare**

Following recent inquiries from a bipartisan group of state legislators, the acting administrator of the Center for Medicare & Medicaid Services has assured Wisconsin legislators that the SeniorCare prescription drug benefit will be able to continue even after the federal Medicare prescription drug benefit goes into effect. Senators Wirch, Robson and 40 other legislators of both parties and both houses wrote to Thompson in January asking whether Wisconsin will continue to receive federal Medicaid funds which cover 60 percent of the cost of SeniorCare. The legislators implored Thompson to do everything possible to ensure that SeniorCare will be able to co-exist with the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA).

To read the press release:

<http://www.thewheelerreport.com/releases/Mar04/Mar26/0326wirchseniorcare.PDF>

To read the letter:

<http://www.thewheelerreport.com/releases/Mar04/Mar26/0326wirchletter.pdf>

### **Governor Doyle to Expand List of Canadian Pharmacies on State Web Site**

In late March, DHFS Secretary Helene Nelson announced the development of a Request for Information to allow additional, qualified Canadian pharmacies the opportunity to be listed on Governor Doyle's prescription drug savings website. The site provides links to various programs that help low-income citizens with their prescription drug costs and currently links to three Canadian pharmacies that were visited by state officials earlier this year. Since its creation last month, the site has averaged nearly 2,500 visitors daily.

The website can be found at <http://www.drugsavings.wi.gov/>

To read the press release:

<http://www.thewheelerreport.com/releases/Mar04/Mar29/0329dhfsdrugsite.pdf>

### **FDA Warns Governor Doyle About the New State Prescription Drug Web Site**

In mid-March U.S. Food and Drug Administration official William Hubbard warned Wisconsin residents against using the Internet site Governor Doyle created with links to Canadian pharmacies. In a letter to Governor Doyle, the federal official said that people should be aware of possible safety problems with foreign drugs and that some Wisconsinites might actually end up paying more for Canadian drugs. Although he did not threaten legal action against Wisconsin to shut down the site, Hubbard criticized Canadian pharmacies and questioned their safety. Hubbard also said that Doyle should add to the Internet site a warning that "drugs your citizens might purchase are not necessarily approved by American medical authorities and may thus be unsafe." In February, Doyle sent a team of state officials to three Canadian cities to check out safety and other practices in three pharmacies listed on the state site, which he has called a success. In a statement, Doyle said he was disappointed that the FDA "continues to try to scare people" instead of finding ways to lower drugs costs paid by Americans. Doyle noted that Hubbard's letter did not say the state's Internet site is illegal.

To read the Milwaukee Journal-Sentinel story:

<http://www.jsonline.com/news/state/mar04/215621.asp>

To read the letter: <http://www.thewheelerreport.com/releases/Mar04/Mar18/0318pharmacyfdaletter.pdf>

To read Governor Doyle's response: <http://www.thewheelerreport.com/releases/Mar04/Mar19/0319govfdaletter.pdf>

### **Governor Doyle Launches Statewide Challenge to Wisconsin Residents to Get Active**

Governor Doyle is urging adults and kids of all ages to take part in the Wisconsin Governor's Challenge, a six week program designed to inspire individuals to become more physically active, by registering via a new website [www.wisconsinchallenge.org](http://www.wisconsinchallenge.org). Residents can log on to the website and register themselves and their family, friends, or co-workers for the program. They can then use the website to record their activity on a daily or weekly basis.

On April 19, the Governor will kick off a special Spring Challenge to encourage thousands of Wisconsin residents to join together to complete the six-week program. Wisconsin is the first state to partner with the President's Council on Physical Fitness and Sports on a regional fitness challenge initiative to promote a healthier and more active lifestyle.

