



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

Milwaukee Health Care Costs Rank 16th of 239 Regions, Reports GAO

Milwaukee health care spending is about 27% higher than the average across all Metropolitan Statistical Areas (MSAs), according to a preliminary report issued by the U.S. Government Accounting Office (GAO). Inpatient prices, after adjusting for difference in underlying costs, patient mix, case severity, were 63% higher than average for the metro areas. Milwaukee had the 5th highest hospital patient prices. Adjusted physician prices were 33 percent higher than the average, ranking 16th highest.

The GAO found evidence that hospitals and physicians had more leverage than insurers in negotiating prices. Hospital networks had 14% more market share than the average across MSAs of similar size. Similarly, Milwaukee physician income from capitation payments from plans was 89% below the mean. Medicare payments to hospitals were above the median and one hospital's payments was higher than 90% of all hospitals in the country.

The percentage of uninsured people in Milwaukee is half that found in other MSAs, which suggest that recouping costs of uncompensated care is not the reason for higher prices in Milwaukee.

The report can be accessed at <http://www.gao.gov/new.items/d041000r.pdf>

Milwaukee Business Journal Coverage: <http://milwaukee.bizjournals.com/milwaukee/stories/2004/08/23/daily4.html>

<http://milwaukee.bizjournals.com/milwaukee/stories/2004/08/30/story4.html>

Business Journal editorial: <http://milwaukee.bizjournals.com/milwaukee/stories/2004/08/30/editorial1.html>

Milwaukee Journal Sentinel: <http://www.jsonline.com/news/metro/aug04/253483.asp>

Services for Mentally Ill in Milwaukee Faulted

A report issued by the Milwaukee Mental Health Task Force found that in thousands of mentally ill in Milwaukee receive little treatment and instead are either housed in jail cells or released back to the community without care. The report blames inadequate training for police and a lack of outpatient and inpatient facilities for people with mental illness. Over 8,000 people are detained on an emergency basis who seek psychiatric services. The report noted that those seeking services in the County's health care center, the average wait is six to 18 hours. During that time, many simply leave out of frustration. The task force recommended that private hospitals accept more patients who do not

have private insurance. Sinai hospital recently eliminated its 23 bed psychiatric unit. It also recommended better training for police and the establishment of a city-county mental health commission.

<http://www.jsonline.com/news/metro/aug04/253273.asp>

Attorney General Rules on Contraceptives Coverage

In response to a request for a formal opinion from Wisconsin Secretary of Health and Family Services Helene Nelson, Attorney General Peg Lautenschlager issued an opinion stating that Wisconsin law prohibits employers and state colleges and universities from excluding prescription contraceptives from health care plans that provide prescription drug coverage.

"Denial of contraceptive coverage when other prescription drugs are covered is a violation of Wisconsin and federal law," Lautenschlager said. "This opinion reflects not only Wisconsin law, but also federal law on this issue, and is aimed directly at correcting an inequity that, if left unchecked, will continue to compromise women's health -- and women's right to equal health care." The opinion noted that prescription contraceptives are not used exclusively to prevent pregnancy. Lautenschlager noted, "They are also used as a medication to treat various conditions that may be life-threatening. In certain cases, a woman's health could be seriously harmed from becoming pregnant."

A 2000 Office of the Commissioner of Insurance survey of the state's 42 largest health plans found that 81% cover at least one FDA approved contraceptive and that 21 % cover all FDA approved contraceptives. The opinion quickly came under strong attack from anti-abortion organizations.

Secretary Nelson supported the opinion because it would reduce the cost of having the state provide contraception when employers do not cover such drugs or devices. Some women whose insurance plans don't provide birth-control coverage are eligible for it through state programs, she said. Copy of the Opinion is at: http://www.doj.state.wi.us/ag/opinions/2004_08_16.asp

Drug Costs in Wisconsin High Relative to Income

The cost of prescription drugs as a percentage of personal income (2%) is higher in Wisconsin than the nation in part due to sharp increase in this cost over the past four years. This increase in cost/ income rose nearly 60% in this period, according to a report released this month by Boston University School of Public Health. Data also indicates that while the average cost per prescription is higher in Wisconsin (fifth highest in the US) at \$57.33, the number of prescriptions issued per person is the same, 10.7.

