



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.

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State News

Audit finds wide price disparities among Milwaukee County providers

A Milwaukee County audit released in July shows wide differences among doctors and among hospitals in what they charge for the same procedures. For example, heart by-pass surgery for County employees the Milwaukee County Humana-administered employee plan are charged \$47,241 at St. Francis, while the same operation at St. Luke's, an Aurora Health Care hospital, costs \$72,342. State-listed charges, without plan discounts, show show heart by-pass charge of \$96,412 at St. Francis and \$80,381 at St. Lukes.

The audit found that discounts from physicians averaged 38% for county employees as compared to standard charges. Prices for medical tests also varied widely. A basic "lipid panel" used to measure cholesterol ranged from \$10 to \$109.

<http://www.jsonline.com/bym/news/jul04/242871.asp>

Health Care Collaborative to Post Prices in Fall 2004

The Wisconsin Health Care Collaborative, a consortium of sixteen hospitals, physician groups and buyers, has agreed to post the charge for a normal baby delivery and the cost of an office visit. This is a step in a larger effort that over time will develop a method to accurately reflect the quality, cost and value of health care delivered. State Rep. Gregg Underheim (R-Oshkosh), chairman of the Assembly health committee, has said he's considering introducing legislation that would require health care providers to give "reliable quotes" on the costs of treatment when requested by patients. <http://www.jsonline.com/bym/news/jul04/243712.asp>

Insurance Review Panel Reverses One-Third of Questioned Insurer Decisions

Independent review panels reversed or partially reversed one-third of the health insurers' decisions they examined in 2003, a report showed Tuesday. Wisconsin residents appealed 220 decisions on their health insurance coverage last year, according to the report from the state Insurance Commissioner's Office. Five review organizations reviewed 178 decisions and reversed or partially reversed 58 of them. The review panels refused to hear 42 appeals because they either didn't meet statutory requirements or because of conflicts of interest with the insurance companies or patients who appealed. The panels received 52 requests to review decisions by Wisconsin Physicians Service Insurance Corp., the most appeals involving any company the organizations reviewed last year, the report said. Eighteen were reversed or partially reversed. Of the independent reviews, 43 percent were for decisions made by HMOs and 57 percent were for decisions made by other insurers. <http://www.madison.com/tct/business/stories/index.php?ntid=6821&ntpid=4>
A national study released earlier this year found that 90% of appeals of HMO decisions for emergency services were awarded to enrollees. Appeals for coverage for emergency services accounted for about half of all appeals. The Rand Institute study found that rates of appeal are relatively low and patients underestimate the odds that an appeal will be successful. See www.rand.org/publications/RB/RB9039/RB9039.pdf

Wisconsin Court upholds caps for malpractice damages

Caps on "non-economic" damage awards in wrongful death malpractice cases are constitutional, the state Wisconsin Supreme Court ruled on July 2nd. This

ruling comes four years after the Wisconsin legislature limited pain and suffering awards in medical malpractice cases to \$350,000. In compliance with this ruling, a judge reduced by 90% a \$3 million jury award to a couple whose 5-year-old daughter died after a doctor misdiagnosed her diabetes. In response, the parents sought a ruling that the wrongful death cap was unconstitutional because it deprived litigants of the basic right to a jury trial; violated the due process and equal protection clause of the Constitution; and usurped the power of the judiciary. The Supreme Court, however, ruled that raising or reducing awards are not core judicial powers. And that judges share that power with the legislature. Milwaukee Journal Sentinel coverage and link to full ruling: <http://www.jsonline.com/news/state/jul04/241117.asp>.

Parents response: www.jsonline.com/news/ozwash/jul04/241644.asp

Wisconsin Health Information Exchange to develop e-record system

A regional group of health agencies called the Wisconsin Health Information Exchange has received a \$100,000 matching grant from the Foundation for eHealth Initiative to implement an electronic health information exchange system that would allow health care providers to easily access patient records. The exchange is a collaboration of nine county health agencies. Dr. Seth Foldy, former Milwaukee City Health Commissioner, leads the effort. Though the group envisions medical, laboratory and pharmaceutical record sharing, the initial system will combine three existing and underused networks - the EMSsystem network for emergency care, the state Public Health Information Network and the state Immunization Registry. <http://www.ehealthinitiative.org/>

Related national initiative for computerization of medical records announced

Bush administration announced a long-term plan for modernizing the nation's health care system with information technology. The Administration's report, "The Decade of Health Information Technology," says that the government should work closely with the private sector to ensure common product standards for storing electronic health records, so data can be shared among institutions and personal information can be kept secure. A product certification system, the report says, should be considered.