To read the press release:

<http://www.thewheelerreport.com/releases/Mar04/Mar16/0316govchallenge1.pdf>

### **State Grants Awards to Address Racial/Ethnic Health Disparities**

In mid-March, Governor Doyle announced grant awards for 17 projects statewide that target African American, American Indian, Southeast Asian, and Hispanic/Latino populations in Wisconsin. "These \$5,000 grants will help the organizations to address health disparities that exist, and are significant because most of the projects promote prevention and obesity rate reduction efforts," said Governor Doyle. For more information, contact the Minority Health Program at (608) 267-2173 or visit <http://dhfs.wisconsin.gov/health/minorityhealth>.

For a complete list of 2004 Minority Health Mini-grant Recipients: <http://www.thewheelerreport.com/releases/Mar04/Mar17/0317dhfsmadison.pdf>

### **Representative Kind Contributes to Legislation Aimed at Healthy Child Nutrition**

U.S. Representative Ron Kind (WI- Democrat) a member of the House Education and the Workforce Committee authored modifications to the Child Nutrition Improvement and Integrity Act (HR 3873), which passed the House in late March. This legislation increases milk availability and healthy food consumption in schools and supports family farmers through the addition of three new provisions aimed at expanding the healthy choices available to children in schools. One of the measures Kind authored allows schools to offer milk as a nutritious option in vending machines without violating the exclusivity clause of commercial beverage contracts. The provision prohibits restrictions on selling or marketing milk at any time or any place on the school

premises or at any school sponsored event for schools that participate in the school lunch program. A second provision, originally in the Farm-to-Cafeteria Projects Act of 2003 (HR 2626), allows farmers to sell products to local schools. The third provision pulled from the Child Nutrition Improvement Act of 2003 (HR 3250) will improve child nutrition by making it easier for schools to offer milk in a variety of flavors and fat contents to better meet students' varying tastes.

To read the press release:

<http://www.thewheelerreport.com/releases/Mar04/Mar25/0325kindnutrition.PDF>

### **Tuberculosis Rates in Wisconsin Continue to Decline**

Department of Health and Family Services Secretary Helene Nelson recently reported that tuberculosis case rates in Wisconsin are continuing to decline, with a record low number of reported cases for the fourth consecutive year. "State surveillance data show that 66 cases of active TB disease were reported in Wisconsin during 2003, a 40 percent decline from the 110 cases of active TB reported in 1999," Nelson said. Nelson noted that despite the decline, there are significant racial and ethnic disparities in the occurrence of tuberculosis throughout the state. "The rate of TB among foreign-born persons remains high, with 58 percent of the reported cases occurring among persons born outside the United States," Nelson said. The gradual decline in the annual numbers of new cases is also resulting in fewer clinicians experienced in contemporary diagnosis and treatment of the disease. "Delayed diagnosis of tuberculosis substantially increases the risks of tuberculosis disease transmission," said Jeffrey Davis, Chief Medical Officer and State Epidemiologist for Communicable Diseases. "Diagnostic delays may occur if a patient postpones seeing a clinician or if the clinician does not recognize the patient's tuberculosis risk. A cough lasting longer than 3 weeks with fever, chills, night sweats or weight loss may indicate infectious tuberculosis.

To read the press release:

<http://www.thewheelerreport.com/releases/Mar04/Mar23/0323DHFSTB.pdf>

## **Research & Tools**

### **Participation in Government Health Services Research Grants: Workshop for Organizational and Management Researchers**

AHRQ and the NIH are sponsoring a 1-day workshop to facilitate increased contributions to their grant programs by investigators with a solid grounding in mainstream organizational and management research theories and methods. The work will be held on April 21, from 8:30 a.m. to 4:30 p.m., at AHRQ in Rockville, MD. This workshop will: (1) Introduce HHS agencies that sponsor research grants in this area, (2) Introduce ways to combine public health needs and organizational research problems, (3) Describe ways to participate in mental health, substance abuse, and general medical health services research (including application development) and (4) Help participants develop concept papers and grant applications.