Overall, the researchers found that poorer, sicker and older states have the greatest prescription costs. In addition to these three most significant variables, other factors were a higher rate of diabetes, having fewer physicians per capita and lower shares of the population lacking health insurance. The full report can be accessed at:

http://dcc2.bumc.bu.edu/hs/Poorer_Sicker_States_Face_Heavier_Drug_Cost_Burdens_14_July_2004.pdf

Medicaid Facing \$220 million Shortfall in FY05

A report in the Milwaukee Business Journal reviews the fiscal crisis of the Medicaid program. The report notes that the shortfall was \$400 million until last January when the legislature refinanced \$180 million. Most of the deficit is from mis-estimates of federal contributions to the fund for which the state pays 42%. Various observers propose reducing services or program participants and increasing enrollment into HMOs. None, however, propose raising the funds necessary to keep services existent viable.

http://www.bizjournals.com/industries/health_care/industry_regulation/2004/08/16/milwaukee_focus2.html?f=et166

Wisconsin Highway Fatalities Up, National Rate Declines

Wisconsin highway fatalities increased by 5.6% in 2003. Nationally, the number of highway deaths declined by 1% for a record low number of deaths. Wisconsin had the 11th highest increase in traffic deaths in the nation. At the same time as our increase, a majority of the states had a decline in traffic deaths. Overall 848 people died in traffic crashes in 2003, up from 808 in 2002. Nationally, 42,643 people died in traffic crashes. On perhaps a related note, the Wisconsin Department of Transportation noted that despite record use of seatbelts, seatbelt use in the state lags behind national use 72% versus 79%.

For the full release on traffic fatalities see: <http://www.nhtsa.dot.gov/nhtsa/announce/press/pressdisplay.cfm?year=2004&filename=pr35-04.html>

State group health insurance increase holding at about 5% in 2005

The Group Insurance Board has announced that premium rate increases for the state's group health insurance program members will be approximately 5% next year. This applies to the 230,000 members who are university and state employees as well as retirees. In the last five years, the increases have been in the lower to mid teens. Division of Insurance Services Administrator Tom Korpady said the actuary working on the program said the Wisconsin experience is "almost unheard of" and most states are still looking at increases next year in the double digits.

Department of Employee Trust Funds (DETF) Secretary Eric Stanchfield called the announcement a "huge success story." He said results of strategic efforts to control increasing health insurance costs and improve quality of care and service delivery "have exceeded our expectations." The DETF press release comments on this news and spells out the program changes that helped bring about the smaller cost increase. http://etf.wi.gov/news/pr_20040824.htm

One of the reasons for the smaller increase is the new prescription drug purchasing pool that was initiated this year. An article in the Aug. 27 Journal Sentinel takes a look at that pool, both in terms of the benefits for coverage of public sector employees and also the program's growing popularity with private sector employers. <http://www.jsonline.com/bym/news/aug04/254288.asp>

Wide Disparities in Wisconsin's Workplace Smoking Policies

A study in the August edition of the Wisconsin Medical Journal by researchers from the Wisconsin Medical College found that from the mid to late-1990's Wisconsin saw only a small increase in workplace policies that ban smoking in the workplace. Overall, about two-thirds of workplaces ban smoking entirely, which is less than is common nationally. Four out of five professional and technical workers enjoy smoke free workplaces while only half of blue collar workers enjoy the same health benefits. Continuation of these policies are likely to increase disparities in tobacco-related diseases in the future. See the press release of the Wisconsin Medical Society: http://www.wisconsinmedicalsociety.org/health_news/press_detail.cfm?id=520

BadgerCare Enrollment Falls Sharply Again in July

The Wisconsin Council on Children and Families (WCCF) reports that MA-AFDC enrollment grew by about 3,500 people in July, and Healthy Start was up by more than 1,000; however, BadgerCare dropped by about 3,500. Since the end of April (before the new verification requirements took effect in mid-May), BC enrollment has plunged by almost 9,000 people (7.7%), even as MA-AFDC participation climbed by about 5,500 (or slightly over 2%).