The government also plans to organize a consortium of private companies to plan, build and operate health information networks. A Health Information Technology Leadership Panel of industry executives and health care experts will be created to advise the government on the costs and benefits of health technology, and will report in the fall. Among other steps, the government will create a Web site where Medicare beneficiaries can review customized information about services they have received. A pilot test of the Web site will be conducted in Indiana this year.

<http://www.nytimes.com/2004/07/21/technology/21record.html>

Health Care Purchasing Co-ops Funding Remains Uncertain

A Wisconsin law, signed last December by Governor Doyle, remains on hold, hinging on whether the state will receive \$2 million in federal funding, the [Milwaukee Journal-Sentinel](#) reports. The law creates five regional health insurance purchasing cooperatives with the ability to pool negotiating power for farmers, self-employed workers and small business owners. The purchasing cooperatives, which must have at least 5,000 members, will be able to negotiate health insurance policies that cost an average of 10% and possibly up to 35% lower than what families and individuals currently pay. The proposal for funding made by Senator Herb Kohl is currently in a sub-committee of the Senate Agriculture Committee. An aide to Senator Kohl described the funding prospects as, "Anything but a sure bet."

www.jsonline.com/bym/news/jul04/241620.asp

State proposes using HIRSP for displaced worker coverage

Wisconsin Insurance Commissioner proposes using the Health Insurance Risk Sharing Pool (HIRSP) to help pay for the cost of private health insurance for displaced workers affected by increased imports and foreign competition. The federal Trade Reform Act of 2002 created a tax credit to cover 65% of premiums, helping workers defray costs of insurance for up to two years or until they find a new job. The federal government asked states to find the insurance plans, and Wisconsin officials have not been able to convince any insurer to guarantee coverage for an estimated 500 people eligible under this provision. In order to leverage the federal subsidy and gain coverage for these displaced workers, the state is now considering placing them in HIRSP, but the Wisconsin Association of Health Plans (the HMO industry group) disagrees. HIRSP is funded in part by assessments on insurance companies, as well

as contributions by providers and program participants.

<http://milwaukee.bizjournals.com/milwaukee/stories/2004/07/05/smallb5.html>

Kenosha County on EPA Air Pollution List

The Federal EPA designated Kenosha County as one of the dirtiest regions in the country for soot pollution. The designation means Wisconsin regulators will have to clamp down on soot emissions at the Pleasant Prairie power plant, and from other sources in the county, by 2010. These fine particles pose health problems, including lung disease, asthma attacks and heart problems. The EPA says it believes that airborne fine particles cause tens of thousands of premature deaths across the United States each year. Kenosha County was lumped in with six counties in northeastern Illinois and two counties in northwest Indiana.

The Wisconsin DNR must recommend ways to reduce soot emissions, including cuts at the coal-burning Pleasant Prairie plant and emissions reductions for cars and trucks in the county. The 1,224-megawatt Pleasant Prairie power plant is the largest in Wisconsin. We Energies was planning a \$2.15 billion expansion at its coal-fired Oak Creek plant.

<http://www.jsonline.com/news/state/jun04/240469.asp>

Research & Tools

State Releases Minority Health Report

The Department of Health and Family Services has released the The Health of Racial and Ethnic Populations in Wisconsin: 1996-2000. This report, a previous version of which was released over a decade ago, provides comprehensive data on the health of African American, American Indian, Asian, and Hispanic/Latino populations in the state. The report includes data on population size and growth; social and economic characteristics; leading causes of diseases and deaths; behavioral health risks; and access to healthcare for each of these racial/ethnic minority groups. The report demonstrates substantial disparities among racial and ethnic populations in the state, and also provides background information on minority health and strategies to reduce racial/ethnic health disparities.

<http://dhfs.wisconsin.gov/health/minorityhealth/>

The Wisconsin Public Health Profiles, 2002

Updated vital statistics, health and demographic profiles of Wisconsin counties are now available on the Department of Health and Family Services web site: <http://dhfs.wisconsin.gov/localdata/pubhlthprofiles.htm>

Trends in Medicare Supplemental Insurance and Prescription Drug Benefits, 1996-2001

Rates and trends between 1996 and 2001, which will help to provide important context for assessing future changes in supplemental insurance and drug coverage rates after provisions of the Medicare drug benefit take effect. <http://www.kff.org/medicare/7070.cfm>

Report on Individual Insurance Market

The Kaiser Family Foundation and eHealthInsurance, the nation's leading source of health insurance for individuals and families, will release a new report on the individual health insurance market. The report will include demographic data about who is buying individual health insurance, as well as information about the actual premiums people are paying and the cost-sharing mechanisms for those products. The report is the first of a series of planned reports from the Kaiser Family Foundation and eHealthInsurance to provide policymakers and others with information about individual health insurance products and their purchasers. www.kff.org/insurance/chcm080204pkg.cfm