There is no charge, but reservations are required. Deadline to enroll is April 14. For more details and to enroll: <http://www.ahrq.gov/fund/grantworks.htm>

### **Medical Expenditure Panel Survey Web Seminar Set for April 20**

Register now for a free 2-hour Web-assisted audio conference on AHRQ's Medical Expenditure Panel Survey (MEPS) on Tuesday, April 20, from 1:00 p.m. to 3:00 p.m., EST. The seminar, "MEPS: The Fundamentals," is an introductory course providing a technical orientation to the MEPS. Learn how to access and use MEPS data and documentation, distinguish among different levels of files, identify variables of interest, and understand basic concepts needed for merging and pooling MEPS data files. To access the complete program and registration information: <http://www.academyhealth.org/cyberseminars/live/>

### **Families USA Offers Public Awareness Campaign on Medicare**

Families USA has a *public awareness campaign to educate seniors about the new Medicare prescription drug law. The campaign, also known as, The Medicare Road Show* will visit more than 20 cities across America in March, April, and May. **Families USA believes such a campaign is necessary** as the new law, represents the biggest change to Medicare since the program began, and is almost 700 pages long and very complex. Seniors will have to make many

important decisions on their own and, to do so effectively, they will have to understand how they will be affected by the new law. To help them, Families USA has developed a number of tools. One of these tools is a video, "Navigating the New Medicare Rx Law," hosted by Walter Cronkite and featuring seniors from our story bank. It includes an overview of the low-income benefit, as well as details about the many shortcomings of the law. To find out if the Road Show is coming to your state: [http://www.familiesusa.org/site/PageServer?pagename=Medicare\\_Road\\_show\\_map](http://www.familiesusa.org/site/PageServer?pagename=Medicare_Road_show_map) To learn more, check out News from the Road Show: [http://www.familiesusa.org/site/PageServer?pagename=Medicare\\_Road\\_Show\\_news](http://www.familiesusa.org/site/PageServer?pagename=Medicare_Road_Show_news) To view the video online: [http://www.familiesusa.org/site/PageServer?pagename=Medicare\\_Road\\_Show\\_video](http://www.familiesusa.org/site/PageServer?pagename=Medicare_Road_Show_video) For general information on the Medicare Road Show:

[http://www.familiesusa.org/site/PageServer?pagename=Medicare\\_Road\\_Show](http://www.familiesusa.org/site/PageServer?pagename=Medicare_Road_Show)

## Events

### **Quality-Based Health Care Purchasing: Disseminating Knowledge & Gaining Insights into Progressive Projects**

Date: May 5-6, 2004

Location: The Alliant Energy Center Exhibition Hall, Madison, Wisconsin

Mark your calendar. AHRQ, Alliance Health Foundation, and the Employer Health Care Alliance Cooperative are cosponsoring a 2-day symposium on health care purchasing and reimbursement arrangements. The symposium, "Quality-Based Health Care Purchasing: Disseminating Knowledge & Gaining Insights into Progressive Projects," will be held May 5-6 in Madison, WI. The registration fee is \$75, and the deadline for registration and fees is April 23.

For more registration information: <http://www.ahrq.gov/news/qpurch.htm>

For questions about the symposium, contact John Bott at 608-210-6615 or via e-mail to [jbott@alliancehealthcoop.com](mailto:jbott@alliancehealthcoop.com).

### **The Wisconsin Partnership Fund for a Healthy Future Training Sessions**

The UW Medical School and the Oversight and Advisory Committee (OAC) have made revisions to the Request for Partnerships (RfP) for the Community-Academic Partnership Fund based on public comments and committee discussion. This revised version, the Final Draft, has also been expanded to include application forms, which are found in the Grant Application Appendix. The (RfP) will be discussed in detail at the upcoming Wisconsin Partnership Fund for a Healthy Future training sessions scheduled for seven cities across the state. For locations, dates and times, please visit: [http://wphf.med.wisc.edu/agency\\_training\\_programs.pdf](http://wphf.med.wisc.edu/agency_training_programs.pdf)

Please note, that this is NOT a call for proposals. No funding is currently available. The RfP process will not commence until the five-year plan has been approved by the Wisconsin United for Health Foundation and funds have been disbursed to the University of Wisconsin Medical School.