WCCF reports that the primary cause of this sharp decline in BadgerCare enrollment is the new requirement to verify income and insurance status, although other factors are being considered. MA and BadgerCare enrollment stats at: <http://dhfs.wisconsin.gov/medicaid8/caseload/481-caseload.htm>

Virus suspected in Wisconsin crib deaths

The Associated Press is reporting that a virus recently discovered in Japan is suspected in two cases of Sudden Infant Death Syndrome (SIDS) in Wisconsin, raising new questions about how many of these deaths might be caused by germs. The cases mark the first time the virus has been identified in the United States. Whether it killed the babies is not clear, but both were sick before they died and had signs of disease in their lungs. SIDS is a catch-all term for unexplained deaths in children less than a year old. About 2,200 deaths occur each year in the United States, mostly involving babies 2 to 4 months old.

The Wisconsin cases should prompt research into whether SIDS is often caused by the newly discovered kind of virus, said Dr. Mark Pallansch, who identified it at the federal Centers for Disease Control and Prevention after a Milwaukee virologist detected it. Officials are trying to figure how the newly recognized virus, human parechovirus-3, or HPEV-3, fits in. Japanese scientists reported its discovery earlier this year after studying a 1-year-old girl who developed a high fever, diarrhea and temporary paralysis in 1999.

<http://www.mercurynews.com/mld/mercurynews/news/world/9561242.htm?1c>

Wisconsin Adopts Quality Framework To Improve LTC

The Department of Health and Family Services and MetaStar, the state's external quality review organization, and are applying the Best Clinical and Administrative Practices model developed by the Center for Health Care Strategies (CHCS) to improve quality across the state's managed long-term care plans. In the coming year, Wisconsin will work with its health plans to institute a uniform approach to improve quality in Medicaid managed care using the BCAP Quality Framework.

http://www.chcs.org/info-url3969/info-url_show.htm?doc_id=233928

Census Bureau: > 50% Increases in WI Uninsured from 200-2003

New data released August 26 by the Census Bureau shows that an estimated 45 million Americans were uninsured for all of 2003, an increase of 1.4 million people over 2002. The percentage uninsured nationally increased to 15.6% from 15.2% in 2002.

Wisconsin continues to have one of the lower rates of uninsured people, but also had one of the largest percentage increases, according to the latest data from the annual Current Population Survey (CPS). Because the CPS has a relatively small sample size in each state, the Census Bureau typically averages together the two most current years of data. In 2001 and 2002 the uninsurance rate in WI averaged 8.7%, the third lowest rate nationally. For 2002 and 2003 it averaged 10.4%. The upward trend in the number of uninsured people in WI can be attributed to a substantial decline in the portion of WI residents that have employment-based health insurance. Some of this has been offset by a very large increase in the people covered by Medicaid and BadgerCare.

WI State Journal Coverage: <http://www.madison.com/wsj/mad/local/index.php?ntid=9062>

AP coverage: <http://www.duluthsuperior.com/ml/duluthsuperior/news/politics/9505285.htm>

Wisconsin To Receive \$35 Million From Cigarette Company

Attorney General Peg Lautenschlager announced that Vibo Corporation of Miami, Florida, has joined the tobacco Master Settlement Agreement (MSA) as a Participating Manufacturer. Vibos entry was negotiated among 52 settling states and territories and the National Association of Attorneys General. Vibo's

decision to join the MSA is especially significant because the company represents the largest tobacco product manufacturer remaining outside the MSA. Under current market conditions, this agreement will be worth \$1.7 billion to all the states over the next ten years," said Attorney General Peg Lautenschlager. Wisconsin's immediate share of that will be approximately \$1.57 million. Over the ten-year period, Wisconsin's share will be approximately \$35 million.