Foundations' Interest in Funding Health Policy

A Foundation Center report, "Update on Foundation Health Policy Grantmaking," shows health-policy related giving rising. Foundation investments in

health care cost, quality, and reform efforts fell, but foundation gave more to expand health care access. Mental health and substance abuse policy giving rose substantially.

http://www.fdncenter.org/research/trends_analysis/pdf/update_health_policy.pdf

Events

UW Department of Population Health Sciences Fall Seminar Series

The seminars run one hour from 12:00 noon to 1:00 PM, in room 1305 of the Health Sciences Learning Center, 750 Highland Avenue. For more information, please contact Patty Grubb pagrubb@wisc.edu

Sept 13 **Jonathan Patz, MD, MPH**, “Malaria Resurgence in the Amazon: Links to Development and Deforestation”

Sept 20 **Lorraine Meisner**, “What can Embryonic Stem Cells Teach us About Cancer?”

Oct 4 **Bernard Turnock, MD, MPH**, Clinical Professor, Community Health Sciences, School of Public Health, University of Illinois-Chicago

Oct 25 **David Kindig, MD, PhD** on Health Literacy

Nov 1 **Mark Sager, MD**, “The Public Health and Public Policy Implications of Alzheimer’s Disease.”

Reading Room

New Findings Question Potential of Consumer-Driven Health Plans

The Center for Studying Health System Change's (HSC) 2002-03 site visit to 12 nationally representative communities has resulted in a new report on health insurance approaches that raise consumer awareness of health care costs through increased patient financial responsibility, consumer driven plans and tiered networks. HSC finds that employers are concerned that consumer-driven health plans would take considerable effort to implement without much cost savings. They also are skeptical that tiered-provider networks can adequately capture both cost and quality information in a way that is understandable to patients. see Trude S and Conwell ST. *Rhetoric vs. Reality: Employer Views on Consumer-Driven Health Care*. Issue Brief No. 86, July 2004. <http://www.hschange.org/CONTENT/692/>

Another study published this month in *HSR:Health Services Research* reports employers' concern that consumer-driven health plans had no better high-cost case management tools than other managed care options. Employers questioned whether there weren't more opportunities for cost savings by managing high-cost cases rather than reducing utilization among the majority of workers who already use little care.

Rosenthal M and Milstein A. "Consumer-Driven Plans: What's Offered? Who Chooses? Awakening Consumer Stewardship of Health Benefits: Prevalence and Differentiation of New Health Plan Models." *HSR: Health Services Research* 39:4, Part II (August 2004): 1055-1070.

Two studies on the Medical Malpractice “Crisis”

With about two-thirds of the United States facing what some experts describe as a medical malpractice crisis, a pair of studies in the July/August issue of the journal *Health Affairs* address whether liability concerns could be dampening physician satisfaction, hurting patient care, and/or limiting patients' ability to be fairly compensated for their pain and suffering.

Study authors note a growing body of research has identified links between physician satisfaction and high-quality care. For example, studies have shown that patients of physicians with higher levels of job satisfaction are more likely to adhere to medical treatments, and satisfied physicians tend to be more attentive to patients. Physicians who are dissatisfied are more likely to engage in riskier prescribing practices, disrupt continuity of care, and practice defensive medicine, according to the study. <http://content.healthaffairs.org/cgi/reprint/23/4/42>

Another study from the Harvard School of Public Health, examined verdicts in California, where reductions imposed on grave injuries were seven times larger than those for minor injuries. People suffering from pain and disfigurement had particularly large reductions in their awards. The authors recommend that use of a schedule or sliding scale for non-economic damages would be more equitable. "Under this approach, the maximum award in each severity bracket would be capped but at a level more commensurate with the severity of injury than a flat cap permits," the study says, adding that it allows such awards to vary by severity of injury and also by the plaintiff's age. The authors warn that as the malpractice crisis worsens, "decisions to implement caps should be made with an awareness that they are likely to exacerbate existing problems of fairness in compensation." <http://content.healthaffairs.org/cgi/reprint/23/4/42>

Prevention of smoking-related deaths in the United States

A study in the August issue of the American Journal of Preventive Medicine found that a \$1 increase in the cigarette tax and the implementation of a large scale multi-media campaign would reduce smoking prevalence in the US by 26%. Increases in the excise tax and hard-hitting media campaigns are both proven methods of reducing smoking, especially among young people. Without such interventions, the study predicts of the nearly 4,000,000 18 year olds in year 2000, 412,172 will die of smoking-attributable deaths by the time they would have reached age 85.