For more information about Partnership Fund:

<http://wphf.med.wisc.edu/index.php>

### **Covering Kids and Families Wisconsin Statewide Meeting**

Date: Monday May 10, 2004

Location: Madison

Please mark your calendars to plan on joining CKF-WI members on Monday, May 10, 2004 in Madison for the statewide meeting of Covering Kids and Families:

- Held in conjunction with the Covering Kids with Special Needs (CKSN) statewide meeting and the launch of Cover the Uninsured Week (CUW)

- CKSN will hold its statewide meeting from 9:30-11:30am (CKF-WI members are welcome and encouraged to attend)
- As part of our Cover the Uninsured Week activities, CKSN and CKF-WI will jointly sponsor a noon panel featuring major health insurance reform proposals
- CKF-WI will convene its statewide meeting at 1:30 and run until 4:00pm. Will include a discussion with DHFS representatives discussing collaborative efforts to simplify the enrollment process for Medicaid and BadgerCare.

For more information, contact: Michael Jacob, Covering Kids and Families - Wisconsin Project Coordinator at (608) 261-1455 or [mbjacob@wisc.edu](mailto:mbjacob@wisc.edu)

### **New 2004 Wisconsin Quality & Safety Forum**

Date: October 18-19, 2004

Location: Plaza Hotel in Eau Claire, WI

Wisconsin Hospital Association's Quality & Safety Forum and the Wisconsin Patient Safety Institute's Wisconsin Patient Safety Forum will co-sponsor a new forum. As with the past individual events, the 2004 Forum will combine education with a showcase of projects focused on current quality improvement and/or patient safety initiatives. Additionally, submitting organizations have the option to request that their project be considered for a breakout presentation at the 2004 Forum. All application materials must reach the Wisconsin Hospital Association no later than **Friday, May 21, 2004**.

Please refer to the following web site for details regarding submission requirements:

<http://www.wha.org/education/pdf/2004qualityforumsubmissions.pdf>

### **Reading Room**

#### **HHS Launches New Medicare Prescription Drug Discount Cards for Seniors**

The new Medicare drug card program was included in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) as a means to provide seniors immediate assistance on prescription drug costs before the comprehensive Medicare drug benefit starts in 2006. In late March, HHS Secretary Tommy Thompson announced the approval of 28 private sponsors to provide seniors and people with disabilities savings on their prescription drugs, beginning June 1. With the new cards, Medicare beneficiaries will receive discounts on prescription drugs, and low-income beneficiaries may receive an additional \$600 to pay for their prescription medicines in both 2004 and 2005. All Medicare beneficiaries, except those who already receive outpatient drugs through Medicaid, will be able to enroll in a discount card program starting in May. Starting in late April, beneficiaries will be able to compare prices of drugs offered by the drug card programs at [www.medicare.gov](http://www.medicare.gov) or by calling 1-800-MEDICARE. HHS' Centers for Medicare & Medicaid Services selected 28 general card sponsors from the applicants. Sponsors are now being asked to sign contracts with Medicare so that they can begin enrolling seniors and disabled Americans in May.

To read the HHS press release:

<http://www.hhs.gov/news/press/2004pres/20040325.html>

#### **Feingold to Ensure that Medicare Prescription Drug Savings Passed on to Consumers**

Senator Russ Feingold (WI- Democrat) cosponsored legislation to require companies offering prescription drug cards under the new Medicare bill to pass along savings they negotiate to seniors. Under the Medicare prescription drug legislation signed into law late last year, companies offering these discount cards can choose how much of a discount they want to pass along to consumers. The legislation Feingold supports forces these card providers to pass at least ninety-percent of the savings they negotiate with prescription drug companies onto seniors. The names of the insurance companies and HMOs selected to offer the discount prescription drug cards were announced yesterday. There are many flaws in the new drug discount card program flaws that are likely to cost seniors and people with disabilities a substantial amount of money. The new Feingold-supported legislation addresses one of the biggest

flaws by fixing the flawed regulation that allows those sponsoring prescription drug cards to decide how much of a benefit to provide.