For the full press release, go to:

<http://www.thewheelerreport.com/releases/Aug04/Aug20/0820agcigarettesettle.PDF>

Research & Tools

Pain Policy

National pain experts and the government have issued new guidelines to help physicians better manage patient pain and at the same time educate law enforcement officers about basic pain management. The document - in the form of answers to 30 frequently asked questions - will help keep drug enforcement officers from interfering with doctors who legitimately treat pain, according to the DEA and pain experts. "The FAQ is a first step toward reversing what appears to be an increasingly unfriendly environment for pain management," said David Joranson, director of the Pain and Policy Studies Group at University of Wisconsin-Madison and one of the paper's authors. For more information on the guidelines see <http://www.medsch.wisc.edu/painpolicy/>

Lung Cancer Data

The Wisconsin Cancer Registry Service has released the summary report [Lung Cancer in Wisconsin](#). For a copy see <http://dhfs.wisconsin.gov/wcrs/pdf/LungCancerSummary.pdf>

Chronic Disease Profiles

Wisconsin DHFS has now made available on-line tables of people with chronic disease. These tables are by county, the state, five DHFS regions and large cities. Tables include cancer cases, nursing home and home health recipients and actual and expected mortality by disease. The tables can be accessed at <http://dhfs.wisconsin.gov/localdata/chronicconditions/START.HTM>

Wisconsin demographic data from Kaiser Foundation: An exhaustively detailed profile of Wisconsin health and demographic data with capacity to compare to other states can be found at <http://www.statehealthfacts.kff.org/cgi-bin/healthfacts.cgi?action=profile&area=Wisconsin>

Data includes everything from health expenditures, public health profiles and demographics comprising hundreds of data sets.

Private Guns, Public Health by David Hemenway. University of Michigan Press, \$27.95.

Mr. Hemenway is the director of the Harvard Injury Control Research Center. Gun injuries are the leading cause of uninsured hospital stays in the United States and more likely than nonviolence-related traumatic spinal cord injuries to lead to paraplegia and complete spinal cord injury. Gun ownership is more prevalent among those with higher incomes. The author notes, "In the United States, the social movement to reduce the harm caused by cigarettes is further along than the movement to lessen the harm caused by firearms. In most other high-income countries, the opposite is true."

Events

La Crosse Health Policy Summit: September 20, 2004, La Crosse Radisson Hotel. Event to feature profiles of area health care issues and showcase political candidates from La Crosse for state and federal offices. For more information contact Steven Lorenz, CMP at stevel@wismed.org.

Wisconsin State Pedestrian and Bicycle Summit: October 21-22, 2004 at UW-Stevens Point.

The Bicycle Federation of Wisconsin invites you to the 2004 Wisconsin State Pedestrian and Bicycle Summit to be held in Stevens Point, Wisconsin, at the UW-Stevens Point. This conference is for transportation professionals, advocates, elected officials, and citizens who want to live in bicycle and pedestrian friendly environments.

Please visit <http://www.bfw.org> for more information and to register.

March of Dimes Prematurity Summit: October 22-23 at Olympia Conference Center, Oconomowoc, WI. Fighting Prematurity, One Step At A Time. Registration and Brochure available at www.marchofdimes.com/wisconsin.

Wisconsin Nurses Association Annual Convention: October 28-30, Lake Lawn Resort, Delavan, WI. Registration and Brochure available at <http://www.wisconsinnurses.org/content.asp?id=223>

Reading Room

Employer-based Health Insurance Declines

Against the backdrop of a sluggish economy and rapidly rising health insurance premiums, the proportion of Americans under age 65 covered by employer-sponsored insurance fell dramatically from 67 percent to 63 percent between 2001 and 2003. Although the decline in employer coverage could have spurred a large increase in the uninsured, the proportion of Americans without health insurance did not increase significantly. Instead public insurance, particularly SCHIP, increased from 8.9% of the population to 11.9%. For low-income children and their parents, employer-based health insurance declined by over 5% in the two years. For more information and data tables from the Center for Health System Change see: <http://www>.

hschange.org/CONTENT/695/?topic=topic01

Census Bureau: Uninsured Up

Indicating further increase in the number uninsured to 45 million, an increase of 1.4 million. Currently, 15.6% of Americans are uninsured, up from 14.2% in 2000. Wisconsin ranked third in the nation in the fewest percent uninsured. Despite this relative status, 10.2% of the Wisconsin population reported begin uninsured, up a full percent from 2002.