The study can be found in American Journal of Preventive Medicine, Vol 27(2), August 2004, pp 118-125. <http://www.sciencedirect.com>

Medicare Changes Policy on Obesity

The federal Department of Health and Human Services has changed its policy that obesity is not a disease. This opens the federal agency which, oversees Medicaid and Medicare, to pay for a range of weight-loss therapies including bariatric surgery, diets and psychotherapies.

The new policy will probably require that the treatments must be proven to be effective before they are approved for payment. An estimated 18 percent of the Medicare population meets the definition of obese. Commercial insurers often follow Medicare's lead in coverage.

<http://www.washingtonpost.com/wp-dyn/articles/A52835-2004Jul15.html>

<http://www.nytimes.com/2004/07/18/health/18fat.html>

Children, TV and Eating Pattern

A study published in June in the American Journal of Clinical Nutrition found that, of third- and fifth-graders at California public schools, children on average ate roughly 20 percent of their daily calories while watching TV. The weekend was a particularly popular time for munching in front the tube, as kids consumed more than one-quarter of their calories for the day during TV time. However, it is unknown whether the children would have been eating less if the TV were off, and whether those who most often combined TV and food face a greater risk of becoming overweight. <http://www.ajcn.org/cgi/content/full/79/6/1088>

In a related long-term study of 1000 children published in the August issue of the The Lancet, scientists showed a clear association between more than two hours a day of television and increased weight, raised cholesterol and addiction to cigarettes by the time the children reached their mid 20s. The link remained strong regardless of socioeconomic status, the child's weight at age five, or whether the child's parents were overweight or smokers.

http://www.heraldsun.news.com.au/common/story_page/0,5478,10153500%5e663,00.html

AIDS epidemic increases at fastest pace since outset

The proportion of the world's new H.I.V. infections occurring in Asia has risen sharply in the past two years as the epidemic has outstripped efforts to stop it, the United Nations said in a report released at the World AIDS conference held in Bangkok early in July.

The size of the increase surprised United Nations health officials, who said that one in four - or nearly 1.2 million of the estimated 4.8 million new infections

in 2003 - occurred in Asia. That figure rose from one in five, or about 910,000 of the 4.4 million new infections in 2001.

Worldwide, the rate of new infections of human immunodeficiency virus, the virus that causes AIDS, in 2003 was the highest of any year since the epidemic was recognized more than two decades ago, the report said. Since 1981, more than 20 million people have died of AIDS, 2.6 million of them in 2003.

<http://www.nytimes.com/2004/07/07/international/asia/07aids.html>

Alternative Estimate of Hospital Medical Mistakes: Double

The number of hospital patients who die from preventable errors may be twice as high as previously estimated and shows no sign of decreasing, according to a new national review of Medicare records by a Denver-based health care ranking group. The findings would make medical mistakes the third-leading cause of death in the country, behind heart disease and cancer.

The analysis is sure to be controversial, in part because the group used a broad definition of medical errors. This definition change - counting cases in which hospital staffers failed to respond quickly to signs of infection or other dangerous problems - accounts for almost the entire increase in the number of deaths. Three safety errors accounted for 60% of all incidents: decubitus ulcers, failure to rescue and post-operative sepsis.

Several observers questioned whether Medicare records are accurate or detailed enough to determine whether doctors and nurses were slow to react to a fatal illness. A 1999 study by the Institute of Medicine stuck to more clear-cut mistakes, such as overdoses and post-surgical infections. That study counted 98,000 deaths in 1999; HealthGrades said there were 195,000 deaths annually from 2000 to 2002, and estimated that Americans paid an extra \$19 billion in medical care costs for the victims of mistakes.

To read the study: http://www.healthgrades.com/media/english/pdf/HG_Patient_Safety_Study_Final.pdf

Early Death Tied to Lack of Health Insurance

A study published in the July/ August issue of Health Affairs found that uninsured near-elderly people may be particularly at risk for adverse health outcomes. Americans who lack health insurance when approaching retirement are 43 percent more likely to die prematurely than their peers who have insurance. Lacking health insurance was associated with substantially higher adjusted mortality among adults who were white; had low incomes; or had diabetes, hypertension, or heart disease. <http://content.healthaffairs.org/cgi/content/full/23/4/223>

Health Care Reform Proposal

The [National Coalition on Health Care](#), a nonpartisan alliance of employers, unions, insurers, consumers, political leaders and health care providers, issued a report calling for "a sweeping overhaul" of the U.S. health care system. The Report is entitled, "Charting the Course of Inaction." The report's recommendations go far beyond the health care proposals supported by President Bush and Democratic presidential nominee Sen. John Kerry. Henry Simmons, president of the coalition, said, "We don't see anything in the national debate now that's big enough ... to address the problem". Read the proposal at: http://www.nchc.org/materials/studies/Cost_of_Inaction_Full_Report.pdf