To read the press release:

<http://feingold.senate.gov/~feingold/releases/04/03/2004326721.html>

### **Recent Poll Shows Decreased Support for New Medicare Drug-Benefit Law**

A USA Today/CNN/Gallup Poll conducted in late March indicated that public support is dropping for the Medicare prescription-drug law pushed by President Bush and passed by the Republican-controlled Congress last year. The erosion follows months of criticism from Democrats and disclosures that the administration withheld higher cost estimates from Congress. The declining support and increased uncertainty among Americans suggest that Democrats' attacks and the administration's handling of the issue are taking a toll. Just 35% of those polled approve of Bush's handling of Medicare, while 55% disapprove. That reflects a steady decline over the past year, as health care has become Bush's most troublesome issue in terms of public opinion. "People are confused," said Robert Moffit, a health care specialist at the Heritage Foundation who opposed the bill. "Bumper-sticker health policy sells good on the first impression. The problem is in the details and how it's going to affect you. Marilyn Moon, a trustee of Medicare and Social Security under President Clinton, said opposition is growing because of concerns that the drug benefit will be less generous than expected and that billions of dollars will go to insurers and drug makers. Critics also have focused on two provisions insisted on by the Bush administration. One prevents the Medicare program from negotiating for lower prices from drug manufacturers. The other prohibits the purchase of cheaper medicines from Canada. And conservatives argue that the drug benefit will encourage employers to drop existing coverage for retirees. To read the article:

<http://www.usatoday.com/usatoday/20040331/6064843s.htm>

### **Medicare Trustees Warn the Program Will be Insolvent by 2019**

According to the Medicare trustees annual report, Medicare's hospital trust fund will be insolvent by 2019, seven years earlier than previously projected. The report finds that the program's financial condition has "deteriorated sharply" in the past year due to rising healthcare costs, lower than expected payroll tax revenues and recent changes to Medicare. This year, for the first time, there was no surplus to the hospital trust fund and therefore Medicare will have to pay for expenses out of the fund itself. For more information:

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=63728>

### **Kaiser Family Foundation Releases Three New Fact Sheets on Medicare**

(1) Medicare at a Glance: This fact sheet provides a basic overview of the Medicare program, including how it is financed, who is eligible, and what benefits are covered under the program. In addition, it describes supplemental health insurance, benefits provided by the new drug law, and data on Medicare expenditures and financing. (2) The Medicare Prescription Drug Law: This fact sheet, describing the new Medicare Prescription Drug, Improvement, and Modernization Act of 2003, explores the new drug benefit, as well as additional changes to the Medicare program. (3) Medicare Advantage: This fact sheet provides an overview of the Medicare Advantage program (previously known as Medicare+Choice). It includes current data on plan participation, beneficiary enrollment, benefits and premiums, and explains changes made by the 2003 law regarding Medicare payments to participating plans.

These fact sheets can be found at <http://www.kff.org/medicare/factsheets.cfm>

For additional information about Medicare, visit our website at <http://www.kff.org/medicare>

### **Medicare Subsidies Could Save Companies a Combined \$11.8 Billion**

A provision in the Medicare law, included to encourage companies to maintain retiree prescription drug coverage, calls for the federal government in 2006 to provide companies with subsidies to cover 28% of the cost of prescription drugs that exceed \$250 for each retiree; the companies can receive as much as \$1,330 per retiree each year (American Health Line, 3/16). Eighteen large U.S. companies have estimated in their 2003 financial reports that the new Medicare law would save them more than a combined \$11.8 billion in retiree benefit costs. Earlier in the month, the Financial Accounting Standards Board proposed a guideline that would allow companies that provide certain prescription drug benefits to retirees to record the amount they expect to receive

under the Medicare law as a reduction of their future health care liabilities. According to the guideline, companies should treat the reduction in future retiree health care costs as an actuarial gain. As a result, most companies will amortize the financial benefit of the Medicare law in their profit and loss statements over the average working lives of their employees, rather than as a one-time increase in income (American Health Line, 3/15) Specific guidelines are still being negotiated and remain open for comment until April 12. A final rule will take effect in late April or May.