See the Census Bureau report, Income, Poverty and Health Insurance. <http://www.census.gov/prod/2004pubs/p60-226.pdf>

For a report on the Wisconsin census and changes in poverty and median income see the release of the Wisconsin Council on Children and Families. <http://www.thewheelerreport.com/releases/Aug04/Aug27/0827wccfcensus.pdf>

15 Health Conditions Drive Cost Inflation

Health care spending rose nearly \$200 billion between 1987 and 2000, due to a rise in the number of individuals who were treated for a handful of chronic conditions as well as an increase in the cost of treating patients with selected medical conditions according to a new study published in Health Affairs. (<http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w4.437>)

They found that substantial increases in the number of people being treated accounted for:

59 percent of the increased spending on mental disorders

60 percent of the increased spending on cerebrovascular disease such as stroke and cerebral ischemia

42 percent of the increased spending on pulmonary disorders

50 percent of the increased spending on diabetes.

In 8 of the top 15 medical conditions, the authors found that a rise in the cost per treated case, rather than rising numbers of cases treated accounted for most of the growth in spending.

For example, there was very little change in the number of people treated for heart disease between 1987 and 2000. However, the rise in the cost per treated case, due chiefly to more expensive and effective drugs and technologies, is what accounted for nearly 70 percent of the rise in medical spending over that period. The rise in cost per treated case of hypertension also accounted for 60 percent of the overall growth in spending.

Sugared drinks and Diabetes

A study of more than 50,000 U.S. nurses found that those who drank just one serving of soda or fruit punch a day tended to gain much more weight than those who drank less than one a month, and had more than an 80 percent increased risk of developing Type 2 diabetes, the most common form of the disease. The new study is by far the largest and best-designed and one of the first to examine the issue in adults. Data collected from 51,603 women over an average of four years found that the women who gained the most weight were those who increased their consumption of non-diet drinks from one or fewer per week to one or more per day, the researchers found. Such women gained an average of 10.3 pounds, compared with an average of slightly less than three pounds for those who consumed one drink or less per week. In addition, those who had one or more drinks containing sugar or corn syrup per day were 83 percent more likely to develop Type 2 diabetes than those who drank less than one such drink per month.

<http://jama.ama-assn.org/cgi/content/full/292/8/927>

Racial Disparities in Care

Black patients and white patients are to a large extent treated by different physicians. The physicians treating black patients may be less well trained clinically and may have less access to important clinical resources than physicians treating white patients. According to the study published in the New England Journal of Medicine, most visits by black patients were with a small group of physicians (80 percent of visits were accounted for by 22 percent of physicians) who provided only a small percentage of care to white patients. In a comparison of visits by white patients and black patients, we found that the physicians whom the black patients visited were less likely to be board certified (77.4 percent) than were the physicians visited by white patients and also more likely to report that they were unable to provide high-quality care to all their patients. The physicians treating black patients also reported facing greater difficulties in obtaining access for their patients to high-quality subspecialist, high-quality diagnostic imaging, and non-emergency admission to the hospital.

<http://www.hschange.org/content/696/>

Health Care Costs Depressing Job Growth

With annual health insurance premiums increasing by 8.1% as of the second quarter and an average of over \$3000 per employee, employers report reluctance to higher new employees even in the face of sustained economic growth. The increase in insurance costs are more than twice the rate of inflation and for many businesses, a multiple of revenue growth. This New York Times article describes the view of various business sectors (including GM, which estimates a \$1400 health care cost in each car) and the response of candidates for President. <http://www.nytimes.com/2004/08/19/business/19care.html?pagewanted=1&ei=1&en=537602797ccac73c&ex=1093935994>

Trends in Access to Medical Care, 2001-2003

New Findings from the Center for Studying Health System Change, with updated trends. About one in seven Americans reported difficulty obtaining needed care in 2003, and people reporting access problems increasingly cited cost as a barrier to care. Nonetheless, Americans' access to needed medical care improved between 2001 and 2003 among low-income children and adults, according to the CSHSC Community Tracking Study Household Survey.

<http://www.hschange.org/CONTENT/701/>

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