For more information:

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=63631>

### **Comparison of Kerry and Bush Plans for the Uninsured**

Blue Cross Blue Shield Health Issues.com offers a comparison of the presidential candidates plans for addressing the issue of uninsured Americans.

To view the comparison: <http://bcbshealthissues.com/specialfeatures/hcpolitics2004/comparison.pdf>

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For more information on all of the candidates and their views on healthcare, visit: <http://bcbshealthissues.com/specialfeatures/hcpolitics2004/index.vtml?>

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### **GAO Report Finds Increase in Health Insurance 'Scams'**

A new report by the General Accounting Office (GAO) paints a disturbing picture about how consumers across the country are being duped by bogus entities that offer seemingly low-cost health insurance, yet can result in millions of dollars in unpaid medical claims. The study found that between 2000 and 2002, the number of unauthorized entities selling health insurance increased from 31 to 60. These "plans" sold bogus coverage to 15,000 employers -- which accounted for more than 200,000 policyholders, collecting premiums from consumers but not paying claims. Such "scams" have increased in recent years. The study looked at several entities, including association health plans (AHPs) and multiple employer welfare arrangements (MEWAs). The GAO findings are particularly insightful and timely as the debate in Washington about federal legislation that would exempt AHPs from state laws and regulations continues. As governors, attorneys general, and insurance commissioners have asserted, AHPs that are not regulated by the states would be a recipe for disaster. Federal AHPs likely would expose consumers to indiscriminate premium increases, limited benefits, and the potential for rampant fraud with little, if any, regulatory recourse. It would be an injustice to prevent the states from detecting and acting in the best interests of consumers when it comes to fraudulent MEWAs and AHPs. Read the full study from the GAO:

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=62518>

Read the Blue Cross Blue Shield Association response to the study:

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=62517>

### **Employers Find Patient Responsibility is Key to Managing Healthcare Costs**

Many employers are seeing positive results by encouraging workers to take more responsibility for their individual healthcare, according to the ninth annual National Business Group on Health/Watson Wyatt survey on cost trends in healthcare benefit programs. The report, *New reality. New Choices* found that employers are giving employees more access to health information and tools that will help them make better healthcare purchasing decisions, as well as instruct them in the use of the healthcare system and support their efforts to improve personal health. To read a summary of the report:

<http://www.watsonwyatt.com/research/deliverpdf.asp?catalog=ONL010&id=x.pdf>

### **Closing the Quality Gap: A Critical Analysis of Quality Improvement Strategies**

AHRQ has announced a new initiative, *Closing the Quality Gap: A Critical Analysis of Quality Improvement Strategies*. This new initiative will result in a series of technical reviews on quality improvement strategies. This new initiative will result in a series of technical reviews on quality improvement strategies, tools, and processes aimed at reducing gaps in quality. The reviews will be produced by the AHRQ Evidence-based Practice Center at the University of California, San Francisco/Stanford and will explore the human and organizational factors influencing quality improvement in a number of areas, including hypertension, diabetes, and coordination of care, medication management, and other topics. The first report in the series will outline the

challenges to translating research into clinical practice and the methodologies used by the EPC for the reviews. Volume 2 will focus on improving the treatment of patients with diabetes, and volume 3 will cover hypertension. The reports will be available in the near future.

To read a fact sheet about this new initiative: <http://www.ahrq.gov/clinic/epc/qgapfact.htm>

### **Obesity Named Second Leading Cause of Preventable Deaths**

The CDC's Dr. Julie Gerberding called America's obesity problem "tragic" and warns that as reported in a new CDC study, obesity could overtake smoking as the top cause of preventable death in the U.S., with poor diets and lack of exercise noted as the underlying concerns. Along with the effect on America's health, obesity has the potential to drive up healthcare costs. According to a Rand Corporation study, if trends continue, about one in five healthcare dollars spent on people ages 50-69 could be consumed by obesity-related medical problems by 2020. HHS, employers and health plans, including Blue Cross and Blue Shield Plans around the country, have launched campaigns to encourage Americans to take steps to a healthier lifestyle.

To read the Health Affairs article on the RAND study:

[http://www.healthaffairs.org/alert\\_link.php?url=http://content.healthaffairs.org/cgi/content/abstract/23/2/199&t=h&id=115](http://www.healthaffairs.org/alert_link.php?url=http://content.healthaffairs.org/cgi/content/abstract/23/2/199&t=h&id=115)

To read the JAMA article on the CDC study:

<http://jama.ama-assn.org/cgi/content/abstract/291/10/1238>

To read Washington Post article on CDC study:

<http://www.washingtonpost.com/ac2/wp-dyn?pagename=article&node=&contentId=A43253-2004Mar9&notFound=true>

### **Key Findings and Perspectives on the IOM's Study of the Uninsured**

A series of papers published on the *Health Affairs* Web site explore the issues surrounding the release of the final report of the Institute of Medicine (IOM) Committee on the Consequences of Uninsurance. Universal health insurance coverage may cost society less than the economic losses related to uninsurance. But achieving universal coverage is politically challenging because it is likely to entail a redistribution of benefits, and the best way to proceed may be to allow states to experiment with new programs. As discussed in these papers, the IOM committee concluded that the economic loss related to 44 million Americans lack of health insurance coverage is \$65-\$130 billion a year, more than the estimated \$34-\$69 billion it could cost to provide the uninsured with the kind and amount of health care enjoyed by those with coverage.

(1) In the first paper, Wilhelmine Miller, an IOM senior program manager, and colleagues detail how uninsurance results in hidden social costs, such as higher disease and death rates for uninsured people, use of family assets to pay for health care, loss of income when a breadwinner is in ill health, and productivity losses for employers with sick workers.

The Miller paper can be read at <http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w4.157>

(2) In an accompanying commentary, Joseph Newhouse, a Harvard University professor, and Robert Reischauer, president of the Urban Institute, say that the IOM committees incremental scenario is the most likely to be enacted but the least likely to accomplish universal coverage. They outline the barriers that would be faced by the three remaining IOM prototypes for achieving universal coverage: benefits and geographic cost disparities.

The Newhouse/Reischauer paper can be read at <http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w4.179>.

(3) In a third paper, Henry Aaron, a senior fellow in health economics at the Brookings Institution, and Stuart Butler, vice president for domestic and economic policy studies at the Heritage Foundation, argue in favor of giving the states wide leeway to experiment on approaches to achieve universal coverage, with the federal government offering financial support and a legal framework. The Aaron/Butler paper can be read at <http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w4.168>.

### **Treasury Department Released New Guidelines on Health Savings Accounts**

Proponents of health savings accounts, tax-free accounts linked to high-deductible health insurance, were encouraged Tuesday by new Treasury Department guidelines that say the accounts could be used to cover some preventive services and prescription drug costs. The accounts, similar to 401(k) plans, allow consumers to save money tax-free toward medical costs, as long as they purchase a qualifying high-deductible health insurance policy.

Supporters of the accounts, including the Bush administration, say they will allow more people to save for health costs and might reduce the number of

uninsured. Critics say such accounts will mainly benefit the rich and could eventually lead to employers offering only savings accounts, not insurance, just as many dropped pensions in favor of 401(k) plans. The accounts might also further a trend by employers to raise workers' deductibles. To qualify for an account, consumers must buy health insurance policies with a minimum \$1,000 a year annual deductible, or \$2,000 for families. The coverage can be purchased by individuals or provided by employers. For the specific information on the announced clarifications, read the USA today article:

<http://www.usatoday.com/usatoday/20040331/6064845s.htm>

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